

Palestinian Governmental / NGO Relations:
Co-operation and Partnership

PROCEEDINGS OF THE
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I would like to thank *Massar* for their hard work in documenting the conference in particular, Mr. Mazen Asad, Ms. Shereen Shaheen and Mr. Hussein Yassien, and also Mr. Ibrahim Antar of *Antar Electronics, Sound and Light* for his excellent technical management of the conference.

Thanks are also due to Professor Ibrahim Abu Lughod, Chairman of the Supervisory Board, and to members of the Steering Committee for their advice and support throughout this period. As always I am grateful to the staff of the PMO, especially the conference staff, who administered this event and contributed to its achievement.

It was the participation of all concerned: organisers, local and international speakers and representatives of the local Palestinian NGOs and the Palestinian National Authority in attendance, who contributed so much and made this event so interesting and successful.

Mohammed K. Shadid
Conference Secretary-General

FORWARD

The Palestinian NGOs were creative not only in providing services in the absence of a national government, during the period preceding the establishment of the national authority in 1994, but also in thriving and contributing to the development of Palestinian society – and steadfastness under the most adverse conditions. They are now challenged to find creative ways of resolving issues or problems with the PNA over the delineation of a clear, productive, sustainable complementary role with the PNA, in the process of reconstructing and developing Palestine.

These challenges include implementing development programs that complement services provided by the Palestinian National Authority (PNA); giving a significant input into the development of the government policy in the areas of their expertise; strengthening links and establishing a participatory mechanism in order to articulate the needs and required development programs of the community and playing a much larger role in programs of poverty reduction, particularly in the rural and marginalised communities.

Even with the passing and enactment of good Palestinian NGO legislation, work is still required to develop a good self-regulatory mechanism for the sector, in co-operation and, with the participation of the PNA. The atmosphere that prevailed throughout the conference was commendable to both the PNA and the NGOs, the dialogue and exchange of ideas were frank and constructive, it is indeed promising for the development of a mature relationship of co-operation and partnership. Let us hope that with the involvement of all the concerned actors the vision of complementarity and co-operation can be realised.

The survival and sustainability of NGOs is vital, there is enormous sympathy and goodwill towards Palestine, the Palestinians and NGOs in particular. The Government can find a great deal of wealth within the NGO sector in terms of human resources and accumulated local expertise – this could be utilised in the form of voluntarism, and input into governmental policies and development plans for the various sectors. Civil society participation is essential for the stability and sustained development of the state, at the same time NGOs are capable of providing certain services more effectively and less expensively. Their presence and service delivery is important for the development of a healthy, democratic Palestinian civil society.

With the overwhelming challenges facing Palestinian society during this transitional period which charts the path of its future, there should be no room for the idea of competition for service delivery to the community between the NGOs and Palestinian Governmental institutions; or for the possibility of one side trying to undermine or control the other. Special efforts should be made to build on the progress that has already been made in PNA / NGO relations to institutionalize a functional relationship of complementarity and co-operation.

We believe that this conference and the preparatory workshops that preceeded it, have contributed to bridging the gap and creating a better environment for a constructive relationship between the NGOs and the institutions of the PNA. This modest effort should be built on in various ways if the vision of co-operation and complementarity in function between NGOs and the Palestinian National Authority is to be realized.

Mohammed K. Shadid
PMO Director

INTRODUCTION

The international conference *Palestinian Governmental / NGO Relations: Cooperation and Partnership* was held for three days from the 14th – 16th February 2000 in Ramallah, at the Best Eastern Hotel. It was organized by the Welfare Association Consortium's Project Management Organisation (PMO), in consultation with the World Bank, and with support from the PNGO Project Governance Committee

The conference is an important activity of the third component of the PNGO Project –
“ To support efforts by the Palestinian Authority (PA) and the Palestinian NGO sector to strengthen their working relationship, including support for the development of a positive legal framework for the sector.”

To address this objective the purpose of the conference was to create a forum for discussion of the issues facing the Palestinian NGOs and the Palestinian National Authority in their effort to reach a workable equilibrium. To broaden local perspectives the conference examined not only the Palestinian case but showcased models and positive experiences from other countries.

Speakers in the conference included representatives from PECNDAR, the Ministry of Health, the Ministry of Education, the Ministry of NGO Affairs and MOPIC. Members of the PLC were present, both as speakers and audience participants. NGO speakers included representatives from the UPMRC, PCHR, General Union of Charitable Organisations, Birzeit University, An Najah University, MUWATIN, ECRC, Panorama, PICCR, Bisan Centre, and the PNGO Networks.

During the three days of the conference various topics were discussed including: *Civil society in the past, present and future, The role of civil society in social, economic, health, educational and agriculture development, Legal status of NGOs, The effective relationship between the PNA and NGOs and its future perspectives, Donors agenda and Funding policies and mechanisms.* The latter panel was composed of international donors including the World Bank, the E.C., NORAD and the UNDP who attended specifically to explain and discuss their funding policies.

On the first two days of the conference the audience appreciated the participation of international speakers from Tunisia, Ethiopia, Egypt and South Africa who discussed examples of best practices and experiences in their own country, adding new dimensions to the discussions. Other academics contributed to the proceedings including Prof. Jim Torczyner and Dr. Rex Brynen from McGill University in Canada. The WAC partners also contributed to the conference and were well represented by Prof. Mike Hardy (The British Council) and Ms. Jenny Hyatt (Charities Aid Foundation).

The conference was divided into four main sessions and was held over a period of three days from 9.00am until 5.30pm each day. On Tuesday evening a special banquet was held and the keynote speaker was Mr. Yasser Abed Rabbo, Minister of Culture and Information.

The proceedings of the conference follow. Summaries of presenters' speeches are shown in Italics. Verbatim transcriptions of presentations are shown in regular font.

DAY ONE (FEBRUARY 14, 2000)

The first day was divided into two parts; the opening session, which stimulated debate at the macro level by presenting a number of papers describing the relationship between the NGOs and the PA, and in the second part of the day Session One of the conference began with, “Civil Society Work: Past, Present and Future”. During this session, experts presented papers on the role civil society plays in development.

Opening Session

Chairman: Dr. Mohammed Shadid, PMO Director, WAC / Secretary General of Conference

It is with great pleasure that I welcome you here today on behalf of the Welfare Association Consortium. I am extremely happy that so many of you have been able to join us, as we meet to increase our understanding of the challenging issues facing NGOs and the Palestinian National Authority, as they strive to develop an effective mechanism – to forge a relationship of cooperation and partnership, in the process of the development and reconstruction of Palestine. We would like to thank the World Bank for funding the conference. Please bear with me as I briefly depart from the normal proceedings of such a conference to mention the contributions of a number of people involved with the Palestinian NGO project. This conference is part of the implementation of the third component of the PNGO project, which is funded by the World Bank, Saudi Arabia and the Government of Italy – to all of whom we are grateful.

I would like to thank our President, Mr. Yasser Arafat and the President of the World Bank, Mr. James Wolfensohn, for their support, without which this project would not have been possible. Many thanks to our counterparts in the World Bank team, Mr. Richard Sexton and Ms. Sophie Claudet, with special thanks to the PNGO Project Team Leader, Mr. Nigel Roberts who originally conceptualized the project and remained as a sustaining force behind the Project. Our gratitude to Minister Nabil Sha’ath and his deputy Dr. Anis Al Qaq for their continued support, and also to Minister Hassan Asfour and Dr. Fathi Darwish for their unwavering support for the project - since the establishment of the Ministry of NGO Affairs last summer. Special recognition and thanks are also due to the leaders of the NGO sector and NGO networks and organizations who played an essential role in the development, as well as the implementation, of the Project.

Finally on the Consortium side, I would like to thank Professor Mike Hardy of the British Council whose intellectual input and dedication have made a real difference to the project. Thanks to Mr. Michael Brophy, Chief Executive of the Charities Aid Foundation for the important role that CAF has played in the development of the project. From the Welfare Association, special thanks are due to Mr. Abdel Majid Shoman, Chairman of the Welfare Association’s Board of Trustees for his continued positive support and to Professor Ibrahim Abu Lughod, Chairman of the Supervisory Board of the Welfare Association Consortium for his continued involvement, support and guidance.

At this point I must mention the teamwork that has made this conference possible. As you know the conference was organized by the staff of the Welfare Association Consortium in

partnership with the World Bank and the Conference Coordination Committee. This committee is a sub-committee of the governance committee of the PNGO Project; they have frequently met and have provided invaluable support and advice. I would like to thank everyone who has been so enthusiastically involved in the organization of the conference.

Our special thanks go to our international guests who share our belief in the importance of developing Palestinian Governmental/ NGO relations. They have kindly agreed to share their own experiences of best practice and knowledge of development outside of our region, to enlighten us and enrich our learning and joint discussion.

It is not because of the astronomical rate of growth in the number, activities and power of NGOs on the global level, or because younger generations in many countries are disillusioned with government bureaucracies, political parties or even parliamentary politics, and can find expression in NGO activity. It is because of our unique situation and development since the national leadership returned from outside – and the Palestinian National Authority was established in 1994, when an unhealthy environment between the NGO community and the PNA emerged. A large number of NGOs who provided services that were the responsibility of the national government, during the long years of occupation, have genuinely felt that they are on the verge of being marginalized and excluded. At the same time many in the PNA felt that the NGOs want to maintain control over services and they are unwilling to be regulated.

During that time when dialogue was absent and good intentions were viewed with suspicion between a large number of NGOs and the PNA, the conflict over producing liberal NGO legislation was seemingly irresolvable. Actually in the first few years of the PNA there was more dialogue taking place outside of the country in international forums than at home.

However, things have come a long way since then in a number of sectors. Good NGO legislation has been passed and signed by the President, and sectoral cooperation between many ministries and NGOs is ongoing. I am sure that you will hear more details of this during the conference. In preparation for this conference four sectoral workshops were held between representatives of the NGOs and the PNA. There is still a long way to go in the process of forging a genuine and sustainable partnership between the NGOs and the PNA for the development and reconstruction of Palestine. So, during the days of the conference, we are looking forward to your input in frank discussions and challenging ideas.

Consequently, we expect the following outcomes: a) published conference proceedings in English and Arabic and b) the establishment of a follow up NGO/ PNA committee to develop practical mechanisms and programs for the recommendations and ideas stemming from the conference.

Dr. Shadid then proceeded to invite a number of distinguished guests to the podium to address the audience. These included Dr. Nabil Sha'ath, Minister of Planning and International Cooperation, Mr. William Reuben, Coordinator NGOs and Civil Society Unit at the World Bank in Washington, Mr. Hassan Asfour, Minister of NGO Affairs, Dr. Mustafa Barghouti, Representative of the NGO sector to the conference, and Dr. Rafiq Hussein, Deputy Director-General, Welfare Association.

Guest speakers:

Minister Nabil Sha'ath, Ministry of Planning and International Cooperation

I would like to congratulate the Palestinians, on the issuance of the NGO Law, following four years of discussions. This is a positive initiative that should lead to cooperation and partnership between NGOs and the PNA. I recognize the important role that the Palestinian civil society has been playing over the years in the areas of health, education, agriculture, environment, democracy and human rights. I would like to emphasize that even after the PNA took over authority, their role should continue in these fields and ought to be complementary to that of the government. I would also like to stress that dialogue and positive communication remain the basis of the cooperation between the two parties. The questions, however, that I want to put to the audience are how can that be done and what is the mechanism that would allow such cooperation?

I urge the NGOs to constructively criticize the government when it errs, misjudges, or miscalculates, specifically on issues pertaining to human rights, democracy and rule of law. I would like to address and promote the issue of creativity among NGOs by saying that they should, and must, be creative along with the rest of the world. Since the daily pressures facing the PNA do not burden NGOs, they have space, time and resources to develop initiatives for reaching those most marginalized and excluded. They can also stimulate the participation of the younger generation and Palestinians in the Diaspora. However it should be noted that NGOs must first put their own houses in order to be able to criticize and correct the government. I call upon them to ensure democracy in their own organizations and to demonstrate their own credibility and transparency. I would also like to say that NGOs could create standards, environments and trends, which they could later advocate and spread. I would like to state that NGOs need to find ways to sustain themselves financially since donor support is bound to cease.

I acknowledge the NGOs current accomplishments in adapting technology, for example, they have better and more developed web sites than the government. NGOs have been more successful than the government in many areas such as research, education, agriculture, and health and that makes me extremely happy.

Finally, I would like to say that NGOs and the government are facing a great opportunity to work together for the achievement of an independent state. Therefore, I stress that we should all forget the titles that were created by the Israeli occupation, such as differentiating between the West Bank and Gaza instead of just saying one Palestine, refugee and citizen or local and returnee all instead of a Palestinian, etc. I conclude that without hope there would be neither work nor cooperation, and rest assured that Mr. Arafat is hopeful for this cooperation and NGOs should also be hopeful.

Mr. William Reuben, Coordinator of NGOs and Civil Society Unit, the World Bank, Washington

I am delighted to speak to a group of representatives of a civil society that has been involved in the process of shaping a new state. “*Civil society shaping a state?*” This could be considered as a heresy for the predominant Anglo-Saxon classical concept and theory of civil society. According to this perspective, civil society is the social space created by

citizens to protect themselves from the absolute power of the state. However in this particular reality the state is a consequence of civil society, and in other contexts where conflict and war have destroyed the foundation of the state, civil society replaces the public functions of the state. In some African and Latin American countries, traditional ruling institutions of tribal organizations have been more effective than the formal legal systems in delivering justice and bringing about reconciliation.

I quote Professor Amartya Sen who pointed out in his recent book, Development as Freedom “The rights of citizens to organize themselves to express their views and values on public life, and their capability to influence decisions that affect their own future, have proved to be indispensable to bring about sustained and sound development processes.”

Three years ago, a study conducted by the World Bank's Operations Evaluations Department concluded that the presence of NGOs in the Bank's projects has contributed to improving their efficiency and effectiveness, especially when those projects were targeted for the poor. Their involvement in the design, implementation and follow up of projects helped in matching the needs of the population by improving information flows, ownership and sustainability of the operations. I have no doubt that what was demonstrated regarding projects and operations at the local and micro level could be confirmed with respect to development policy at the national and macro level. In other words, it is necessary to consider civil society as a factor of development, rather than just as a group of organizations to be hired or consulted by government and cooperation agencies for the execution of particular operations.

The concept of *civil society as a factor of development* has been fully incorporated in the World Bank's new lending instruments. A paper recently presented by Mr. Wolfensohn, the president of the World Bank, to the board of executive directors, stated that the Bank's magnitude and history could consider civil society as the single largest factor of its development. Within these new frameworks the relationship with civil society is not understood as a dialogue or consultation between the Bank and NGOs or other CSOs, but as a proposal that the Bank makes to government and outstanding members of civil society to jointly build a constructive and indispensable atmosphere for sustainable development.

It should be noted that the challenges sparked by this new approach are enormous. I would like to highlight some of the most relevant:

1. The new Bank instruments have placed greater emphasis on increased ownership of the country's development agenda by the governments.
2. Understanding the multiple dimensions of civil society and its role in poverty reduction and local development, is key to more accurately assessing the sector and better engaging it in national development agendas.
3. The Bank is not well equipped to promote sustainable relationships and partnerships for civil society. Internal capacity in terms of institutional arrangement and staff development is needed.
4. Civil society is not sufficiently prepared to engage with the government in comprehensive development approaches.
5. At the same time, some governments are worried by the emphasis that the Bank is placing on civic engagement and might interpret it as an emerging political

condition. It will be essential to help our clients understand that development effectiveness and

sustainability are the two conditions that are underpinning the Bank's proclivity to participation, instead of consideration related to systems of representation or the imposition of a particular set of political values.

Finally I would like to thank the Welfare Association Consortium for inviting me to this conference, which I see as an opportunity for dialogue and a learning experience for all parties.

Mr. Hassan Asfour, Minister of NGO Affairs

I would like to convey Mr. Arafat's greetings to you and confirm his commitment to consolidating the relationship between the Palestinian government and civil society, based on partnership and equality. This partnership should lead to the implementation of the Palestinian Development Plan, and to building a civil and democratic society based on pluralism, transparency, rule of law and human rights. These ought to constitute the principles of the independent Palestinian state, with Jerusalem as its capital.

I would like to draw your attention to the importance of this conference, in addressing the significant role that civil society has played in facing the Israeli occupation throughout the years and their future role. That is to complement the government in order to develop and reconstruct Palestine, resume the struggle against the occupation, the settlements, land confiscation, demolition of houses, and ongoing arrests. Finally, I stress the importance of working closely together to free the detainees in the Israeli prisons.

The establishment of the Ministry of NGO Affairs will be registered in Palestinian political history, particularly emphasizing the role played by President Arafat in its establishment, as this institution will seek to bring about partnership and cooperation between the sectors of Palestinian society. The executive body of the government and the Ministry of NGO Affairs believe that the relationship between NGOs and the government should be on the basis of complementarity for the service of the PDP and Palestinian society. To complement each other, a common understanding and vision should exist between the government and the NGOS.

In the context of consolidating trust and cooperation between civil society and the PNA, the new Ministry held various workshops attended by civil society members to initiate a draft of the strategic vision of the Ministry. This vision is in harmony with the presidential decree and the recently ratified NGO Law. This vision was discussed with civil society members and will soon be presented to representatives of the donor countries operational in Palestine. During the last six months, and with the aim of re-establishing trust and cooperation, the NGO Ministry initiated a number of workshops in cooperation with different NGOs. We formed a number of committees aiming to develop a common national plan for human rights in the fields of education, environmental conservation, health, housing, rule of law, and social justice. This was undertaken in cooperation with the UN Agency for Human Rights in Geneva, in order to institutionalize the concepts of democracy.

I can confirm that the Ministry is giving attention to issues of monitoring and transparency, which are integral components of a democratic state. NGOs that receive assistance from

donors should also be transparent and should report their finances and open their books to the public to gain credibility. It is the right of the people, as well as the government, to

know how the money has been spent. I can confirm that reporting does not limit their independence but, rather, gives them more credibility. In this context we would like to ask that the restructuring of the financial assistance received from donors be harmonized with Palestinian priorities, to specifically target the marginalized areas and sectors of society. I also want to emphasize the importance of Jerusalem and state that it should head the list of priorities.

I would like to thank the audience and those who initiated and prepared this important conference. I want to say that sustainable human development is possible only under conditions of full sovereignty for the Palestinian people. This means the end of the occupation and the fulfillment of Palestinian rights including the right of return, self-determination, implementation of agreements with Israel and the establishment of an independent Palestinian state with Jerusalem as its capital. I call upon the countries of the world to fulfil their responsibilities in helping the Palestinian people to reach their goal, without which there will be no peace, no stability and no security.

Dr. Mustafa Barghouti, Representative of NGO Sector to the Conference

On behalf of the NGO sector, I would like to state the position of the NGOs. That the Palestinian people are determined to continue their struggle to establish an independent state on every inch of the 1967 land, beginning with Jerusalem, the capital, that cannot be substituted. Moreover, the Palestinians are determined to bring back the refugees and eliminate all the settlements. No matter what the different perceptions and criteria of the Palestinian people are, the PNA remains the nucleus and the basis for an independent state. We will struggle together for its full legitimacy, land, borders, resources, and capital, and for it to have the same duties and rights as any other state in the world.

As Palestinians, we are proud of the role that civil society has played over the years, the challenges and struggles they faced from the 1940's until today. Partnership between voluntary and civil organizations of Jerusalem, the West Bank and Gaza and the PNA is an important condition in completing the construction of a state, meeting the needs of the Palestinian people and institutionalizing democracy and civil society in Palestine.

I would like to present a brief summary of the activities undertaken by NGOs in Palestine. Currently NGOs provide 60% of health care services, manage 42% of the hospitals, 90% of the handicap rehabilitation centers and 100% of preschool education. They serve more than one million people in agriculture, have rehabilitated 25,000 dunums of land threatened with confiscation, and employ 25,000 citizens. Human rights and women's organizations and unions have also played a significant role in preserving human rights, the rights of women, and in building democratic institutions.

The future of Palestinian society and future government stability, depend on three critical pillars: first, government, including the executive branch, a powerful legislature, and a strong independent judicial system. Secondly, the municipal and village councils representing local government; and thirdly, civil society; mainly the unions, NGOs and political parties. Therefore, positive cooperation between these bodies is crucial to ensure

progress. We believe that the framework under which this cooperation will flourish is the implementation of the new NGO Law. Here we would like to state our commitment to close

cooperation with the legislative council during the drafting of the law, which we see as the most progressive in comparison with the rest of the Arab world.

The world is closely watching the implementation of this law, which reflects the Palestinian thirst for pluralism and freedom of speech, dependant on mutual respect and independence within the jurisdiction of the law. I hope that the Ministry of NGO Affairs will contribute to, and enhance, the freedom of civil society work, protecting it from any deviations and allowing this law to ensure the emergence of transparency, accurate financial systems, and democracy within these institutions. This would strengthen their capacity to contribute to a democratic state in which each person is respected and his/ her rights preserved. This will also allow the emergence of lobbying, and development groups, to protect the rights of the marginalized, specifically the handicapped, women and children, mainly in rural areas and the refugee camps.

Pluralism, diversity, freedom to create and innovate, organization, development and cooperation are all factors of strength that the Palestinian people depend on. These factors will be needed to face future challenges and most importantly, to continue their struggle to end the occupation, free Jerusalem, establish an independent state, build capacity and democratically created institutions, and recognize democracy as the status quo.

Tremendous efforts should be exerted in the fields of health, agriculture, culture, and education to develop the Palestinian people, to build human capacity and meet human needs. In the age of technology and communication coupled with the challenges of globalization, protecting the national identity, building human capacities and the development of the civil society become even more crucial. A strong civil society can prevent foreign interventions that could adversely affect Palestinian needs, such as that which happened in Bosnia and Kosovo.

I acknowledge and assert the need to strengthen the cooperation and coordination between civil society institutions and the PNA. This conference, I believe is a positive step towards guaranteeing that Palestine will be a leader of democracy and civilized development just as it was a leader in striving for independence.

Dr. Rafiq Hussein, Deputy Director-General, Welfare Association, on behalf of Mr. Abdel Majid Shoman, Chairman, Welfare Association

In his presentation, Dr. Rafiq Hussein provided brief background information about the Welfare Association (WA), describing its origins, special circumstances and needs. He also discusses its scope of operation and activities, its contributions and partners, the phases of the Association's development, and some examples of its work.

The Welfare Association has been involved in humanitarian and development assistance to the Palestinians since 1983. It was established by Palestinian business and intellectual figures, with the objective of developing institutional infrastructures in the Occupied Territories. With a 40-member board, elected by a General Assembly, the WA is driven by

a very personal attachment to place and people, and a determination to apply good business sense and practices, and intellectual excellence to a commitment to serve the public good.

Since inception, the WA has distributed \$103 million for development projects initiated by Palestinians in the West Bank, Gaza, and 1948 areas and in Lebanon. The WA has helped more than 4 million Palestinians to strengthen, rebuild and develop their society, primarily through civic organizations working in a variety of sectors. WA now ranks as the fourth largest provider of assistance to Palestinian civil society organizations, behind three government donors – the U.S., Norway and Germany. It is the largest single source of Palestinian development funds. With its responsibly managed endowment fund, it is a financially sustainable organization, directing all outside contributions directly to projects. WA has supported over 1,100 different projects implemented by some 500 different NGOs and community organizations. The WA has been a leader in its field, embracing the past while preparing society for the challenges of a technological future, developing early childhood education, modernizing vocational education and training centers, and promoting Palestinian heritage and culture.

Its particular success has been its ability to operate as a bridging organization for the natural relationship between the Palestinians and other philanthropic contributors, and between Palestinian society and the business community, intellectuals and NGOs. Moreover, through the tri-sector projects with Palestinian local and national government institutions and local NGOs, whether through the WA itself or through the PNGO Project, the triangle of international organizations, government and civil society has been effectively promoted.

The WA has used its experience and knowledge of the NGO environment to respond to the major and dramatic events that have taken place in the region since its establishment in 1983. Over this period, the WA has expanded, developed and refined its programs according to its assessment of the evolving needs and capacities of Palestinian society. I want to briefly mention a chronological account of the changes that the WA has undergone throughout the years. Since inception and for one decade, WA launched programs of relief and emergency assistance. Starting in 1993, WA concentrated on supporting civil society in the areas of health, economic development, social and institutional development and culture and the fine arts. After the initiation of the peace process, the WA recognized the fact that the development parameters had entered a slow transition to normality.

Examples of WA work include the areas of early childhood education sector (allocating \$7.3 million across Palestine), youth development, including those with special needs (\$16.5 million), micro-lending (\$1.6 million for small loans targeting fishermen, farmers, micro-businesses), the Palestinian refugee community in Lebanon, and finally the Jerusalem Revitalization Program. The strategy, vision and working principles of the WA are based on the promotion of a non-political, non-sectarian development aid program addressed to all Palestinian communities throughout the geographic boundaries of Palestine and beyond. WA emphasizes self-reliance, volunteer work, identification of local grassroots organizations as aid recipients and prototypes of future institutions, and the adoption of modern institutional methods for management, fundraising and mobilization of human resources for which the PNGO Project is an excellent example.

The WA is proud to have played a leading role in forming a consortium with the British Council and Charities Aid Foundation three years ago to make a bid, and win that bid, and go on to successfully manage the World Bank financed PNGO Project. Further information regarding the PNGO Project will be presented in the following session.

Presentation of the PNGO Project

The Welfare Association Consortium for the Management of the Palestinian NGO Project, represented by Dr. Mohammed Shadid, PMO Director and Ms. Mira Rizeq, Operations Manager, presented the PNGO Project to the audience.

The presentation provided an illustration of the Project's structure explaining the relationship between the PMO and all the other Project stakeholders including MOPIC, the World Bank, Ministries of Education, Agriculture, Youth, Finance and PEC DAR. The presentation showed the relationship of the PMO with research organizations, capacity building service providers, project beneficiaries, community leaders, key informants, sector specialists, Palestinian NGOs, NGO networks and associations, as well as international NGOs. Dr. Shadid presented the structure of the PMO executive and the governance committee structure. The aims of the PNGO were summarized as:

- To alleviate poverty by providing services to the poor and disadvantaged*
- To build NGO skills and capacities*
- To strengthen professional relations between NGOs and the PNA*

The PNGO is guided by the following principles:

- Strengthening the NGO sector*
- Responsiveness*
- Poverty alleviation*
- Consultation*
- Community participation*

The PNGO-Project total fund is about \$14.8 million contributed by the World Bank (\$10m), the governments of Saudi Arabia (\$2.5m) and Italy (\$2.053m), and the Welfare Association (\$0.3m). The PNGO Project development grants and research program offers NGOs different types of grants, including research grants, capacity building, block grants and development grants. The presentation showed in detail the objectives and accomplishments of each type of grant, the distribution, the number of workshops, the areas of training, the number of beneficiaries, and research topics.

Ms. Rizeq presented a glimpse of some PNGO project activities including vocational training for the deaf, adult education and literacy programs, development of kindergartens and children's clubs, rehabilitation for the visually impaired and the mentally handicapped, training female farmers in income-generating projects, establishing orphanage and community facilities, water collection for the agricultural sector, awareness and training for the aged, outreach clinics, as well as land rehabilitation.

Impact assessment of the Project was conducted by assessing the views of poor and marginalized people of sample projects funded during the first cycles. A mother of a disabled child said: "At one point, I wished that my child died, to relieve him and the whole family from the pain and suffering. We were all helpless and hopeless. Now at least I learned how to deal with my child. I am dedicating a lot of time to him, and now hope to see him at school with all the other children."

The major outcomes of the project were summarized as:

- *The PNGO project has conducted participatory needs' assessment whereby NGOs and experts identify and prioritize the needs of the poor and marginalized.*
- *So far, the PNGO project has completed the initiation of two development grant cycles, recently launched the third, and has launched one block grant cycle.*
- *The PNGO has directly funded 74 development projects to date, which created services for at least 15,000 people.*
- *The PNGO has allocated a budget for block grants, which are expected to fund another 120 to 150 projects.*
- *Regarding capacity building training, 241 NGO staff members were trained in technical areas such as project management, report writing, financial management, and budgeting.*
- *Before launching the third cycle, the PMO funded a pre-investment program in the middle and southern regions of Gaza. The Bisan Center conducted the participatory rapid appraisal and 47 NGOs and block grant managers participated in the process and validated the needs' assessment from the community's point of view.*
- *Mechanisms for Palestinian Authority and NGO coordination were initiated.*
- *Enhancement of inter-NGO coordination was achieved.*
- *Community participation went beyond the required 5% level, with cash contributions reaching as much as 30% in some projects, and community members providing a high level of volunteer manpower in project implementation.*
- *Poverty and geographical indicators were developed for Cycle Two to guide NGOs in order to target programs in more impoverished areas. The indicators looked at poverty level income, access to opportunities, and access to resources including: housing, productive capital, credit and social capital.*
- *The project also funded a participatory research project for three communities in Jerusalem to validate the needs' assessment from the recipients' and communities' point of view.*

An external team of consultants, and a World Bank team, lead by Mr. Nigel Roberts, conducted a mid-term review in January 2000, the recommendations were:

- *Bank extension of the Project for another three years, whereby more funds will be allocated to the NGO sector,*
- *To continue to promote the role of Palestinian NGOs in service provision to improve the lives of the poor and most disadvantaged,*
- *To strengthen the professional credentials of the PNGO movement by providing resources and technical assistance,*
- *To pay particular attention to gender issues in the targeting of project beneficiaries, and,*
- *To leave behind a legacy of professional standards of NGO practice and conduct; a core of at least 150 NGOs of all descriptions which would have been significantly strengthened; a maturing relationship between the Palestinian NGO movement and government; and a self-sustaining Palestinian resource center.*

Session One: Civil Society Work: Past, Present and Future

Panel One

Chairman: Professor Ibrahim Abu Lughod, Welfare Association

We will continue the discussion, started in the opening session, which called for cooperation and continuation of dialogue between NGOs and the PNA. Continuous confrontation exists between the state and non-governmental institutions operating in the same country. Political conflict between civil society and government can be, in many situations, a positive one. Any government cannot deliver 100% of the development projects and social services for a nation. Therefore, most democratic governments depend on civil society to significantly contribute to their country's development. Further, in a democratic state, the government has the right - and the obligation - to monitor the work of civil society, to offer the benefit of its expertise, and to facilitate productive cooperation amongst governmental and non-governmental institutions.

The laws and regulations adopted by a government to develop and enhance civil society are part of the complementary process in a democratic state. Societies that have moved towards democracy are originally participatory communities. The Palestinian people are also originally a participatory community, a community that must develop institutions to allow it to formalize this participation. From here springs the importance of this conference.

In other words, Palestinian civil society is not merely a product of the Israeli occupation. It has contributed to the national work since the Ottoman period, throughout the British mandate and the Israeli occupation and until today and after the establishment of the state. Civil society has led the national struggle and replaced the government. Therefore, it is the right of NGOs to participate in the development of Palestine and to ask the government to protect them.

Prof. Abu Lughod reminded the audience that after completing the opening session, which focused on issues at the macro level, Session One would focus on issues at the micro or institutional level. He stated that the institutional experiences of NGOs and the relationship between government and NGOs at the organizational level would be addressed and then presented four experts to discuss their experiences in the area of civil society.

Civil Society Contribution to Socio-economic Development in the International and Local Context.

Dr. Mohammed Shtayyeh, General Director of PEC DAR

I would like to congratulate the conference organizers on the high level of attendance, which reflects the importance of such an event. I would like to discuss the comprehensive planning and strategizing that is being undertaken by the PNA. The PNA is striving to achieve the following:

- The rehabilitation of destroyed Palestinian infrastructure which heads the list of priorities. In Palestine, there are 3,000 kilometers of roads that need to be developed and rehabilitated, 450 new schools are urgently needed (each should cost \$850,000 if constructed by PECDAR and \$1.6 million if constructed by other means), 184 villages require water supplies in addition to 87 which do not have electricity networks.
- To bridge the gap between the West Bank and Gaza in terms of geography, income per capita (in the West Bank, average annual income is \$1,600, going down at times to \$1,450, while in Gaza it never exceeds \$1,100 annually), education, health, and infrastructure. Palestine should be one nation, one market, with all geographic areas in harmony. We want growth that is well distributed. We do not want the rich to become richer and the poor to become poorer but rather as the number of the rich increases the number of the poor decreases simultaneously.
- To encourage development of the export-generating sectors. Currently, Palestine receives 91% of its total imports from Israel, while exporting only 58% of domestically produced goods and services to Israel.
- To encourage the private sector. In the year 1999-2000 only one new company was registered, while between the years 1994 – 1998, a total of 6,244 companies were initiated.
- To build the capacity of Palestinian institutions to assume some of the burdens of development efficiently and in a democratic spirit.

For Palestine to attain a high level of socio-economic development, it has to depend on and explore:

- 1) The tourism sector – it has the potential to become the “oil” of the Palestinian economy, the possibilities of which it has only begun to explore.
- 2) The information technology (IT) sector - today Israel exports approximately \$1.7 billion of IT-related products and services, while Palestine exports nothing at all. Europe and the USA have 3.5 million job vacancies in this sector. Israel has 6,000 vacancies in the IT sector, while at the same time in Palestine, there are 1,611 engineers who use computers merely as word processors. In the context of technology and the age of information, I advised the government to begin teaching the English language in schools, starting in grade one in order to ensure that Palestinians can fully utilize computers and the Internet to connect with the rest of the world.

With all due respect to the Ministry of Planning and International Cooperation, we do not need a governmental body simply to plan our development but rather a planning forum, in which governmental and non-governmental bodies, as well as the private sector, sit together to plan for the development. This will allow all parties to cooperate and not to compete over resources and funds. Dialogue is the main component of a democratic and healthy society. I would like to end my speech by calling on the NGOs to reach the poor and marginalized sectors of society that the government cannot reach. Everyone should be aware that there are 555, 000 Palestinians living on less than \$2 a day and these people must be reached by the NGOs.

Professor Jim Torczyner, McGill University, Canada, and the Montreal Consortium for Human Rights [Addressing - Civil Society Contribution to Socio-Economic Development in the International Context.]

After thanking the organizers of the conference for inviting him, Dr. Torczyner said he would discuss issues pertaining to the relationship between globalization and some of the World Bank' policies, which, he argued, have a negative impact on poor people and on the social structure of society. He stated that he would discuss the relationship between globalization and inequality and the relationship between inequality and local and international peace. He then proposed, to address the principles of human rights and how they can be actualized through the work of NGOs, and, to pose some questions regarding the relationship between the NGOs and the state.

To begin with, we live in an era known as globalization. What is its main characteristic? Its ability to move capital around the world quickly with fewer restrictions. And where does this capital go? It goes to places where it is most likely to generate profits. And what helps to generate profits? When labor cost is low and when social benefits are few, then it is in the interest of the private multi-nationals and corporations to invest in these places, provided that there is a stable labor force. In the process, governments try to tailor their policies to meet the interests of these multi-nationals. That usually has a tremendous negative effect on social cohesion, the relationship between the people and the state, by reducing the benefits that people need most. Privatization often means that the poor get less; what they do get is more difficult to obtain and their voices are less often heard.

Within globalization, governments themselves tend to have less ability to respond to their people in this situation what then what happens to people and what happens to NGOs? The central role of both the NGOs and the state is to create the social fabric. What usually happens is that NGOs find themselves struggling to survive, they find few resources, and as a result low-income communities find themselves more alienated, as the gap between wealthy countries and developing countries widens. Within these countries, therefore, the gap between those who have and those who have not also widens. One needs to strike a balance between the desire to increase productivity, with an understanding that there is a tremendous price to pay in terms of social relations and social cohesion within a population. For productivity will be limited if people are alienated, and productivity losses will be translated into an increased cost for supervising resident populations if they end up with no work and no means of social participation.

With these words of caution, I suggest that the role of NGOs is remarkably important; both as the voice of those people who have no influence, and also to remind the government that it should be responsive - not only to the mighty power that comes from North America, but also to the concerns of the people who form the fabric of that society and who need to see changes to improve their lives. This is the relationship between inequality and peace. In situations where there is no equality within countries there will be no peace, let alone if the gap continues to expand. Between Palestine and Israel it is less likely that there will be a

peace resembling the peace of equals unless each side can influence the other and each society is able to satisfy the needs of its members.

Let me go back one step, and let us talk about the principles on which human rights are based. Three principles exist, and they require integration of law and community organization:

- Universality, which means that everyone has the same rights, and that there are not separate rights for those who have more, and fewer rights for those who have less. This principle requires legislative action to ensure that everyone has equal rights, and it requires community organization because rights can exist on paper and not be actualized unless people demand them and insist on receiving them.
- Reciprocity, which means that people in relationships have equal opportunity to influence each other. In personal relationships, the relationships that endure are ones in which there is a level of equality, in which both sides can influence each other. When one remains in a relationship dominated by the other or when one remains feeling alienated, we know that these relationships may survive for a while but they will eventually erode from within. This idea applies to communities and to the state that responds to their needs. How do we develop a relationship between the communities and the state in such a way that every side is heard, and the voices of both, sitting around the same table, are heard, and they are able to come up with plans which meet the national interest and the interest of people in local communities? I say, this is a central role of NGOs.
- Inclusion, which means irrespective of the country we live in, irrespective of our universal rights, or our reciprocity, we know that some parts of the community are unable to exercise their rights because of physical disability or some other issue. The society becomes a cohesive society when it makes special efforts to include those people just like we do in our own families. I do not know of a single family that does not have one member that does not function at the same degree as the others, but families remain together, families open their hearts and minds and make space. We need to make room for all voices in order to form an effective civil society. This idea is not without conflict, and conflict is not necessarily a bad thing. Conflict can be a tool for productive change- a tool through which people engage in a process of exchange needed to forward their needs. Ultimately, we come up with a compromise that maximizes public interest, responding not only to the needs and voices of the powerful interests but also to the needs and voices of all interests.

With those principles in mind, the day-to-day work of NGOs takes place. There are many different kinds of NGOs. In Palestine, it was the NGO movement that carried the social fabric in the best possible way, throughout the years of occupation. And now, as Palestine emerges as a state, there needs to be some serious thought and redefinition. What should the relationship between the NGO community and the state be? Should it be part of the governmental planning processes? Should it step outside and remain a critical voice, or should it be able to manage the role where it can do both, depending on the kind of issue and type of organization?

How do organizations undergo a process of transformation when, in the past, social services were provided by NGOs in the absence of the state? Now, as the state begins to redefine its responsibilities towards its people to guarantee universal rights and services, how does that

change the very nature of NGOs? Does the role remain the same or does it change, to what extent, and how? I argue that the main responsibility of NGOs is to generate a process of empowerment, a process to enable people to express themselves and be full participants within their community. To do that, we need to understand not only the tools of empowerment, but also to understand how people become disenfranchised (how their rights are taken away). It happens on four levels:

- The individual level - people do not become empowered if they do not believe in themselves and believe that they have equal rights.
- The community level - the poorest communities with the fewest resources are the ones that become fragmented.
- The institutional level - which should be a primary source of effective tools for the disadvantaged, but it usually is not.
- The political level - where change happens through political action, through policy and by the will of a democratic state to decide in consultation with its people, what it needs.

Dr. Torczyner concluded his presentation by saying that the tools of inclusion ensure that all people, and in particular, the disadvantaged, have a voice in shaping the policies and the institutions that serve them, and in doing so, shape their lives and the lives of their communities.

Dr. George Giacaman, Dean of the Faculty of Graduate Studies at Birzeit University and Director of Muwatit (the Palestinian Institute for the Study of Democracy) [Addressing - Civil Society Contribution to Socio-Economic Development in the Local Context.]

Dr. Giacaman presented a paper on civil society in Palestine. He noted at the outset of his presentation that the topic of civil society was complex. He proposed to offer an historical perspective on the development of civil society in Palestine, and an analysis of factors influencing it at present. He also included case studies of positive contributions and prospects for the 21st century.

If by civil society one means societal organization of varied types, existing in relative independence from the state, then such organization has had a long history in Palestine. Under Ottoman rule, for example, considerable local autonomy was possible at different periods, and pre-modern forms of association that were ethnic, tribal or kinship-based organized the lives of different communities with custom and tribal law as central elements contributing to their cohesion. Several of the functions of such forms of organizations should belong to the state, such as unity and rule of law, and not to non-governmental organizations, among other groups including political parties, which can be potential agents of social change at least in the political sphere.

Modern forms of association based on voluntary membership increased in the 20th century. The Zionist-Palestinian conflict was a contributing factor. In the inter-war period new political parties emerged whose main focus for work was the continually increasing Zionist

colonization of Palestine. Well-known land-owning or urban families, however, largely led these parties. As a result, political life and rivalry acquired a traditional family and clannish coloring. Nevertheless, this period witnessed an increase in other forms of association such as unions, charitable societies, clubs, professional associations and the like.

This trend continued through the 1950s and 1960s, spurred on mainly by the dispossession of 1948. Many organizations, groups, and charitable societies were formed to minister to the needs of the Palestinian people, especially those that became refugees. These organizations continue to the present day.

The emergence of the PLO brought a qualitative change to specific aspects of Palestinian political life and organization. It brought political diversity and a clearer definition of ideological pluralism within Palestinian national issues. Traditional landed families did not lead the PLO. Membership within the groups and parties within the PLO was open, and for better or worse, upward mobility within parties was possible based on the rules of the game of party politics. This was not always a democratic process but success did not require a pedigree. Thus, it was possible for many from rural backgrounds or refugee camps or the ranks of the poor, to rise to positions of prominence within the PLO and within Palestinian society in the West Bank and Gaza. Many were to become the new elite within the system established by the Palestinian authority after Oslo.

Within this broad historical and political context, the development of civil society in Palestine was influenced by two main factors: Israel's occupation of the West Bank and Gaza in 1967, and the establishment of the first Palestinian National Authority in 1994. In response to the first factor, one important priority, in addition to resistance to occupation, was the Palestinian' need for self-preservation as a people. Palestinians clearly understood that one of the most important strategic assets they had was their presence on their own land, and that the "Palestinian problem" would not have existed as far as Israel was concerned were it not for this fact. Ten years of occupation translated itself into the ideological concept of "sumud", which means steadfastness, endurance; a continued presence on the land. It is within this context that we saw the establishment of a new generation of organizations seeking to fulfill some of the needs of Palestinians under occupation. NGOs appeared differently from the PNA in more than one respect, including the fact that they were often specialized, in areas such as education, health, agriculture, development and human rights.

I refer to human rights in particular, because it may be possible to say that Palestinians discovered human rights in a concrete way under occupation, in the concrete and tangible manner in which concepts and mechanisms relate to their situation.

The second important factor to influence the development of civil society in Palestine was the establishment of the Palestinian National Authority. A host of new issues were now facing Palestinians, revolving around the nature of the relationship between government and society and the type of political system that would be established. One central question was whether or not the PLO would succeed in making the transition from a national liberation movement in exile, to a government accountable to people on issues that had not been faced before.

One main concern was whether the highly centralized decision-making process in the PLO, on the eve of the Oslo accords would translate into authoritarian tendencies in government.

Another equally important concern was whether the PLO model would be transposed to govern a population on its own land, given that the model does not distinguish between government and civil society. This is because the PLO was not only composed of political

formations, but also contained within its structures labor unions, student unions, teacher's unions, women's unions, writers' unions, productive enterprises, research centers and NGOs.

Several factors will affect the development of civil society in Palestine - the most important of which is the stability and sustainability of the sphere of civil society itself. This in turn depends on the nature of the political system, and on the existence of structural guarantees: such as a functioning court system; unification of the various branches of the executive, including the many police and security apparatuses; and a rational functioning bureaucracy with clear job descriptions and lines of authority and decision-making. In addition, involvement of real authority from central government to ministries and local councils, to a degree commensurate with their tasks, is also necessary.

Above all, a functioning legal system and the supremacy of the rule of law and the protection of civil liberties are the most important factors influencing the future development of civil society in Palestine. Various reports and many recommendations have been made on some of these questions, but not much has been done in terms of change.

Looking towards the future, it is clear that the present system being set up in Palestine is inherently unstable. The government employs one-third of the labor force, and job creation as a result of investment remains minimal. The present environment in Palestine is also due to the weakness of the necessary infrastructure, especially the administrative and legal infrastructures. The rules of the game are not clear, and most ministries will virtually have to be overhauled from top to bottom if they hope to serve developmental aims.

The role of the state in developing countries remains indispensable, in spite of the instant views formed a few years ago about the diminishing role of states in the present global order. Such views have been under revision during the last two or three years. In poor countries, the empowerment of women for instance, is not possible without compulsory education on a mass level. It is clear that this is not a job for the market, or a mission for NGOs. In several other sectors, similar questions will have to be asked about the roles of different actors.

A constructive and calm discussion of such questions is needed in Palestine, and there is considerable room for serious initiative. When it begins, we should start the process of developing a view of the role of civil society in Palestine for the new century.

Palestinian NGOs Before and After the Establishment of the Palestinian Government: Facts and Figures

Ms. Zahira Kamal, Director General, Directorate of Gender Planning and Development, MOPIC

Ms. Kamal presented her paper in the form of a critique, analyzing the role of civil society in Palestine. This paper was based on another document prepared for ESCWA entitled

“Gender and Citizenship: The Role of the NGOs and the PNA, A Critical Evaluation, 1999.” This paper explores the work of NGOs during the period of 1998 to 1999. The study examined the work of 65 institutions, looking at their inception, objectives, funding, cooperation with other institutions, and the role they play in stimulating discussion of democratic issues and concepts.

My published work explored the following areas:

- The establishment and development of NGOs and their pertinence to the political reality of the Palestinian people.
- NGOs: registration, geographic distribution, and the relationship of that to the history of their establishment.
- The objectives of NGOs before and after the establishment of the PNA, and the changes that occurred.
- Statistical information and its relationship to NGO objectives and activities, as well as its reflection on the NGOs’ ability to identify and meet the needs of people.
- NGO funding and the pertinence of that to the history of their establishment and objectives.
- NGO institutional capacity building: membership and decision-making.
- Cooperation and coordination between NGOs and the PNA.
- Connecting NGO activities and programs to democratic concepts - based on participation, equal opportunity, transparency, and credibility.
- Recommendations to enhance and develop the role of NGOs.

I would like to start by saying that the Legislative Council Elections took place for the first time in Palestine on the 20th January 1996, in accordance with the Election Law of the president and the members of the legislative council. According to this law, males and females are allowed to vote and be nominated. For this council, 680 people were nominated for only 88 seats. Among the nominees were 28 women, five of whom were elected constituting 5.7% of the members. The percentage of women who registered to vote was 49%, however this percentage decreased to 42% when the actual voting took place.

The importance of civil society is its role as an intermediary between the government and the people. In Palestine, the existence of NGOs predates the emergence of the state itself. Moreover, Palestine is known to have a very large number of NGOs, with a broad range of scope and objectives. Currently, eight political parties exist in Palestine. In contrast, there are more than 1200 local NGOs, 200 international NGOs, and 400 NGOs operating under the general unions. Some of these organizations provide services to the public, others conduct research/studies and a third sector raise awareness on a number of social issues. Amongst other issues these organizations target the aged or the handicapped and work in the fields of education, health, etc.

I would like to briefly provide a description of the changes that have taken place in NGO objectives and programs. The NGOs created prior to 1988 had two main purposes: social services provision and community development. Organizations established post-1988, including those created after the PNA, have added additional objectives to their agendas; training and rehabilitation have become a primary focus, as well as the enhancement of democracy, cultural exchange for the purpose of peace, human rights, labor rights and

employee rights. Also, an awareness of gender issues has begun to emerge, terms such as “female empowerment” have become more commonly used within these organizations.

In my paper I provided statistical information and demonstrated how it is used to identify Palestinian social priorities. I used a number of indicators to assess the extent to which the NGOs have been meeting the people’s needs. These indicators were demographic, pertaining to education, health, and the labor force. I then related the figures I presented to the NGO activities and programs concluding the following:

- An insufficient number of programs targeting children and youth exist. Most program services are directed towards members of the population over the age of 15. It is important to note here that 47% of the Palestinian population is *below* the age of 15.
- Clear targeting of the population living below the poverty line cannot be identified.
- Similarly, clear targeting of the unemployed population cannot be identified.
- A demonstrated inadequacy of awareness building programs exists.
- Programs directed towards the promotion of women’s participation in development are insufficient.

I also tackled the issue of funding. I want to clarify that most NGOs established after 1967 do not have self-sustaining levels of income. They are dependent on external funding for their projects and programs, both from government and non-governmental sources. Examples of such organizations with a long history of support to the Palestinian people are NOVIB, ANERA, Gulf Fund, the Arab Fund, the Welfare Association, Ford Foundation, Canada Fund, and OXFAM. Lately, USAID and the Fredrich-Ebert Foundation have been highly prominent in funding NGOs. Some local NGOs receive direct government funding, from governments including the British, Dutch, Norwegian, Canadian, Swiss and American governments. Some NGOs receive from both governmental and non-governmental sources.

In contrast, NGOs established prior to 1967 mainly depend on internal sources of funding such as training and membership fees, as well as individual charitable donations. However, after 1982, many more NGOs began to depend highly on external sources, due to the political significance of the area after the situation in Lebanon, the Gulf War, and the Intifada.

As for the relationship between the NGOs and the PNA, after the Oslo Agreement and the establishment of the PNA, many NGOs were transformed into government bodies and a large number of NGO employees moved to the government sector. This transformation had positive effects, as civil society did not lose prominence and, co-ordination between NGOs and the PNA began. A number of views surfaced after the establishment of the PNA pertaining to its relationship with NGOs. I found the relationship, in general terms, to be a positive one. The relationship is based on rules and regulations in effect in Palestine, and there is an atmosphere of cooperation in setting objectives and identifying priorities. As with most newly emerging relationships, of course room for improvement exists.

Finally, the conclusions and recommendations of the paper were the following:

- NGOs were established in Palestine as a means to resist the Israeli occupation.

- Although NGOs in Palestine are great in number, they were always able to organize themselves in unions. Pluralism has always been a characteristic of Palestinian society.
- Registration of NGOs is a simple and recommended procedure.

- Most NGOs work in the areas of education, health and human rights. A few work to promote democracy and gender issues, and a very limited number work in credit and small business development - to alleviate poverty.
- A large number of NGOs do not utilize the statistics provided by the Palestinian Statistical Bureau to identify areas of need.
- NGOs depend mainly on external sources of funding to finance their projects. Very few have income-generating activities.
- The majority of NGOs did not refer to the Palestinian Development Plan when setting their objectives.
- NGOs publicly embrace the concept of transparency, yet, a significant percentage exists whose operations are not fully transparent, and some of them refuse to open their books to outside auditors at all.
- NGOs do attempt to cooperate with the PNA. Many consult with the ministries that are relevant to their work, and meet with them to discuss issues and devise plans.
- To ensure the endurance of such a relationship, laws and regulations to formalize this relationship should be drafted. Therefore, the Ministry of NGO Affairs and the NGO Law are both positive steps towards harmonizing the work of NGOs and the PNA.

Discussion

The audience:

The audience was given a chance to comment on the issues presented and to question the speakers. Members of the audience made the following statements:

- The new governmental institutions established after the Oslo agreement limited the work of NGOs.
- The application to apply for the PNGO Project is very complicated and needs a genius to complete it! Therefore, NGOs that get the funding are usually the strong ones that have staff with strong writing capabilities and have received proposal writing training. While poorer NGOs do not receive any external funding. Thus, we call upon the PNGO Project and the World Bank to support poorer NGOs and help them in completing the application forms to receive financial support.
- I suggest that funding an NGO should be related to the practice of democracy within that specific NGO. For instance some NGOs have not held elections for over 18 years; therefore democracy within an organization should be a condition of funding.
- Certain segments of society are disadvantaged and do not receive any support. Some students, for example, walk tremendous distances to school every day. School transportation should be a national priority.

- The Palestinian economy attracts and repels its citizens, for example, as Dr. Shtayyeh noted just after the Oslo agreement, 1,200 new companies were registered, while during the last two years only one was registered. This statistic begs the question, “What factor in our society is discouraging growth?”
- A question for Dr. Shtayyeh. I have noticed that to receive funding from foreign sources you have to comply with their objectives and act in accordance with their plans.
- Wouldn't it make more sense to ensure that the objectives of the foreign funding sources are in harmony with Palestinian development priorities and strategic objectives?
- Two additional questions for Dr. Shtayyeh. Why do we need a planning forum? Don't we have already enough institutions? Why do we need another body?
- The other question is concerning education. Don't you think that the problem is not in the language itself, but rather the educational methods being used? That is, English is not the obstacle but rather the way and methods by which the children are being taught? Teaching English in schools is much more expensive than developing Arabic software for native Arabic speakers to use. Therefore, the Arab world together should develop a common system in order to keep track of the progressive technology of this era. We should teach the children English but we should enhance their knowledge of their mother language.
- Ms. Zahira Kamal talked about unions and networks in the years 1994-5, and said that these unions belonged to the government. I would like to say that these bodies are the government, also during the occupation the establishment of unions was limited.

Speakers from the podium:

Dr. Mohammed Shtayyeh: Regarding the push and pull factors affecting the Palestinian economy, I think that our economy has become dependent on Israel due to the occupation and this dependency is different from that of our dependence on North America.

Palestinian decision-makers are not in control, even for a second, of the economy. We do not have economic policies per se. Our economy is controlled by agreements. For example, we are permitted to import 40,000 television sets annually. If the demand exceeded that number, we could not import additional sets to meet demand.

The economic situation is also dependent on the movement of the peace process. For example we see in Ramallah and Al Bireh today, 3166 vacant apartment that were built when people thought that the peace process would allow them to benefit from their investments.

Everybody knows Palestine cannot import goods directly. All imports must go through Israel. So if we import from Turkey, for instance, all customs revenue goes to Israel. Another example: we import from Jordan 88 products, 66 of which we receive through

Israeli importers because we cannot import them directly. The 66 products must enter the country through the Israeli borders to the Palestinian market. This illustrates another way in which the Palestinian economy is dependent on that of Israel.

I would like to thank Dr. Abu Sharkh for his participation and would like to ask him, "Which Palestinian organization has ever said no to donor funding?" But the trend is towards institutions modifying and changing their policies to respond to donor funding conditions.

I see the role of local NGOs as determining the real needs of the Palestinian community because international donors are not responsive to the urgent needs of the people. When they fund projects and institutions, they take into consideration their own country's policies, culture, economy and priorities. In summary, the funds that are granted to the Palestinian people are politicised. This situation will continue with the peace process and will only stop when the peace process itself stops. I also think that the clearer our vision of people's needs, the greater our development will be. And I hope to someday see a Palestinian institution able to refuse donor funds when the donor is not responsive to the institution's needs.

What really happens is that the Palestinian side provides the donors with 20 projects and the donors chose from among those projects what is appropriate for them. And in some instances, the donors don't like any of the projects on the lists. For example, right now there are 103 kilo meters of roads badly in need of maintenance, but the donors are not funding the operation because they think road maintenance is a political matter. And the same situation regarding water.

Regarding the planning council, as I mentioned during my presentation, I would like to say that I did not mean that a new body should be formed. What I meant is that the planning process must be unified. Instead of having each party plan autonomously it would be of great benefit to get all the planners together in one spot.

As for the issue of the English language and its dominance, I would like to say that this is not a uniquely Palestinian problem. The French and the Germans are also affected by the dominance of the English language. Of course we have to conserve our Arabic culture and language. However, in order to cope with the rapid technological developments and the widespread use of computers we must teach our children the English language.

Zahira Kamal: The information presented in my study was gathered from different sources, mainly from the Ministry of NGO Affairs. If anyone knows of any updates I am ready to discuss and incorporate them.

As for the issue regarding the Palestinian unions, NGO networks and NGOs themselves, I would like to say that since the establishment of the PNA, these structures have changed, due to the change in the political situation.

George Giacaman: We should distinguish between what is governmental and what is not. We are changing from a revolution to a state and therefore need to stand back and learn from past experiences.

If we compare civil work with political work we can say the following: politics is the political activity of parties and the ruling authority. Civil work, economic activity and social work are all political activities.

Panel Two

Evolution of NGO Work and Roles in Other Countries: An Overview

Chairman: Professor Mike Hardy, The British Council

The chairman summarized the proceedings of the previous panel and welcomed the speakers to the podium.

This session is particularly complex coming at the end of a very stimulating day. We are looking at the evolution of NGO work and NGO experiences in other countries. We have interesting presentations and would have had more interesting papers to be presented if the others had been able to attend. A colleague from Bangladesh was not able to join us for visa problems. A colleague from South Africa will arrive later in the week.

The area we are talking about in this session is very close to my heart. It is a privilege to be here and associated in the NGO evolution in Palestine. The delivering of this marvelous Project by the PMO has been extremely successful and that is due to the Dr. Shadid and his team.

Today was stimulating. I want to reflect on issues that distinguished speakers have shared with us. We were reminded earlier on about the classical view of the NGOs' role and their relationship with the state. NGOs become strong despite the state and at other times and places they become strong because of the state; as a reaction to what is happening in the state.

In Palestine there is a remarkable uniqueness and opportunity for NGOs to be part of the formation of the state. The question remains: 'what international experience can we use in this case?' What values and experiences can be brought in, and can we learn from these.

Dr. Sha'ath reminded us of the uniqueness of the challenges of the internal processes in relation with the Palestinians in the Diaspora. Another challenge for NGOs he put forward was the role of NGOs and he showed the value-added role for NGOs.

All the process is in transition – Palestine is in an interim condition. As frustrating as it might be, it creates opportunities for progress. I am proud of the World Bank's contribution to the history of NGO evolution where it established a ground for the relationship between the NGOs and the state, to be built on and to promote the development of relationships.

We were reminded of the importance of emergence of laws without which we can't challenge aspects of the relationship. We were reminded of the importance of access to laws and constitution.

We were reminded of universality, reciprocity and inclusion, which focused the role of NGOs to face the challenges of those less advantaged and less fortunate.

The last remark relates to the history of the Palestinians and the origins of the PLO where a pluralistic society evolved.

Combining international technical assistance with Palestinian strengths is very important and that is demonstrated through the PNGO-Project whose objectives are most challenging. The Project brings new resources to a sector in Palestine that has suffered, but largely the aim of the Project was about leaving a sustainable strength and capacity in the sector - a rich sector that has 1200 NGOs and 200 international NGOs more NGOs per square inch than anywhere else I know of.

Some comments earlier in the day have stated that the Project has not expanded and reached more people, I say it has brought a sense of discipline to external assistance, a sense of sustaining development to the work of NGOs and defined the Project as a friend to the sector rather than a rival.

I am pleased to say that the mid-term review by the World Bank has stated that the next phase will continue in order to build strength in the sector. I think this is largely on its way.

I would like to convey my thanks to the organizers of the conference for the opportunity that they gave us for discussion.

Now we have three interesting inputs to complete the day.

Dr. Mohammed Dajani, PECDAR, presented a paper co-written with Dr. Denis Sullivan of North Eastern University in Boston entitled, “NGOs and Development in the Arab World: The Critical Importance of a Strong Partnership Between the Government and Civil Society”

Dr. Dajani opened his presentation with a quotation from Woodrow Wilson, who observed that “the history of liberty is the history of limitations on the power of the state”. In his presentation, Dr. Dajani stated that the checks and balances on state power include the constitution and the separation of power and civil society, including political parties, interest groups and the media. Dr. Dajani explored the American and British models of democratic systems, and the role of civil society in those countries in pressuring the legislative, judicial and executive powers.

He also provided a description of the Arab model saying that the level of executive branch power is very high, and has a tendency to overwhelm the legislative and the judicial branches. The fact that the executive branch has the power to select and appoint members of the legislature and judiciary serves to further advance and entrench the powers of the executive. In this situation, the legislative and judiciary branches become too weak to effectively limit the power of the executive branch, and do not have the necessary weight and leverage to function in the “balance of power”. The future model is a poor replica of the British model. For the 21st century, the Arabs should look for a future model of democracy to develop their system of governance.

We are finding that civil society is gaining prominence and increasing its scope of influence in politics, economic and social affairs, as NGOs become key collaborators with the government in four areas. Firstly, NGOs are implementing livelihood programs for the poor and marginalized. Secondly, they are working to develop sound, sustainable environmental

programs. Thirdly, NGOs are helping to increase public awareness of social development through informal methods of public education, and fourthly, NGOs are able to mobilize communities and their resources. Each of these four areas takes place in an atmosphere of cooperation with the government. Therefore, within these four spheres, relations between NGOs and the government are actually positive. At the same time, the NGO role has expanded to include the protection of human rights, in order to fight against corruption in public office, and to call for a just and honest government. These new areas of functional expansion are where the friction between NGOs and the government can be found.

There are two ways to describe the relationship between NGOs and the government: the old way and the new way. The government keeping a tight rein on the functions of civil society characterizes the old way. Unfortunately, the current Arab model operates under this old paradigm. The new way can be described as the government providing a supportive environment with the necessary policies to allow NGOs to move freely, to assemble or speak and engage in development activity. This new model is the one that the PNA hopes to adopt in its relationship with NGOs in Palestine.

If we look at the experience in other Arab countries, we find a persistent struggle exists between governments and civil societies, fraught with tension. The reason for this tension is that the NGO laws in other Arab countries give the state vast jurisdiction over NGOs. The state is very powerful with regard to the functioning of NGOs, having adopted legislation that grants the state full control and total power over the NGOs. In all Arab countries, with the exception of Lebanon, an NGO cannot be formed without the permission of the government. The government subsequently supervises all activities of NGOs, and has the legal authority to dismantle any NGO. In many cases under Arab law, the central government even has the right to abrogate a decision made by the NGO's board of directors. It can replace the board members themselves at its discretion.

NGOs in the Arab world are given limited freedom to operate provided that they do not interfere in politics. Actually, political involvement is a red light for most NGOs. If they become involved in politics or criticize the central government, tension is sure to increase.

Why do governments fear NGOs? First and foremost, a central government does not want to share power. If it does agree to share power, it will be on a limited basis. Secondly, central governments fear the capabilities of NGOs. In general, NGOs are better organized, have more access to resources and skills, effectively shape public opinion, and attract more media attention than central governments. Moreover, NGOs have aggressive and confrontational political styles and have highly motivated staff. For all these reasons, central governments have reservations regarding NGOs.

Let us look at some examples of government policies towards NGOs in the Arab World. In Egypt, the relationship is restrictive. There is control, punishment and closure allowed within the parameters of their existing laws. It is interesting to note that while the government created 90% of the NGOs, tensions arise when NGOs attempt to gain any functional freedom. Relations between NGOs and the state are hostile, turbulent, distrustful and confrontational. There is a fundamental struggle between the concept of the existence of NGOs within a democratic system as opposed to within an authoritarian regime. Egyptian Law 153 (1995), was a law that NGOs played a large role in formulating. However, when the law was finally decreed, the NGOs had in fact lost a great deal of their power. Therefore,

the law actually served to strengthen government control over NGOs and gave government power to dismantle boards of directors, to nullify decisions taken by boards of directors and to disallow NGO foreign funding. This law also bars NGOs from participation in political activities. The law that NGOs had expected to increase and institutionalize their power had in fact served to nullify their effectiveness.

Primary targets of the Egyptian government's hostility are religious and women's groups as well as human rights groups and pro-democracy groups. In truth, these are the primary targets of all Arab governments. As these groups, particularly the human rights and pro-democracy groups, attempt to become the conscience of government, government hostility towards them increases. Hurdles facing Arab NGOs are inadequate resources, lack of governmental financial aid, duplication of function, weak internal structures, inadequacy of external audit, weak internal rules and regulations and administrative inefficiency. (These problems also plague the Palestinian NGOs.)

In Lebanon, relations are confrontational. In Jordan, relations are perceived as cooperative and paternalistic. In Palestine, the initial government/NGO relationship was characterized by tension. Now we are looking at a law that restricts a lot of movement but there is hope for coordination. The history of NGOs in Palestine is unique in the Arab world in the sense that NGOs actually preceded the government here. The PNA would like to control the NGOs, but finds it difficult to do so because they have established grassroots networks, a history of successful struggle and confrontation, making it very difficult for the PNA to displace or replace them. This reality is exactly why the PNA should be looking towards a future of cooperation and involvement with NGOs.

Looking at governments and NGOs in terms of their contribution to enriching democracy, to achieve this end, Arab governments should:

- Recognize, accommodate, promote and strengthen the role of NGOs in implementation of national policy,
- Incorporate the values of NGOs into national policy and programs,
- Advance NGOs' roles and actively involve them in the promotion of economic and social development,
- Disseminate data and ensure that NGOs have access to all types of information,
- Facilitate NGOs' working and operational activities, and
- Eliminate obstacles to NGOs' full participation in sustainable development.

With regard to NGOs, in order to enjoy and build a democratic system they should:

- Allow increased membership participation in decision-making,
- Exercise open, fair and regular election of leadership,
- Become more transparent,
- Become more accountable,
- Become more tolerant of minority views.

An important paradox inherent in the dialogue between NGOs is the undeniable fact that while many NGOs demand the right to function without the restraints of government intervention and control, they have an internal history of intolerance - of dissent within their own memberships. For example, certain syndicates in Egypt and Jordan have expelled members who are supportive of the peace process. NGOs must lead by example if they wish central government to be tolerant of NGO dissent and criticism.

The questions that need to be answered before concluding whether genuine democracy in an Arab nation exists are:

- To what extent are NGOs called upon to assist in the implementation of government policies?
- To what extent are Arab NGOs involved in developing national policy?
- To what extent do Arab governments make accurate statistical data and other demographic information available to their NGOs?

All of these questions can be applied to the PNA and its relationship with Palestinian NGOs. In conclusion, only when the state works cooperatively with its NGOs can true economic development, alleviation of poverty and the advancement of the human condition within the population occur.

Dr. Ala' Saber, Director of Near East Foundation, Egypt. [Addressing – Evolution of NGO Work and Roles in other Countries: A Case Study of Egypt]

Dr. Saber stated that the aim of this session was to look at the experience of civil work in other countries and to discuss how this might be useful for civil workers in Palestine. He posed the question - the Palestinian case is unique, in view of this is it possible that it may learn from the experience of others?

I will leave the answer to this question for you after I present the Egyptian case “ The story of Civil Society in Egypt”. The development of civil work in Egypt can be studied in four stages:

1. The Birth of the first civil society in Egypt took place in 1821, the first quarter of the 19th century. That was the Greek Society in Alexandria. It was established with the purpose of enhancing ties between members of the Greek community in Egypt. Later, a number of cultural societies came into existence whose goals were cultural and educational, such as the Egypt College and Al Ma'ref Society. This period can be characterized as “a search for identity”, which continues until today.

Cultural societies appeared prior to religious societies in Egypt, because at that time, mosques were not merely religious institutions but also cultural, social and sometimes political institutions. These organizations were actively involved in charitable works and Zakat, and their existence served to delay the emergence of NGOs with religious interests.

During this period of time, a large number of foreign communities existed within Egypt, contributing to an atmosphere of social disharmony. These groups looked to create mechanisms and methods that would unite them, and defend them from external hostilities.

2. The Liberal stage commenced in 1923 and ended in 1952 with the Egyptian revolution. In 1923 an Egyptian constitution with secular overtones was drafted and became effective. This constitution granted new freedoms to civil society and as result, civil society organization became much more active. This period represented a progressive time for civil work. It reflects a positive correlation between the developing legal environment and the prosperity of civil work. The number of NGOs in that period continued to increase. Moreover, the political role of religiously based NGOs came about, such as the Islamic Brotherhood Society - that was involved not only in internal Egyptian politics, but affected politics in neighboring countries as well. Their involvement was evident during the events that took place in 1928 regarding the Wailing Wall in Jerusalem, and they participated in the Jaffa conference at that time.
3. The Collapse stage started with the revolution in 1952. This period is considered to mark the downfall of civil society. During this time, a powerful governmental bureaucracy exercised total authority over the actions of civil society. Freedom to form institutions was limited, individual rights restricted, and the Ministry of Social Affairs was given the right to control the establishment and activities of NGOs. It also limited the work of NGOs to 13 specific areas. The weight of religious institutions increased while the cultural groups lost prominence. Conflict and distrust characterized the relationship between civil society and the government. Even in 1974, when Egypt was applying the 'open door' policy, the regulations concerning civil society were not improved or developed.
4. The Discussion and Dialogue stage started in the mid-1990s. The discussions revolved around the creation of a new law to replace the 1964 Law. That new law was named Law 153 for the year 1995. Opinions regarding this law differ. The Ministry of Social Affairs claims it granted greater freedoms to civil society, while the civil workers perceived it as continuing to limit their activities and influence.

I believe that the significance of this law is in its spirit, and we hope that civil society in Egypt will prosper in the near future, thank you.

Professor Hardy commented on the papers presented with the observation that the two presentations remind us that by focusing on the legal relationship between the state and NGOs, we focus on merely one aspect of that relationship. The experience in Egypt reminds us that the history of NGOs/state relations is very close, interesting and rich. Dr. Dajani and Dr. Sullivan's presentation' reminds us of the importance of being able to distinguish between the true roles of NGOs versus the true role of government. Professor Hardy then introduced the next speaker.

Mr. Tajul Islam, Bangladesh Rural Advancement Committee (BRAC) was unable to attend due to visa problems. Mr. Ghassan Kasabreh, Project Manager, Welfare Association Consortium, presented the case study on Bangladesh.

Civil Society. Throughout human history whenever civilization has been at the crossroads, it is the civil society that has given it the desired thrust and direction. Although the emergence of civil society is a response to the failure of the State to meet the expectations of the people, it is essential that strong civil society exists in a country to safeguard the fundamental rights of the people - even if the government does meet the basic needs of the people. It is the nurturing of civil society that creates the enabling environment necessary for its healthy growth and the well-being of the population.

Bangladesh is fortunate enough to have a strong and educated middle class, whose influence has resulted in the emergence of an equally strong and vocal civil society. The NGOs, with their direct linkages at the grassroots level as well as at the national and global level, represent a significant and influential sector of civil society in Bangladesh.

NGOs. In our country, most of the leading NGOs, including the one that I represent, owe their origins to man-made and natural disasters like the War of Liberation, floods, cyclones, etc. Starting as relief organizations to mitigate the sufferings of the people, the NGOs turned their attention to the long-term task of poverty alleviation and empowerment of the poor. After the liberation of Bangladesh in December 1971, the new government had the Herculean task of resettling the war refugees, rebuilding the devastated infrastructure and planning and implementing the required economic development. This provided the newly formed NGOs with the opportunity to work initially for relief and rehabilitation and later in other developmental areas, targeting the poor. The World Bank defines NGOs as "private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services and undertake community development."

There are over 1,000 developmental NGOs involved in health, education, income and employment generation, micro-finance provision, environmental protection, human rights and legal protection activities in both urban and rural areas of Bangladesh.

The BRAC Story. The Bangladesh Rural Advancement Committee (BRAC) has three core programs: rural advancement and capacity development programs, the creation of internal strategies allowing BRAC to become increasingly self-financed, and the development of mechanisms to allow BRAC to remain responsive to the changing needs of society.

Challenges. Women's organization and the advancement of women's rights issues are viewed with suspicion by a section of religious clerics who oppose NGO development programs. Fortunately, however, they are unable to have an adverse impact on progress because of the effectiveness of the NGO programs, support of the civil society, the media and the community at large. This opposition remains more of an irritant than a threat.

NGOs are also increasingly investing in income-generation activities with a view to reducing donor dependency. The survival of NGOs when donor funds dry up remains a challenge for large NGOs.

Government/NGO Relationships. Over the years, NGO relationships with government tended to be restricted to regulatory aspects of project approval. In recent times a broader-based collaboration has emerged, since NGOs have become a major factor in bringing about development and social change in Bangladesh. Under normal circumstances, it is expected that the state will make full provision for the basic education of its citizens and provide infrastructure for health care, as well as other fundamental social services. Since these responsibilities are not being satisfactorily fulfilled at present, NGOs have come forward in response to the needs by creating new opportunities for rural and disadvantaged people. At the same time, the private sector has not matched the employment needs of our burgeoning population. As a result, successive governments have provided the NGOs with the political space necessary for them to pursue their development programs, which have reached millions of citizens in Bangladesh.

NGO programs in health, education and poverty alleviation are now contributing significantly to Bangladesh's national development. NGOs are now called upon and required to interact with government authorities and to implement, as partners, a number of national programs. NGOs are, however, adamant that they remain autonomous and that they do not get co-opted by the Government, thereby losing their legitimacy as civil society organizations.

Lessons

- Poverty is a complex syndrome, and poverty alleviation needs a multi-faceted approach.
- Learning while working with the community, immensely enriches an organization and helps in the appropriate planning and implementation of programs; it also ensures people's participation.
- Poverty alleviation requires serious commitment of time and resources. It requires professional excellence with a people-oriented system of development and management.
- Women are important potential actors. Many women living at, or below, the poverty level are the heads of the household. Their involvement and empowerment are the key elements of development.
- Successful small-scale pilot projects need to be encouraged and enhanced. There has been overall scaling up of such programs in Bangladesh, which cover wide areas and have impact on a national scale.
- Bangladesh's experience has shown that when governments and NGOs work together in national programs, the benefits reach vast multitudes at the grassroots level.
- The poor and illiterate rural communities value education for their children.
- With appropriate training and supervision, women with a limited education can be transformed into good teachers.
- Donor countries and institutions, particularly the World Bank, have contributed to the alleviation of poverty in an increasingly effective manner. The main thrust for development of any country, however, must come from within.
- Importance must be attached to the creative potential of human beings. Participation of the people in their own development is the most effective strategy.

Conclusion. The world community is inseparably linked today, not only through interdependent economies but also through shared sociopolitical views. At the threshold of

its history, war-torn Palestine stands on the same footing, as did Bangladesh after its Liberation War. But Palestine is fortunate in having development partners such as the World Bank who, through experience, now realize the crucial role of NGOs in bringing the poor and the disadvantaged within the fold of development action.

Discussion

The audience:

A brief discussion, mainly for clarification purposes, took place. A number of conference participants had the chance to state their thoughts and comment on the papers presented. The main issue that surfaced was donor support and its requirements and Palestinian needs.

Chairman Prof. Hardy informed the audience that due to time constraints only a few questions could be taken, he asked the audience to focus their questions on the presentations

- When you speak of NGOs, are we talking about organizations whose members are volunteers or those who take salaries?
- This question is directed to the speaker from Egypt regarding the collapse stage (in 1952). In my opinion, after 1952, there was a great awakening of civil work.
- The question here is about the Egyptian experience. I had the chance to visit Egypt in order to meet with some of the NGOs there. People there are still conservative towards those who come from outside and work in the field of social and civil work. I had a very hard time at the Egyptian borders on my way to Egypt as a Palestinian carrying certain developmental tools and ideas to use in Egypt. The other thing that I noticed during my visit to the NGOs in Egypt was that they were very conservative and afraid of being discovered by the government, and the government itself was conservative because we were outsiders. The question is ‘what is the law that allows the existence of NGOs in Egypt whether Arab, non-Arab or foreign?’ Are those organizations supported financially from internal sources or do they receive the financial aid from international, political or non- political organizations? The last point is that the women NGOs in Egypt faced a lot of pressure, is this still true?
- The presentation from Bangladesh mentioned that the most successful projects the country implemented were when the government and NGOs worked together. This brought to mind a situation here in Palestine where some of the NGOs are very much aware of the absence of the application of compulsory education in Palestine. Not all our children are in schools; those in schools are not literate even when they reach fourth or fifth grade. With this awareness, as a panel, what can we do to improve the literacy situation of Palestinian children?

Speakers from the Podium:

Mike Hardy: I would like to answer the first question relating to the definition of an NGO. I think to a large extent NGOs have professional staff who are salaried and supported by volunteers. The staff is not restricted to volunteers. Better NGOs have salaried staff.

Ala' Saber: As for the different structures of NGOs, I would say that the basic form and shape of voluntary societies are those established by public initiative and are nongovernmental, non-profit and have specific internal policies that determine their mandate and activities. According to recent statistics, in Egypt the number of salaried staff working in NGOs is increasing and this is a sign of development.

Donor agencies in Egypt work in cooperation with NGOs. Within this framework of cooperation, the donors fund NGO projects. NGOs also receive a limited amount of funding from the Ministry of Social Affairs.

DAY TWO (FEBRUARY 15, 2000)

The second day of the conference was divided into two sessions. The first session studied the Regulatory Framework for Palestinian NGOs, which stimulated discussion over the laws and regulations effective in Palestine that govern NGO activity. It raised a number of questions regarding the role of the state. Should the state govern or supervise NGO activity? Should donor funds be channeled through the PNA, or should they be given directly to the NGOs? Is the role of the Ministry of NGO Affairs limiting civil society or is it complementary?

The second session was on the Palestinian Government and NGOs: Proactive Relations and Potentials for the Future and discussed the regulations of civil society and NGO Laws in other countries.

Session Two: Regulatory Framework for Palestinian NGOs

Panel One

Chairperson: Dr. Anis Kassim, Attorney

I would like to begin by mentioning the Greek proverb: “I can see a mystic bird flying backwards”. This is appropriate to our situation. I am saddened by the backward steps we have taken since the issuance of the Ottoman Law, which did not require NGOs to apply to the state for establishing an institution. The state merely required that the NGOs be registered at the time of establishment. I want to stress that the people are the source of power. Who gave this power of authority to the state, if not the people? The Palestinian constitution does not grant governing authority over NGOs to the state, nor does the constitution inherited from Egypt and Jordan.

I would like to introduce a number of distinguished speakers and experts whose input will enrich the dialogue between the PNA and the NGOs. This session will take a comparative look at the different NGO Laws that were effective since the Ottoman rule in Palestine. Different sections of the new 1999 NGO Law will be discussed.

Regulatory Frameworks for Palestinian NGOs: Ottoman Period, British Mandate, Egypt, Jordan and Israel: An Historical Perspective.

Mr. Raji Sourani, Palestinian Center for Human Rights, Gaza

Through my presentation I will try to highlight the progress of NGOs in Palestine with a focus on the philosophy of the Law. Each law has a philosophy that supports it; just as every political system should also have a supporting philosophy. I will go back in history to highlight the development of civil society in Palestine with an emphasis on the philosophy of effective laws and regulations. The regulation of civic work started during the Ottoman rule in 1907 when an NGO law was issued. This law was limiting and constrained the formation of societies. During the British mandate, the 1927 constitution was published, crushing the Arab Moslem and Christian movements and encouraging and providing

resources and freedom to the Jewish organizations including the movements of Kibbutz, and Haganna, etc. The British emphasized the limiting and oppressive sections of the Ottoman law. This continued until 1936, when a Palestinian Law of 12 sections came into being. These sections added to the suppression of the civil work, its creativity, innovation and initiative. The British mandate had a clear vision and was strategically planned to oppress Palestinian society and its development. At the same time, it provided the Zionist movements with all possible resources to build a civil society. It did not stop at that, but we all know of the 1945 Law, which further reinforced sections of the Ottoman Law tightening the grip over the Palestinian movements.

In 1948, a new and more developed plan for the civil work phase commenced. I will start with the legal framework in the West Bank under the Jordanian rule. Some NGOs existed before 1948 and they remained after that, however, what the Jordanian regime did was to transform all that is Palestinian to become Jordanian. In 1956 the Law of Voluntary Societies was issued. This period again witnessed the abolition of the Palestinian identity and oppression of civil movements in order to merge the West Bank to Jordan. However, in Gaza the situation was different. When the Egyptians controlled Gaza, they had no intention of merging Gaza into Egypt. An Egyptian constitution for Gaza was issued under Abed Al Nasser. The situation was more relaxed in comparison to the West Bank but still contained elements of oppression. In summary, in the West Bank the intentions were oppression and integration while in Gaza, civil work was given freedom, but with certain limits. Both however were reunited under the 1967 occupation when the West Bank and Gaza came under one umbrella. After 1967 the Israeli occupation combined all the pitfalls and all the previous harsh conditions imposed by the different laws throughout the area's history.

After the occupation of the West Bank and Gaza, a military order was issued to announce that all administrative, legislative and executive functions fell within the purview of the civil administration officer. His capacity included all fields of life, which imposed restrictions and impediments on economic, social and educational development. The Israeli occupation stressed all the negative sections of the Ottoman Law, the law of 1936 and the British emergency law of 1945.

In the West Bank in the seventies, there was an awakening of the need for civil societies to strive and struggle for survival. As a result of these harsh circumstances the survival struggle of the Palestinian civil society institutions emerged; it involved many organizations with different specializations spread across the Palestinian society. All but a very few of these organizations did not operate within the framework of the law. Whether or not an organization operated under the jurisdiction of the law, they all suffered from the harsh restrictions and interventions of the Israeli army. These atrocities culminated in military decree number 686 in 1981, based on the Ottoman law and consequently tightening the grip fiercely over civil society. This continued until 1993. One month after the signing of the peace accord and prior to 4 May 1994, Israel, strangely enough, started licensing hundreds of NGOs that had not been allowed to form in the past.

With the arrival of the PNA, a draft for the law was put forth, but was almost immediately rejected. The legislative council prepared another draft and submitted it to Mr. Arafat in December 1998 for him to ratify within two months. Theoretically, if the President does not ratify a law within the established timeframe, it automatically becomes law. The President did not meet the deadline, and was late in returning the law requesting an amendment to

change the location of the registration from the Ministry of Justice to the Ministry of the Interior. This created a problem, as the majority of NGOs would have preferred to keep the Ministry of the Interior out of the process. However, there was no choice, either continue without a law or accept a law obligating NGOs to register at the Ministry of Interior. After long and heated discussions, the end result was accepting the law with the amendment made by the President. After that, the Ministry of NGO Affairs was established with specific objectives and a mandate.

We accept this new law although we think that it has some drawbacks. However, we want it to provide the basis for constructive dialogue between the PNA and the NGOs, to start to develop and build a democratic society where the rule of law and human rights prevail. Only with these principles will we be able to gain our rights of self-determination and freedom.

The 1999 Palestinian Law: Process, Outcome and Implications for Government/ NGO Cooperation

Speakers:

Mr. Ibrahim Doughmeh, Diwan Al Fatwa Wa Tashree' was not able to attend and his paper was presented by Ms. Awatef Abdel Ghani, Attorney

NGOs and local institutions are an integral part of civil society. Talking about or studying these institutions is not an easy task, due to the complexity and intermingling of the political, judicial, social and economic circumstances that the Palestinian society has gone through. While some of these institutions were established by the Diaspora outside the land of Palestine, a good number of them were established on Palestinian land when conditions were unstable. Therefore, due to the complexity of the circumstances surrounding the issuance of this law and the historical turbulence that the area faced throughout the years, it is important to look at the history of regulation and laws that were effective prior to the arrival of the PNA.

The Ottoman NGO Law of 1907. This law was drafted to meet the needs of that period when the intellectuals were establishing societies and formed a cover for their political activity, through which they sought to separate themselves from the Ottoman Empire. Therefore, this law was drafted to ensure full control and supervision over such organizations. Although section 2 of the law states that a new society does not need to be licensed by the state, section 6 of the same law forbids the establishment of societies in secret. It compels them to submit to the relevant governmental bodies a written and stamped document indicating the location, the objectives, and the names, as well as titles, of those managing the society. Section 4 of the Law forbids the establishment of a political society that has any nationalistic inclinations. According to section 7, the government imposed strict control over the societies by obligating them to keep records of the names of members, as well as administrative and financial documentation showing expenses and revenue, these were to be available for government inspection at all times. In this way the Ottoman government was able to impose control.

The British Mandate. The British maintained this Ottoman Law as it was in harmony with their own strategies in Palestine. They only added sections to enable it to have an even

tighter grip on society. At the time when the British limited the establishment of Palestinian societies and groups, they allowed the Zionist movement to form community institutions such as the Kibbutz, Haganna, Hizdroot - which all had a unified purpose i.e. to bring together all of the Jews coming into Palestine and create a Jewish state.

The British mandate also imposed an emergency system in 1945, which enhanced the limitations and hurdles in front of the societies in an unprecedented way. This period witnessed a handicapped civil society at a time when NGO services were needed most due to the absence of a state and the reluctance of the occupation to provide services.

The Period between 1948 –1967. After the establishment of the Israeli state and the entry of the Arab armies into Palestine in 1948, the West Bank, including Jerusalem, fell under the administration of Jordan while the Gaza Strip fell under Egyptian rule. Until the issuance of the constitution in 1962, the same laws of the British mandate remained in effect. In 1965 a new law for social societies was drafted and in 1966 the NGO and Voluntary Institutions Law was drafted for Jordan, including the West Bank, canceling all the old laws.

The Israeli Occupation in 1967. After the occupation of the West Bank and Gaza, a military order was issued to announce that all administrative, legislative and executive functions fell under the remit of the civil administration officer. This included all fields of life, which imposed restrictions on economic, social and educational development. The struggle for survival of Palestinian NGOs began during these difficult circumstances. The role of these institutions gained prominence during the 1970s. This period witnessed two types of institutions:

1. Voluntary, vocational societies in the urban areas, which were announced to the public and formally registered. This type of institution provided communities with cultural, social, educational and health services, and they gained legitimacy provided that they remained outside the sphere of politics.
2. Committees that were established in response to societal needs. These were not registered and therefore suffered from the Israeli closures and invasion of their premises.

During this period the Ottoman law was effective, however some measures to further tighten the grip were added by the military administration officer. Despite all the limitations imposed by the Israeli occupation, the Palestinian NGOs played an outstanding role in struggling against occupation and ensuring the survival of the Palestinian citizen.

Analysis of the new NGO law for the year 2000. This law can be considered the best law issued by the legislative council due to the tremendous effort that was exerted to issue it in its original form. The law confirmed the importance of NGOs within civil society and the independence of these organizations. NGOs are usually established to meet the needs of society and therefore it should operate openly in co-operation with relevant ministries and society as a whole.

We can conclude that under this law the NGOs are given space to express themselves, and flexibility to work. We could also say that this law stems from the national culture, meets the ambitions of the society and is a source of pride for the Palestinian people.

The role of NGOs in building a Palestinian civil society. It is known that NGOs are organizations that have civil society interests at heart and work in the cultural, educational, voluntary, judicial and technical development fields. They are known to be non-sectarian, non-religious, and non-profit and aim to enhance and develop the concepts of civil society. There is no doubt that these institutions have played a major role in building Palestinian civil society.

The relationship between the PNA and the NGOs. The PNA perceives the role of NGOs in building a civil society positively, and guarantees their freedom within the framework of the law. The relationship between the PNA and NGOs has to be based on the continuous exchange of information to enhance coordination regarding developmental policies and economic projects.

Dr. Ziad Abu Amr, Palestinian Legislative Council [Addressing - The 1999 Palestinian Law: Process, Outcome and Implications for Government/ NGO Cooperation – from a PLC Member’s perspective.]

Dr. Abu Amr discussed the new NGO Law, which was approved by President Arafat in 2000. He explained that issuing this law has been a learning experience for the legislative council, it has been the product of long discussions between the council, the executive and civil society and is a good example of the emergence of organized lobbying in Palestine. Various events that occurred during the issuance of this law have proved that civil society and society as a whole is moving forward in terms of negotiation, compromise, and responding to real needs. He also urged civil society not to consider the Ministry of NGO Affairs as an obstacle but to cooperate and work to move towards applying the new law in an effective manner.

I will limit my speech to discussing the new NGO law and to commenting on it. I have had the chance to continuously review this law from when it was first submitted as a draft until it was finally issued. The task of issuing this law was given to the political committee of the legislative council that I head.

What is the significance of this law? I would say that we have paid special attention to the NGO law, due to the important role that NGOs play in building civil society. Without NGOs, a civil society cannot emerge, and without a civil society, democracy will not prevail. The legislative council, representing the interests of certain groups, submitted a draft of the law. This is the correct relationship between the legislator and the interest groups. After the second reading of the draft, a revised draft was submitted by the executive government branch, represented by Diwan Al Fatwa Wa Tashree’. A decision was later taken to use the draft presented by the legislative council using some of the items that appeared in the draft submitted by the executive government.

Drafting this law was a learning experience, especially for the legislative council members, who learned a number of concepts pertaining to the role of civil society and the role of NGOs in civil society, and the democratic process. The drafting of this law was the first experience of organized lobbying in Palestine, where groups called the legislature, met and presented ideas, applied pressure and even attended all the meetings of the council.

There were some obstacles in the process of drafting the law; after the third reading of the law the draft was sent to President Arafat, to be signed within two months. From a legal perspective if it is not signed within the time specified, the law should become effective. The President did not work within the given timeframe and was late in returning the law requesting an amendment to change the registration from the Ministry of Justice to the Ministry of Interior. This created a problem, as the majority would have preferred to keep the Ministry of Interior out of this. However, there was no choice, either the NGOs continue without any law or have a law obligating them to register at the Ministry of Interior. After long and heated debate, the end result was to accept the law with the amendment made by the President. The coming period will prove whether or not this was the best option.

I would now like to discuss the establishment of the Ministry of NGO Affairs. The establishment of this Ministry has met opposition. Many have asked the questions - do we really need it? Will it support or limit the work of NGOs? I would like to say that a similar example to this Ministry exists in France. The French Ministry was created because the government allocates a percentage of its budget to NGOs for the benefit of society.

Civil society institutions are independent and they have taken their independence whilst working in harsh conditions, conditions that still prevail today. We should not worry about a new Ministry for NGO Affairs, or whether this Ministry will impose more limitations than the Ministry of the Interior. It cannot, as they both belong to the same government, headed by the same person. Therefore I call upon NGOs to start to work to build a relationship of trust with the PNA, and think of our national interests, in order to create a democratic system -socially and politically.

Dr. Mustafa Barghouti, Palestinian Medical Relief Committees [Addressing - The 1999 Palestinian Law: Process, Outcome and Implications for Government/ NGO Cooperation – from an NGO perspective.]

Dr. Barghouti confirmed that a democratic government would enable us to meet the needs of the Palestinian people. No other type of system has proven as successful yet. He then discussed the advantages of having a new NGO law and its pitfalls. Among the advantages were interaction between civil society and the legislative council; the replacement of autocratic rule with pluralism; the provision of a positive environment for dialogue. Canceling the concept of government control over civil work has confirmed that the registration of NGOs depends on laws and regulations rather than personal interests and perceptions, it has replaced suppression with freedom of speech, etc. Dr. Barghouti stated that the main challenge remained in the implementation of the law. He urged the different parties to move forward and implement the law, rather than belabor it with continued discussion of the existing law.

It is difficult to talk about the new law without noticing the inter-relatedness of civil society work with democracy. For this reason the issue has become very sensitive and the discussions regarding it have become very heated. Reaching consensus on the issue involves the differing views of a myriad of groups. It is possible to say that Palestine is going through a two-sided process. On one side, we are a transitional society that has still not achieved independence and on the other side, at the same time, we have a government

with a society that is relatively separate from it. There are two forces working in two directions. One side is pushing for Palestine to become a democratic civilized state where law prevails, and the other side is pushing the conservative old systems of power inherited from power systems still effective in some Arab countries - where the rights of the citizens are unclear and the government has absolute power.

I think it is in the interest of Palestine and the Palestinians, to push towards a democratic process, which is a necessary condition to build on our capacities and meet our national needs and priorities. I would like to talk about the importance of the process of issuing the new NGO Law, and the interaction that took place between civil society and the legislative council, taking into consideration the role of the pressure groups that emerged, the continued dialogue and how the experiences of neighboring and non-neighboring countries contributed - in the form of an in depth comparative study.

Later I will talk about the challenges that this new law has brought to the surface, but now I would like to note the importance of issuing the law:

- It replaces all the previous limiting laws that were used to oppress and suppress the progress of Palestinian civil society.
- It is a step forward when compared to the laws prevailing in other Arab countries.
- It creates an environment for continuous dialogue between the NGOs and the PNA.
- It cancels the absolute control of the government over civil society and creates a regulatory environment in order to organize and coordinate the work of the PNA and civil society institutions.
- It enhances the concept of accountability; institutions are not above the law and they have to be transparent and credible in order to be accepted by the government and the public.

I would also like to remind the conference of issues mentioned in the law that should not be overlooked:

- It gave the people the right to form institutions,
- It does not talk about licensing but rather registration, meaning if any group submits its papers to the government to register an institution, the government has no right to object if all the required documents are provided. Therefore discrimination between institutions is eliminated.
- Registration is bound by the law, which means there is no place for personal preferences or favors. For that reason the legislature confirmed that the process of registering an NGO is limited by a certain period of two months. The government either registers it or returns the application with a written reason stating why the application is unacceptable according to the law. If no response is received by the NGO at the end of two months, then it is automatically registered.
- It gave different roles to different ministries to monitor the work of civil servants, this is a step forward as it allows further coordination between those working in different areas.
- It stems from the idea of trust and not distrust.

- It confirms the importance of transparency.
- It avoids conflict of interest by not allowing family members to sit on the same board of directors of an institution; those on the board should not be working for a salary.
- A section of the law confirms an institution is not allowed to receive any conditional support.
- It also limits the government's involvement in dismantling the institutions.

The main outcome of the new law is that civil society institutions were liberated from the harsh conditions imposed by different bodies. The challenges that remain concern implementing the law in an effective manner and ensuring that no interference or amendments to the law take place at this stage, while it is being newly implemented. Another challenge is the setting of strategies to implement the law; these should be in harmony with the conceptual spirit and philosophy that built it on trust. Finally I confirm that the application of this law will definitely bring about an enabling environment for the progress of civil society, and for the creation of a complementary relationship between the government and civil society workers.

Discussion

The audience:

- You talked about the NGOs and the law and some of you mentioned to what extent the state can provide support in activating such organizations. You claim that the prosperous countries are those who provide help and facilities to organizations who in turn provide services to the public. In this case why doesn't the government allocate a small portion of their total budget to finance NGOs in Palestine?
- *Minister Asfour said:* I wish that Dr. Kassim would contribute to creating a positive atmosphere for discussion, instead of presenting negative issues that aim to confuse the newly-born relationship between the NGOs and PNA. I believe that this conference is one of the most serious and important ones to aim at creating a healthy environment through a regulatory framework. It is very surprising to say that the law that was adopted is a step backwards in comparison to that of the Ottoman Empire. This law is basically a result of the complex complementary relationship that exists between the needs of the NGOs and voluntary societies and the Palestinian legislative council which is isolated from the executive branch of the PNA.

The main influence on law-making was from NGO members and the legislative council, and the smallest contribution came from the executive bodies of the PNA. I believe that this law forms an important political regulatory lever. I appreciate Dr. Abu Amer and Dr. Barghouti's comments regarding this subject taking into consideration the direction and the framework of the law.

I would like to address the question of NGO registration, is there a case in the Palestinian transitional period when any group informed the PNA that they established a committee rather than requesting it? At this moment we are still between the aims and philosophies of the Palestine Liberation Organization and the Palestinian National

Authority, and between occupation and non-occupation. It is surprising that the occupation in years 1993-1994 licensed many organizations just before evacuation. There are some groups who are interested in cooperating with the Israeli society. Who

controls that? Who should monitor that? Isn't that the role of the government? Democracy is an important feature of the Palestinian society, no matter what has been said, we as Palestinians always had the right to express ourselves. We are not yet a state and therefore face many limitations; many of the improvements mentioned could be followed through once we achieve freedom.

- I would like to thank the speakers for their spirit and methods in presenting their points, at the same time I would like to criticize the chairman of the panel who was pessimistic and not neutral.
- The right of individuals to organize should be supervised to ensure that only appropriate NGOs are established, those with objectives that are not in harmony with the Palestinian development should be prohibited.
- The government should not control but should regulate the work of civil society.
- Within civil society there are rich and poor institutions, many are marginalized because of being situated in remote locations. In short there are gaps and inconsistencies between different institutions.
- The Israeli occupation limited the work of NGOs for “security” reasons, now we should work with the PNA on the basis of cooperation and partnership.
- The expected outcomes of this law are for independent civil society institutions to run their programs, identifying their priorities and vision and receiving direct support from donors, having the ability to work freely.
- What is the role of NGOs? Is it to correct the government or provide services to the community? I think the NGOs have already taken initiatives in many fields, there has been cooperation and collaboration between the two parties.
- The law ensures that people are protected from the absolute power of the state, this law is a step forward towards creating an effective civil society.

Speakers from the Podium:

- *Dr. Raji Sourani:* there should be an action plan to ensure the effective implementation of the law, we hope that this will happen soon. The other thing I would like to address is the issue of trust. It is a precondition. It is impossible to build a relationship without trust. We are currently talking with a Palestinian government, not the Ottomans or the Israelis; we are cooperating to build a democratic civil society, where human rights and the rule of law prevail. This society is our only option if we want to achieve freedom and self-determination. For that, we need a trustworthy relationship based on the philosophy that the PNA is the authority and the NGOs are the complementary partners. If we fail then the future of Palestine will be threatened.

- *Dr. Mustafa Barghouti:* I agree that the challenge is in implementing the law, whether we agree with it completely or not, it should be applied. Truthfully, I think the PNA is being tested, will they apply the law in an effective manner or not? Some people think

that this law is not a good one and we should apply the Egyptian law, and others say that we should apply it and then modify it as we proceed. This would not work out, the process should be moving forward. Some NGOs should take the initiative and apply the law and some have already done that even without it appearing in the newspaper.

I agree and disagree with Dr. Kassim, I disagree and I confirm that the government according to this law does not have the right to license the NGOs but rather to register them. I agree with him on the issue that we need an independent judicial system and independent courts and this needs a lot of effort and work. We have 37 judges who have to look into 173,000 lawsuits in the West Bank. We have to think of the national interest and that is to respect democracy because it is the major guard for our rights and interests. I hope the PNA would take this last point, civil society should receive clear messages from the PNA. The government and the NGOs should engage in dialogue to set national policy in the area of development. The issue is connected to the belief that the individual has the right to participate. One of the drawbacks of the new law is that it did not differentiate between the various groups. As for resources and funding, a review of the financial statements will clarify that there should not be competition between NGOs and the PNA for resources. It will be clear that 85% of the funds received by NGOs are not originally allocated for Palestine but are from international funds which NGOs of different countries compete for.

Panel Two

Chairperson: Mrs. Rawia Shawwa, Palestinian Legislative Council

Mrs. Shawwa expressed the need for the Palestinians to learn from the experiences of other countries and expressed her belief that all parties should help the Palestinian Authority to progress and develop the economy and society.

The Legal Status of NGOs in a Comparative Context: An Overview

Speakers:

Dr. Abdel Basset Ben Hassan, Arab World Human Rights Center, Tunisia

Dr. Ben Hassan commenced his speech stating his wish that the conference would set an example for other Arab countries to follow. He said that the role of civil society in international relations is crucial. This was depicted in their participation in various international conferences such as Beijing, Copenhagen, and Vienna. Moreover, their important role has been recognized in a number of international documents. Dr. Abdel Basset raised the question “how can a legal framework maintain and ensure that all parties do their duties and obtain their rights in an independent manner?”

My being here in Palestine is a natural outcome of the basic principles upon which NGOs are founded, the idea of solidarity. Solidarity is an essential principle for establishing NGOs. I would like to present some simple ideas about international NGOs and the establishment of communities' rights. Moreover, I will illustrate some common problems of NGOs in Arab countries.

When we talk about the regulatory framework of either local or international NGOs, a few basic questions surface:

First, a regulatory framework in my opinion is a manifestation of the policy of certain societies, i.e. how the society is organized. A regulatory framework for an NGO in certain communities is in fact a reflection of two sides taking into consideration the community demand for community participation in all aspects and the question of democracy, tolerance, acceptance of others' opinions, and the role of human resources in the development process. I do not want to go into detail regarding human development rights, because these are now becoming much more comprehensive. This confirms that the proposal of the regulatory framework highlights the political agenda in certain communities.

Second, recently, in many Arab countries the file of NGOs has been opened. There were distortions of the regulatory framework in many Arab countries such as Egypt, Tunisia, Jordan, Palestine and others. Such distortions were not just a regulatory exercise but rather an expression of how our countries respond to some internal and external questions that they face. We are now talking about globalization and technological improvements; we are talking about the free market, which is monopolized by a certain class that will destroy any state. How well prepared are our states to face these issues and at the same time organize the civil society?

The third issue is one of sovereignty, and how the state looks at it. This is extremely important. Although many barriers were overcome, still, many states regard the sovereignty principle as something sacred that no one can touch. I point out this issue here especially to the NGOs who work in defending human rights.

Fourth, the regulatory framework remains, regardless of the different definitions and laws of NGOs. What I regard as an essential question is, how the administration, dialogue and management could be organized in a way that ensures each side will meet its obligations independently? This is an essential principle on which either the failure or success of applying NGOs' law depends.

The fifth point is the right of establishing societies. According to international classification, this falls under the 'Other Rights' clause. There are basic rights and other rights, and this does not mean necessarily ignoring the other rights. Basic rights such as the 'right to life' cannot be ignored, under any circumstances. Regarding the other rights, they can be restricted in some cases and at certain times.

Internationally speaking, NGOs are playing an important role. There are many explanations for this rapid improvement in the status of NGOs. One was the end of the cold war, while others referred it as the limited role of the state and at the same time many NGOs were exerting tremendous efforts into development. Some thought that the expansion was due to the rapid and easy flow of information and exchange of technology, in addition to the large amount of information that NGOs already possessed.

The important role played by NGOs was clearly mentioned in many international texts. This verifies the different components of the NGO's right of establishment: the first component is the right of citizens and individuals to establish societies without governmental barriers.

The second component is the freedom of societies to pursue their activities freely. The third component is the right of societies to be independent.

Actually, in international relations, the NGOs have not yet reached the level where they have the same rights and treatment as individuals. But at the same time, they possess the ability to influence the establishment of international standards, and to participate in the formation of the basic principles of development. In spite of recent improvements, much work needs to be done in developing an international convention that would address the rights of civil societies. The outcome of that convention should be binding for governments.

Regarding the Arab countries, there are some basic issues. One of these issues is government involvement in establishment and licensing. This could restrict NGO operations. Here, I want to confirm that any NGO has the right to choose and control its financial resources. In Egypt, a partnership agreement with the EU was signed which confirmed the preservation of human rights but simultaneously there were laws that violate the right of establishing societies.

In my opinion, we still have to direct and coordinate our efforts towards enhancing NGO relations. The role of the government in cooperating with NGOs is really important to achieve maximum benefit. Trust and vision are necessary to lead us to the desired goals.

Mr. Jalal Abdel Latif, Inter -African Group, Ethiopia. [Addressing - The Legal Status of NGOs in a Comparative Context: A Case Study of Ethiopia]

Mr. Abdel Latif observed that NGOs have been recently gaining prominence and receiving large sums of financial support, due to the failure of domestic economic systems, and to peoples' belief in the principles of self-help. A question Mr. Abdel Latif posed was, " Do we really need a Ministry of NGO Affairs?" He maintained that such questions should always be raised and discussed openly.

I am pleased and honored to be here. This conference has two dimensions. The first is the internal political process going on among Palestinians, with different institutions involved, and influencing each another. The second dimension is that you are trying to spur a global discussion about NGOs, NGO laws, the World Bank and the relationship between NGOs and government. All of these issues are only about 15 years old. The impact of these questions is global, and Palestine is unique in its efforts to reconstruct a state. However, this is not a totally new situation, as the same problems and discussions are taking place all over Africa.

We are looking at the new role of the state. Sovereignty is being redefined, as well as the role of non-state actors and the question of public interest. Who protects the public interest? Regulations are an interesting area. They are either opportunities or excuses for the government. I understand there is no nation without a state, and there is no state without citizens, so we have all this to consider in the relationship. You have been struggling to

build a state; therefore the question of how best to do so is on the mind of every citizen. The task of building the state, therefore should not be monopolized, or the process restricted to a privileged few.

The term “NGO” has often been used negatively during the past 15 years. It is a disservice to do so, as that serves to deny peoples’ volunteerism, development, and aspirations. African people define the term NGO in a very limiting and narrow way. NGOs represent a fraction of civil society in Africa, less than 1%. On the subject of volunteerism, in the USA for instance, they do not use the term NGO widely. They call these organizations PVOs, or private volunteer organizations, or they use the term nonprofit organization. Likewise in Europe, they also use the terms nonprofit organization, or non-state actors. NGOs are therefore a recent phenomenon, which came about for one main reason, the global aid system - the source of their funding.

In Africa, a large number of associations have no problem with the state. However, I can tell you that NGOs are in conflict with the state because they are 100% dependent on donor funding. If that financial source is unplugged, they collapse. So this is it in a global context. Why is the World Bank encouraging NGOs? In this area, the actions of the World Bank and the IMF have had very negative consequences. As a result of economic reform people have organized themselves to receive alternative funds to deliver services. It is a reaction to a global system that has failed and caused entire African states to collapse.

The aid system is an industry, 7 billion dollars a year. This is more than the World Bank gives to third world countries. So why the increase in this sector? When economic systems fail, people take the initiative to organize themselves. NGOs appear to compete with the state, and the state feels jealous and insecure because they are commanding a lot of money and they have influence, voice and visibility. At the end of the day we want an accountable government. We need clever and committed leadership. In the NGO sector, each organization has a single leader. If that leader disappears, there is a crisis of leadership. We are all in the same boat whether government or NGO.

Palestine is in a phase of triple transition, they have to build a state, build institutions and the NGOs are ahead of the game, this is a reality. Critical cooperation is needed. There is no correlation between the number of NGOs and democracy. A country is not democratic just because it has a large number of NGOs. There is no correlation between the number of NGOs and a reduction in poverty. No historical evidence supports the idea that NGOs do a better job of alleviating poverty or improving the standard of living than the state.

The missing link in this discussion is the private sector. Who said that the private sector couldn’t run clinics? The private sector is part of this society. Unless we engage a socially conscious private sector, there will be no real development. We have to engage all three pillars of society for development: private, public and non-state actors.

I am personally not in favor of the NGO law. This is the first time that I have seen an NGO Ministry or an NGO Minister. I believe that the freedom of association and organization is sufficient. However, once you have done so, God knows whether or not you will have the freedom to operate.

Discussion

Do we really need a Ministry of NGO Affairs? This is a question that was continuously asked. During the discussion, an optimistic spirit was maintained regarding the issuance of the NGO law. It was agreed that it was a positive move forward in terms of the relationship between the NGOs and the PNA.

The audience:

- With regard to democracy and the human rights national plan, I would like to say that the PNA was a pioneer in signing a human rights agreement with the United Nations. This national plan tackles six areas: basic sectors, rule of law, education, health, social welfare, and housing. In each of these areas the three parties involved are the Palestinian NGOs, the respective ministries and international agencies. Workshops will take place to develop human rights to protect the Palestinian democracy.
- Two types of relationships between NGOs and the PNA were presented to us today. One is popular in the third world and that is the interventionist government, and the other is the European style and that is the guardian government. One style protects the state from civil society; the other protects civil society from the state. I think we have created a third type in Palestine. And that is the partnership type, this is an opportunity that we should use.
- The law and the political system have a philosophy. But then again the laws in bulk represent the nature of the political system. Laws could be issued but at the same time could be limited. We can not depend merely on the law; the independence of NGOs should prevail along with their partnership and cooperation with the PNA.
- The truth is that I would like to talk about the law that protects everyone and is fair. During the occupation, we suffered and the NGOs were there for the people. I believe that every institution should follow regulations and allow the law to direct its work. However in our case those who are imposing the law are not applying it to themselves. Some ministries impose rules on NGOs, which they do not apply to themselves. Therefore those imposing the laws should set an example.
- We are happy to have our friends from Tunisia, Ethiopia and other countries. We always had this question at PARC, “how do we learn from other countries and at the same time mold what we learn to our situation?” We need to focus on the issue that the world is turning towards civil work for a number of reasons.
- Regarding the mechanism, which Dr. Abdel Basset presented to coordinate between the NGO and PNA, necessary criteria and factors are seen as a prerequisite and these include democracy, partnership, and equality. Are these factors available in our country? Again, I would like to say that we should not follow the Arab examples, as these systems are autocratic. We should distinguish ourselves since we have a more open and democratic society.

Speakers from the Podium:

- *Dr. Abdel Basset:* I would like to say that every point put forward could be elaborated on for hours. When I talked about NGOs, I talked about their importance and their pressuring power. International conferences have illustrated that, I will give an example, the human rights conference in Vienna demonstrated that the NGOs stood up and did not allow the lobby that wanted to affect the globalization of human rights. I would like to talk about this rigid distinction between NGOs and governmental organizations; this separation does not serve the progress of countries. The issue of funding, the dialogue around it is complicated. We will not progress as long as there is corruption. A person should take unconditional funding. We hope that NGOs will start working on generating income for themselves. As for coordination, it is weak in most cases and it should be enhanced between civil society and the government. NGOs in the West and in industrial countries have more space to maneuver. Independence of NGOs and the respect of that independence should be the purpose of any law or project.

- *Mr. Jalal Abdel Latif:* Palestine is at a crossroads, you have lost the 20th century you cannot afford to lose the 21st century too. You have to make your own experience. If I were to establish a state I would not follow the Arab systems. Dr. Dajani yesterday quoted Woodrow Wilson, democracy is limiting the power of the state, now we are in a different game, and we are in the game of influencing the power. I do not want to be a Minister, but I do want to influence the Minister. Influence requires the skill of negotiation, balance and compromise; this is what we have not learned. Especially in the Palestinian case, it is more difficult because we need to build. How do we mobilize the assets and energy of the NGOs, universities, and centers that are a resource? How do they articulate the voice of the poor? The new NGO law is good, positive and commendable, but it has limitations. The NGO code of conduct can overcome these limitations. A code of conduct is not state business, it is the ethics of doctors and lawyers, self-regulation. I regulate myself. It is like teaching you how to be a Muslim. This is not their business however NGOs should be accountable. Lastly, the Palestinian NGO sector is very healthy, what needs to happen is a development pact with the PNA where there is a collective vision.

Session Three: Palestinian Government and NGOs-Proactive Relations and Potential for the Future

Panel One

Chairperson: Ms. Wijdan Siam, Ministry of Health

A number of positive examples of cooperation and partnership among the NGOs themselves and between the NGOs and the PNA were presented by the following speakers:

Examples of Sectoral Cooperation

Mr. Khalil Mahshi, Director General, Public and International Relations, Ministry of Education. [Addressing PNA/NGO co-operation in the Education Sector]

Since its inception, the Ministry of Education (MoE) strongly believed in the necessity to cooperate with credible educational NGOs. It initiated a meeting with NGOs to discuss methods of coordination. The paper presented by Mr. Mahshi reviewed the cooperation between the MoE and the educational NGOs. He concludes with proposals for the

improvement of cooperation and partnership between the MoE and NGOs. Mr. Mahshi defined partnership between NGOs and the PNA as sharing a common educational vision and devising realistic action plans. Moreover, he stressed the importance of decisions and follow-up and in translating words into action.

Levels of confidence and trust between the MoE and NGOs have been built. More systematic and consistent work by both parties is needed, however, to attain a relationship of partnership and complementarity. Educational NGOs are still limited in number and capacity. They have to network more efficiently and avoid duplication and competition among themselves. The MoE has to create better mechanisms for the participation of NGOs in its planning, policy formulation and development activities. Both have to work harder at drafting an educational vision and development plans based on actual needs, identified through dialogue with the community, and translate them into detailed implementation plans in which the role of NGOs is clearly spelled out.

Both have to relate to donors as partners in the realization of the agreed development plans.

The Ministry of Education and Higher Education (MEHE) was created from scratch in August 1994, immediately after the Gaza-Jericho Agreement. The MEHE was given responsibility for education at all levels. However, in 1996, responsibility for post secondary education was transferred to a newly established Ministry of Higher Education and MEHE was renamed the Ministry of Education (MoE).

Throughout the period of Israeli occupation, private educational institutions, NGOs and teachers' committees and unions defended children's right to education and fought against the closures of schools and universities by the military authorities. Just before the establishment of the Palestinian National Authority, and in anticipation of the creation of a

Ministry of Education, the members of the network of educational NGOs met several times to discuss the expected change in their role, activities and priorities that this would create.

Since its establishment, the MoE took the position that it needs to coordinate with NGOs and the private sector in its efforts to improve and reform the educational system. This position was taken for three reasons:

Soon after it started operating, and even before it was fully established, the MoE called the network of educational NGOs for meetings to discuss ways to coordinate and areas in which cooperation would be needed and would be possible. In fact, the first meeting between the Minister of Education and educational NGOs took place at the Ministry of Education in Ramallah on the 14th November 1994. In this meeting, the NGOs took it upon themselves to draft a position paper proposing mechanisms for coordination between the MoE and the

NGOs. A few months later, a very brief position paper was presented to the MoE and two more meetings were held between the two parties to discuss the issue of coordination. Nothing concrete resulted from these discussions. An overall common understanding was, however, maintained for the need to keep coordinating and cooperating.

Several NGOs approached the MoE requesting its approval for the implementation of their activities and projects in government schools or those targeting government school principals, teachers or students. Most NGOs submitted projects, had arranged donor⁷ funding and were ready to be immediately implemented upon the approval of the MoE. A few NGOs, however, attempted to involve the MoE in designing and planning these activities and projects. The MoE approved most projects submitted by NGOs. These covered diversified educational areas and needs.

The only clear exception to the sporadic participation of NGOs in the work of the MoE, which relates to planning and policy-formulation, is the Education Sector Working Group (SWG). Since its first meeting, the education SWG decided to invite the network of educational NGOs to select a representative to attend its meetings and to be a member of its Steering Committee. A lot of the work of the SWG presently focuses on the development of sub-sector five-year developments plans, on how to integrate these plans into one sector plan and on how to relate the latter to the Palestinian Development Plan. In this context, the presence of a representative of the educational NGOs as member of the SWG and its Steering Committee constitutes the only concrete and sustainable mechanism for NGO participation and cooperation in the strategic work of the MoE.

The past attempts at coordination and cooperation in limited projects between the MoE and the educational NGOs resulted in mutual respect and relative mutual trust. However they did not lead to the creation of a mechanism for regular exchange of views, consultation, complementarity of roles in concrete cooperation and to a real sense of partnership in the service of the community. Partnership cannot be achieved through selective piecemeal cooperation in a limited number of activities and projects. The lessons learned from the successful experience of the education SWG on the need to strategize; plan and implement together with a clear definition and division of responsibilities roles should be kept in mind for the future.

Dr. Najat Al Astal, Physician/ Palestinian Red Cross [Addressing PNA/NGO co-operation in the Health Sector]

Dr. Al Astal conveyed to the audience her experience in being an active member in the Ministry of Health and a number of NGOs, combining the two backgrounds. She provided examples of cooperation between the PNA and NGOs in the West Bank and Gaza. Ms. Al Astal confirmed that the role of NGOs in mobilizing community participation and reaching the disadvantaged groups has been crucial and complementary to the government. Al Amal Hospital in Khan Younis was an example of cooperation between the PNA and the NGOs.

I will provide a background on cooperation between NGOs and the PNA in general and in the area of health in particular.

These NGOs are voluntary, humanitarian, non-profit and non-discriminatory organizations that aim to provide health, social and medical services to the public, especially the poor and marginalized with special attention to remote needy areas. Also, their role is to mobilize community participation and identification of community needs, to focus on youth and to enhance the concepts of participation, civil society and democracy.

These gain prominence because they provide services of similar quality and complementary to those provided by the Ministry of Health. The cooperation between the PNA and NGOs is important for:

- Partnership in the area of health
- Avoidance of duplication
- Exchange of experiences and information, areas of cooperation include primary health care, secondary health care and rehabilitation, training and teaching.
- Devising policies and strategies

Challenges facing the coordination:

- Securing the continuation of funding
- Setting plans and strategies
- The size and capacities of these organizations
- Specialization in order to avoid duplication

Examples of cooperation between NGOs and the PNA can be illustrated through the work of the following bodies within the PNA, the Society for Organizing and Protecting the Palestinian Family, the Red Cross and the Medical Relief Committees and the Society of Land. As well as Al Maqassed and Arab National hospitals. Also there is cooperation on the level of handicapped rehabilitation, however, this area still needs further coordination to avoid duplication and ensure effectiveness.

An example of cooperation was the establishment of Al Amal Hospital, which belongs to the Palestinian Red Cross Society in Khan Younis; this was built on the Amal clinic that belongs to the Ministry of Health. The expected outcomes of this cooperation are:

- To provide a model for other hospitals to follow

- To support Al Amal city by building the capacity of the rehabilitation center, school and hospital
- To benefit the local community by hosting local and foreign medical groups coming to Palestine
- To cooperate further to ensure better quality services.

Lessons learned from this experience of cooperation:

1. Illustrated the possible successful cooperation between the two parties.
2. Complemented the field of health rather than provoking competition.
3. Involved the governmental and non-governmental organizations in decision making.
4. Opened areas for cooperation.
5. Led to the installation of a computer system to facilitate provision of services.
6. Involved our institutions in policy-making and needs identification.

Mr. Irsan Ibrahim, the General Union of Palestinian Voluntary Societies [Commenting on PNA/NGO co-operation]

Mr. Ibrahim confirmed that he has worked in the NGO sector for 42 years and has witnessed different phases of suppression by military rules and under the 1965 NGO law. He expressed his happiness to have finally been able to participate along with other NGOs in drafting the new Palestinian NGO law. Mr. Ibrahim was positive in describing the relationship with the Ministry of NGO Affairs. He again stressed the importance of the cooperation between the two bodies to meet the needs of their constituencies. Having said that, he confirmed that a needs assessment of the community is a necessity.

Mrs. Asia Habash, Early Childhood Resource Center [Panel Discussant]

As a discussant, Mrs. Habash presented a complementary session to the speech of the Ministry of Education by providing a number of examples of their cooperation and coordination including sectoral working groups, conferences and meetings. However, what is lacking, she confirmed, is an institutionalized mechanism for this cooperation. Both sides need to work to strengthen their skills and abilities. Mrs. Habash stated that the NGOs working in the field of education provide services and will continue to provide them especially in pre-school education, illiteracy and community education.

I disagree with Mr. Mahshi that NGOs working in the field of education are scarce, the issue is not their number but rather their impact and effectiveness. As for the relationship between the PNA and the NGOs, I can give a number of examples illustrating the interest of both in the development of society. A good example is the MoE and the Center for Teacher's Innovations project. What has distinguished this project is the dialogue and discussion that produced valuable recommendations and actions. Other examples are evident with the Ministry of Health and the Ministry of Agriculture.

I personally accompanied the Ministry of Education to the international conference "Education for All, Year 2000" and I was surprised to find out that I was the only person coming from the NGO sector, that illustrates the relationship of partnership and cooperation between the PNA and Palestinian NGOs. However, at the same time when the Ministry of

Education developed its five-year plan, it did it in isolation from the NGOs. I see institutions of civil society as the conscience of the national authority. These institutions are responsible for directing the PNA if it loses track. Also, civil society should play a role in formulating a vision for the rehabilitation of Palestinian society.

Discussion

The audience:

- It is not fair to say that there is a lack of cooperation between the NGOs and the relevant ministries, this is not true in the case of the Ministry of Agriculture. We as agricultural NGOs have contributed in devising the plans for the Ministry. The Ministry discusses their annual plans with us and we discuss all the regulations pertaining to the agricultural sector. When the MoA held the conference to present their policies and strategies, it ensured that agricultural NGOs worked on the documents presented.
- A very critical topic was raised during the presentations and that is early childhood education. Early childhood development is very important followed by education and then culture. Our curricula lack anything about Palestine. In comparison early childhood education in Israel is so much more developed, children speak the language of technology and are able to communicate through the Internet and use other programs that build their mental capabilities. I wish our government would start integrating such an educational program into the curricula. Also, our media lacks any reference to Palestine, I see programs related to singing and singers but nothing to teach about the culture of Palestine.
- When talking about partnership and cooperation, one has to take into account the specificity of the Palestinian case, which I would like to summarize in three points:
 1. The transitional period creates tremendous responsibilities for both the NGOs and the PNA.
 2. The NGOs existed before the PNA, they provide about 50 to 60% of the health services and 90% of the rehabilitation services, and this fact can't be forgotten when talking about partnership.
 3. There are accumulated experiences in the different fields that should not be neglected.
- Three frameworks determine the relationship of NGOs and the PNA: Legal (discussed above), professional (relationships of cooperation between both) and social (NGOs having a vision) frameworks. The principles that direct the relationship are: mutual coordination, the right of NGOs to adopt their developmental vision, the right of NGOs to play the role of pressure groups to benefit of the poor and marginalized, the independence of NGOs, and finally the identification mechanisms for coordination.

- A question for Mr. Mahshi, why isn't there enough attention dedicated to the schools of Jerusalem in order to keep the teaching Palestinian rather allow the Israelis to take over?
- It would have been of great benefit if we were involved in the discussions regarding the law. Some NGOs may be fortunate and were involved but the poorer ones were not.
- *The chairman said* that Jerusalem is part of us all, we should all work towards its development.

Speakers from the Podium:

- *Mr. Mahshi* said that the process of improving the relationship between civil society and the government is not going well due to administrative and monitoring hurdles. I think our problems are in planning, not as a Ministry but rather as a society. There are good signs of cooperation but it still needs a lot of work, and we should move from coordination to collaboration.
- Jerusalem is always heading the agenda, in all formal and informal meetings. Jerusalem is represented by the NGOs of Jerusalem.
- The Ministry of Agriculture was not ignored at this conference. A number of workshops were held in Palestinian cities in which the Agricultural Minister was personally involved.

Panel Two

Chairperson: Dr. Suleiman Khalil, Palestinian Delegation of National Institutions, Associate Professor at Al Najah University

The Role of the NGOs in Local and National Planning

Mr. Brian Moholo, Head of the NGO Networks in South Africa [Addressing - Nonprofit Sector in South Africa: Context and Challenges]

In his presentation entitled the Nonprofit Sector in South Africa: Context and Challenges, Mr. Moholo shared with the audience the South African transitional experience, which is relevant to the Palestinian case. He provided a brief sketch of issues that affected South African NGOs and how civil society developed. However, the main part of his presentation was listing challenges that faced the NGO community in South Africa, which may also face the Palestinian NGOs and so he urged the audience to reflect on the challenges he presented.

South Africa has a relatively vibrant civil society. This includes the large trade union formations, local civic organizations, organizations that offer welfare assistance to the “needy” and political and advocacy organizations that represent a wide range of ideologies and beliefs. It is this diversity and its inherent conflicts and disagreements that typifies the vibrancy of association activity in South Africa.

This “vibrancy” is famous and South African “NGO activists” have been asked to share the ingredients of it in many parts of the world. What is quite often not spoken about is the fragility within many of these organizations and the challenges they face in adapting to a continuously changing environment. These challenges and the response by organizations will be the subject of a research project during the year 2000 and will be published in a book that will reflect on the changes within South African society over the last few years. This paper will make some comments on these issues as well as provide a brief historical overview of the nonprofit sector.

In a booklet entitled “The Nonprofit Sector in South Africa”, the organization indicates that there were generally three phases during which NGOs emerged. These NGO groupings have been classified as “venerable”, “emergency” and “transitional”. Venerable NGOs were founded in the period 1900-1985. These organizations were primarily welfare oriented and tended to link up with the formal welfare services provided by the apartheid government. Formal welfare organizations tended to be associated with the state due to their service providing functions and were generally mistrusted by many of the black communities.

Besides these types of organizations a division between what is termed Non-Governmental Organizations (NGOs) and Community-Based Organizations (CBOs) also characterizes the South African nonprofit sector. Although much of this division is about terminology there are real reasons for these divisions. “NGOs” tend to be service providers or intermediary urban-based organizations that have access to funds and are generally perceived to have skilled staff. In the past, predominantly white males generally also led these organizations.

Many NGOs raised funds as intermediaries set up to “build the capacity” of Community Based Organizations.

CBOs are small organizations with very little access to skills and funding. These organizations tend to be located in rural and urban townships and are generally led by people living in the township. CBOs are unhappy with the unequal access to funding between NGOs and CBOs and are actively requesting donors not to give funds to intermediaries but to channel funds directly to them.

In many areas, however, the distinctions between an NGO and a CBO are very difficult to find. There are organizations that have similar skill levels, equal access to funding and generally do the same type of work yet, are called either an NGO or a CBO. Notwithstanding the very real difference, the term CBO has become a politically correct term for many organizations. Many new organizations set themselves up and call themselves CBOs in the hope that it will attract more donor funds.

There have been considerable challenges facing the nonprofit sector over the last six years since the country’s first democratic election. These include a reduction of foreign-based funding, new approaches to organization and programming. This is particularly true but not exclusively for those organizations earlier described as “emergency”.

As for funding, during the 1980s and earlier, there were significant solidarity funds available. These funds came predominantly from Europe and the United States and were earmarked for supporting anti-apartheid activities and institutional support for organizations

leading these activities. The relative ease with which organizations could access solidarity funding is illustrated by the fact that many were not required to do extensive program planning or focus on management and sustainability. This created enormous problems when today, both foreign and local donors demand comprehensive business plans and efficient management.

Secondly, like anywhere in the world foreign donors had sought to have formal relationships with the democratic state and support priorities set up by the government. NGOs whose programs were not contributing to these priorities found it difficult to access funds. The third reason and perhaps the most important was the vexing question of legitimacy -whether there was a need for NGO/CBO activity when you now have a democratically elected leadership both at local and national government level.

During the early years of democracy the non-profit sector in South Africa experienced the movement of senior and experienced NGO staff and CBO leadership to other sectors, primarily government. This can be attributed to the fact that most of these people genuinely sought to work for the government to ensure that it succeeded, and in any event could have been working for the government had it always been democratic.

Among the organizations that have successfully adapted to the new environment, the following changes appear to be critical success factors. Organizations have had to employ people that are specialists and professional in their fields. The move towards professionalism has allowed many nonprofit organizations to compete with the business sector for both government and public contracts. Concomitant to the employment of professional staff, there has been an increased focus on management capacity to develop business plans and financial management systems to cope with new reporting requirements as well as to increase the credibility and accountability of NGOs.

Although most of the organizations that have “professionalised” contribute well to new thinking and practice around democracy and governance as well as development, there have been some interesting consequences. In the process of adapting to local and international contexts nonprofit development organizations have needed to review whether or not the traditional mode of “NGO” organization is still useful, or the only form of organization capable of impacting on development within a “progressive” value base. The demands for professionalism and efficiency have necessitated organizations to move towards organizational structures and processes, whereby staff work towards the implementation of projects and programs along the lines of for-profit agencies, while still maintaining the values of participation and empowerment. These have had some unintended consequences that may not be entirely useful.

There were always question marks regarding the need for NGOs in a fledgling democracy. On the other hand the only legislation for NGOs during apartheid was that aimed at limiting the ability of NGOs to receive donor funding. Since 1995 there were some significant initiatives from the NGO sector aimed at ensuring an environment existed within the NGO community that enabled them to engage in development. While NGOs are forging ahead with efforts to ensure a sound funding and financial base from which to operate, the other significant development is work with government.

I would like to conclude by saying that this is a thumbnail sketch of the changing nature of some nonprofit organizations in South Africa. South African society is changing rapidly

and in doing so is drawing the rest of society, including development NGOs, into this metamorphosis. The difference between NGOs in the 1980s and now, is that unlike then “emergency” NGOs, and for that matter trade unions, are no longer leading transformation but are for the most part reacting and adapting in order to remain meaningful. This has meant reengineering organizational forms and questioning the socioeconomic grand narratives that guided activities of the past in order to play a meaningful role in a much more complex and demanding world.

Ultimately the move towards professionalism that is taking place in South Africa has resulted in a core of organizations being well placed and equipped to play their part in changing South African society. It is imperative to understand that the challenges of transition, and the transformation of a society that has been oppressed over a long period, will demand joint responsibility both from government and civil society organizations in order to rebuild society. However role definition is key, as seen in the context of re-engineering processes within the South African civil society. Finally I would like to say to the Palestinian civil society that they should not wait for the government to regulate NGO work, on the contrary NGOs should come up with their own code of conduct and ethics.

Enhancing Palestinian Governmental / NGO Relations

Dr. Fathi Darwish, Deputy Minister, Ministry of NGO Affairs [Addressing the issue from the perspective of the NGO Ministry]

Dr. Darwish criticized the previous presentations that put the PNA on one side and the NGOs on the other.

I would like to thank the organizers of this conference for their efforts and I would like to take this opportunity to confirm the important historical role NGOs have played in Palestine. Throughout our history of struggle, NGOs have been able to build a human resource base specialized in numerous areas, this is a source of great pride for us.

Since we as Palestinians are still in the process of struggling against occupation, the political, social and developmental works are integrated. This integration also exists between the political parties, the NGOs and the syndicates. What I would like to say is that the different institutions of civil society have worked in coordination with the PLO. This historical coordination and complementarity of roles indicates that there is one shared national interest. Based on the mutual understanding of the importance of enhancing this cooperation between the two sides, we all have one interest and that is to strive against occupation and to rebuild our society, establishing a state with Jerusalem as its capital. This relationship has had its ups and downs, however a number of positive experiences of cooperation have emerged throughout the years in the areas of health, education, agriculture, water, and environment.

There is an urgent need for the NGOs and the PNA to exchange information and experiences to sustain efforts and funds, and to avoid duplication, since both have useful capacities and experience in these fields. I will not elaborate further, as I would like to leave the remaining time that was allocated to me for the discussion.

Mr. Walid Salem, Panorama [Addressing - Enhancing Palestinian Governmental / NGO Relations – from an NGO perspective]

Mr. Walid Salem presented a paper entitled the complementary relationship between the PNA and the Palestinian voluntary societal organizations: reality and prospects. The paper tackled the issue of unclear differentiation between various bodies: the new political structure and the PLO, the voluntary organizations and the political parties, national duties and the social and practical duties, institutions working at the regional and those at the local level, organizations that work from Palestine and those that operate from abroad.

To discuss the relationship between the PNA and the NGOs, it is important to keep in mind a number of complications:

- The entanglement between the new structure of the PNA and the old structure of the Palestine Liberation Organization
- The entanglement on the level of political society, not only of the PNA with the NGOs, but also the interweaving of the NGOs and the political groups
- An interweaving of social work with national work, here the role of NGOs is prominent, as the PNA needs them to complement their efforts.
- The differentiation between the work that is on a national level and that on the local level
- The confusion between the work of the local NGOs and those operating from abroad.

Voluntary societal organizations under the PNA authority. We name them that since they, contrary to what is generally known, depend on local funds rather than outside donations. Only organizations established in the 1980s and 1990s have been dependant on external sources of funding. These organizations are divided into bodies:

- The National Union for NGOs, established in 1997, which has 1,200 member institutions and depends on local funds and coordinates its work with the offices of the PNA.
- The Forum of NGO Unions in the Gaza Strip, established in 1996, is composed of approximately 200 institutions, the majority of which depend on local funding and it also coordinates its work with PNA offices.
- The Palestinian Union for Voluntary Societies, established in 1958 and is composed of 391 members in the West Bank and Gaza and depends primarily on local funds and it coordinates its work with the Ministry of Social Affairs
- Cooperative Union, established in 1953 has 1,000 members, and depends mainly on local funds, it coordinates with the Ministry of Labor
- Palestinian NGOs Network established in 1993 is composed of 70 institutions, the majority of which depend on external sources of funding.
- The Forum for the NGO Union in Gaza Strip, which is comprised of 9 syndicate institutions established in 1996, it coordinates with PNA offices.

In addition to those bodies, there are several small bodies such as the Forum to Coordinate Human Rights Organizations, the Palestinian Union for Women's Rights, and the Educational Network and others.

What is presented above indicates that there are about 2,700 organizations all working on the national level. It does not include grassroots organizations. Add to that number 400 voluntary organizations working on the national and local levels, such as the social and youth clubs coordinating with the Ministry of Youth. In addition to the Zakat committees and youth and women's centers as well as the chambers of commerce and industry and others. These organizations play an important role in building the social and national fabric of Palestine. Their roles can be summarized as follows.

- They are venues through which people can participate and express their interests.
- They are venues to involve people in decision-making on a social and political level.
- They illustrate forms of democracy.
- They affect policy development within the PNA.
- They provide special services to the people, especially the poor and marginalized.
- They serve as a defense against the absolute power of the authority.
- They encourage awareness building of civil concepts.
- They facilitate the empowerment of women, youth and labor through educational and training programs.

A number of experiences illustrate the success of the PNA – NGO relationship, in the fields of health, agriculture, education, youth and sports. Despite these successful experiences, a number of issues still need to be addressed and remedied. Issues still hindering the complementary relationship are:

- The PNA perceives complementarity as taking place through implementation but not planning. The PNA has a tendency to deal with NGOs in a patronizing manner. At the same time, some NGOs actively compete with the PNA, which again prevents the cooperation and complementarity.
- The authority of the new governing body for NGOs is still not clearly defined. Its specific responsibilities still need clarification. The new NGO law does not deal with this issue. Too much leeway for unnecessary intervention in NGO affairs still exists.
- A multitude of governing bodies now supervise the work of NGOs, including the Ministries of Interior and NGO Affairs as well as the relevant sector ministry.
- Fierce competition exists for external funding, and debate rages over issues related to conditional funding.
- The NGOs' role in politics is as yet undefined. Some NGOs are assuming more political responsibility than the PNA would like.

For a successful and complementary PNA-NGO relationship to exist in the future, the following issues should be taken into consideration:

- The relationship must be founded on the basis of the new NGO law.
- The importance of working with the Ministry of NGO Affairs must be stressed.

- There must be freely flowing communication and active coordination among various PNA ministries and the NGOs.
- There must be freely flowing communication and active coordination among civil society organizations, both to prevent duplication of effort and to better coordinate with the PNA.
- The PNA must clearly define a role for the controlling government body.

The areas in which both parties should coordinate are political issues, a comprehensive plan for national development, sectoral planning, funding and financial issues, filling the gaps to reach all sectors of society, as well as the integration of all Palestinians; returnees, refugees, rural and urban populations. Other areas include human rights, voluntary work, rehabilitation and training programs for both sides in capacity building, fundraising, community development, financial management, project management, strategic planning and conflict resolution.

I hope that these recommendations will contribute to the development of the relationship between the PNA and NGOs.

Dr. Ali Jirbawi, PICCR Director [Discussant]

Dr. Jirbawi attended the conference as a discussant. He touched on a number of important issues in which he challenged some of the papers previously presented. Dr. Jirbawi discussed many examples of contradictions and double standards within the proceedings. He gave the example of the government regulating the functions of civil society and at the same time, claiming to give them freedom. Moreover, the NGOs claim to want to actively participate in building the nation, but at the same time, they refuse to be supervised. The real challenge remains ahead of us - when donor funding stops pouring into the country. He said those who sit and wait for funding at the end of every year would probably not survive. However, those currently busy working on generating income for themselves through investments and other methods will remain.

I would like to put forward seven points, through which I hope to stimulate discussion. What do we mean when we talk about “partnership” and “cooperation”?

- We never seem to be able to stop arguing. First, we argue about whether to have an NGO law or not, then when the law is issued we argue about the law itself, and then we argue about the best way to implement the law and so on. The next phase is where the real challenge lies. We have a law, but that in itself is not a guarantee for change. The question is does rule of law prevail?
- I heard you all talk about the PNA, but you all referred the executive branch only, as if there are no other branches. We do not seem to be looking at the PNA in a comprehensive manner. Maybe this is due to the absence of the judicial system and an ineffective legislative council. If we continue to look at the Authority as an executive branch only, we will never achieve democracy.
- Our dialogue is not going anywhere, because we always seem to use words and ideas that are not strong enough to create effective dialogue that can be translated into meaningful actions.

- We talk about different issues. Is the civil society part of the executive branch of the government? Should it be? Or does the civil society oppose the state? Much of what has been discussed is in practice irreconcilable. The PA wants to supervise the NGOs but they want cooperation at the same time. The NGOs do not want to be supervised but still want to be involved in the national planning process. This can't be done.
- In the world there are standards for excellence but we always seem to choose mediocrity. In the morning, someone said that some NGOs are capable of generating and attracting funds while others cannot. Does that mean that we should punish those who have developed and learned? Should organizations that perform in a mediocre fashion continue to be funded? We need to establish higher performance standards in our country, and actively seek excellence.
- Encouraging sectoral cooperation only means that the agricultural NGOs work with the MoA, the health NGOs work with MoH, and the human rights organizations have only the police to deal with.
- The real challenge is who controls what when the state is established and no more attention is poured into the area? How will the NGOs and the PNA sustain themselves?

Discussion

The audience:

- A question for Mr. Moholo. Was the forming of NGOs in South Africa based on race discrimination? Were there different NGOs for the white and others for the Africans?
- South Africa's experience is similar to ours in the sense that NGOs existed before Mandela took over authority. Did their mandate remain the same after he assumed his new responsibility?
- Who are the NGOs you are referring to? Do the labor rights' Organisations and syndicates belong to that category? In a previous presentation by Minister Asfour, he said that the labor syndicates and societies do not fall under the jurisdiction of the new NGO ministry as they are therefore outside the framework of civil society. So where and how can these institutions participate?
- Mr. Moholo said that as Palestinians we should be building our capacities, but how can we do that with the limited funding available to NGOs?
- How can NGOs talk about democracy when so many of them have not held elections for over fifteen years?
- The role of NGOs in the past was to fill the gaps that the government could not. Now NGOs are asked to participate in putting together the national development plan. This defeats the purpose. NGOs should now become part of the government.

Some responsibilities are put on the shoulders of the NGOs when they are actually the duty of political parties.

- It is obvious that there are similarities between the Palestinian case and that of South Africa. Mr. Moholo focused on the internal factors that affected progress. However, did any external factors cause change such as globalization, markets, and international politics?
- I agree with what Dr. Jirbawi has said. What he presented was not tackled in any other paper and that is that most presentations were conservative and characterized by having double standards. Double standards are evident in the work of ministries, NGOs and even between Palestinians themselves.
- We all agree that the new NGO law is important but the challenge is in the implementation of the law. We have several other ratified laws that were not applied yet.
- Everybody agrees on the importance of partnership and cooperation and the sharing of common strategies. However, several conferences took place before this one, strategies have been made before but still no one has translated words into action.
- We have to realize that the attention that is being given to Palestine is only due to the peace process. After a while these funds will cease therefore it is crucial that we use the funds available to achieve maximum benefit and start looking at ways to generate internal funds.
- I would like to draw attention to the importance of coordination with the Palestinian NGOs inside the Green line. Who also face daily challenges from the Israelis.
- Minister Asfour, do you guarantee that you will adhere to this new law and depend on it as a constitution for conflict resolution?
- How will the NGOs sustain themselves after all the donors leave?
- Double standards within the Palestinian community stem from the fact that the society comprises of different groups with different inclinations. Therefore this duality is not only with NGOs.

Speakers from the Podium:

- *Mr. Moholo:* a positive relationship between the PNA and the NGOs should be established. This relationship should be based on common objectives serving the Palestinian community. As for external effects such as globalization and international politics, of course, they both affected African society. Our markets compete with the world market, and we cannot ignore that. In terms of how organizations evolved, some started in the 1990s. These were welfare organizations, needed for relief but those organizations do not have the ability to look beyond that. They do not have a developmental vision. Therefore you might need both of them. I think you must have voluntary societies in every society. It is human nature that people go out of their way to help others to make sure there is social change. The

role indeed has changed. You see us as NGOs competing with the private sector, facilitating both government and the communities, providing capacity building services for government and for community based organizations. We also advocate policy changes.

- *Dr. Fathi Darwish:* As for the question regarding the syndicates, I would like to say that the ministry did not choose its objectives, but the presidential decree did. The decree stated that the ministry's objectives are coordinating among the local NGOs and between them and the international NGOs and governmental agencies. However, syndicates are not under its jurisdiction. As for the idea of pluralism, of course we accept it otherwise we would not have been participating in this conference. As for the implementation of the law we need further dialogue, and to stop discussing the content and focus on how to ensure its application.
- *Mr. Walid Salem:* As for the developmental vision I would like to say that this has three approaches. One is individual, meaning that we are a part of the Palestinian society and have the right to participate in the devising of the development plan. The other approach says that the PNA would devise the plan and that the NGOs will have a separate one. The third is the pluralistic approach, which is extremely healthy, as different parties have different visions. As for the issue of complementarity, we have to accept that we are in a transitional period and that complementarity at this stage is quite difficult. As for duplication, I see different parities involved in the same area, but I see no danger in that. What is dangerous is wasting funds, and this involves both the PNA and the NGOs. Therefore a national control body should exist.
- *Dr. Ali Jirbawi:* the classical definition of civil society is that it is the pillow that protects society from the absolute power of authority. An incapable government is that which gives part of its responsibility to civil society. For example in the area of health, it is not appropriate that civil society runs 55% of the total health services in a country. What should happen is that the government delivers 100% of these services and anything else the civil society does is additional and not primary. As for the issue of complementarity, I see that when the different parties talk about it they say something but what they really imply is that every side wants to take the role of the other party.

Therefore the conflict has become a result of competition over power. As for the law I see it as the judge, what we should do now is apply this law and stop criticizing its contents. As for whether or not institutions remain sustainable after the funding ceases, I say of course. Those that have worked to generate income and invested will remain, while those that were completely dependent on external sources and did not work on activities to generate income will probably close down. Finally, we have to differentiate between the political Palestine, which is the WBG and the developmental Palestine, which is that of all Palestinians (inside the green line, Jerusalem, Lebanon. etc.)

DAY THREE (FEBRUARY 16, 2000)

The fourth session on the last day of the conference was ‘Donor’s, PA’s and NGO’s Perspective on Funding for the NGOs Sector.’ A number of questions were raised regarding the role of donors in Palestine, the relationship between the PA, NGOs and Donors as well as donors’ requirements and goals and NGO sustainability. During this session the donor representatives emphasized their concern for the Palestinian territories and explained that donor aid is an expression of support to the Middle East peace process.

Session Four: Donor’s, PA’s and NGO’s Perspective on Funding for the NGO Sector

Panel One

Chairperson: Dr. Rafiq Husseini, Deputy Director-General of the Welfare Association

Donor’s Agenda and the Needs of the Palestinian Society

Speakers:

***Mr. William Reuben, Co-ordinator: NGOs and Civil Society Unit, World Bank,
Washington***

Mr. Reuben stated that donor support will not continue to flow into Palestine for an indefinite period of time. According to his experience in international aid, he expressed the following:

I can tell you that everything is special and extraordinary here in Palestine. I think some points regarding donor funding have been missed in this case, perhaps because you are still not very worried about funding flows. I can assure you that unfortunately, that funding will not last forever.

I want to share with you some of my thoughts and experiences related to international funding, and then I’ll speak very briefly about the World Bank and what we can offer to the NGO sector.

First of all, I think that there are three main trends that affect the NGO sector. The first one is that there is an overall reduction of aid due to the adjustments of fiscal policies in the developed countries, this also can be attributed to cooperation fatigue. Secondly, there is a proportional increase in short-term relief aid at the expense of long term development cooperation. The third trend is that the donors usually switch to multilateral channels when political conflict gives pace to peace and reconstruction. Often channels used by cooperation agencies during the conflict are mostly NGOs. This trend has important consequences on the NGO sector and on the civil society especially on those countries that are in post-conflict situations.

First of all, the NGOs have been structured as cooperation tools; stable, independent and developed in agencies. That is a characteristic that was discussed here with the rapidity of growth in the NGO sector.

Therefore, this dependency on donors creates strong dependency links and would affect the NGOs presence and influence. In this case NGOs experience a sharp decline when political conflicts are over and funding ceases. The weakening of the NGO sector negatively affects the country's civil society as a whole, because NGOs play a very important role in the construction and development of civil society.

Let me share with you some lessons learned from other recent experiences especially (Latin America)

- NGOs should create and institutionalise mechanisms for the mobilization of internal resources and develop practices of self-sustainability
- NGOs should build positive working relations with national and local authorities while maintaining independence
- NGOs should promote the creation of an enabling fiscal regulatory and institutional environment for their participation in the development process
- NGOs should reserve resources to build capacities for improving the quality of services and deliveries

Now, how can the World Bank help?

First of all, I would like to present to you some limitations of our work with NGOs sector: the World Bank is a multilateral and intergovernmental entity. The governments are the World Bank's shareholders and clients. Secondly, lending is regarded as its current business where policy lending represents more than 50% of the Bank's portfolio. We need to keep in mind that the Bank links to the government not to NGOs. It is not the speciality of the Bank to give grants to NGOs.

However, there are some strengths that clearly appeared, especially in the past 5 years:

- Bank wide recognition of the positive role of NGOs in development
- Leverage power promotes the creation of enabling environments for NGO engagement in development policy
- Can assist NGO funding by financing nationally-based mechanisms
- The relation the Bank has with the government

Let me share with you some of the instruments we have and that can help NGO sector. There are some direct funding mechanisms related to the DGF:

- Small grant program. A special device for NGOs, not more than 2 million US dollars
- Post-conflict fund. Gives grants to NGOs directly
- The Environmental Fund (GEF). Small grants
- GEF (medium size grants)

- C-GAP. Focused on micro lending institutions
- Special capacity building trust funds
- Special regional and national funds

Other indirect funding instruments:

- Social funds, where the bank gives grants to government
- NGO involvement in Bank-financed operations. We have about 52% of World Bank operations that have a certain type of NGO participation
- Contraction. The Bank hires NGOs for specific activities
- Procurement and financial planning training
- NGO funding database on the civil society gateway, where NGOs can access a lot of information that will be very helpful to them and direct them to many funding programs.

Mr. Richard Sexton on behalf of Mr. Joe Saba, the World Bank [Addressing Donor's Agenda and the Needs of the Palestinian Society]

Mr. Sexton stated five criteria that donors consider when allocating aid to NGOs: the relationship of the civil society with the state, the internal and sectoral relations between the different NGOs, relationships between the NGOs and the state which should be complementary, the responsiveness of the civil society to the people, innovation and creativity for NGOs. He again stressed that the outside donations will sooner or later cease and therefore the civil society workers have to work on investments and generating income for the future.

Before I begin I would like to extend the regrets of Mr. Joe Saba whom I am standing in for. On behalf of Joe I would like to extend his greetings to this conference and wish it all the success.

In terms of my presentation today, I want to direct the question that relates to the topic of this session: "Is there a donor agenda for funding Palestinian NGOs?" The answer to this question is twofold. I wish to say is that what we have in Palestine is a very unclear position regarding priorities and secondly I want to go back to the Palestinian NGO Project.

Let us take the term agenda and look at it more closely. It implies a uniform view. It implies that all donors think alike and take the same shape and form. From the discussion of the past two days, it is clear that on the Palestinian side NGOs are not simply NGOs. They are professional associations, foundations, charitable organizations, solidarity institutions and others. And the same is true for the donor community. It is very diverse, a mix and match of governmental, unilateral, bilateral institutions. Donors can extend one thousand dollars to a project while other give thousands. They could be offshore or have a local representative office. Some are very complex and some are simple. Some have a humanitarian purpose, others have specialized functions. They work differently. Some go into partnerships, others build the capacity of counterparts and build counterpart relationships, therefore the situations are diverse. What does this mean for the donor's agenda?

First, we are not talking about an agenda but rather a market place. The characteristics of a market place are that participants come and go. Different NGOs have different levels of involvement. The strength of that is we have plurality, diversity of associations among donors and the Palestinian institutions. The weakness of that is the difficulty for Palestinian institutions to coordinate and organize according to donor diversity. From the Palestinian NGO side, it appears that there are no donor coordination mechanisms regarding NGO funding. And on the reality that we have a market place, relations are forged on one to one bases between donors and Palestinian NGOs. At the same time, there is no organized structure that brings Palestinian priorities together in front of donors.

I would like to move on to talk about the post-Oslo situation where interesting developments have taken place. This period witnessed the rise of the PNA and the development of the multilateral coordinators starting from the UN special coordinators' office. Within that framework we have very clear engagements between donors and sectors and government in the form of the PNA. However, there is no clear form of NGO representation.

If we look again at the term agenda, what do we have as a substitute? I would like to present five principles of how donors prioritise funding for NGOs.

The first principle is civil society and governance. Voluntary associations represent the strength of civil society. If there are no voluntary associations, then there is no civil society. The plurality, autonomy and self-decision of voluntary societies is an expression of the strength of civil society. It is important to donors to have a framework that safeguards the rights of voluntary societies. Beyond that framework is the Rule of Law, where NGOs can operate and they can be accountable to the citizens of the society.

The second principle is the NGO best practice, self-regulation, open democratic institutions, conduct of NGO activity and quality of services delivered to the community. Best practice also involves Palestinian NGOs coordination mechanisms that are strong enough to represent NGO and interface with stakeholders in Palestinian society.

Another principle is the healthy relationship between government and NGOs. This is what this conference is about. Here surfaces the issue of complementarity. NGOs have strengths and weaknesses. They can do some things that the government cannot and similarly the government can do things that NGOs cannot do. Therefore the functions of both should be defined clearly and each does what it does best. For example government is strong in setting regulations and frameworks while the strength of NGOs is in their ability to deliver services.

The fourth principle is the responsiveness of the NGOs to the community. Their strength is that they are close to the community and therefore can respond to its needs. For NGOs to attract donor funding they should encourage participation and involvement of the people. NGOs should target the people and the poor in particular by developing participatory methods and involving people. That is their job and they are good at it.

The fifth principle is innovation. Unless NGOs keep on innovating and showing their purpose, the NGO community will start to fade away. They need to show flexibility and a realistic appreciation that the resources are scarce. They should think of sustainability.

You may agree or not with these points. We could review them further during the time specified for discussion.

Mr. Ezzat Abdel Hadi: PNGO/ Bisan Center [Addressing - Donor's Agenda and the Needs of the Palestinian Society]

Mr. Abdel Hadi presented a paper entitled 'Palestinian Developmental Priorities and the Donor's Perspectives.' In his paper, he discussed globalization, democracy, western sovereignty, local culture, Palestinian development vision, human development and social capital. Mr. Abdel Hadi stated the donors' development priorities, including those of the World Bank and USAID, and related them to the Palestinian Development Plan.

The PNA, donors, NGOs, the World Bank and the US government all affect development priorities. For the purposes of this discussion, I will focus on the perspective of the United States, as it is a prime contributor.

I would like to say that I depended on some studies to complete my paper: the first was conducted by the Welfare Association Consortium in which an assessment of community needs were identified from the point of view of the civil institutions. Another study was one conducted by the Welfare Association in cooperation with Bisan Center for development and research to identify the needs of the community from the point of view of the local community using participatory methods.

The documents of the UN and a number of conferences (mainly the conference on population, development and poverty in Copenhagen, Peking conference and the Vienna conference for human rights) referred to a number of issues on the topic of development. I would like to refer to the international concepts to understand the New World framework that was a result of these conferences.

The first concept is justice, the second is empowerment, the third is good governance, the fourth is the collaboration to sustain the environment and natural resources, the fifth is limiting debt, and the last is the redistribution of wealth to alleviate poverty. Therefore, what these concepts focus on is empowering and enhancing the capacities of people to ensure their participation. This is in terms of content. As for the style of partnership, the conferences concluded that effective partnership should involve all parties in discussion, decision making, planning, implementation, and project evaluation related to housing, development and environment according to the general policy of the governments and delegation of roles to all partners. This is the point of view of the UN.

As for the World Bank's developmental vision, they referred to the comprehensive development framework. It talks about 1) the ownership of the government and the government's role in determining priorities, objectives, phases and scheduling of programs, and not the donor agencies. 2) Partnerships between governments, civil society, donor agencies and the private sector are needed to identify the developmental needs and action

plans. 3) A long-term vision for the needs and solutions among the partners is mandatory. 4) Social and structural barriers exist; they must be treated just as economic and financial barriers are treated. This is a significant change. 5) The conditions set by the World Bank include; good governance and an accountable government, an effective judicial system, an

organized financial system with clear supervision, social safety networks, and social programs. For human resources these include transfer of education and information, health and housing, water, power, and rural strategies.

As for the USA's development vision it is taken from their document on the Internet. It tackles increasing stability instead of crises, transformation of poverty to luxury, and enhancing open markets. It sees effective democratic institutions and modern civil society as the main components of sustainable development. The USA is committed to the participation of women and the marginalized in the activities of sustainable development. Sustainable development should lead to improving the situation of children. It recognizes the importance of training and technology to ensure its objectives in sustainable development. As for partnership, the US implements its activities through partnerships with governments and people. Partners include private American companies, NGOs, voluntary societies, academic societies, other international agencies, financial institutions and other donor bodies. It aims to build on the capacity of governments and NGOs and the private sector and it aims to find a mechanism to ensure dialogue between potential partners.

The PNA development plan, for the year 1999-2000 - submitted to the donors' conference in Tokyo, stated that the public sector should facilitate the development of the private economy, as it is the main source for economic development. In this plan the PNA stressed that donations should focus on infrastructure rehabilitation. In addition to that, the plan stated that the social sector also needed prioritizing, as building capacities would contribute to activating the economy. We notice that there is neither a developmental philosophy nor a position for the PNA on the issue of partnership.

From the point of view of the NGOs, we see their developmental vision as leaning towards a total and just peace, calling for the implementation of international agreements, to allow the people of this area to live in prosperity and stability. It is not possible to resolve the social and economic issues under the current daily threats and atrocities that lead to killing, immigration and erosion of property, which make this area tense at all times. As NGOs, we are in favor of total freedom to defend human rights in the economic, social, educational and political areas. We aim to implement mechanisms in a democratic manner. We work on human development activities based on cooperation and partnership with the governmental institutions. NGOs also implement programs to protect the environment. Finally NGOs seek to involve women in the development process and to create programs that improve their situation. Also NGOs have not yet determined the type of partnership, they have not yet identified the role of the government, the private sector or NGO roles in the development process. This needs a large national discussion to determine the roles of the different parties.

What are the conclusions? An important role of the government is to determine the policies that will establish the roles of different parties. The World Bank stresses the importance of the government, however, with certain conditions. The USA does not have a clear vision regarding the issue of partnership. PNA also does not have a clear vision regarding partnership and NGOs depend on the concept of complete partnership, which means the

right of NGOs to be a partner in development contributing to planning, implementation, evaluation and follow up.

The priorities of the PNA are infrastructure and conservation of natural resources. NGO' priorities, according to the study by the Welfare Association Consortium, are the non-formal

educational sector, agriculture, industry, the rehabilitation of the handicapped, and the housing and health sectors. From a community perspective the priorities, according to the study undertaken in central and southern Gaza, are training and rehabilitation of women, economy, support of income generating and small projects, infrastructure, education and the social sector. From the donors programs for the year 1999 the priorities are water and waste-water, institution building, health, infrastructure, transportation, and education. USAID priorities, according to their 1996 – 99 program, are job creation and employment opportunities, development of water resources, democracy and good governance, community services, women's health, and short-term developmental needs.

Questions are raised concerning the relationship between the parties: Are the local institutions united enough to be partners? Do criteria for choosing partners exist? I believe these criteria should be the following: first the independence of the NGOs, second, their capacities and third, their historical record of services and developmental accomplishments. A fourth would be their ability to contribute to planning, implementing and evaluation. The fifth criterion is their relationship with the local community.

Donor's Funding Policies: Mechanisms, Criteria, Expenditures and Beneficiaries

Speakers:

Mr. Gavin Evans, Acting Representative of the E.C

He confirmed that the EU is the largest donor in Palestine focusing on human rights and democracy. He stated that as NGOs have in the past and still do play a major role in Palestine, the E.U. are willing to continue supporting them.

The European Commission has long been engaged in the promotion of human rights and democratic principles in the Mediterranean region and, of course, in the West Bank and Gaza Strip. Not only by supporting projects with this aim but also by encouraging the Palestinian Authority to set the necessary legal framework to ensure respect for Rule of Law and a strong and free civil society. In this context I believe that the recent adoption of the NGO law is a positive step that we have to acknowledge.

NGOs play a crucial role in the West Bank and Gaza Strip due to historical circumstances. I sincerely believe that this role has to be maintained and supported by the donors in order to ensure the existence of a strong civil society. The latter is one of the pillars of the Euro-Mediterranean partnership; launched at the Barcelona Conference in 1995 that involves the 15 European member states and 12 Mediterranean partners. In this context, the European Union promotes understanding between cultures and exchanges between civil societies. Co-operation in this field includes municipalities and regions, the media, health sectors, and cooperation amongst youth groups. In the Barcelona declaration, the Parties undertake to:

- Act in accordance with the United Nations Charter and the Universal Declaration of Human Rights, as well as other obligations under international law, in particular those arising out of regional and international instruments to which they are party;
- Develop the rule of law and democracy in their political system, while recognizing their political system;
- Respect human rights and fundamental freedoms and guarantee the effective legitimate exercise of such rights and freedoms, including freedom of expression, freedom of association for peaceful purposes and freedom of thought, conscience and religion, both individually and together with other members of the same group, without any discrimination on the grounds of race, nationality, language, religion or sex;
- Respect and ensure respect for diversity and pluralism in their societies, promote tolerance between different groups in society and combat manifestations of intolerance, racism and xenophobia. The participants stress the importance of proper education in the matter of human rights and fundamental freedoms;
- Respect the equal rights of people and their right to self-determination, acting at all times in conformity with the purpose and principles of the Charter of the United Nations and with the relevant norms of international law.

Regarding the European Commission's involvement in financing Palestinian NGOs more directly, but always with the Barcelona objectives in mind, different mechanisms have been put in place in order to make sure that the support arrives to all kind of NGOs and in broad geographical areas. The two main programs supported by the European Commission are:

1. The MEDA Democracy Program, a program of co-operation launched in 1996 and intended to promote human rights in the twelve Mediterranean partner nations. Through MEDA Democracy, the European Commission grants subsidies to non-profit associations, for projects that aim at promoting democracy. Since its launch, MEDA Democracy has supported more than 30 projects in the West Bank and Gaza Strip. In 1999, the program for the West Bank and Gaza addressed the main deficiencies regarding human rights and democracy within the infant administration of the Palestinian Authority. Palestinian NGOs can and must participate through disseminating awareness of the importance of the rule of law and human rights in the community at large, through monitoring official and parliamentary practices, through advocacy and providing legal services when and where needed and through human rights and legal training. By supporting these activities of Palestinian NGOs, the European Commission expects to contribute to the strengthening of the Palestinian Authority itself.

2. The People to People Programs aim to create a common ground and clearer understanding between regions, culture, social life, history and political aspirations in the region. The overall objective of the People to People Program is to help provide a solid foundation at the popular level for the peace process through civil society organizations including academic institutions. People to People programs can be regarded as an essential complementary instrument and an actual translation of the various EU declarations and EU peace efforts in the region. Towards this end, the European Union has actively supported initiatives aimed at meeting this overall objective. The specific objectives of the People to People Program could be summarized as follows:

- Strengthen bilateral relations between Arabs and Israelis on the popular level in functional areas such as culture, education, media, environment, youth encounters, political dialogue and research.
- Help Arab and Israeli intellectuals better understand and relay their concerns through joint efforts in conferences, study groups and seminars.

- Broaden the base of support for the peace process for Israel and its Arab neighbors (West Bank and Gaza, Jordan, Egypt and eventually Syria and Lebanon) by reaching out to those who are traditionally against or indifferent to peace development in the region.
- Support initiatives originating from civil societies in the respective countries to contribute to public opinion supporting peace.
- Make possible channels of communication on the informal level in order to provide back up and an umbrella to the political negotiators by bestowing legitimacy on the process of negotiations.
- Enable the media, through coverage of People to People programs, to break down entrenched taboos in Arab and Israeli societies.
- Support civil societies in the respective countries' initiatives to prepare public opinion for peace.
- Support civil society in the region by promoting and strengthening NGOs and facilitating co-operation between Arab and Israeli NGOs to create pressure groups that are supportive of issues of a regional nature and of common concern.
- Demonstrate how co-operation of this kind can deliver tangible benefits to those concerned, and in so doing build confidence in the E.C. as a civil society partner.

Within the context of final status, this initiative supports and encourages regional researchers and experts to prepare policy papers and recommendations on final status-related issues such as the future of Jerusalem, refugees, settlements, border delineation, water, security and other topics. These recommendations may turn out to be helpful to policy and decision-makers in the region during final status negotiations.

The program started in 1998 with an annual amount of 5M EURO. For the 1999 budget, a call for proposals will be published in the local media by March 2000. All NGOs are invited and encouraged to participate.

Eligible partners would be civil society organizations and academic institutions. Priority will be given to projects initiated by actors from countries in the region, that are partners in the peace process, and to projects that include organizations from more than one of these countries.

Long before the political agreements were forged, Palestinian and Israeli civil society organs played a central role in setting the stage for the Madrid Conference and the Oslo Agreement. These movements have also cooperated with each other to prepare their respective constituencies for bringing about a process of reconciliation and peaceful coexistence. In the post-Oslo era, the same movements have continued their efforts to maintain the momentum of peace when the peace process seemed to be deadlocked and at a time when official contacts were all but frozen.

Working against a background of mutual suspicion and mistrust, People to People programs have proved to be a useful vehicle for open and frank dialogue between non-officials. These contacts have helped the two parties to explain and convey their views. Thus, People to People programs not only maintained dialogue between the peace camps from both sides but also stimulated other political forces to join in.

Last November, the Finnish Government financed an important seminar in Helsinki to evaluate joint Israeli-Palestinian civil society activities. The European Commission learned

from the NGOs participating that the Palestinian NGOs feel their lack of training and institutional capacity inhibits their ability to deal with their Israeli counterparts. As a consequence, we will make sure that this program promotes equality and real partnership and responsibilities between the NGOs. In addition to that, we are looking into possibilities of providing training and technical assistance to Palestinian NGOs in order to improve their institutional capacity and effectiveness. In addition to these two main programs of support to Palestinian NGOs the European Commission supports NGOs in other fields.

The European Commission Humanitarian Office (ECHO), through a partnership agreement, finances European NGOs to intervene in the West Bank and Gaza Strip with projects aiming at alleviating poverty and targeting the humanitarian needs of the poorest. One of the most successful ECHO projects was the establishment of an ambulance service in Gaza, in partnership with the Palestinian Red Crescent Society. ECHO's intervention in 1999 responded to the drought, and in particular the emergency situation in which the Bedouin in the West Bank and Gaza Strip found themselves. In addition to that, the 1999 program intervened in the sectors of health and water, and also in projects designed to meet the needs of handicapped Palestinians.

Mr. Timothy Rothermel, Special Representative of UNDP [Addressing - Donor's Funding Policies: Mechanisms, Criteria, Expenditures and Beneficiaries]

Mr. Rothermel began by presenting an overview of the United Nations Development Program / Program of Assistance to the Palestinian People (UNDP/PAPP), addressing briefly the parameters of their program. He confirmed that when setting program priorities, PAPP's work is firmly rooted in the official Palestinian Development Plan.

The majority of PAPP's projects commencing in 1999 encompassed agriculture, environment, youth, rural development, governance, education, gender, and poverty, for which UNDP/PAPP provided technical assistance, training, hardware, and minor infrastructural support. In its entire program, PAPP has endeavored to emphasize capacity building, whether strengthening the ability of municipalities to manage and implement major projects while jointly executing infrastructure works with PAPP, or enhancing the policy-making ability of the Palestinian Water Authority.

In terms of program monitoring and evaluation, PAPP's system mirrors the requirements set forth by our donors. Where there could be improvement would be in establishing a clearer structure, which also meets the needs of beneficiaries.

Focusing on the bottom line, UNDP/PAPP presents a compelling financial case for recipients of donor aid. Bilateral aid is often available only as tied aid, which tends to dilute impact through the provision of expensive technical assistance, equipment, etc, which

originates in the donor country. UNDP/PAPP has achieved substantial success in prioritizing the use of local resources, whether contractors, consultants or equipment. The TOKTEN modality has been a key component of this success, tapping the wealth of technical expertise available in the Palestinian Diaspora at costs far lower than those of other international technical consultants, with the additional benefit of their understanding of the political, social, and cultural milieu of the Palestinian Territories. In the context of multilateral assistance, PAPP offers an administrative overhead rate of 8 percent, an economical amount

when compared to the rates of overhead sought by other implementing partners. PAPP's cost-effectiveness ultimately translates into saving for beneficiaries and stakeholders; communities, in particular, see dollars go farther.

UNDP's core resources available for programming have always remained quite limited in the scope of PAPP's work. Over the past four years, for instance, PAPP received approximately US\$14 million in financial assistance from our HQ out of nearly \$154 million in program expenditures; less than 10 percent of total expenditures. It is noteworthy that out of the \$3.6 million necessary to finance the running costs of the PAPP operation, an average of 10 percent of yearly expenditures; only \$1.3 is financed by UNDP HQ. The remaining \$2.3 million is financed through the extra-budgetary income generated from expenditures on donor funds.

In establishing its programming priorities, PAPP's work is firmly rooted in the official Palestinian Development Plan, responding directly to the development priorities identified by Palestinian Authority ministers, as well as civil society institutions. For all of its activities, UNDP/PAPP has been invited by its Palestinian counterpart institutions to make its implementation capacity and experience available to undertake, in partnership with them, specific projects and programs.

Although PAPP's program is now driven by the presence of the Palestinian Authority, historically that has not been the case. The role of NGOs in the period leading up to the Oslo Accords in providing service delivery and defining the struggle for human rights constituted a quasi-state existence. Following the arrival of governmental institutions, PAPP shifted its program accordingly, to help build the Palestinian Authority and to support state building at all levels: village and municipal councils; and the executive, legislative and judicial branches. NGO partners are now invaluable tools through which UNDP/PAPP helps build capacity in the government.

PAPP places a priority on building relationships between the PA and the NGO community. The latter, with its diversity of technical experience and understanding of development, is a natural resource to assist the PA. It is by facilitating this cooperation that UNDP/PAPP is helping to build lasting relations between the PA and the NGOs.

Thank you for the opportunity to be a part of this discussion today, and thanks particularly to the Welfare Association, the British Council, the Charities Aid Foundation and the World Bank for organizing this conference. The UNDP Program of Assistance to the Palestinian People (PAPP) has been working in the Palestinian Territories for over twenty years now. I will try to keep my remarks limited, reserving time for the more valuable process of discussion. Perhaps the most useful exercise to begin our discussion would be to provide an overview of UNDP/PAPP, addressing briefly the parameters of our program and, in the process, answering some of the thoughtful questions put to us today.

In 1978, a General Assembly Resolution called upon UNDP to "improve the social and economic conditions of the Palestinian People by identifying their social and economic needs and by establishing concrete projects to that end. Seemingly arcane at this point in time, the origins of PAPP are nonetheless instructive in terms of understanding institutional structure. PAPP is not a country office, for obvious reasons, and reports directly to the Office of the Administrator of UNDP, the head of UNDP globally and third in the hierarchy

of UN leadership. UNDP means PAPP falls outside UNDP's regional bureau, a boon for reducing bureaucracy but limiting when it comes to eligibility for certain UNDP core resources. And, unlike country offices, the vast bulk of decision-making rests in the hands of PAPP, in terms of both program and administration.

PAPP, in the parlance of UNDP, engages in direct execution for the implementation of its projects. Part of PAPP's strength, and an issue I'll delve into in more detail shortly, is the in-house capacity it has assembled in a number of areas. Infrastructure projects, building schools, hospitals, roads, water systems and the like, were in excess of 60% of projects last year. A substantial reason for PAPP's ability to deliver in these sectors is its expertise in engineering. Oversight of contractors is carried out by our own expert engineers, not a consulting team brought in from Europe or the US at four or five times the cost. PAPP has benefited similarly from the "knowledge bank" to borrow a phrase from the World Bank, we have built in the areas of poverty, agriculture and the environment.

Perhaps the best testimonial to this success has been PAPP's level of programming. While success in funding is a "real world" requirement, it is more importantly an indicator, in this case, of PAPP's ability to meet the needs of the PA and the donors. With a very modest amount of resources available within UNDP, PAPP is dependent on donors, a dynamic whose perils include following money at the expense of development. PAPP, though, has avoided this prominent problem in the development world, primarily because our funding flows from the trust built upon the foundation of relationships with our counterparts, including the Palestinian Authority and civil society organizations.

As I mentioned, more than sixty percent of projects started during 1999 included construction or rebuilding infrastructure works such as roads and clinics, sewers and water lines, sidewalks and schools. While slightly unusual for UNDP, PAPP's program of infrastructure projects gets to the heart of what UNDP is known for. The road to eliminating poverty includes job creation, a *sine qua non* for PAPP's infrastructure projects. Approximately 10 percent of UNDP/PAPP resources are devoted to NGO capability building. Funds so earmarked are intended to meet the needs of NGOs playing a critical role in service delivery and in advocating for the protection of human rights and democratization.

As for the future, what I can say about UNDP assistance is that PAPP will continue to provide the support to the Palestinian Territories that it has for over twenty years. What has made PAPP an economically viable operation is the same issue that will guide it into the future: being responsive to the needs of the Palestinian community. PAPP's ability to meet changing needs will inform its planning and priorities, as well as the continuing development of PAPP's areas of expertise. We look forward to doing so in close cooperation with our PA and NGO partners. Thank you again for allowing me to join you today.

Mr. Peter Bauck, Deputy Head of the Representative Office of Norway [Addressing - Donor's Funding Policies: Mechanisms, Criteria, Expenditures and Beneficiaries]

Mr. Bauck declared that Norway invests in the future and is interested in human rights, democracy, the environment, economic growth, education, health, welfare and equality. He presented the criteria used by Norway with respect to aid allocation and the aid process.

He then moved on to defining beneficiaries, monitoring and evaluation, coordination and finally the future of Norway's assistance and priorities in Palestine. He stated that Norway will continue its support to the peace process in every possible way, and is committed to assisting the Palestinian people.

By financing projects and programs that are given priority by developing countries themselves, Norway is investing in human rights, democracy, the environment, economic growth, education, health, welfare and equality. Development cooperation is about making a contribution. Countries develop from the inside. The people who will be living with the result of the choices that are made, must themselves decide which paths to choose for their own future. Our investments are intended to help our partner countries fight poverty, strengthen the rights of vulnerable groups and achieve sustainable economic development without destroying the environmental and natural resource base.

The dialogue with the authorities concerning the country's development plans must reflect the role Norway wishes to play in the country. Norway analyzes the situation in a society by distinguishing between the players in the public sector, the private sector and the civil society. Our development co-operation is intended to contribute towards ensuring that the interaction among these three players advances social development. Norway's ambitions as regards co-operation will vary from one country to another, depending on the country's own priorities, the way in which other donors contribute and the special expertise Norway has to offer.

Norway emphasizes the importance of maintaining a business-like approach in all aspects of development co-operation. Development co-operation is regulated by mutually binding agreements. A basic premise for receiving Norwegian support is that the proposed project or program must be planned and implemented by the recipient. In the preparatory phase it is Norway's responsibility to appraise the proposal. At an early stage the recipient is notified as to what information Norway requires in order to be able to assess whether a given measure deserves to receive support. The information provided must enable Norway to assess the sustainability of the measure. The goals and the results expected must be defined in such a way that it is clear how the results are to be measured and what is to be reported. As far as possible the recipient's own document format and reporting procedures are to be used.

Norway's activities are based on the recognition that a competent civil service is essential in order to create the conditions necessary for positive social development. The state plays a decisive role in distributing resources, ensuring that the population has access to basic social services and safeguarding human rights. Norway channels assistance in such a way that it helps to strengthen the expertise and capacity of the public sector, both at central and local government level.

Civil society plays an important role in supplementing the public sector with a view to both increasing access to basic social benefits and strengthening and developing democracy. Non-governmental organizations often serve as an important corrective measure to the authorities.

In recent years the governments in a majority of developing countries have gained a much clearer understanding of the importance of a dynamic private sector for economic

development. The role and involvement of the state as regards private sector development is changing from active participation in economic activity to greater concentration on establishing favorable conditions for private-sector development with increased focus on private enterprise.

In the implementation phase, it is Norway's responsibility to ensure that the terms of the agreement are followed up. On the basis of the agreed reporting procedures regarding progress and results, Norway will maintain an ongoing dialogue with the partners. The Norwegian embassies will have the primary responsibility to follow-up activities. This will preferably be accomplished through visits to the project sites, reviews and regular meetings where major problems are addressed, annual working plans and budgets being approved and any necessary adjustments of goals and strategies will be carried out.

Norway tries in a responsible manner to participate actively and continuously in the various processes to ensure the satisfactory distribution of roles and responsibilities between recipients and donors, and prevent donors from taking over areas that are clearly the recipient's responsibility.

Until now, during more than 5 years of development co-operation with the Palestinian authorities, important achievements have been made, the local capacity in physical planning has been established and strengthened. The electrical distribution network in Gaza has been upgraded and similar upgrading is on the way in the northern part of the West Bank. Several governmental institutions have been strengthened and non-governmental organizations working in different fields have been supported in their important work.

Norway will continue its support to the peace process in every way possible, we are committed to assisting the Palestinians in their efforts to deal with the challenges of development. The Norwegian development co-operation program with the Palestinian Authority will continue to have a long-term perspective. Also, good economic and political governance provides the foundation and condition for comprehensive development co-operation. The level of support from the Norwegian population to maintain substantial aid transfers is related to the will and ability of the Palestinian authorities to respect fundamental human rights and principles of good governance.

Fighting corruption is set as a main target in Norwegian development policy. Norway attaches great importance to the rule of law. Substantial progress within this sector is crucial, including the establishment of an independent judiciary, a constitutional government, an independent legislative assembly and free and fair elections. Norway emphasizes the importance of donor co-ordination. This is a prominent principle in Norwegian development policy, a fact reflected in the importance Norway attaches to its role as chair of the Ad-Hoc Liaison Committee (AHLIC) in particular. Norway will make an active effort to ensure that the intentions set out in the Comprehensive Development

Framework (CDF) are implemented. In particular Norway attaches great importance to Palestinian ownership of this process, and the work of the Palestinian Authority (PA) to improve national development planning.

Norway will maintain its political commitment and level of assistance for development projects in the West Bank and Gaza and provide approximately US \$173 million (NOK 1.3 billion) for the 5 year period 1999-2003. In addition, the annual Norwegian contribution to UNRWA is NOK 100 million. The scope of the co-operation will be in the following established sectors: Physical Planning, Statistics, Water, Energy, Culture, Education and Democracy and Human Rights. The Norwegian assistance to the human rights organizations in the Palestinian Territory will continue. Norway is making efforts to identify projects that may increase Norwegian support to the development of the rule of law.

Dr. Rex Brynen, McGill University, Canada [Discussant]

I want to talk about trends and donor assistance to Palestine. Since the Oslo agreement was signed we see that donors have committed over \$4.3 billion to Palestine and actually disbursed \$2.5 billion of that. Palestine has received the highest per capita donations in the world, ten times more than other parts of the world. The assistance is mainly due to the political criticality of the area rather than for developmental need. Whilst we know that there are real needs in Palestinian society, we should recognize that social conditions in refugee camps in the West Bank and Gaza are superior to conditions of ordinary citizens in all sub-Saharan Africa and all of South Asia and even some parts of the former Soviet Union - in terms of life expectancy and infant mortality rates and so on. Since Oslo and until 1997, the level of donor annual expenditure in Palestine has been \$500 million. However, in the years 1998 and 1999, this amount has dropped sharply to an average of \$350 million. This is an important trend. It is likely that after the final status agreement these expenditures will increase again for a while and then start decreasing. We also see some trends in the composition of donor assistance; at first they supported the budgetary expenditures of the PA and now are almost wholly out of that. There has been a decline in the support mainly in the areas of education, health and services, as well as NGO activity and the proportion dedicated to infrastructure has increased. There are indications that loans are beginning to assume a more prominent role in donor assistance now than they did in the beginning. The level of support to NGOs has also fallen. There are several reasons for that, a deliberate desire for donors to strengthen the PA and also because previously, and under occupation, there was no other alternative.

Donors see NGOs as an important component of the development effort, they see them as flexible, innovative and frequently cost-effective in the delivery of services, filling important niches, engaging civil society and as an essential part of society in terms of building a democratic pluralist Palestine. Interaction with NGOs can also be problematic. At one level it is simply easier to deal with a large number of NGOs than it is to deal with a single governmental counterpart. Secondly, NGOs are not effectively integrated into the aid coordination or the planning mechanisms in Palestine. Donors themselves collectively are not well understood between the Palestinian community. The donor community is not really a community, they work in different ways and have different interests and are very difficult to coordinate. There is an expression in English that is that donor coordination is like hurdling cats, showing the difficulty of getting a large number of donors to agree on a common vision or common approach. There is no donor collective vision. Donors are

complex organizations. The internal politics of donor agencies are enormously complex. Budget structure can be enormously complex.

What I want to establish is that donors are complicated beasts, with different interests. Some of these are national interests; donors are interested in flying the flag and the kind of things that the ambassador would be pleased to cut the ribbon on. That is important and some NGOs and agencies have used that to their advantage. UNDP which puts up a lot of signs around its projects has done an enormously good job at playing to the national interests of donors and their desire to fly their flag. Donors are interested in leverage, if we support this what kind of things will it lead to down the road? What kind buying can we get into in the sector to do further work and establish relationships? Donors are interested in export promotion, that is the supply of goods that their country produces or transfer of national technical assistance. One of the downfalls has been that their programs are driven by their capacity to use national technical assistance in support of that program.

Donors are interested in long-term partnerships as well, establishing a relationship between themselves, their nationals and their own NGOs and partner NGOs in the recipient country, in this case in Palestine. It must be said that there is probably much less political conditionality than you think in donor programs. There is a perception that donors calculate the political impact of what they do. As a political scientist and having been working in the Canadian foreign ministry I wish I could say that it was the case. However, I argue that a whole set of standard operating procedures, and a number of other things, have a larger impact on what donors do rather than detailed political calculations. So, detailed political calculations are rare in donor agencies and virtually absent in multi-laterals where multiple donors are supporting donor programs.

To conclude the major points, I want to make this additional comment. I think the NGO community has to be aware of general trends in donor assistance and those trends are in the process of decline in the level of donor commitment to the West Bank and Gaza. They would increase again at the final status period and then decrease again. It is worth NGOs remembering that. We have seen shifts in the composition of donor assistance over time which has implications for NGOs, from an NGO point of view it is important to understand the complex politics of the donor community, as they are at least as complex as the politics of the PA. We have more than 40 - 50 donors working in Palestine, I think the effectiveness of the NGO community in extracting resources from them is enhanced by a more sophisticated understanding of what kinds of factors affect their behavior and interests.

Discussion

The audience:

- I see the People to People program as irrelevant to the needs and interests of the Palestinian people. When this program was accepted, it was on the condition that Israel should leave the Palestinian lands, accept Palestinian self-determination and the establishment of a state with Jerusalem as its capital. Now that Israel has not implemented the agreements, this program is a failure and for that reason NGOs and academic institutions should not participate in this program. Therefore, I see that the money that is allocated to this program should be reallocated to building the Palestinian infrastructure. And I call upon this conference to boycott this program.

- What is the perception of donors on poverty alleviation, and what are they doing to meet this important issue?
- I think we have become followers of the interests of the donor countries rather than of our needs.
- The People to People program, will not be successful if it does not provide quality content, activities and objectives. As for capacity building, I see a lot of organizations spending tremendous amounts of money on administrative issues, how can the impact of donor projects be assessed?
- I think that the money the Palestinians are receiving is the price they pay for the concessions they have been making to the Israelis within the negotiation process. The donor support is decreasing, how will we be able to depend on ourselves once this support ceases completely?
- It is important to discuss the significance of the support that donors are giving to Palestine and to know where the money is going. It is also important to say that these programs have an impact on the future of our development and will reflect on the social and economic situation of Palestine. Therefore, the donors should adhere to the developmental plan set by the PNA. NGOs should play an important role in setting those plans. I would like to say the following: the discussions of today imply that there is an imbalance between the priorities that were drawn by the PNA and those implemented by the donors. For example, there is a gap in supporting the agricultural industry, tourism, transportation, power and other social sectors. We do not want to surrender to the needs of the donors but rather we should have a dialogue through which we determine our needs together. The NGOs can play a role in filling this gap.
- Our problem with the donor community is their interest in supporting the peace process rather than the development of Palestinian society, democracy and fighting corruption. This stems from the lack of identified economic and democratic priorities. The other problems I would like to present are the absence of democracy, the spread of corruption, and the absence of the institutionalization of civil society.
- Donors put conditions such as committing to the peace process and preserving human rights. And at the same time no attention is paid to the abuse of human rights as a result of the Israeli occupation. Donors should influence the Israeli behavior by pressuring them to adhere to the peace process. I do not agree that politics should not be involved in development, it should be related to it if only to get the process moving forward.
- I agree that donors should meet our needs. My experience with the UNDP in Gaza was of them sitting down together with the community and identifying our needs and then the work began.
- According to the study conducted by Bisan there is a large segment of the population who think that PA-NGO cooperation is impossible, do you think, that cooperation is a possibility for the future?

- Donor support is very important despite the decrease in its size, in comparison to the needs. The problem I see is not the size but rather the effectiveness and impact. This aid does not cover the losses of the Palestinian economy that were a result of the Israelis continuing restrictive policies and atrocities. Estimations have declared that the losses of the Palestinian economy since the beginning of the peace process have been \$8 billion, while donor support was \$2.8 billion. Net loss, then, was \$5.2 billion. I think that part of this responsibility was the PNA's and the NGO's, as they did not have a clear plan to direct the donor support.
- Three main parties are involved in the development process and these are the donor agencies, the PNA and the institutions of civil society. There are three principles I would like to bring your attention to:
 1. Encouraging the partnership and cooperation between the three parties in identifying developmental priorities and creating a platform for discussion to meet the interests of the Palestinians.
 2. Enhancing the relationship between NGOs and the PNA
 3. Encouraging the mechanisms for cooperation between the parties involved
- ◆ The People to People program is a controversial program. I think this program aims to politicize financial donor support. The relationship between Palestinians and Israelis in the program is not equal and consequently the program does not serve peace.
- ◆ Donor support is related to political issues, donations should be objective and not discriminatory. We should stop the People to People program and reallocate the budget to serve the victims of the Israeli occupation.

Speakers from the Podium:

William Reuben: a number of important issues have been raised regarding the relationship between cooperation and development and the needs of the poor and the Palestinian population. One of the main issues was whether cooperation has really focused on poverty? Another important issue is the imposition of values and priorities of international cooperation and national cooperation agendas. This is what was called donor driven development, and the issues of the mismatching of priorities in the cooperation agenda and the lack of cooperation and coordination between the donor agencies.

There are principles that donor agendas bear in mind to address these issues; national ownership of the development agenda, the need for government and civil society actors to define the priorities of their own society, and the donors should try to address and match these priorities with their cooperation agendas. Another important principle is that of partnership between government and civil society and the need to institutionalize participation and civic engagement in the development process.

Another principle is the need to increase cooperation and coordination amongst the donor community, and finally the importance of developing an integrated approach to the development process focusing on poverty reduction. These principles are incorporated in the CDF (comprehensive development framework) which in this case the World Bank is adopting as its main framework for future cooperation. And I hope that the CDF in the case

of the West Bank and Gaza, and in other countries, will help to define the main strategy of development cooperation for the World Bank.

Richard Sexton: There are three points I would like to respond to, first is the NGO-PA partnership. People said ‘we have this conference, but what can we see in terms of concrete developments involving the PA/NGO partnership relationship?’, these things don’t happen immediately they happen incrementally over time. The relationship has been established and will slowly develop. What this conference does today, even if the recommendations are no concrete action plan, is to bring together representatives of the PA and the NGOs, they are conversing and having coffee together. Debate is important and I hope we achieve that today.

On the issue of civil society, ‘the whole rule of law civil society issue and how is it relevant to the Palestinian development priorities?’, I described the importance of having voluntary organizations to give the communities voice and to articulate issues. Unless the communities are involved with organizations we cannot say anything about whether this development will be a success or a failure. On the issue of donor coordination around NGO issues, NGOs do not have a forum at the moment, it is difficult to organize. A lot of good things have been happening such as increased dialogue and increased cooperation. I think the donors should be involved in the discussion. The most successful way for that to happen is greater coordination between the Palestinian NGO community, if their agenda is clear the donors will follow it.

Izzat Abdelhadi: I have a number of comments. We should not fall into the trap of imbalance between the different objectives of development. For example giving more importance to the infrastructure and service provision at the expense of human resource development and institutional capacity building, these should be balanced. This balance is closely related to our Palestinian development vision. Do we want to depend on ourselves and not depend on donor support? If sustainable development is our symbol then it should focus on the development of human resources in Palestine. Not only building schools, this should not be the only priority. We should find the balance between hardware and software projects. Our vision should be based on sustainable development. This leads us to the issue of donor priorities versus our priorities as Palestinians. Development is related to politics, however if the aim is supporting the peace process such as the USA then this does not lead to real development. Therefore, donors should determine their ultimate goal as that reflects on development. Third point, the issue of partnership, what mechanism is effective to maximize this? Sub-sectoral working groups are a great forum to identify priorities and manage the development process, and this is important but we need capable and transparent management to lead the forum with a clear development vision.

Gavin Evans: I want to make a couple of comments regarding the imposition of donor agendas and the fact that donors are not addressing the needs of the Palestinian society. I have to go through what the E.C. is doing in the West Bank and Gaza: the E.C. contributes around \$45 million to the running costs of UNRWA, the E.C. contributes 50 or 60 million EURO every year to the Palestine Development Plan, drawn up by the PA. We also contribute 10 to 20 million EURO to NGO projects, projects in the areas of environment, health and education, to Jerusalem, cultural, research and humanitarian projects. I do not understand how the donors are imposing their agendas on Palestine. The MEDA

Democracy project runs in different countries in Africa, other Arab countries and even in Israel. As for the People to People program, I respect the opinions

that have been expressed today. I am representing the E.C. policy, which needs to be explained further. We are not imposing this program on anybody; there is no obligation on anyone who does not agree with the program to put proposals forward. There needs to be a wider debate which includes the participants of the people to people program.

Timothy Rothermel: it is interesting to hear about the vibrancy of NGOs in Palestine. Regarding UNDP activities, I would like to call your attention to the 1999 poverty report on Palestine, which is a benchmark analysis of poverty in the country. Another point was in capacity building, UNDP supports both NGOs and the PNA. Finally, the issue of donor agendas and Palestinian agendas, UNDP has gone through a number of fashions, there is no conditionality, we hope UNDP is responsive, I have no instructions that we can deal with only specific organizations and not others. I am happy to report that 20 schools in Jerusalem were renovated last year and another 20 will be renovated in the year 2000.

Peter Bauck: I think it is important to say that you know the needs, the donors have the funds and disbursement is complicated. Everyone should take that into consideration and there is not a clear-cut solution to it. We have to engage in dialogue. It is important that you should be in charge of your development and the establishment of civil society where both NGOs and the PNA are equal partners with donors. Our government wants to assist the Palestinians and the peace process but they also have an audience back home, who ask questions particularly about transparency. You need to consider this. The only way to go forward is to continue the dialogue.

Rex Brynen: With regard to impact on poverty alleviation, not much has been done; MAS have done good work. The most effective way to coordinate donors is for host governments to impose their priorities on donors. Host country leadership is needed. Now it is not difficult for donors to go signature shopping, until there is a strong process of prioritizing on the Palestinian side donors will keep making use of these loop holes, they should not but frankly they will. On the political purposes of donors, there is no denial that the reason for a lot of money that is being spent here is political, no doubt about that. My coming book is entitled *A Very Political Economy*. Declining support for UNRWA is not related to a political reason but rather because fewer funds are available, as other refugees are worse off than refugees in Palestine are. People to People activities have useful purposes from the Palestinian point of view. It educates Israelis who have no idea what life is like in the West Bank and Gaza. The program could change their views about having a Palestinian state. People to People could bring about changes in public opinion for greater flexibility on the Israeli side. Every negotiator does that everywhere. They speak over the heads of their counterpart negotiators. If you do not want to use that mechanism, you do not have to but you will be one of the many negotiators who does not try to undercut the position of the counterpart by speaking directly to their population.

Panel Two

Issues of Sustainability for the NGOs

Chairperson: Mr. Victor Kashkoush, Development Consultant

Speakers:

Dr. Riyad Zanoun, Minister of Health

The Minister put forward the innovative mechanisms through which his ministry has ensured cooperation with NGOs. Scheduled and ad hoc meetings with all relevant organizations, as well as specialized meetings, were continuously held to ensure exchange of information, cooperation, avoidance of duplication and to increase coverage of services. Since 1999, NGOs started being represented in sectoral working groups. The Ministry regularly solicits NGO participation in planning and implementation. He also stated that work to assist the Jerusalemite hospitals has been undertaken and given priority.

I have been following with interest the sessions and subjects discussed during this conference. I would like to summarize my presentation in the following points:

It is no longer acceptable or even necessary to continue the discussion of the real need for partnership and cooperation between the PNA and NGOs. The PNA has already employed a full time minister to follow up on NGO affairs. What is needed now is to develop active mechanisms for improving this cooperation and partnership. We in the Ministry of Health formed a department whose function is to coordinate all work pertaining to health issues with the NGOs, as well as facilitating their licensing and securing their finances. This was a result of continuous meetings with them on a regular basis; every 3 months all health-related NGOs are invited to explore the problems and obstacles facing the health sector as a whole.

Moreover, there is a clear mechanism for cooperation between the Ministry of Health and NGOs under the control of the Ministry of NGO Affairs. Also, an invitation was directed to the NGOs to attend the conference of Sectoral Working Groups, which used to take place every 3-4 months between the donor countries and the Ministry of Health. NGOs were asked to prepare their health development plans and discuss those plans in the conference.

Finally, regarding the participation in human resource development projects, the Ministry of Health gave 35% of Public Health College seats to NGOs, and the government takes the remaining 65% of those seats. I wish that everyone would focus their efforts on developing a clear and effective mechanism for coordination and partnership that will lead to serving our people and institutions in Palestine.

Dr. Ahmed Subuh, Director General, MOPIC [Addressing - Issues of Sustainability for NGOs]

Dr. Subuh stated that donor assistance is not charity, but rather a major complement to the peace and reconstruction of Palestine. He confirmed that local NGOs participated in devising the Palestinian Development Plan and that MOPIC believes NGOs should not only

be partners but also honest observers of government behavior and conduct. They ought to pinpoint potential government misconduct that does not serve the Palestinian public and to highlight the issues of interest to the Palestinian public. He indicated that donor support to Palestine has already decreased and donors are looking towards transforming grants into loans. An advantage of loans is that people work harder, however, loans are a burden for future generations.

I would like to say that donor-grants to Palestinian society are a complementary part of the peace process, not a separate issue. Donations are part of the peace process and not a form of charity. The peace process would not have progressed without donor support.

During the last five years, the Palestinian people received a total annual income of \$500 million dollars from donors. Allow me to say that if we had not received these amounts we would have been suffering from famine as a result of the Israeli closures.

In the years 1994 and 1995, the PNA was not yet ready to put forth a comprehensive development plan ensuring maximum benefit from the donations. In 1996, we were able to provide the donor organizations with an idea of our most pressing needs, however, it was not in the form of an organized plan, but rather a list of projects. All Palestinian areas needed schools, clinics, roads, sewage, phones and electricity networks. In 1997, we submitted a better program as we started having a greater vision of our development needs. In 1998 we issued a development plan that was ratified by the legislative council. It was agreed that MOPIC would lead the implementation of this plan along with other ministries, 90% of the funding required for this plan was expected from donors.

A national development plan should depend on the internal resources of a country. NGOs were our partners in devising this plan. They participated in workshops, and we have no objection to opening the door for coordination, modification and development of the plan according to the needs of Palestinian society. In the past NGOs received a total of \$273 million from donors (not including the organizations that work for human rights and democracy) in support of the following areas: job creation, furnishing technical support, and private and public investments. From the \$273 million, \$108 million was allocated for technical support. The largest amount of funds came from the USA. The government of the USA still refuses to sign a comprehensive bilateral agreement with the PNA. With other countries, such as Germany, The Netherlands, Spain, Italy, Sweden, and the UK we have agreements that allow us to coordinate with the Palestinian beneficiary institutions, ministries, NGOs and even the private sector. We have the right to allocate the money we receive from these countries according to national priorities. Of the total amount of \$273 million, \$87.3 million was donated by the US, the next largest donations came from Norway, Spain and the E.C.

Since donor funding will eventually cease, we should find mechanisms to utilize these funds to receive maximum benefit. Last year witnessed the lowest amount of donor funds to the Palestinian territories. Now donors propose loans. Loans could simultaneously have both a positive and a negative impact; they could be invested and translated into profit with which we could repay the fund. At the same time we do not want our children to carry the burden in the future for the loans we accept today.

Finally, I would like to say that there is always a need to connect planning with the source of funding. If the two are separated then planning will take place but the funding will not be ensured.

Ms. Jenny Hyatt, Charities Aid Foundation, UK [Addressing - Issues of Sustainability for NGOs]

Ms. Hyatt considered issues of capacity building that are related to sustainability. To do that she investigated the origins of the word ‘sustainable’, determining it as the interrelationship between a number of elements in a dynamic system. Her paper looked at each of these elements and their inter-relationship as the foundation of NGO sustainability. In particular the importance of retaining a prime focus on the changing needs and interests of communities and / or issues on which NGO work is emphasized. She drew on examples from Central and Eastern Europe as her paper addresses the dynamics of elements of sustainability in transitional countries especially those having experienced conflict and tensions between government and civil society.

It is a great pleasure for me to be here, and indeed to be a representative of Charities Aid Foundation who had the honor of being involved in the PNGO-Project in the last three years. Charities Aid Foundation invited me to speak to you because I’ve been working in transformational societies on issues of capacity building. One of the things that is most important is using the word “transformational” and not “transitional”. Transitional implies a movement from one state to another, and in current environment that is often about being a market led environment. I use the word transformational because I believe fundamentally that citizens of societies should be actively engaged in forming the nature of the society they move to.

I am not an expert by any means. I am a development practitioner and pragmatist, and that is the basis on which I speak to you. In fact, I am such a bad expert I have left my full paper in London!

The last decade has seen such an incredible search for the key to sustainability that it has become like a Hollywood epic. There were different ways of understanding that search and I put them into two schools: the first is what I call the ABBA school. From the ABBA song that says, “money, money, money, must be funny, in a rich man’s world, all the things I could do if I had a little money”. The argument goes something like the song, if we find sufficient, consistent and preferably indigenous sources of funding then we will have a sustainable civil society. What does this lead to? It leads to frantic activity in terms of building community foundations, building endowment and an increasingly frantic struggle for grant money in an increasingly competitive environment. In transforming societies I find those strategies basically fraudulent for at least four reasons.

- They tend to assure termism, which is unrealistic in transformational societies, where people are looking at fundamental shifts in identity and where the prevalent state is uncertainty and not stability.
- Secondly, the over-reliance on economic infrastructure, they are too weak at local levels to support new funding structures.
- They often emphasize philanthropy in societies where there is a limited tradition of philanthropy.

- They often operate in environments that are politically and legislatively not encouraging that sort of approach. This for me is epitomized in the emphasis that was put on developing community foundations in regions of Bulgaria in the mid 1990s when Bulgaria was facing a really desperate humanitarian crisis and starvation was quite widespread.

I am not arguing that resources are not important. We all know they are, but they are only one part of sustainability. For me it does not address the question “Should all NGOs and community-based organizations be sustainable? - And *should* is a big word. The origins of the word sustainability are Latin, they come from ‘sub’ which is up and under too but let us ignore that for now and ‘tenere’ which is to hold. So sustainability is about holding up. During the last ten years I have worked with a number of NGOs and community organizations that should be allowed to fall down. These are often the ones that over focus on financial sustainability and do not really look at sustainability as part of a dynamic open system.

‘The search enlarged’ is the second part of this presentation. One way of looking at sustainability is through the dynamic open system. There are major features of this system. When there is a change in any one of these elements it impacts on all of the others. For me organizations are only vehicles for sets of needs and interests. This is often clear at the beginning; however, as they grow they tend to focus on their own survival at the cost of the original needs and interests for which they were established to serve. Once organizations forget that they are vehicles for sets of needs and interests, they become self-serving.

The second element is the nature of organizations that are set up to serve those needs and interests. I want to make four points about that. I did not hear much in the previous two days about self-help, loose coalitions, community groups and of course NGOs. The second point is the diversity of activity, which is fundamental to healthy civil society.

The third point is about the form of organizations and how they function. During the last ten years, when I heard about training courses on needs assessment, planning, monitoring and evaluation, I went crazy. When I was in Bosnia I said to people “what are your future plans?” and they replied, “ You mean next month, or three months ahead?” We need to be realistic about the environments in which those skills are being taught. I am not saying that they are not important, technical skills are important. But we lose two vital ingredients; one is, like human beings, we need to build organizations that have senses. They have the vision to see where they are and where they want to go in the broadest possible terms. Ears, so they continue to listen to the needs of their communities. Mouths to taste different ways of meeting those needs and interests. Noses that could sniff out what is really going on because we know that this world is full of hidden agendas. And touch because if we do not keep in touch with all our stakeholders then we stay isolated.

The second thing I would like to focus on in this respect is that in addition to technical skills we need skills without edges; these are what I see working in development terms. Building trust, coalition, confidence of communities to take control of their own lives, working with diversity, influencing and negotiating, ability to present a case. I would like to see more emphasis on these kinds of skills than on technical skills.

The final area in terms of NGO practice and the nature of organizations I would like to talk about values such as democracy, gender, and equality, where are they in practice? I hear

about organizations that did not have elections in their own societies and they talk about democracy to others. Organizations that talk about gender equality and do not actually involve women in their planning exist. Unless values are put into practice they have no meaning. They are just words on paper.

The third area of sustainability lies in moving away from organizational resources. The greatest resource of an NGO is the people who work for it and their creativity to solve deeply rooted social problems. Seven quick points about the nature of funding in transformational situations. What do I observe?

1. Short-term overkill.
2. Gravy trains.
3. Development block of funders, they do not understand the fundamental nature of development. It is complex, paradoxical and it is about learning as you go along. This is epitomized by the lack of understanding in the logframes. They illustrate the inability of donors to deal with the complexity of development.
4. Every context is different. Contextual differences in transforming societies are absolutely fundamental. That means that funders need to take risks.
5. Creation of a dependency culture. Diversification of funding should be the responsibility of every community-based organization.
6. Death by bureaucracy. The sorts of long procedures that large groups are better equipped to deal with and have to go through in order to get some money.
7. Beware of buy out. A contract is something that ties the NGO to producing a set of services for a specified sum and very often these contracts are made without very much interest in what the community needs and interests are.

Discussion

The discussion revolved around the absence of a fully mature dialogue between the PA and the donors and the NGOs and the lack of mutual understanding of the management of the funds. Discussions regarding the role of the PA, NGOs and donors from different perspectives tackled the following issues: some ministries work closely and have developed clear relations with NGOs, and donors; the diminishing funds allocated for NGOs, when approximately 19,000 people are working in the NGO sector; and the absence of a clear mandate and mechanism within MOPIC to facilitate coordination and work on a national level. The participants discussed whether donor requirements meet or do not meet Palestinian development needs. The debate over this issue is natural and healthy, as it will eventually lead to regulation, readjustment, complementary services, policy and planning. The participants agreed that this conference indicates that the dialogue is gaining momentum between the various parties but needs formalization and structure. The comments of the audience follow.

The audience:

- ♦ I would like to comment on the issue of partnership. From a theoretical point of view this issue has been addressed well, however, from a practical point of view it is still far fetched. All levels of partnership are absent, partnership between ministries is not clear, it is not clear between the different governmental branches, executive,

judicial and legislative, it is not clear among the institutions of civil society and with the government. Law should protect partnership and it should be institutionalized. Partnership should be in decision-making and in drafting laws, not only in modification of ready made regulations.

- ♦ The amount, which is received by NGOs directly from the donors according to Dr. Subuh is only 15% of the total funds received by the Palestinians. Money is being misused by the government and NGOs, therefore we should find an effective control mechanism to limit the waste and corruption.
- ♦ Donor support is connected to our concessions on the political front, if donors are supporting peace then they help the Palestinian people live freely, we do not want to eat, we would rather have a country.
- ♦ I would like to comment on Dr. Subuh's remark that by 1996 the PNA was not yet ready to provide a development plan. I remember that the PLO had formed a group of 155 Arab and Palestinian researchers and specialists to devise a plan that cost \$14 billion at that time. And this plan was presented in the conference of October 1993. The question is how did MOPIC benefit from that plan?
- ♦ It is important that ministries coordinate their work because we as NGOs are at a complete loss in terms of who is responsible for what.
- ♦ Some NGOs have been able to cover their costs by income generation activities. These institutions are not seen as needy and are therefore ignored by donors.
- ♦ Some NGOs have been receiving funds that are not utilized effectively. They have been able to escape the control bodies of the government through involving other ministries in their programs. The only beneficiaries of these funds are the employees of the NGO itself.
- ♦ I think that MOPIC has made large steps forward since 1994, however I would like to say that if the donors allocated \$500 million to the Palestinians in 1999 and the amount decreased to \$300 million, then how effective is it that MOPIC's plans requested an amount of one billion? This has changed our needs and development plan into a menu from which the donors could make their preferred selection.
- ♦ The PNA has allocated 50% of total expenses to infrastructure programs. Another important point is that ministries have direct relations with governments and they negotiate and reach understandings and then they send these understandings to MOPIC to insert into the PDP, which results in an inconsistent plan.
- ♦ Dr. Subuh said that technical assistance to NGOs was estimated at \$155 million, I would like to say that technical assistance for the PNA reached \$400 million.
- ♦ Sustainability is very important, and the main component is that they are strong capable institutions that provide good quality services. Mobilizing community participation and contributions is essential to ensure sustainability. The Palestinian Agricultural Relief Committees have been successful in doing that.

- ♦ I would like to say that we should not, as Dr. Subuh did, present numbers in isolation, as these might imply or give the wrong impression. Numbers should be linked to explanations.

Speakers from the Podium:

- ♦ *Dr. Subuh:* I did not elaborate on the numbers in my presentation due to time limitations, I was not accusing anyone of anything, and I was presenting information. There is no doubt that coordination between the ministries is a must. The question that surfaces, is ‘are we today any better than yesterday or do we still lack coordination?’ As for the old plans, which were developed by the PLO, we have taken a lot from them and we have adapted and modified them according to our latest needs. When we determined the amount of \$750 million in our plan it was based on the \$500 million pledged by the donors and the rest was to be covered from the government’s budget. I believe that we do not have to do anything or accept anything that we think is not in harmony with our plan. We cannot say that donor support has a political face, donor support is connected to peace.

Recommendations of the Conference

The conference was concluded with the following recommendations:

1. The participants confirm that sustainable human development can only be achieved completely when the national rights of the Palestinian people are fully recognized, especially the ‘Right of return’ and ‘Establishing the independent Palestinian state with Jerusalem as its capital’, in accordance with international resolutions including U.N. resolution 194.
2. The participants confirm the necessity of enhancing partnerships with the PNA, civil society and the donor community. We believe that the “sub sector working groups” could establish a suitable forum for discussing and managing the development process.
3. The participants recommend the necessity and importance of the full and accurate implementation of the NGO Law and the importance of civil society participating in the “process of drafting and review of the bylaws of this Law” in such a manner that does not conflict with the philosophy and articles of the Law.
 4. To ensure the independence of the NGO sector, and NGOs’ rights to define its vision, objectives and programs, by coordinating directly with the PNA and its programs, in such a manner that complies with the development needs and priorities of the Palestinian society.
 5. The participants confirm the necessity of enhancing the relationship between NGOs and the local community, while taking into consideration the importance of responding to the needs and priorities of the local community in planning the different development plans and programs.
 6. The participants emphasize the importance of encouraging and enhancing coordination, consultation and cooperation with the PNA and civil society, on the basis of a full partnership and the necessity of creating suitable mechanisms for that purpose.
 7. The participants emphasize the importance of establishing a code of ethics to regulate the relations between NGOs and all stakeholders in the development process.
 8. The participants emphasize their gratitude to all the donor communities for their continuous support for the Palestinian people, and they confirm the necessity of regulating the relationship with the donors, in accordance with Palestinian development needs and priorities.
 9. The participants confirm the necessity of enhancing and developing the various funding sources, including local and governmental ones.

10. The participants confirm the necessity of giving attention to development in the city of Jerusalem, and providing the necessary protection and support to strengthen the steadfastness of the Palestinian citizens in Jerusalem and to strengthen and empower its NGOs.
11. The participants confirm the non-politicization of funds, and the necessity to base them on clear professional criteria, in such a way that does not conflict with respecting the independence of NGOs’.
12. The participants confirm the necessity of enhancing the role and position of Palestinian women in society in the social, economic and cultural development process, and using local skills in a way to respond to sustainable human development needs.
13. The participants emphasize the necessity and importance of developing special programs to enhance and develop NGO capacity building, and develop human resources, and utilize local skills and expertise in accordance to the requirements of sustainable human development.
14. The participants confirm the value of discussing and publicizing experiences and examples of coordination between the PNA and the NGOs.
15. The participants confirm the necessity of holding a similar conference once every two years at least, due to its importance.
16. The participants recommend the inclusion of the marginalized groups in the various development processes, and to provide financial support to the weaker and smaller NGOs due to the importance of their role in society.

Perspectives on Civil Society in Palestine

Dr. George Giacaman, Dean of the Faculty of Graduate Studies at Birzeit University

Session One: Civil Society Work: Past, Present, and Future

Panel One: Civil Society Contribution to Socio-economic Development in the International and Local Context.

14 February 2000

My task in this session is not an easy one. I was asked to offer an historical perspective on the development of civil society in Palestine; an analysis of factors influencing it at present; case-studies of positive contributions; and prospects for the 21st century. All in 15 minutes.

I note this by way of apology should my remarks appear brief. I will focus on some of the more salient aspects of these topics viewed from the perspective of issues of current relevance.

If by 'civil society' one means societal organization of varied types existing in relative independence from the state, then such organization has had a long history in Palestine. Under Ottoman rule, for example, considerable local autonomy was possible at different periods, and pre-modern forms of association that were ethnic, tribal, or kinship-based organized the lives of different communities with custom and tribal law as central elements contributing to their cohesion. Several of the functions of such forms of organization now belong, or should belong, to the state (for instance, unity and rule of law) and to non-governmental organizations among other groups including political parties, which can be potential agents of social change at least in the political sphere.

Modern forms of association based on voluntary membership increased in the twentieth century. The Zionist-Palestinian conflict was a contributing factor. In the inter-war period new political parties emerged whose main focus for work was the continuing and increasing Zionist colonization of Palestine. These parties however were largely led by well-known land-owning or urban families. As a result, political life and rivalry acquired a traditional family and clannish coloring. Nevertheless, this period witnessed an increase in other forms of association such as unions, charitable societies, clubs, professional associations and the like.

This trend continued through the 1950s and 1960s, spurred especially by the dispossession of 1948. Many organizations, groups, and charitable societies were formed to minister to the needs of the Palestinian people especially those that became refugees. These organizations continue to the present day.

The emergence of the PLO brought a qualitative change to specific aspects of Palestinian political life and organization. It brought political diversity and a clearer definition of ideological pluralism within Palestinian society, and introduced modern party association with a concentrated focus on Palestinian national issues. The PLO was not led by traditional landed families. Membership within the groups and parties within the PLO was open, and for ill or for good, upward mobility within parties was possible based on the rules of the game of party politics. This was not always a democratic process but success did not require a pedigree. Thus it was possible for many from rural backgrounds or from refugee camps or from the ranks of the poor to rise to positions of prominence in the PLO and within Palestinian society in the West Bank and Gaza. Many were later to become the "new elite" within the system established by the Palestinian Authority after Oslo.

Within this broad historical and political context, the development of civil society in Palestine was influenced by two main developments: the onset of Israel's occupation of the West Bank and Gaza in 1967, and the establishment of the first Palestinian national authority in Palestine in 1994.

In response to the first, one important priority, in addition to resistance to occupation, was self-preservation as a people. Palestinians clearly understood that one of the most important strategic assets they have is their presence on their own land, and that the "Palestinian Problem" would not have existed as far as Israel was concerned were it not for this fact.

Ten years through occupation this translated itself into an ideology of sumud, of "steadfastness", endurance, continued presence on land. And sumud was not conceived in passive terms as the phrases I have used might suggest. On the contrary, it required organization, service delivery, networking, mobilization, and the creation of "support systems" of various types ranging from day-care centres to income-generating projects.

It is within this broad context that we saw the establishment of a new generation of organizations seeking to fulfil some of the needs of Palestinians under occupation. The work of charitable organizations continued through this period, but the new non-governmental organizations appeared different in more than one respect including the fact that they were often specialized, in areas such as education, health, agriculture, development, and human rights.

I refer to human rights in particular because it may be possible to say that Palestinians "discovered" human rights in a concrete way under occupation, in the concrete and tangible manner in which concepts and mechanisms relate to their situation. Limitations were also widely understood: there were no illusions about the justice of military courts, or due process under the military. Everyone also understood that lawyers were for the most part intermediaries seeking the best bargain possible for their clients, and that their work as lawyers was severely circumscribed. Still, the Palestinians' case was often made in the name of those rights, as universal rights that also apply to Palestinians. We addressed the world from within the framework of human rights discourse as a common language that connects Palestinians to the world outside.

It is therefore not less than puzzling to witness the hesitation of some on the question of the relevance of human rights issues internally, after the establishment of the Palestinian National Authority. Such hesitation betrays a cynically instrumental view of human rights, that undermines the credibility of the Palestinian position especially given the outstanding issues with Israel relating to rights, both individual and collective.

The second important factor to influence the development of civil society in Palestine was the establishment of the Palestinian Authority. A host of new issues were now facing Palestinians revolving around the nature of the relation between government and society, and the type of political system that will be established. One central question revolved around whether the PLO will succeed in making the transition from a national liberation movement in exile to a government accountable to the people on issues that had not been faced before.

One main concern was whether the highly centralized decision-making process in the PLO on the eve of the Oslo accords would translate into authoritarian tendencies in government. Another equally important concern was whether the "PLO model" would be transposed to govern a population on its own land, given that the model does not distinguish between government and civil society. This is because the PLO was not only composed of political formations, but also contained within its structures labour unions, student unions, teacher's unions, women's unions, writers' unions, productive enterprises, research centres, and NGO's.

The requirements of the national struggle and of survival in the diaspora appeared to mandate such a mobilizational effort. An all-encompassing organization also seemed essential for the expression and preservation of a collective identity, for a definition and preservation of the self in juxtaposition to a community uprooted and to a society destroyed.

The PLO 'model' therefore harboured within it two contradictory elements: a pluralistic civil-society-in-the-making lodged within the confines of a proto-state, the PLO. For by definition the sphere of civil society is the non-state sphere, or that which exists in relative independence from the state. Yet in the absence of a state and in the conditions of the Diaspora, the antinomy of state/civil society endured as a temporary necessity and as a means of shouldering national responsibilities, in what was hoped would be a transitional stage.

But once a new Palestinian political formation emerged on the ground in Palestine after Oslo, the threat to civil society from such a unitary model and history became quickly apparent, especially in light of the disarray of the opposition within the PLO and the resultant weakness of political parties.

For the essence of the model stems from the mobilizational aims of the PLO towards a community in dispersion. But once the model is transposed to govern a population living on its own land, its latent authoritarian traits quickly come to the fore.

Thus the all-encompassing totality of the model envisions society "organized" into "General" and "Higher" unions, associations, organizations, societies, and Councils, at the top of which, after Oslo, the Palestinian National Authority presides. The Irony of having the government establish "Higher" and "General" councils for unions, writers, and NGO's in the spirit of the unitary model appears to have escaped its founders.

Such issues leave several questions that need to be addressed. Indeed, some are being addressed now, but agreement on them has yet to be reached, and most importantly, institutionalized. Among these, perhaps the most important question has to do with the role of government, or the state, in society, and clarity on what is governmental and what is non-governmental. Clarity is needed in more than one sphere among which I mention two: in the sphere of economic activity; for instance, whether the government is a partner in economic activity, or a facilitator and coordinator, and in the sphere of work of the "third sector", the work of non-governmental organizations. However, it should be noted here that during the past three years, for example, varied cooperative projects and activities have taken place between NGO's and several ministries. Still, more clarity is needed on the respective roles of government and in this case, NGO's, especially since these issues remain outstanding.

Several factors will affect the development of civil society in Palestine the most important of which is the stability and sustainability of the sphere of civil society itself. This in turn depends on the nature of the political system, and on the existence of structural guarantees such as a functioning court system; unification of the various branches of the executive, including the many police and security apparatuses; and a rational functioning bureaucracy with clear job descriptions and lines of authority and decision-making. In addition, devolvement of real authority from central government to ministries and local councils, to a degree commensurate with their tasks, is also necessary.

But above all, a functioning legal system and the supremacy of the rule of law and the protection of civil liberties are the most important factors influencing the future development of civil society in Palestine. Various reports and many recommendations have been made on some of these questions, but not much has been done in terms of change.

Looking at the future, it is clear that the present system being set up in Palestine is inherently unstable. Fully one-third of the labour force is employed by government, and job-creation as a result of investment remains minimal. The present environment in Palestine is not conducive to investment. This is partly due to the political situation, but it is also due to the weakness of the necessary infrastructure, especially the administrative and the legal. The rules of the game are not clear, and most ministries will virtually have to be overhauled from top to bottom if they were to serve developmental aims.

The role of the state in developing countries remains indispensable. In spite of quick views formed a few years ago about the diminishing role of states in the present global order, such views have been under revision during the past two or three years. In poor countries, empowerment of women is not possible without compulsory education on a mass level. It is clear that this is not a job for the market, or a mission for NGO's. In several other sectors, similar questions will have to be asked about the roles of different actors.

A constructive and calm discussion of such questions is needed in Palestine, and there is considerable room for a serious initiative. When it begins, we would begin the process of developing a view of the role of civil society in Palestine for the new century.

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**NGOs and Development in the Arab World:
The Critical Importance of a Strong Partnership Between
Government and Civil Society**

**Dr. Denis J. Sullivan, Northeastern University
And Dr. Mohammed Dajani, PEC DAR**

**Session One: *Civil Society work: Past, Present and Future*
Panel Two: *Evolution of NGOs Work and Role in Other Countries: An Overview***

14 February 2000

Whether it is a fight over quality health care and education; affordable housing, food, and transportation; employment; or legal rights – Palestinians, Egyptians, Jordanians, and Lebanese (and other Arab communities) face either

- I. the hurdles of poverty and inadequate resources, or
- II. a government that is unable to fill the gap in providing those resources.

In many cases, these communities face both problems. When they face such problems, people in any country in any part of the world often turn to non-governmental organizations (NGOs) and other community-based organizations (mosques, churches, private clubs, and so on) for help. However, even these NGOs face enormous obstacles. For example, NGOs in Palestine, Egypt, Jordan, Lebanon and many other countries face the following hurdles:

- (i) inadequate resources
- (ii) lack of governmental financial support
- (iii) duplication of functions
- (iv) weak internal structural set-up
- (v) inadequacy of routine periodical external audit
- (vi) absence of rigid internal rules and regulations
- (vii) administrative inefficiency

Governments (both Arab and non-Arab alike) throughout the region are known for their restrictive nature, not allowing their people to enjoy such human rights as freedom of assembly, speech, free enterprise, and association. A number of governments are in the process of modifying the restrictive nature of their regimes. There are strong advocates of democracy in Palestine, Egypt, Jordan, Lebanon and elsewhere. There are positive changes in all four of these Arab countries, along with other Arab states, that gives us hope for democracy, respect for human, civil, and political rights, and therefore hope for economic progress and development for their peoples.

The experiences in Egypt, Palestine, Jordan, and Lebanon, demonstrate a persistent struggle between civil societies and *potentially* democratic political systems. While all have varying degrees of democratic trappings (elections, three branches of government, political parties, nominally civilian rule, and so on), restrictions remain on people's abilities to:

- assemble and speak as they wish;
- express themselves in writing, e.g., writers and journalists; and
- form their own private, voluntary, non-profit organizations.

Such restrictions do not actually help governments govern or lead their people. These restrictions actually only *hurt* society overall. Despite such restrictions, in these and many other countries across the world, there is a continuing push from below (and even from within) government levels to enhance the role of associations (unions, parties, NGOs, and the media) and to *move toward* a democracy.

Just as governance at the state level must be improved, so too must civil society institutions. NGOs themselves must become even more responsible to their constituents, their communities, the clients they serve, and their society overall. They must govern themselves in democratic fashion just as they ask their governments to respect democracy and human rights. What we mean by governing themselves in a “more democratic” fashion is that NGOs must:

- develop their own *code of conduct*;
- allow their members to *participate* in the decision-making process;
- insist on open, fair, and regular (e.g., every 2 years) *elections* of officers/leaders;
- become more *transparent* and more *accountable* – to their constituents and also to their neighbors, who may not use their services but who must live within the same community.

As in any democratic system (political and non-political), the majority should be *tolerant* of the views of the minority. This does not just mean religious or ethnic majority vs. minority. It also means majority *opinion* vs. minority opinion. For example, in Egypt and Jordan there are many examples of syndicates expelling members for supporting the peace process or for visiting Israel. In other cases, there are syndicates and NGOs that expel members simply because these members disagree with the majority view.

Learning Lessons, Sharing Experiences

Palestinians, Egyptians, Jordanians, and Lebanese can learn from each other as well as from others who have struggled against poverty, occupation, civil war, or government inability to win these battles on its own. The lessons learned from South Africa, Bangladesh, Eastern Europe, The Philippines, and elsewhere is that only when the state (through the government) works *with* the society (through NGOs, syndicates/unions [*niqabaat*], and popular organizations) can development occur, can poverty be alleviated, can progress be made. One critical beginning point of this partnership is the establishment of laws and regulations governing the work of NGOs in a society. Legislation that regulates NGOs in Egypt and Palestine is still evolving. Even though both countries have passed laws, the real test of these laws is how they are put into practice. Both societies are at a critical juncture in the development of their respective partnerships between state and society. But it is not only the government that regulates NGOs. NGOs must regulate themselves. One important way of doing this is to develop a national “code of conduct” for NGOs and by NGOs.

For us here assembled today, it would be helpful to remember what Egypt and other states have gone through in the last few years at the same time that Palestine has moved forward in its partnership between the PNA and the Palestinian NGO sector. We begin with Egypt.

Egypt: Voluntarism and the Evolution of the NGO Sector

As is true in Palestine, NGOs in Egypt have a rich history. So, too, does voluntarism, *tatawwa'iyya*. In the 19th Century, NGOs in Egypt were mainly religious in nature, both Islamic and Christian. These NGOs had a rapid growth after World War II and in the late 1950s, and began to be transformed in the Nasser era as government sought an increasing role in the daily private lives of its subjects.¹ Yet with the failure of Egypt's government to displace private initiative, there has been a gradual reassertion of voluntarism and “self-help” in Egypt. Such voluntarism is aimed at needy and impoverished communities. This voluntaristic impulse has developed over the past century from a predominantly elitist sense of *noblesse oblige* to a more middle-class willingness to help communities in need. Also, there is the overwhelming impulse for survival by impoverished and neglected subjects of the authoritarian state.

These community organizations are a primary component of Egyptian civil society. There are approximately 14,000 NGOs *registered* with the government of Egypt. Roughly 11,000 of these NGOs are actively working throughout the country to provide health care, education, job training,

¹ Berger, *Islam in Egypt Today*, especially chapter four, “Voluntary benevolent societies.”

child care, elder care, welfare, legal assistance, human rights monitoring², access to credit (especially for women), water, irrigation, environmental, and other social and economic services to a largely poor population. Community development associations, Islamic and Christian charitable groups, feminist organizations, student groups, and (more recently) capitalist associations are active in satisfying their own markets, their own community needs.

Use of the terms "Private Voluntary Organizations" (PVOs) and "Non-Governmental Organizations" (NGOs) to describe charitable, development, non-profit, and other organizations is done with some skepticism in Egypt. Virtually all participants in and observers of NGO activity in Egypt recognize that these organizations are far from being independent of the government and many in fact are creations of that government.³

This is hardly unique to Egypt. NGOs are established in many developing countries by governments themselves or by officials of those governments. (In these cases, we refer to such groups as "GONGOs" – Government Organized [or Oriented] NGOs.) Still, the relationship between NGOs and the state can be hostile as much as it can be cooperative. There are numerous examples from Egypt about this distrustful and hostile nature of state-NGO relations. The three targets of Egyptian government hostility include women's groups, Islamist groups, and human rights groups:

- The 1991 disbanding of AWSA, the Arab Women's Solidarity Association led by physician and author Dr. Nawal el-Saadawi.⁴ This NGO was punished more as a reaction against Dr. el-Saadawi's criticisms of President Mubarak's policies (e.g., the 1990-91 Gulf War) than any violation of "NGO etiquette." The government then took AWSA's assets and gave them to a little known "GONGO", "Women of Islam," a group run by a government official.
- The government's refusal to register the Muslim Brothers as either a political party or an NGO (charitable association) is evidence of the way Egypt controls civil society institutions.
- The government's long-standing refusal to register the Egyptian Organization for Human Rights provides further evidence.

Economic Reality forces a Change, favoring NGOs

In 1990, Egypt's economy was in serious decline. President Mubarak faced the need to restructure the economy, to loosen up his government's tight grip on that economy by encouraging the private sector, and to attack poverty, unemployment, inflation, and dangerously high international debt. One way of doing this was to establish, with World Bank management, a Social Fund for Development in Egypt. This Social Fund has now attracted over \$1 billion in assistance to retrain workers, improve public transportation, and attack poverty. One major partner in this Fund is Egypt's NGO sector.

The enormous expectations placed on Egyptian NGOs by the government and especially by the World Bank to offset the negative effects of structural adjustment and privatization in some ways parallels the expectations placed on Palestinian NGOs to develop a debilitated economy. In both cases, it is evident that NGOs are indeed critical partners with states, especially if states are unable to fulfill their development and social welfare functions. While governments worldwide abdicate these roles (or otherwise fail to fulfill them), many fail to relinquish their tight controls over society or to otherwise provide a supportive policy environment necessary

² Since the government never allowed the Egyptian Organization for Human Rights to register as a charitable organization under Law 32, it and other human rights groups sought to go around the restrictive clauses of the Law by registering their groups under the commercial code, normally used by for-profit private companies.

³ Similarly, there is a great deal of criticism of American PVOs working in the US and especially in the international arena for being nearly totally dependent on the U.S. government for their financial survival. See Brian H. Smith, *More than Altruism: The Politics of Private Foreign Aid* (Princeton: Princeton University Press, 1990), especially chapter Six.

⁴ For some of the details, see Middle East Watch "Egyptian Government Moves to Dissolve Prominent Arab Women's Organization" September 1991.

to allow societal organizations to more freely assemble, speak, or engage in development activities. Egypt unfortunately reflects this old way of thinking and yet there is great potential that Egypt will now move toward a partnership with NGOs rather than continue to fight NGOs as if they were adversaries to the government. The potential is found in the activism that continues in that country, not in the NGO legislation that was recently passed (May 1999).

The struggle to amend Egypt's Law of Associations

The campaign to amend Egypt's Law of Associations (or "NGO Law") has been going on for several years. The struggle there had been to amend or otherwise overturn the infamous Law 32 of 1964, a law instituted by President Nasser to control popular organizations (NGOs, private foundations, and other associations outside of the state's sphere). NGO leaders and international development specialists had argued since the early 1990s that Law 32 was destructive to NGOs, civil society, and especially economic development. These leaders wanted to throw out or otherwise amend Law 32. For years, human rights, women's, Islamist, and other organizations had to work around Law 32 because the government either denied them permission to register (e.g., Egyptian Organization for Human Rights and the Muslim Brotherhood) or disbanded them using Law 32 as justification (e.g., Arab Women's Solidarity Association). In some cases, these groups registered as non-profit companies under the civil code. This greatly restricted their abilities to function as development or legal rights NGOs. Thus, the effort to reform Law 32 continued.

In 1997, however, several human rights activists and other NGO leaders decided it was better not to discuss amending Law 32 for fear that if the government made changes, it could worsen their situation⁵. How insightful these activists were, for that is exactly what has occurred.

On May 27, 1999, Egypt's Parliament (Majles al-Sha'b) unanimously passed Law 153, which strengthens the government's control over NGOs. This legislative act, pushed by President Mubarak, is all the more insulting and destructive to those Egyptians who work on human rights and civil liberties because the government had turned to civil society organizations to help draft the law. The law that passed in May, however, has "nothing to do"⁶ with the draft that emerged from a "consultative process," involving NGO leaders working with government officials. In other words, somewhere between the consultative process that did include a few NGO representatives and the Parliament's actions, a significant switch occurred. The new language that was not seen by those NGO stakeholders and supposed partners is as bad as the original Law 32 that all saw as outdated and in need of progressive reform.

The new law lays down operating rules for private groups working on everything from health care and education to civil rights. It gives the government powers to disband boards of directors, nullify their decisions and object to the groups' foreign funding.

The law also bars private groups from participating in political activity, a restriction in keeping with Law 32 and one with which *most NGO leaders agree*. The main targets of these restrictions are the human rights, Islamist, and pro-democracy groups that have repeatedly angered and embarrassed the Egyptian government through their effective efforts at promoting development, public awareness, and human rights.

But if the Government of Egypt was trying to reach out to the NGO sector as "partners in development," they have done nearly the opposite – the way in which the government "reached out" to NGOs was more of a closed fist than an open hand. The process of establishing a new legislative environment has led many NGO leaders to view their relationship with the government as "turbulent and confrontational,"⁷ not as cooperative and mutually respectful. The possibility that things will improve is not great.

⁵ In an April 1997 interview, Mustafa Kamel al-Sayed said that "one never knows about this government. Laws can be introduced suddenly and the law can change overnight. This probably would mean a more restrictive law" governing NGOs, "especially religious and human rights groups."

⁶ Interview with Marlyn Tadros, Legal Research and Resource Center (Cairo), June 1999.

⁷ Mariz Tadros, "NGOs look towards turbulent partnership," *AlAhram Weekly* 6-12 Jan. 2000, p. 2.

Jordan's Control of NGOs: Participants, not Partners

If the Government of Egypt's approach to its NGO sector is to fight it, restrict it, control it, and frequently to crush it, the Government of the Hashemite Kingdom of Jordan's approach differs somewhat in style. Jordan's government also seeks to control NGOs but also has a paternalistic, protective approach. In other words, Jordan encourages NGO activity as long as it can guide that activity. Hence, Jordan recognizes the value of NGOs as *participants* in development but not necessarily as *partners* in development. So, it has not taken the next step in liberating the NGO sector allowing it to develop on its own terms or to determine for itself the needs of the Jordanian people.

In Jordan, as in Egypt, there is no full partnership between government and NGOs. Indeed, NGOs and other civil society organizations are sub-divided and regulated by the government according to their mission. "The Ministry of Interior regulates political parties, unions, and professional associations; the Ministry of Culture regulates all cultural [NGOs]; and the Ministry of Social Development regulates all charitable organizations. Each government Ministry controls all activities within its respective area of responsibility, and organizations are not permitted to engage in activities which cross into the purview of multiple Ministries. Civil society is thus partitioned and segmented into administrative units based upon the logic of bureaucratic control."⁸ In addition to being administratively "efficient," such partitioning also serves the political logic that was typical of British and French colonialism: "divide and conquer."

Lebanon

In Lebanon, NGOs that would otherwise be focused on social and economic development often find themselves drawn into political activism. This should not be the case for NGOs unless they are specifically organized around political, human, or civic rights issues. But given that Lebanon is occupied by Israel and dominated politically and militarily by Syria, even the social and economic NGOs find themselves drawn into political campaigns against their will. For example, when the government of Lebanon decided in 1997 to postpone local elections (34 years after the last local elections were held), activists from 15 NGOs organized a media and public awareness campaign that eventually led the government to reverse its decision. This campaign of civil society actors to work together and to move public policy forward is a success story, however it is far too rare in Lebanon. NGOs in Lebanon for the most part are unable to coordinate their activities because of:

- lingering distrust due to civil war,
- an inability to travel safely into areas occupied by Israel (and Syria),
- a lack of a tradition of cooperation that cuts across religious, geographic, and ideological lines.

Only when Lebanon is free of Israeli occupation and Syrian control and when its government is accountable to its own people can the NGO sector move toward greater integration and cooperation within itself. And only when NGOs get their own internal "house in order" can the sector work as a full partner with the Lebanese state. Until that time, NGOs will remain divided, even if individually effective at times at fighting for displaced persons, the environment, and social services.

Palestine as Leader of Civil Society in the Arab World

Palestine is poised to learn from its Arab neighbors even as it pursues its own path. With the rich history of Palestinian NGO activism, activity, experience, strength, and wisdom coupled with the urgent need for NGO responsibility to govern itself, to regulate and moderate its own behavior, NGOs have established themselves as full partners in development. With the steadfast leadership of the PLO and the willingness of the PNA to learn from their sisters and brothers in the NGO sector throughout the country, the Government of Palestine will also be ready to serve as full partner in development – provided the current legislation and especially

⁸ Quintan Wiktorowicz, "Civil Society as Social Control: State Power in Jordan," p. 9 (mimeo, 1999)

the current practice of implementing that legislation is geared toward cooperation and not confrontation.

Thank you all for your time and attention. We (Muhamad and Denis) look forward to continuing to work with the PNA and the Palestinian NGO community in the coming months and years.

**The Challenge of Government - NGO Relations:
The Case of Ethiopia**

Mr. Jalal Abdel Latif, Inter African Group, Ethiopia

Session Two: Regulatory Framework for Palestinian NGOs

Panel Two: *The Legal Status of NGOs in a Comparative Context: An Overview*

15 February 2000

The Setting

Ethiopia is one of the poorest countries in the world, though endowed with great, but generally untapped, natural resource wealth: vast areas of potentially fertile farmland, huge livestock populations, rich mineral deposits, plentiful sources of water and great potential for development of hydro-electric and geothermal energy sources. It has a richly varied culture, and is treasured as a center by both Islam and Christianity. Nevertheless, in spite of its vast potential and its large and industrious population, Ethiopia is best known as a country of recurrent famine, miserable and increasing poverty, protracted conflicts and mass migrations of people desperately seeking a better life. The failure to realize its potential is, at least in part, due to the age-old exclusion of most of its citizens from participation in governance and development. In effect, the country's most valuable resource, its people, has been ignored.

Ethiopia covers a land area of some 1,221,000 sq. kms of the Horn of Africa. Its population, estimated at nearly 60 million is linguistically diverse, with an estimated 100 different languages and dialects including, Semitic, Cushitic, Omotic and Nilotic language groups. This also reflects the ethnic diversity of the population, which comprises some 80 ethnic groups including the Oromo, Amhara, Tigray, Sidama, Somali, Berta, Afar, Gurage and others. Ethiopia is officially secular, but most of its population are adherents of Christianity, Islam or the traditional religions of various tribal groups.

In the recent past, Ethiopia, like its neighbors suffered under irresponsible, authoritarian and brutal regimes, imposed largely through brute force and terror and, manifested in ineptitude, greed, corruption and adherence to dysfunctional political ideologies in attempting to claim legitimacy for their misrule. The human costs have been staggering. Since the mid-1970s, millions of people have lost their lives to armed conflict and famine and their direct and indirect effects. Similar numbers have been physically or mentally disabled, and millions of people displaced, within the country or beyond its borders.

Conflict, repression and chronic mismanagement have held the country at the bottom of every relative or absolute indicator of human development. Ethiopia has one of the highest infant mortality rates and lowest per-capita income; its levels of health, education and social services in the developing world consistently hover near the bottom of global rankings. Hunger and despair stalk the urban slums and rural zones where peasants and pastoralists struggle for survival in the face of recurrent natural disasters, increasingly related to environmental deterioration, and inefficient and inequitable economies.

The results of these problems also hamper attempts to alleviate them. Lack of education is a case in point. The levels of literacy and of enrollment in primary education are extremely low. In 1991/92 only about 20.4% of primary school age children actually attended school. The low level of literacy severely limits access to information. Only a small proportion of the population has access to print media. Outside of the urban areas, radio is usually the only easily accessible source of information.

From year to year, rapid population growth outstrips the modest gains in agricultural production, leaving a large proportion of the population dependent on food aid for survival. Ethiopia must import an average of more than one million tons of food even in non-disaster years, a situation which is clearly unsustainable, and increasingly so, as the mismanagement, which constrains production, also destroys the land required for it. At the present rate of ecological decline, one United Nations study estimates that the land now sustaining several million households will be destroyed by the year 2010. Even after the return of peace, the legacy of war lives on in the form of shattered economy, institutions and national morale, exacerbated by intensifying poverty and widespread household food insecurity.

The collapse of the *Derg* regime in 1991 ended a 17-year legacy of Stalinist military rule preceded by centuries of feudal autocracy. The *Derg* destroyed much of the progress achieved by the Ethiopian people in the 20th century, and many of their lives as well. Thousands were killed directly by the *Derg*, far greater numbers died in the regime's, internal wars, and millions are believed to have lost their lives due to famine and disease, unleashed by *Derg*-related conflict, misrule, and violations of the most basic human rights of the Ethiopian people. The routing of the *Derg*, opened the way to political and economic liberalization and creation of democratic governance. It also brought a critical new issue to the fore: the imperative of civil society participation, as an essential aspect of democracy and good governance and sustainable economic and social development.

The change in government provided an opportunity to move towards democratization and development of good governance to replace the former military autocracy, but it could not guarantee it. Political liberalization provided opportunities, but realization of those opportunities needed something more. In particular, it needed enhanced public understanding of the nature of democracy and how to participate in and guide it.

The fall of the *Derg* opened the way to a revival of Ethiopian civil society and a generally improved enabling environment for it. Subsequent fundamental realignments in governance and political organization opened windows and provided more space for the emergence and operation of civil society, including non-governmental organizations (NGOs). Other elements of civil society tend to remain still more limited and operate on a more informal basis. Modern NGOs however, are part of the formal environment and thus need space to work within the formal legal and administrative environment.

This coincides with the ratification of the new Ethiopian Constitution, which provides generous provisions for the protection of human rights, a detailed catalogue of human rights and institutions to enforce respect for fundamental human freedoms.

THE AIM OF THE NEW POLITICAL LEADERSHIP IN EMBARKING UPON DEMOCRATIC EXPERIMENTS, RULE OF LAW, AND ITS EMPHASIS IN PHASING OUT THE IMPERIAL ORDER IS EVIDENT. THE NEW CONSTITUTION AND REORGANIZATION OF THE OLD IMPERIAL STATE ON LINGUISTIC AND REGIONAL BASIS STARTED HAVING AN IMMEDIATE IMPLICATIONS IN THE WAY NGOs COULD CONDUCT THEIR AFFAIRS IN THE COUNTRY.

This is illustrative of the important process of change and political liberalization taking place in Ethiopia, where the current government has committed itself to expansion of civil and political liberties along with the transformation of the economy from a centrally-planned communist type economic system into a market economy. Among other things, this provides opportunities for public debate of government policy and public input into it. It is increasingly apparent that public policy debate is needed, but for it to become possible and practical, the public needs to be provided with increased awareness of how policy is made, and of its nature and aims.

Initial involvement of NGOs from abroad was in responding to Ethiopian famine over thirty years ago. The new political and development orientation of the government has begun pressuring NGO

activities in the country. However, the existing rules, regulation and operational modalities have proven inadequate.

NGOs in Ethiopia

Early measures taken by the transitional government were to encourage various voluntary organizations and associations to resume their legitimate operations. In the summer of 1992 the Transitional Government of Ethiopia (TGE) released an official appeal to various NGOs and associations to immediately contact the Ministry of Interior to renew their registration. Groups such as the YMCA, the Lutheran Church, and so forth, not only renewed their registration but also expanded their activities and began putting claims to their properties confiscated by the *Derg*. Political liberalization gave a new and constructive role to newly emerging Ethiopian NGOs and new hope for existing ones.

GROWTH OF THE SECTOR

The Transitional Charter was the first instrument to give impetus for the growth of NGOs—both new and old. New types of NGOs, based on regional-affinity emerged, such as the Voluntary Association of Gonder, Kolfe Youth Association and similar. Such type of association was never allowed during the *Derg* regime. Most important was the sudden growth of secular Ethiopian NGOs focusing on governance and democratization issues. Groups emerged to conduct civic and legal education in both rural and urban areas, to monitor elections, and to popularize gender issues. Though limited in scope, weak in capacity and to some extent driven by donor agendas, the fact of their existence testifies to the existence of both legal and operational space in the country, as well as the new horizons for NGO abilities. The decentralization process indicated by the Transitional Charter gave a new and constructive operational role to newly emerging Ethiopia NGOs.

Similarly, there was much more growth among developmental NGOs, particularly in the regions of the country, seeking to provide access to micro-credit, engage in environmental issues and direct relief. For the first time a group of experienced and well-established local NGOs felt the need to create an umbrella organization exclusively for indigenous NGOs. The Council of Ethiopian Voluntary Organizations (CEVO) was established (though later closed). Other, similar networks began to have their presence felt, such as the Consortium of Family Planning NGOs (COFAP) and the Society for Participatory Development in Ethiopia (SPADE).

While the Christian Relief and Development Association (CRDA) remains the only umbrella organization, until recently it behaved as if policy issues related to relief and development were its exclusive territory. It has shown reluctance to collaborate with newly emerging local organizations. CRDA commands significant influence in steering incoming NGO-targeted resources to the country. It is not only a service delivery organization but also a gateway for channeling donor resources and has become as a grant-making organization to its members. A number of Moslem NGOs are discouraged by the symbolism it represents, though it now has a largely secular membership, and are Leary about joining. However, several years ago, CRDA appointed its first Ethiopian Executive Director. With both change in management and pressure from its donors a new face of CRDA may yet emerge.

The TGE's political and economic liberalization agenda offers new opportunities for a wide range of European and North American NGOs to visit and explore possibilities of collaborating with local organizations, as well as government agencies. (Examples include The Carter Center, National Democratic Institute, African American Institute, American Federation of Teachers, Freidrich Ebert Foundation, Care Canada, Oxfam Canada, the Fund for Peace, Human Rights Watch, Human Rights Internet of Canada, Penal Reform Institute, Life and Peace Institute, and so on.) While some have managed to open offices, most remained limited to funding and supporting—though in a highly selective way—local groups. Research on the NGO sector is on the rise.

The growth and development of capacity needs assessment of NGOs—both in number and diversity—has outpaced legislative and administrative reform in the country. The NGO attempts to

ensure expanded operational and legal space and the government's need to regulate have created well-founded tension. In the meantime, the quantitative growth of NGOs in the country have also led to growth in the number of qualitative issues raised. New concerns and issues such as taxation, micro- credit services, the future of income generating activities are emerging.

CLASSIFICATION

NGOs or civic organizations in Ethiopia can be grouped into nine categories. This classification is not based on delivery capacity or on their financial strength but is more related to their nature and characteristics: their identity.

- 1.Church (non-orthodox) Affiliated groups with strong out-of-country resource backing;
- 2.Ethiopian Orthodox Church: its development arm;
- 3.Urban-based secular Ethiopian NGOs with strong links to international aid: orphanages, relief, environment, etc.;
- 4.International aid agencies;
- 5.GONGOs and their solidarity partners affiliated to ruling parties;
- 6.Newly emerging regional NGOs;
- 7.Ethiopian NGOs with emphasis in governance and democracy;
- 8.Value-Based Ethiopian associations or mutual benefit organizations; and
- 9.Islamic and other faith based NGOs.

The current number of NGOs operating in the country amounts to more than 300. There are over 2000 community-based associations in Addis Ababa alone, with no link to the official aid industry. These include professional associations, such as artists, lawyers, musicians and neighborhood etc. The country is rich in various forms of associational life, both in the cities and the countryside.

Civil Society, NGOs and Development Strategies

Modern strategies for development increasingly recognize the imperative of civil society participation in development and poverty reduction. Key development funding sources such as the World Bank, the European Union (EU) and UN agencies, are now giving much greater attention to the level of public participation in donor-funded development projects and recipient governments are accepting it as a condition for the funding they require. For instance, the World Bank funded the Ethiopian Social Rehabilitation Fund (ESRF) pilot project, and similar Social Funds in other countries. This provided a great deal of evidence that rehabilitation and development projects with civil society participation are significantly more effective and sustainable than those without it. The subsequent, countrywide, expanded Ethiopian Social Rehabilitation and Development Fund (ESRDF), is therefore, very much dependent on wide public participation in its sub-projects. Such participation implies an increased public role in governance, allowing people and communities to manage their own activities and providing them with the necessary experience to encourage them to do so.

The process of political and economic liberalization has, in itself, served to raise public expectations, particularly with respect to the right to participate in the political process and to contribute to it. A civil society role should both stimulate and help respond to these expectations, which require fundamental change, a process that has begun, but is still far from even minimal requirements.

The effort for democratization and decentralization of authority in Ethiopia brought expanded interest in civil society and the emergence of significant numbers of indigenous NGOs where only a handful had previously existed. Most of the new NGOs lack resources, experience, trained staff, understanding of their role, and a sense of community and common purpose. This constrains their effectiveness and ability to work together, and devalues their image with respect to both the public and government.

In 1994, Pact, an American international NGO, launched a study into the possibility of contributing to the building of institutional capacity within the local NGO sector and found a recognized need.

The Pact programme began in late 1995, concurrent with increasing vitality within the Ethiopian NGO community. Some groups such as the Inter Africa Group (IAG) had already initiated a series of seminars and workshops on topics of common interest and hosted NGO forums on Government-NGO relations. This came at a time when there was a relatively high level of government mistrust of NGOs and a lack of clarity on their new role.

This mistrust was demonstrated in a number of ways including mixed signals from senior civil servants, delays in the renewal of NGOs' registration and the abrupt de-registration of a large number of organizations. Issues of taxation, auditing and reporting were brought forth, and allegations questioning the integrity and financial probity of NGOs appeared in local media.

These problems were largely based on misconceptions. The series of seminars and continued consultations with senior policy makers, particularly the parliament and its legal committee led to clarification of a variety of issues and a significant improvement in the atmosphere of Government-NGO relations.

Government Perceptions of NGOs

Similar to the rest of Africa, the Ethiopian Government, on various levels, has often found it difficult to understand the concept of NGOs and the need for them. NGOs are often perceived as competitors for external funding and in some cases as challenges to their own authority.

Prior to the *Derg* dictatorship there were very few NGOs of any sort in Ethiopia and their activities and room for operation was tightly limited. During the *Derg* era, however, even these were weakened, destroyed, or turned into appendages of the regime.

A recent review of the enabling environment of the Ethiopian NGO sector, completed in May 1998, found that there were still many problems circumscribing and limiting NGO development and operation.

The same study found that the NGO sector as a whole was acutely divided along various fissures that precluded the emergence of an identifiable community profile and painted a picture of NGOs as being predominantly petty and marginal to the development process. In fact, the basic problem of NGOs in Ethiopia appears to be that of how to make themselves more relevant to the development process. To move towards relevance, there was a need for NGOs to change their outlook, goals, work style and image as well as to substantially increase their capacities and rethink their relationships with both government and the international NGOs.

The new development and governance challenges in the country stimulated the need to address the issues of NGO image, perceptions, role and contribution the NGO sector. An year-old exercise of preparing and developing an NGO code of ethics was accelerated with significant participation and consultation of NGOs and other stakeholders. In short, the concern for self-regulation and NGO law became important.

The Code of Conduct for NGOs in Ethiopia

The process leading to the formulation of an NGO Code of Conduct grew out of the separate workshop series organized by IAG, CRDA and CEVO on the role of NGOs in Ethiopia. These were aimed at finding ways to address the legal issues affecting the work of NGOs, their problems with government and issues of regulation, many of which arose primarily from the lack of an appropriate and clear regulatory framework for NGOs. The obvious need was for a move towards a framework for NGO self-regulation. For this to be acceptable and workable it needed to be worked out by the NGOs themselves. The workshops were launched to point out the direction and initiate the process.

The exercise in promoting code of ethics for NGOs operating in Ethiopia was intended as an engagement among themselves on fresh ground:

- Ground that anchors the institutions of civil society in their responsibilities to the public they intend to serve;
- Ground that focuses and restates the common core values that NGOs have and desire to adhere to;
- Ground that continues to put the NGO house in order; and lastly a
- Ground that continues to engage with the government creatively.

It was also a pledge to build and enhance the transparency and accountability that the Ethiopian public has a right to expect.

On 24 September 1998, some 200 NGO representatives met for final discussions on the Code of Conduct and endorsed the final draft as an instrument of self-regulation. During the first consultative process the Chairman of the Legal Committee of the Ethiopian House of Peoples' Representatives, Mr. Abdulaziz Ahmed, provided a keynote statement noting the support and appreciation of the government for the work of NGOs and the development of the Code of Conduct, saying:

"An NGO Community which commits itself to abide by common values that address its internal governance, operation practices and pledges its accountability to the public it seeks to serve, contributes greatly to enhancement of civic responsibility, and fosters greater cooperation with Government and all other development partners. This will, in turn, create a better working environment for development and productive outcome in alleviating poverty."

He further assured that NGOs would be consulted at the appropriate time on the draft NGO regulation being prepared by the Ethiopian Government.

The agreement on the NGO Code of Conduct was an important step forward and indicative of the increasing maturity of the Ethiopian NGO community, but it needs to be followed up, developed, implemented, and used to both improve the general image of NGOs and their relationship with government. As the Pact study points out,

"The challenge to the NGO community is to effectively communicate its value and relevance to the government without surrendering its civil society identity and independence."

The exercise in formulating Code of Conduct assisted in building trust and made progress towards NGO networking and coalition building in Ethiopia.

Emerging Opportunities

The Ethiopian Government is development-oriented with a strong bias towards rural support. Its policies focus on rapid economic and social development, poverty reduction and addressing the basic needs of the poorest sectors of the Ethiopian population, who are most at risk from the adverse effects of the country's essential economic structural adjustment. One expression of its development strategies for poverty reduction is the Government's World Bank-supported ESRDF and its comprehensive strategy on food security.

Sustained poverty reduction is the main goal of the Government's development strategy, to be achieved through a combination of sustainable economic growth, improvements in basic social services, and specially targeted measures to improve incomes, self-reliance and the quality of life of the poorest groups and rural communities.

The primary focus of the Social Fund as part of this strategy is on poverty reduction among the poorest and their protection from the worst effects of the Structural Adjustment Program (SAP). The strategies and plans contained in the Social Fund project require a high level of participation from the beneficiaries in the planning and management of, and investment in, the activities to assist them. This in itself encourages the revival of civil society as an essential element of development and poverty reduction.

The revival of a vibrant civil society after a generation of repression also requires understanding by the members of that civil society of their rights, the initiatives that they can take, and the contributions that they can make to their own rehabilitation and development. NGOs need to increase their scope of activities to contribute to that understanding and to encourage civil society participation in the establishment and consolidation of democratic governance. Finally, they need to extend their scope to strengthen civil society to play an effective role in the country's economic, social and political progress.

Conclusion

While there is increasing acceptance of the NGO role in the delivery of development services, this is less in relation to advocacy. There is still significant suspicion and resistance to advocacy roles for NGOs, particularly Ethiopian NGOs. The space is limited, but the need is great, to strengthen respect for basic freedoms

It is increasingly accepted at all levels that Ethiopia's problems of acute economic and social under-development require fundamental change. It is also increasingly evident that real change cannot be achieved without the full participation of Ethiopian civil society. Many NGOs seek to assist in catalyzing a fundamental transition by helping to identify, analyze and address the fundamental problems underlying the country's under-development through a multi-sectoral approach combining research, dialogue, public education and advocacy.

The past five years have seen substantial improvement in the maturity and status of NGOs, some important aspects of which have been the agreement on an NGO Code of Conduct, substantial improvement in Government-NGO relations, a relaxation of earlier tensions and significant improvement in the capacities and maturity of Ethiopian NGOs. The sector has shown progress in networking and coalition building, and increased its relevance and contribution to national development objectives. A code of conduct, self-regulation and NGO laws are instruments of improving dialogue between government and organized citizens without controlling them.

¹ Mr. Abdulaziz Ahmed, Chair, Legal Committee, House of Peoples' Representatives, in Monthly Update InterAfrica Group, NGO Networking Service, Vol.6, No.7, October 1998.

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**The Palestinian Ministry of Education
and Non-Government Organizations:
Cooperation and Possible Partnership**

***Mr. Khalil Mahshi, Director General International and
Public Relations/Ministry of Education***

**Session Three: *Palestinian Government and NGO's Proactive Relations and
Potentials for the Future***

Panel One: *Examples of Sectoral Cooperation*

14 February 2000

Executive Summary

This presentation attempts to analytically review cooperation between the Ministry of Education (MoE) and NGOs.

The MoE was established in August 1994. Since its inception, the MoE strongly believed in the necessity to cooperate with credible educational NGOs. It initiated the first meeting with NGOs in November 1994 to discuss modalities and mechanisms of coordination.

Since that time, the MoE and NGOs successfully cooperated in a number of development projects. The NGOs are represented in all meetings of the Education Sector Working Group (SWG) which are organized quarterly and attended by donor representatives. Moreover, the MoE invited NGO representatives to participate in a number of its activities related to formulating its policies and development plans.

Relative mutual-confidence and trust between the MoE and NGOs have been built. More systematic and consistent work by both parties is needed, however, to attain a relationship of partnership and complementarity. Educational NGOs are still limited in number and in capacity. They have to better network and to avoid duplication and competition among themselves. The MoE has to create better mechanisms for the participation of NGOs in its planning, policy-formulation and development activities. Both have to work harder on drafting an educational vision and development plans based on actual needs identified through dialogue with the community and translate them into detailed implementation plans in which the role of NGOs is clearly spelled out. Both have to relate to donors as partners in the realization of the development plans agreed upon.

The presentation also reviews a concrete case of cooperation between the MoE and one of the educational NGOs. It ends with concrete recommendations for the improvement of cooperation and partnership between the MoE and NGOs. These are listed under three categories: strategic, conceptual/psychological, and practical/operational.

Background: Relevant Agreements between the PLO and Israel

The Middle East peace process was initiated with the Madrid Conference of October 1991, following which the Israelis and the Palestinians held secret talks in Oslo under the auspices of the Norwegian Government. These secret talks led to an agreement on a Declaration of Principles (DOP) on Interim Self-Government Arrangements, also called the Oslo Agreement, which was formally signed on 13 September 1993, at the White House in Washington D.C.

Negotiations continued between the Palestine Liberation Organization (PLO) and Israel to put into force the Declaration of Principles of September 1993. Extensive and exhaustive talks were carried

out at various places (Cairo, Taba, Paris, Oslo, etc.) which, at the end, culminated with the Agreement on the Gaza Strip and the Jericho area in the West Bank (Gaza - Jericho Agreement), signed in Cairo on 4 May 1994. This agreement covered such issues as the scheduled withdrawal of Israeli military forces from the Gaza Strip and Jericho area, the Palestinian police force and safe passages between the Gaza Strip and the West Bank. The agreement covered also the establishment of the Palestinian National Authority, its structure, composition and scope of powers, rights and jurisdiction as well as the transfer to it of civil administration authority from the Israelis in the Gaza Strip and the Jericho area.

Subsequently, on 28 August 1994, Israel and the PLO signed the Agreement on Preparatory Transfer of Powers and Responsibilities (Transfer Agreement). This agreement covered the transfer of authority from the Israelis to the Palestinian National Authority in the areas of education, culture, health, social welfare, tourism, direct taxation and Value Added Tax (VAT) on local products in the West Bank, in addition to Gaza and Jericho, and defined the scope of the powers of the Palestinian National Authority in the West Bank.

The Establishment of the Ministry of Education

The Ministry of Education and Higher Education (MEHE) was created from scratch in August 1994, immediately after the Gaza-Jericho Agreement. MEHE was given responsibility for education at all levels. However, in 1996, responsibility for post secondary education was transferred to a newly established Ministry of Higher Education and MEHE was renamed the Ministry of Education (MoE).

The Inherited Educational System

Following the Arab-Israeli war of 1948, the Gaza Strip came under Egyptian administration while the West Bank was united with Jordan. Consequently, the Egyptian education system and curriculum were introduced in the Gaza Strip and the Jordanian in the West Bank. The two-tier education system continued even after the 1967 war, when the Gaza Strip and the West Bank came under Israeli occupation. Education was run by the Israeli military, and later by the Israeli Civil Administration in the West Bank and in the Gaza Strip. The textbooks, however, were censured by way of omissions and adjustments on whatever related to the Palestinian national identity and the Palestinian cause. In August 1994, following the signing of the Transfer Agreement, all public educational institutions were turned over to the Palestinian National Authority. The double education system, still in place, has been harmonized to the extent possible pending the introduction of a single Palestinian curriculum, which is under preparation.

The Status of Education in 1994

At the time of its establishment in 1994, the Palestinian Ministry of Education took over an education system nearing collapse. The extent of neglect in the maintenance and expansion of the education system in the years of Israeli occupation had been very severe. Here below, is a short list of the major problems that existed in the education sector at the time of its transfer by Israel to the Palestinian National Authority.

School Buildings

In terms of infrastructure, there was a shortage of classrooms and schools were overcrowded. Many school buildings were ramshackle and some of the structures posed health risks for the students. A good number of school buildings were rented.

Many rural areas had inadequate school buildings and insufficient facilities for girls.

In view of the shortage of facilities, many schools operated on a double-shift basis and some, even, on three shifts per day.

Equipment and Laboratories

In terms of equipment and materials essential for good teaching and learning, schools lacked the bare necessities such as proper desks and tables for students, copying machines, computers, audio-visual aids, science laboratories, libraries and library books, physical education equipment, art education supplies and other educational materials including, in some instances, boards for teachers to write on.

Curriculum and Textbooks

In terms of curriculum and textbooks, there were two different systems: the Jordanian in the West Bank and the Egyptian in the Gaza Strip. Moreover, the textbooks had been censored with regard to all reference to the Palestinian cause and identity.

Extra-curricular activities for students not only had been ignored but also had been practically banned by the Israeli military authorities.

Teaching Staff

The vast majority of teachers did not possess the necessary teaching qualifications. Teachers' knowledge in some disciplines was obsolete and subject supervisors at the school level were limited in number. Moreover, some school administrators had no formal qualifications or formal training in teaching, let alone leadership and administrative capabilities.

Vocational Schools

Most of secondary vocational schools, and post-secondary vocational and technical colleges were at the verge of total collapse and closure. Schools lacked basic equipment and appropriately equipped workshops. Relevance between education and the needs of the labor market and the economy was lacking, especially in the area of vocational and technical education, hence, student enrollment was quite low.

School Closures

The overall quality of education was low also due to the fact that school closures had been widely used by the Israeli occupation authorities as a means of collective punishment against the students and the Palestinian people in the West Bank and Gaza.

Dealing with a Situation of Emergency

As mentioned above, the Ministry of Education took over an education system in disarray. As a first step, the Ministry put in place an emergency plan to stop the educational system from collapsing. In the first year, however, no major changes were introduced. The purpose was to allow sufficient time to study the education reality and to formulate proper plans to reverse the trend, and reform and upgrade the system.

THE SCHOOLS

There are three types of schools in the West Bank and Gaza: Government, private, and UNRWA. MoE runs the largest number of schools. In 1998/99, 73% of schools were Government, 16% UNRWA, and 11% private. Between 1995/96 and 1998/99, the total number of schools increased by 15%. In particular, Government schools increased by 14.95%, while UNRWA schools increased by 4.74% and private schools by 33.33%. With regard to enrollment, 67.6% of students were in Government schools, 25.9% in UNRWA schools and 6.5% in private schools.

Kindergartens

In the 1998/1999 school year, there were 823 kindergartens with 77,173 children enrolled. Over the 1993/94 -1998/99 period, the number of children enrolled increased by 82.3%, at a rate of 16.5% per year while the enrollment rate of children of kindergarten age increased from 30.2% to 35.8%. In 1994, there were only 13 kindergartens in the Gaza Strip with just 1,389 children enrolled. By 1998/99, the number on kindergartens in the Gaza Strip had increased to 206 and the number of children enrolled to 24,969. All kindergartens are run by NGOs and the private sector.

ACCOMPLISHMENTS OF MOE BETWEEN 1994 AND 1999

IMMEDIATELY AFTER ITS ESTABLISHMENT, THE MINISTRY OF EDUCATION INTRODUCED MEASURES TO STOP THE EDUCATION SYSTEM FROM DETERIORATING FURTHER AND SET OUT TO FORMULATE PLANS TO REVERSE THE SITUATION AND REFORM THE SYSTEM. THE MOST IMPORTANT ACCOMPLISHMENTS ARE BRIEFLY MENTIONED HERE.

ABOVE ALL, THE MINISTRY WAS CONFRONTED WITH THE GREAT CHALLENGE OF MANAGING TWO DIFFERENT EDUCATION SYSTEMS AND WITH THE HISTORIC OPPORTUNITY TO INTRODUCE A NEW AND SINGLE PALESTINIAN CURRICULUM DESIGNED TO MEET THE NEEDS AND ASPIRATIONS OF ALL PALESTINIAN PEOPLE. WORK ON THE NEW CURRICULUM STARTED ALMOST IMMEDIATELY. ITS INTRODUCTION HAS BEEN SCHEDULED OVER A PERIOD OF FIVE YEARS STARTING WITH THE 2000/2001 SCHOOL YEAR.

The upgrading and training of teachers was also given top priority. The Ministry, therefore, engaged in an extensive teacher-training program, and, at the same time, established minimum qualifications for the recruitment of new teachers.

To remedy the shortage of classrooms, the Ministry engaged in a major program of school construction and rehabilitation. The works, comprising 125 new schools, 1,842 classrooms added to existing schools, and 150 sanitary facilities, in addition to the rehabilitation and maintenance of 412 classrooms, are almost completed. Moreover, a number of schools have been provided with modern equipment and materials and extracurricular student activities have been introduced as an integral part of the education process.

A common strategy for the development of technical and vocational education and training was developed with the participation of the Ministry of Labor, Ministry of Higher education and the MoE in consultation with the private sector. This strategy is now translated into plans of action for the three ministries. To better manage the education system, the Ministry has introduced an electronic management information system and has started the development of an electronic school-mapping database.

The Belief in Coordination and Cooperation

All through the period of Israeli occupation, private educational institutions, NGOs and teachers' committees and unions defended children's right to education and fought against the closures of schools and universities by the military authorities. They also worked hard for preserving the Palestinian National identity and to safeguard against the deterioration of the quality of education due to Israeli neglect, restrictions and punishments. In fact, NGOs and private educational institutions are behind all of the concrete positive developments in education in the period 1967 - 1994. Most important of these developments are: (1) the introduction and spread of higher education, (2) the spread and improvement of the quality of early childhood programs, (3) the spread

and the improvement of the quality of adult education programs, (4) the spread of programs of education for children with special needs, (5) the introduction of pilot projects designed to improve the quality of formal schooling, and (6) activities designed to inform the international community about conditions of education under Israeli occupation and to network with educational institutions abroad.

Soon before the establishment of the Palestinian National Authority and in anticipation of the creation of a Ministry of Education, the members of the network of educational NGOs met several times to discuss the expected change in their role, activities and priorities that would be necessitated by the creation of such a ministry. They expressed their full readiness to cooperate with the future MoE in order to develop education in Palestine. They concluded that they should focus in the first phase of their relationship with the future MoE on the need to draft a common educational vision. This vision would have to be shared and supported by the community in the West Bank and Gaza and the Palestinians at large.

Since its establishment, the MoE took the position that it needs to coordinate with NGOs and the private sector in its efforts to improve and reform the educational system. This position was taken for three reasons:

- 1- The belief that the building of a modern and democratic civil society necessitates the participation and the flourishing of active NGO.
- 2- The recognition of the important role played by NGOs in education and other services during the period of Israeli occupation and the need of the MoE to benefit from the experience of NGOs during that period.
- 3- The realization that MoE cannot accomplish the immense tasks needed in education without the support and the participation of the community, NGOs and private educational institutions.

Early Meetings for Coordination and Cooperation

Soon after it started operating, and even before it was fully established, the MoE called the network of educational NGOs for meetings to discuss ways to coordinate and areas in which cooperation would be needed and would be possible. In fact, the first meeting between the Minister of Education and educational NGOs took place at the Ministry of Education in Ramallah on 14 November 1994. In this meeting, the NGOs took it upon themselves to draft a position paper proposing mechanisms for coordination between the MoE and the NGOs. A few months later, a very brief position paper was presented to the MoE and two more meetings were held between the two parties to discuss the issue of coordination. Nothing concrete, however, resulted from these discussions and attempts. An overall common understanding was, however, maintained for the need to keep coordinating and cooperating.

Actual Cooperation in Projects

Several NGOs approached the MoE requesting its approval for the implementation of their activities and projects in government schools or those targeting government school principals, teachers or students. Most NGOs submitted projects, which have already been detailed, had the needed funding from donors and were ready to be immediately implemented upon the approval of the MoE. A few NGOs, however, attempted to involve the MoE in designing and planning these activities and projects. Although these projects took more time to design, they resulted in the building of mutual trust, a sense of partnership and the readiness for further cooperation based on the joint successes.

The MoE approved most projects submitted NGOs. These covered diversified educational areas and needs such as: teacher training in various topics and subject areas, counseling, education for children with special needs, first aid, health education, conflict resolution, reading campaigns, early childhood, vocational education, human rights education, studies and school rehabilitation. The MoE avoided or disapproved projects which, it deemed, would heighten disagreement among students or which touched political issues on which there is no widespread acceptance in the community. The

MoE was very hesitant at the beginning of its work to approve joint projects between Israeli and Palestinian students and schools. It is now starting to allow projects related to peace education after a lot of consideration and discussion internally and externally. These projects are, however, very much affected by the prevailing political situation and mood in Palestine and in Israel.

Limited Participation of NGOs in Educational Policy Formulation

Since its establishment, the MoE was mostly involved in responding to emergencies in the educational system resulting from the years of Israeli occupation. There were few instances in which some aspects of its work related to the reform of the educational system, the development of an educational vision, and drafting of long-term plans and formulation of policies. These few exceptions were in the following areas: (1) the production of the first Palestinian curriculum, (2) the drafting of the first five-year education development plan and (3) the end-of-decade assessment of Education for All. In these three cases, to varying degrees, the NGOs, and the community at large, were invited by the MoE to participate in consultation meetings. There is, however, no defined ongoing mechanism for NGO, and community, participation in planning and policy-formulation. This participation has been so far called upon by the MoE whenever it deemed necessary and practically possible.

The Education Sector Working Group: Continuous Representation of NGOs

The only clear exception to the sporadic participation of NGOs in the work of the MoE, which relates to planning and policy-formulation is the Education Sector Working Group (SWG). This is the group of representatives of donors, UN and funding agencies and ministries, which relate to the education sector in Palestine. The SWG was set up in mid-1995. Its shepherd is France, its gavel holder is the MoE and its secretary is UNESCO. The Ministry of Higher education, the Ministry of Labor and the Ministry of Planning and International Cooperation are represented. It presently meets 3-4 times per year. It used to meet much more frequently at the beginning of its work. It discusses issues related to coordination and improvement of donor aid to the education sector in Palestine. The SWG set up a Steering Committee from among its members. This Committee prepares for the meetings of the SWG and brainstorms on ways to instill a better sense of partnership between donors and the line ministries. A lot of the relative success of the Education SWG in comparison to other SWGs in Palestine is credited to the work of the Steering Committee. Very noticeable in the work of the Steering Committee are its attempts to move the SWG in the direction of joint strategizing and the adoption of the sector-wide approach in the development of the education sector.

Since its first meeting, the education SWG decided to invite the network of educational NGOs to select a representative to attend its meetings and to be a member of its Steering Committee. A lot of the work of the SWG presently focuses on the development of sub-sector five-year developments plans, on how to integrate these plans into one sector plan and on how to relate the latter to the Palestinian Development Plan. In this context, the presence of a representative of the educational NGOs as member of the SWG and its Steering Committee constitutes the only concrete and sustainable mechanism for NGO participation and cooperation in the strategic work of the MoE.

An Advanced and unsuccessful Case of Readiness to Cooperate: Early Childhood Education

From the above, one may erroneously conclude that the lack of mechanisms for coordination and cooperation between the MoE and NGOs is the absence of the real will and readiness to cooperate on the part of either or both parties. Normally, the tendency among critics is to blame the MoE for this failure, since it is the stronger party. This may be partially true. There is, however, no evidence to substantiate this conclusion. There is a case which can be cited as evidence of the contrary: the case of Early Childhood Education (ECE)

The MoE recognized that the NGOs have been responsible for any serious positive developments in ECE in the West Bank and Gaza during the period of Israeli occupation. Moreover, as noted in section 7 above, all ECE programs are provided by the NGO and private sector. The MoE has a department which is responsible for licensing kindergartens and for the development of their educational programs and staff.

The MoE realized early on that work should be done to develop policies to guide the licensing, management and development in the area of ECE. It invited the most experienced NGOs in the field to lead the work in policy-formulation. The NGOs immediately responded very positively. Several meetings were held but nothing concrete and substantial resulted from them. The readiness and the willingness from both sides existed. Yet, the experiment has not succeeded so far.

For the purposes of writing this presentation, I talked to people from both sides. They expressed frustration with the process rather than with the intentions. The meetings were long, tiring and did not yield concrete results. People who participated were very busy persons and could not afford to keep meeting without progress. So the meetings stopped without an agreement to do so.

This is a rare case in which the MoE had the readiness, and acted upon it, to give the lead, even, in policy-formulation to the NGOs. It seems that reasons that have to do with the logistics and management of meetings are behind the lack of success so far.

The Five-Year Education Development Plan 2000-2004

Achievements to date to improve the poor education system inherited from the period of Israeli occupation, though remarkable, are quite insufficient. A total revision and upgrading of the education system is necessary to provide Palestinian youth with the skills required to build an independent Palestinian State and a modern democratic civil society, to integrate with dignity in the international community and, eventually, be able to compete on international markets. To this end, the Ministry of Education has initiated a wide-ranging process of education reform to be implemented in the five-year period spanning across the 2000/01 and 2004/05 school years. The preparation of the Five-Year Plan takes into consideration the objectives of the Palestinian Development Plan and the following four major challenges facing the Palestinians and which have direct impact on education:

- 1-Liberation and the realization of a just and durable peace
- 2- Reconstruction and state building
- 3- Fostering values
- 4-Development and empowerment

The new education system, envisaged under the Five-Year Development Plan, revolves around five basic principles that reflect the Palestinian vision of education at the beginning of the 21st Century and its role in the context of an independent Palestinian State. The basic principles underpinning the Five-Year Education Development Plan (2000-2004) are:

- 1- Education is a Human Right
- 2- Education is the Basis for Citizenship (National character of education)
- 3- Education is a Tool for Social and Economic Development

- 4- Education is the Basis for Values and Democracy
- 5- Education is a Continuous and Renewable and Participatory Process

In keeping with the five basic principles mentioned above, five general objectives, have been set to bring about the reform and improvement of the Palestinian education system and enable it to meet new requirements emerging at the dawn of the 21st century.

- 1- Provide access to education for all children
- 2- Improve the quality of education
- 3- Develop formal and non-formal education.
- 4- Develop the management system for planning, administration and finance
- 5- Develop human resources of the education system.

Under the third general objective, the MoE is targeting to extend community involvement and to encourage and develop private schools.

At present, the MoE is translating the document of the Five-Year Plan into an operational implementation plan. This should be ready by July 2000. It is of utmost importance to set up concrete mechanisms for the ongoing participation of the community, in general, and educational NGOs, in particular, in the drafting of the Five-Year Plan. In order to guarantee the creation of a productive, effective and efficient relationship of cooperation, the lessons learned from the past five years of the existence of the MoE should be taken into consideration. These follow in the next paragraphs in the form of recommendations.

From Coordination to Partnership

The past attempts at coordination and cooperation in limited projects between the MoE and the educational NGOs resulted in mutual respect and relative mutual trust. They did not lead, however, to the creation of a mechanism for regular exchange of views, consultation, complementarity of roles in concrete cooperation and to a real sense of partnership in the service of the community.

Partnership cannot be achieved through selective piecemeal cooperation in a limited number of activities and projects. The lessons learned from the successful experience of the education SWG on the need to strategize, plan and implement together with a clear definition and division of responsibilities roles should be kept in mind for the future. My recommendations can be listed under the following three headings:

A- Strategic:

- 1- The need for the MoE and NGOs to formulate a joint vision for education. This vision should be reached to after a lot of consultation with the community in a participatory process and should take into consideration the needs and aspirations of the people.
- 2- The vision should be jointly translated into a realistic implementation plan with a clear time frame and division of responsibilities and roles.
- 3- Implementation plans should be reviewed periodically to address problems and agree on ways to overcome obstacles.
- 4- Plans should be communicated periodically to representatives of the community to take their input.
- 5- It is preferable if donors are approached jointly their input taken into consideration in a participatory way. The experience of the education SWG so far is worth studying closely.

B- Conceptual/Psychological

- 1- Both parties should believe in the importance of participation for building a democratic civil society.
- 2- Both should have a sense of service and mission. Both render a service to the community rather than decide for it or on its behalf.

- 3- Each should believe in the ability of the other side to contribute and serve. Believing in the worth of each other's experience and capabilities is a pre-requisite for partnership.
- 4- Recognizing the past and present achievements of the other party builds trust and is a preamble to partnership.
- 5- Both should believe that providing leadership to the community in educational change and development means taking initiatives, involving and activating others and bringing out the best in them, accepting criticism and taking calculated risks.
- 6- Both parties should start from the realization that Palestine has very limited financial and human resources which should not be wasted as a result of duplication, lack of coordination and undue competition.

C – Practical/Operational

- 1- Create concrete mechanisms for participation, representation and group work and not sporadic meetings.
- 2- Draft written agendas, minutes, proposals and recommendations. Do not rely on memory and verbal communication only.
- 3- Find ways for efficient flow and exchange of information. E-mail and Internet have facilitated networking.
- 4- Identify focal persons in each NGO and at the MoE. It is preferable if these persons have met face to face and know each other well.
- 5- Select good chairpersons for meetings. Try not to have long meetings and try to reach concrete action points from them.
- 6- Make somebody responsible for follow up on action points and remind the responsible persons before next meeting.
- 7- Answer letters promptly. Not receiving answers promptly has created a lot of frustration in the relationship between the NGOs and the MoE.
- 8- Focus on practical matters and outputs in discussion of action plans.
- 9- Be transparent and provide independently audited reports to all concerned.

I am a strong believer in the possibility of and the urgent need for partnership between the MoE and the community, including NGOs. The MoE's present work on the Five-Year Education Development Plan 2000-2004 and its activities within the Arab Framework for Action to Meet Basic Learning Needs for the Years 2000-2010 provide golden opportunities for this partnership. The latter has stressed the need for participation and for Arab cooperation and joint action to provide basic education for all children and improve its quality in order to be better equipped to face the challenges of the 21st century.

The Nonprofit Sector in South Africa
Context and Challenges

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Session Three: *Palestinian Government and NGOs Proactive Relations and Potentials for the Future*

Panel Two: *The Role of NGOs in Local and National Planning*

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Introduction

South Africa has a relatively vibrant Civil Society. This includes the large trade union formation, local civic organisations. Organisations that offer welfare assistance to the ‘needy’ and political and advocacy organisations that represent a wide range of ideologies and beliefs. It is this diversity and its inherent conflicts and disagreements that typifies the vibrancy of associations activity in South Africa.

This vibrancy is famous in many parts of the world and South African ‘NGO activists’ have been asked to share the ingredients of this vibrancy in many parts of the world. What is quite often not spoken about is the fragility within many of these organisations and the challenges they face in adapting to a continuously changing environment. These challenges and response by organisations will be subject of research project during the year 2000 and will be published in a book that will reflect on the changes within South African society over the last few years.

This paper will make some comments on these issues as well as provide brief historical overview of the nonprofit sector.

A BRIEF HISTORY

In a booklet entitled ‘The Nonprofit Sector in South Africa’ (Development Resources Centre: 1995) the organisation indicates that there were generally three phases during which NGO’s emerged. These NGO groupings have been classified as “venerable”, “emergency” and “transitionally”. Venerable NGO’s were founded in the period 1900 – 1985. These organisations were primarily welfare orientated and tended to link up with the formal welfare service provided by the apartheid government. Formal Welfare organisations tended to be associated with the state due their service providing functions and were generally mistrusted by many of the black communities.

The importance of these organisations should, however, not be underplayed. These venerable organisations emerged as traditionally charitable organisations and played a very important role in providing basic needs services to many communities. This role has become more important and focussed as the ‘traditional’ welfare organisations engage and partner with other nonprofit organisation to provide poverty relief and other assistance the poor, children, the aged and other sections of society needing assistance. The assistance these organisations provide are those that is not adequately provided for by the state and a society whose embrace of a rather rigid market economy has resulted in public policies and values that are rather impatient with those that cannot pay their way”.

“Emergency” organisations are those organisations founded between 1986 – 1990 during state of emergency declared by Apartheid Government. Many organisations were set up during this period to fill the gaps of the political organisations that were restricted. Advice Offices, providing legal and other services grew rapidly during this period. Civic organisations set up to advocate against the

local black authorities in township also experienced unprecedented growth during this period. These organisations are described by many as “struggle organisations” due to the political nature of their activities.

When reference is made to vibrancy of civil society organisation in South Africa, it is most often than not these ‘emergency’ organisations that is being referred to. These are the organisations that in a sense mastered the art of organising people around the ‘little’ issues that affected community life under apartheid. This included organising women to set up local day care centers, facilitating health care clinics, and organising campaigns against the compulsory conscription of white youth and a myriad of other issues. This mass organisation around problems that were seen to be emanating from the political and development path guided by Apartheid together with the activities of the trade union movements and the work of political think tanks provided for a formidable civil society threat against the apartheid government.

The “transaction” organisations are those that were founded during 1991 – 1995, or changed their roles during the period which the country was on the road to democracy. The activities of these organisations tend to be related to policy work that will strengthen democracy and facilitate development work. Organisations such as the Development Resource Centre, the South African National NGO Coalition, the Urban Sector Network and more recently the Centre for Development and Enterprise a policy think tank on issues relating to urban development are characteristic of organisation founded in this period.

NGO’S AND COMMUNITY BASED ORGANISATIONS

Besides these types of organisations the South African Nonprofit sector is also characterised by a division between what is termed Non governmental Organisations (NGOs) and Community Based Organisations (CBO”). Although much of these divisions. “GO” tend to be service providers or intermediary urban - based organisations that have access to funds and are generally perceived to have skilled staff. In the past, predominantly white males generally also led those organisations. Many NGO’s raised funds as intermediaries set up to “build the capacity” of Community Based Organisations.

CBOs are small organisations with very little access to skills and funding. These organisations tend to be located in rural and urban townships and are generally led by people living in the township. CBOs are unhappy with the unequal accessed to funding between NGOs and CBO’s and are actively advocating for donors not to give funds to intermediaries but to channel funds directly to them.

In many areas, however, the distinctions between an NGO and a CBO are very difficult to make. There are organisations that have similar skill levels, equal access to funding and generally do the same type of work yet, are called either and NGO of a CBO. Notwithstanding the very real differences, the term CBO has become a politically correct term for many organisations. Many organisations set themselves up and call themselves CBO’s in the hope that it will more donor funds.

On the whole the distinctions between NGO’s and CBO’s are product of South Africa’s history and work needs to be done to ensure that CBO’s develop the infrastructure and skills to enable them to work more effectively. However, it should be borne in mind that perpetuating these different type of Not for profit Organisations as adversarial weakens the sector’s ability to work together on issues of common concern.

THE CHANGING CONTEXT AND THE CHALLENGING FACING ORGANISATIONS

There have been considerable challenges facing the nonprofit sector over the last six years since the countries first democratic election. These include a reduction of foreign-based funding, new approaches to organisation and programming. This is particularly true but not exclusively for those organisations earlier described as ‘emergency’.

FUNDING, DONOR RELATIONS AND PROGRAMMING

During the 1980s and earlier, there were significant solidarity funds available. These funds came predominantly from Europe and the United States and were earmarked for supporting leading these activities and institutional support for organisations leading these activities. The relative ease with which organisations could access solidarity funds many were not required to do extensive programme planning or focus on management and sustainability. This created enormous problems when today, both foreign and local donors demand comprehensive business plans and effective and efficient management. Organisations unable to do this have struggled to keep their heads above water and many have been in 'crisis mode' since 1995.

While many 'emergency' organisations shut down their operations because they realised that they had perhaps achieved what they had set themselves up to do, others failed because of the different demands of opposing apartheid and working in a context where the needs were enhancing democratisation and facilitating development. Not surprisingly many 'emergency' organisations had organisational structures that were akin to political movements operating in a hostile environment. They were invariably organised along the lines of a strict hierarchy with very centralised leadership and management. This form of organisation may have been appropriate given the imperatives of working under repression. They have, however, proven to be unhelpful in a democratic environment where the major tasks facing civil society organisations are working with government, the for-profit sector and others to enhance democracy and contribute to development programmes aimed at reducing poverty and inequality.

Secondly like anywhere in the world foreign donors had sought to have formal relationships with the democratic state and support priorities set up by the government. NGO's whose programmes were not contributing to these priorities found it difficult to access funds. The third reason and perhaps the most important was the vexing question of legitimacy. Whether there was a need for NGO/CBO activity when you now have a democratically elected leadership both at local and national government level.

The election call of the ANC in 1994 was the Reconstruction and Development Programme (RDP) of South Africa. The intention was to deliver services at scale to the black communities that were excluded in the past. It might be common knowledge that the ANC government promised to build a million houses within the first five years in government. Many programmes in other sectors such as health, education, safety and security were initiated and an RDP office set up to ensure that programmes are implemented swiftly and effectively. Some organisations and communities themselves tended to also believe that government will be able to deliver at scale hence questions were raised about the necessity of funds for NGO/CBOs.

HUMAN RESOURCES

During the early democracy the non-profit in South Africa experienced the movement of senior and experienced NGO staff and CBO leadership to other sectors, primarily government. This can be attributed to the fact that most of these people genuinely sought to work for government to ensure that it succeeded and in any event could have been working for government had it always been democratic.

Some NGO's experienced a staff turnover of 30-40% within two years of democratic rule. Against the changing demands from donor agencies as well as well as new challenges to deliver most NGO's closed down, as they could not meet such challenges.

Among the organisations that have successfully adapted to the new environment, the following changes appear to be critical success factors. Organisations have had to employ people that are specialist and professional in their fields. The move towards professionalism has allowed many nonprofit organisations to compete with some big for-profits for both government and public contracts. Concomitant to the employment of professional staff, there has been increased focus on

management capacity to develop business plans and financial management systems to cope with new reporting requirements as well as increase credibility and accountability of NGOs. This trend or need in being supported by specialised Public and Development Management Course offered by most of South Africa's major university. NGOs that have chosen this route have been able to attract increased funds from donors as well as gain significant income from contract work and consultancies.

Although most of the organisation that have '**professionalised**' contribute well to new thinking and practice around Democracy and Governance as well as development, there have been some interesting consequences. In the process of adapting to local and international contexts development nonprofit organisations have needed to review whether the traditional mode of 'NGO' organisation is still useful, or the only form of organisation capable of impacting on development within a 'progressive' value base.

(Dangor: 199) Whilst the demands for professionalism and efficiency have necessitated organisations to move towards the implementation on projects and programs along the lines of for-profit agencies while still maintaining the value of participation and empowerment. These have had some unintended consequences that may not be entirely useful.

Many knowledge based organisations, including many of the organisations labeled as 'transitionally' earlier have prided themselves on producing 'development cadre' both in terms of individuals and institutions. The restructuring of many of these organisations have resulted in organisations comprising only professionals who have the ability to 'pay' their own salaries or a significant portion thereof through winning and concluding contracts both with government, international organisations such as the UN and donor agencies. Although it is too early to make any definite pronouncements it would appear as if this approach may be limiting the capacities of organisations to develop new leadership. That is new 'political leadership' and people capable of taking forward the spirit and ethos, which made for that vitality of civil organisation in the 1970s and 1980s. Sections of the Nonprofit sector need to confront these issues and develop strategies so that the strengths and values of the 'traditional' NGOs are not lost in the necessary quest to adapt to a changing political and economic environment. Lest we forget, it was these strengths and values that played an important role in ushering in democracy and providing the bulk of societies new political leadership.

ENABLING ENVIRONMENT FOR NGO AND CBOS

As stated earlier there were always question marks regarding the need for NGOs in a fledging democracy. On the other hand the only legislation for NGOs during apartheid was that aimed at limiting the ability of NGOs to receive donor funding. Since 1995 there were some significant initiatives from the NGO sector that was aimed at ensuring that an environment existed within which NGOs are able to engage in development. The first was the formation of South African NGO Coalition, Which was an umbrella body for NGO working in various sectors. About 4000 NGOs were registered in 1966. The Coalition adopted a constitution and a code of ethics to which all members subscribed. Secondly was advocacy campaign by NGOs for legislative changes. The Non Profit Act became law in 1988. Two major gains made by NGOs are their own recognition by government as players in the development process as well as their relative freedom to raise funding for their own problems. Tax legislation however still has to be amended to ensure that donor fund from the donor community as well as funds that NGOs have are used to the purpose of NGOs work and not taxed. Representations have been made in this regard and we hope that there will be finalisation on this matter during the year 2000.

The third is the initiative by SANGOCO to partner with the business sector in ensuring that members are able to access benefits that were not necessarily afforded them in the past. The Non Profit Partnership comprising a foreign donor CAF, an association of Donors present in South Africa (South African Grant Makers Association) and NGOs through SANGOCO have managed to negotiate with banks and insurance companies to offer to NGOs benefits such as low interest rates, competitive medical benefits as well as good retirement policies for NGO staff members.

While NGOs are forging ahead with efforts to ensure a sound funding and financial base from which to operate, the other significant development is work with government. Historically relationship between the non-profit and government has been adversarial. This had to change most NGOs such as the Urban Sector Network and the National Land Committee chose a strategic route of strengthening government capacity to lay the foundation for a maturing democracy. However it must be stated that there were always suspicions from both sides, NGO staff who were now occupying senior positions in government were suspicious of NGO capacity, the tendency was to employ the services of private sector organisation who were perceived as “professional”. NGOs saw the fact that NGOs had to compete as equal partners to government tenders as unfair competition. NGOs perceived ex staff members as being uncooperative or having been co-opted. Despite these perception the challenge to deliver soon forced both sides to look at how best they could work together. The outcome is NGO roles have changed and they now are capable builders for communities and government (especially local government), entrepreneurs as they begin to sell their services facilitators, mobilisers and advocates for policy and legislative changes.

CONCLUDING REMARKS

As indicated earlier this is a thumbnail sketch of the changing nature of some non-profit organisation is South Africa. South African society is changing rapidly and in so doing is drawing the rest of society including development NGOs into this metamorphosis. The difference between NGOs in the 1980s and now is that unlike then ‘emergency’ NGOs and for that matter trade unions are no longer leading transformation, but are for the most part, reacting and adapting in order to remain meaningful. This has meant reengineering organisational forms and questioning the socio-economic and narratives that guided activities of the past in order to play a meaningfully role in much more complex and demanding world.

Ultimately the move towards professionalism that is taking place in South Africa has resulted in a core or organisational well placed and equipped to play their part in changing South African society. It has not , however, been an easy transition. Many organisation have closed and leadership has move moved to other interests in life most notable senior positions in government and business. The leadership and institutions that remain need to ensure that new leadership and institutions are constantly nurtured so that the tapestry of association activity outside big business and government is broadened . It is within these civil society institutions that the values and skills necessary for an ongoing democratic culture is learnt and experienced. This is true whether one experiences this as a member of local football team arguing around the details of the club’s constitution or rules as part of policy think tank demanding changes to public policy.

It is imperative to understand that the challenges of transition and transformation of a society that has been oppressed over along period will demand joint responsibility both from government and civil society organisations in order to rebuild society. However role definition is key as seen in the context of re-engineering processes within the South African civil society. While apartheid was the rallying cry of all activist and progressive formations, the excitement of struggle and the energy that was generated is not enough in the implementing phase where power has been transferred.

The Quest for Sustainability: A Work in Search of Process

Ms. Jenny Hyatt. Charities Aid Foundation

Session Four: Donor's, Palestinian Government & NGO's Perspective on Funding for the NGO Sector

Panel One: Issues of sustainability for PNGOs

16 February

The search is on

In the last decade, the search for achieving NGO sustainability has become like a Hollywood epic - Indiana Jones and the Quest for NGO Survival. It is rare that the word 'sustainable' is far from the lips of funders, policy-makers and civil society organisations. However, there are some distinct differences in how these people undertake the search. Many believe 'the answer' lies in finance. This could be termed the 'Abba School of Sustainability':

'Money, money, money
Must be funny
In the rich man's world
Money, money, money
Always sunny
In the rich man's world
Aha-ahaaa
All the things I could do
If I had a little money
It's a rich man's world'
Money, Money, Money
Abba

The argument goes rather like the song; that is, if we find sufficient, consistent (and preferably indigenous) sources of funding then the NGO sector is sustainable. There follows a series of frantic activities to build community foundations, establish endowments, introduce micro-financing programmes and continue the scramble for grant-monies in an increasingly competitive environment.

However, these strategies in transformational⁹ countries are often basically flawed. First, they tend to a short-termism which is unrealistic in societies that are going through fundamental shifts in identity and where the prevalent state is uncertainty rather than stability. Second, they over-rely on economic infrastructures that are too weak to support new funding structures at a local level. Third they emphasise philanthropy in societies where there is often a very limited recent history of philanthropical activity. Fourth, there are often unsympathetic political and legislative frameworks for encouraging philanthropy. For example, in Mariana Milosheva's evaluation of an attempt to build six community foundations in Bulgaria in the mid-1990s we find the following comments:

⁹ The word 'transformational' rather than 'transitional' is used deliberately. In an earlier work (**From transition to development: The non-profit sectors of Central and Eastern Europe**, Charities Evaluation Services, March 1998) I noted that the term 'transition' implies a linear shift, or passage, from one state to another (often pre-defined) state. 'Transformation' implies that a 'form' must change (which suggests that those that are part of the changing form are the principal architects of what emerges).

*'Resource development and fundraising perspectives were considered the most critical point for development ... Most (foundations) were concerned about limited opportunities for attracting local resources due to constraints in the current environment. (This includes) a missing legislative framework providing for effective fundraising lack of available government funds (with) growing hostility to (foundations) ... (and a) gap in traditions of ... philanthropy and difficulties in persuading people to support community initiatives.'*¹⁰¹

Of course, financial resources are a part of sustainability but they are only one feature. The focus on money does not, for example, address the issue of whether all NGOs **should** be sustainable.

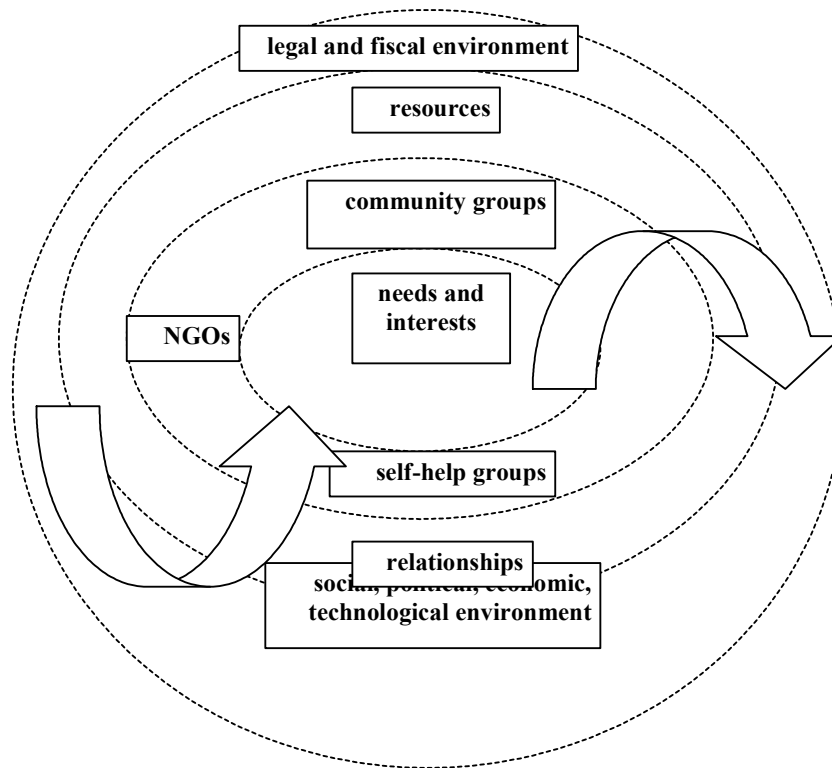
If we look at the origins of the word 'sustainable' it has a Latin root; coming from 'sub' (up, under) and 'tenere' (to hold). So sustainability is about 'holding up'. Well, in my view, there are many NGOs that should not be 'held up'. Rather, perhaps, they should be allowed to 'go under'. These are the NGOs that emphasise finance and the importance of their survival without understanding sustainability as a dynamic open system.

The search enlarges

All attempts to depict a dynamic open system tend to make the system appear static. With that in mind, the diagram overleaf is one way of looking at NGO sustainability as the inter-relationships between a number of elements in a dynamic open system. These elements are:

- The needs/interests/issues that a group or organisation is addressing
- The variety of organisational forms that can be used to address these needs/interests/issues
- The relationships that an organisation/group has with other key stakeholders
- The resources available to the organisation/group
- The legal and fiscal environment within which the group/organisation operates
- The social, political, economic and technological environment within which the group/organisation operates

¹⁰ Milosheva Mariana **Evaluation of the Open Society Fund Program: Community Foundations Development in Bulgaria: Final report** April 1996



It is the responsiveness to and interaction between these elements that lies at the heart of sustainability. The next section of this paper looks at each of these features of sustainability and their inter-relationship.

In the mind of an explorer



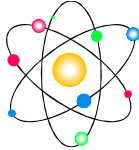
Groups and organisations are purely *vehicles for meeting sets of needs and interests*. At their birth this is usually clear. For example, a group of parents of children with a specific illness come together to lobby for services that better meet their children's needs or to provide those services directly themselves. However, as groups and organisations grow they tend to become increasingly focused on their own survival to the cost of the needs and interests they set up to serve.

I have worked on many organisational development processes where, at the outset, the list of organisational concerns are entirely to do with internal issues - better teamwork, stronger management or new financial systems. Often organisations have had to struggle to identify how an improvement in internal functioning is going to benefit the needs and interests of their constituencies. Similarly, many organisations do not automatically think of involving their constituencies in service/activity design, planning and delivery. As Jonathon Porritt has observed:

'... sustainable development and community participation go hand in hand. You can't have one without the other. You can dress up all sorts of useful things at the local level in the trappings of sustainable development, but unless those useful things are rooted in and permanently nurtured by their host communities, they simply won't deliver the long-term .. social dividends ...'¹¹

¹¹ 'Foreword' by Porritt Jonathon in Warburton Diane (Editor) **Community and Sustainable Development: Participation in the Future** Earthscan Publications 1998

Once an organisation or group forgets to meaningfully involve the sets of needs and interests they set up to serve they become by definition self-serving. This often leads to services/activities that no longer reflect constituencies' needs/interests. For example, I was recently involved in a long-term development process with an NGO working with older people. Over fifty years they had set up fifteen lunch and leisure centres for older people (one for each voting area for local councillors). Although statistics showed a declining use of many of these centres and a preference amongst older people for other activities/services, the NGO was initially opposed to any changes. With the support of many local councillors (for obvious reasons), they preferred to maintain 'what they knew' rather than 'what many older people preferred'.



A second feature of sustainability is the **nature of the organisation** that is set up to address different needs and interests. There are four points to be made here. First, the recognition that different needs and interests are best served by **different organisational forms** that may change over time - such as self-help groups, loose coalitions, NGOs or community groups. Two examples, may serve here. First, are the many NGOs that began as self-help groups of people who shared a particular condition. I worked with a group of parents of disabled children who had been denied access to institutions for their 'severe behavioural difficulties'. This group functioned for a number of years before establishing as an NGO in order to provide alternative services for their and other's children. Second, are the coalitions that emerge to campaign on a particular issue such as the threat to an ancient forest. Once the campaign is over (say, with the destruction of the forest averted or assured), the coalition would usually disband.

Second, is how **the effective functioning of an organisation** is defined. We live in an era where organisational effectiveness and efficiency tend to be defined in managerialist terms. By this I mean the application of technical skills and processes such as planning, the setting of quality standards and monitoring/evaluation. These skills and processes are important. However, they are only part of what makes an organisation sustainable. I have found two further sets of organisational qualities to be more crucial to the sustainability of organisations.

One of these is what I term the development of a 'sensing organisation' - an organisation that has the same five senses as people - the senses through which we and organisations are connected to, and make sense of, the outer world. This model is elaborated in another paper but can be summarised here as:

- **Sight** - the vision of what real difference the organisation wants to make in relation to the sets of needs and interests it is addressing
- **Sound** - listening to the real needs and interests of the different constituencies the organisation is working with
- **Taste** - not being afraid to try new things - taking risks and approaching what is 'foreign' with an open mind
- **Smell** - sniffing out what is really going on in the environment - using networks and contacts to understand the agendas that are at play
- **Touch** - keeping close contact with all key constituencies - both reaching out and allowing them to reach in

As with us, organisational senses are mediated by a brain that is capable of strategic thinking and acting based on what the senses are telling it.

The second set of qualities that are crucial to sustainability are intimately related to the sensing organisation; these are the 'skills without edges' possessed by the staff (particularly senior staff) of organisations. Again I have elaborated this model in other places but for the purposes of this paper, the sorts of 'skills without edges' that I view as crucial to sustainability are listed below:



These are the critical faculties that we work on developing through The Development School.

The third point to be made about sustainability and the nature of organisations is NGOs ability to adopt an 'independent and clear focus'. My experience in developing as well as more mature civil societies has convinced me that NGOs' sustainability can be easily threatened by the lack of a clear focus and independence. Let me give three examples in illustration. First, are the organisations that undertake too many projects and programmes that have no overall coherence in terms of the primary vision. Second, are the organisations that confuse functions that are better separated. The most critical example of this are organisations that provide both funding and capacity building activities. This demonstrates a critical misunderstanding of how NGO development occurs. Third, are the organisations that become over-dependent on contracts or large (particularly from government or large international NGOs) which impairs their abilities to act as true advocates for the needs and interests they serve. They in fact become service delivery agencies, such as can be observed with much of the funding of NGO activity in Bosnia.

The fourth point about sustainability and the nature of organisations is the extent to which organisations have '**living values**'. At this conference in Palestine we have heard of NGOs which espouse democracy and yet have had no internal elections for ten years. Similarly, we have learned of a strong focus on gender equality with no active measures to involve women. I would, in this case, indicate the gender breakdown of the presenters during the conference this week. Values are central to NGOs sustainability because they intimately relate to NGOs vision. Values on paper that do not translate into practice will make no difference to social justice. In this sense, sustainability is fundamentally about outcome - the difference that is made in the world - and not just survival.



A third feature of sustainability is **resources**. The greatest resources available to an NGO (note the lightbulb on the right) are ideas and creativity. Without these no organisation is sustainable. In a parody of development NGOs in the 1990s Zadek and Gatward observe:

'After a period of rapid growth, many of the larger NGOs found themselves in increasing difficulties. Money was seen to be at the heart of the problem, although, in the event, it proved just to be the tip of the iceberg. When they had it... there seemed to be more and more strings attached. When they didn't ... their enormous bureaucracies .. grew hungry, angry and frightened. A real

addictive dependency had set in. More and more of the stuff was needed, even though it was clear that the more they had, the more the values and other strengths of the NGOs were compromised in its use.¹²

There are eight points that I would like to make about funding in transformational situations that I believe detract from NGO sustainability:

- **Short-term overkill** particularly in post-crisis situations. For example, in Kosovo USAID developed a ten million dollar, one-year initiative for women. At that time there were fifteen Kosovan women's NGOs whose work could have been sustained for a generation or more (if it had been treated as an endowment fund) with ten million dollars. The USAID initiative has resulted in the creation of women's centres throughout Kosovo that will all be struggling to survive within five years.
- **Gravy trains** where funders all tend to focus on the same funding priorities. For example, in Central and Eastern Europe the 'Roma issue' has great popularity. Inevitably, this leads to all sorts of new groups emerging which often have very tenuous links with the real needs and interests of their communities.
- **The development block.** Most funders do not understand development as a complex, paradoxical and learning process. This is epitomised in the dominance of the logframe - possibly representing the greatest failure in imagination in the last decade of funding practice. The logframe and many other funding policies assume that all the primary results of a project or programme can be pre-specified. Some, of course, can. However, it is what emerges during a project and programme that often makes the most difference to the people involved - the skills and approaches that are learned to deal with context, complexity and the unexpected.
- **Risk aversion.** Obviously, funders want to know what they are going to get for their money but investment in social change is fundamentally different from private sector investment. In business, venture capitalists expect one in twenty of the projects they fund to succeed. In the NGO world, funders expect one in twenty to fail in environments that are inherently more turbulent and politicised.
- **Dependency culture.** International funders can take many actions to avoid NGOs in transformational situations becoming dependent on them for resources. Critically, from the outset, they can fund developmentally - incremental amounts that are realistic to the national situation and which are dependent on achievements appropriate to the operational context. They can also encourage the raising of matching funds and the stimulation of indigeneous philanthropy. Critically, they can also cooperate in the development of complementary national funding strategies through mechanisms such as donors' forums. I worked on a project some years ago which was resourced as the funder stated 'the Americans are trying to get their feet in there, this project will help fly the British flag'. In my experience, the early stimulation of indigeneous foundations and the building of grant-making capacity within transformational countries is fundamental to long-term sustainability.
- **Death by bureaucracy.** Some funders operate application procedures that require a doctorate to complete. Although these may be appropriate to larger organisations and bigger grants, they effectively exclude many smaller NGOs (particularly those

¹² Zadek Simon and Gatward Murdoch 'Transforming the Transnational NGOs: Social Auditing or Bust' in Edward Michael and Hulme David (eds) **Non-Governmental Organisations - Performance and Accountability: Beyond the Magic Bullet** Earthscan 1995

that do not have English skills). I have recently been involved in setting up a fund to support grassroots organisations and groups in Serbia, Montenegro and Kosovo. Our approach has been to build a local office with trained grant administrators and advisors from throughout the region; as well as grant documentation in local languages. The administrative costs of the Balkan Community Initiatives Fund are low and we have been able to support small community projects that would struggle to access funds from elsewhere.

- **Intermediary as icon.** International funders need intermediaries to get their funds into countries and communities. However, those intermediaries can sometimes adopt a power and approach that replicates the worst of foreign donor practice. There may be value in a more widespread use of funding consortiums backed by capacity building in grant-making that would mitigate the worst excesses of power abuse.
- **Buy out.** As previously mentioned, the funding of NGOs as service deliverers for government and large international development agencies has compromised NGOs ability to act as independent advocates for community needs and interests. Recently, in Republika Srpska I was struck by a group of NGO managers who saw their role as the salaried implementation of foreign programmes. With the prospect of reduced funding, these people had little idea of what their communities really wanted or how to build organisations to meet these needs. Developmental funding focuses on supporting the initiatives of local communities to make the differences they choose in their local environments. Such funding strategies are rare and yet where they exist they are extremely successful. In Bulgaria Charity Know How has introduced such a strategy with significant benefits for the future sustainability of small community projects.



A fourth key factor in sustainability is **relationships**. There are at least four sets of relationships an NGO needs to develop in order to be sustainable. The first is within the sector. Although political adversity appears to bond NGO sectors, such as during the previous regime in Slovakia, economic adversity appears to breed individualism. NGOs in transformational societies would benefit from taking the initiative in looking at different models of collaboration including joint projects, alliances for the purposes of advocacy and even merger.

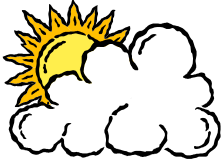
The second area of relationship is with government and business. These need to be genuine and open relationships where words like accountability, partnership and transparency are not merely a façade for creative presentation, imposition and lack of trust. In Romania, for example, NGOs have learned to disguise 'spaga' (kickbacks to government and other officials) through more acceptable budget headings. Yet we all know that without 'spaga' many NGOs would not be able to function. Partnership is based on an equality of power, mutual benefit, openness and trust. These may be the most appropriate starting points for the development of relationships with government and business. A third area of relationship is with the media. Public credibility is vital to NGO sustainability. Many NGOs in Central and Eastern Europe have suffered from a hostile media. It has been interesting to note the development of more productive relationships in Hungary where the media play a vital role in publicising the 'One Per Cent Tax' whereby the public can donate one per cent of their income tax to an NGO of their choice.

The fourth area of relationship is with funders. Much of what has already been said about relationships with government and business is relevant here. However, there is one further area that is important in terms of sustainability. Funders require NGOs to be accountable for the use of their funds. However, if funders are equally committed to the real social differences their resources can make; they need to develop relationships that enable organisations to highlight their failures as well as their successes and not simply produce the messages that they believe funders want to hear.



will move on in this paper.

A fifth feature of sustainability is the **legal and fiscal environment** within which NGOs operate. If NGOs are faced with a legislative and fiscal framework which impedes their efforts, for example, to raise funds from the private sector, their sustainability is under threat. As much has been written about this elsewhere, we



to move their mindset from opposing conflict to working for reconstruction. In Kosovo NGOs have emerged from operating a parallel civil society under Serb dominance to the limelight on the world stage. In Palestine, NGOs are now addressing the likely change in their service provision role in relation to the PNA.

A sixth feature of sustainability is **the broader social, political, economic and technological environment** within which NGOs operate. The understanding and ability to work with a changing context is central to sustainability. We have witnessed in South Africa and Slovakia, the need for NGOs to shift from working in an adversarial political environment to one where they have become a legitimate player. In former Yugoslavia the anti-war NGOs have had

Not all NGOs are able to deal with changes in context. Indeed, NGOs that have emerged in response to a particular context may not be the most appropriate bodies to operate within a changed context. It is difficult to shift, for example, an organisational mentality from opposition to cooperation. A key question that all NGOs must ask themselves is 'Do we still have a role to play?'. We must all be honest in judging the need for our own sustainability.

Building the capacity for exploration

The development of capacity for sustainability is a huge area and one that I address in other papers. However, there are three questions that I would like to very briefly address here. The first is whose capacity are we building? The second is what capacities do we build and how? The third is what impact do we expect?

Whose capacity for sustainability are we building?

In transformational societies, the role of international development agencies must be to build the sustainability of indigenous NGOs based on a thorough understanding of development processes. If we look at Kosovo, for example, there are about 450 internationals operating there and less than 50 indigenous NGOs. Unfortunately, this is not an unfamiliar picture in transformational and particularly, post-crisis situations. We have to question 'Whose sustainability are we really talking about here?'

What capacities are we building and how?

There are three points that I would like to make about the focus and process of developing capacity for sustainability. First, is the recognition that effective capacity-building in transformational societies is a long-term process. It requires a commitment to at least one generation in order to enable a shift in the underlying psychologies and approaches. If we look at the approaches of many international funders and development agencies in transforming civil societies, we observe a reliance on a mixture of short-term interventions (particularly training) and top-heavy, imported, fixed-life programmes. This is what may be termed the '*feather and sledge-hammer*' approach - a combination of tickling the edges and smashing development from the ground.

Second, is the need to recognise that capacity cannot be merely defined in managerialist terms. Building 'sensing organisations' and 'skills without edges' will equip NGOs to be able to deal with constant changes in context. Technical skills are vital as a support for development processes they are not the definition of development.

Third, is the importance of reclaiming failure and learning from failure as a central feature of building capacity for sustainability. This is expressed most beautifully by Ian Smillie:

*'The importance of learning what works, and why, is essential to success. Knowing what does not work is almost more important. ...there are few reasons (and no money) to disseminate the positive lessons of development, and many more powerful reasons to conceal the negative lessons than to institutionalise, remember and disseminate them.'*¹³

What impact do we expect?

A fundamental aspect of building the capacity for sustainability is encouraging NGOs to evaluate their work. There are three main approaches to evaluation - evaluation for accountability, evaluation for knowledge and evaluation for development. The use of logframes and over pre-specification of output and outcome (which is usually poorly understood) dis-ables development by emphasising accountability. I know that the imported approach to evaluation in much of Central and Eastern Europe has led to evaluation being viewed as a control tool rather than a learning process. Controversially, I would go further and say that it has taught some NGOs to lie well. I find it almost funny that we believe that we can ask of a transformational civil society 'Are you on target?'. And this, of course, raises the question of whose target and measures of civil society are truly in play.

The quest continues

I would like to summarise this paper, by suggesting some of the key areas that we should be pursuing in our quest for sustainability.

- Ownership by communities of the nature and form of change they wish to bring about in their lives
- A focus on building communities capacities to bring about those changes
- NGOs involvement of the needs and interests they serve in all aspects of their work
- Building the capacities of organisations to act as sensing organisations based on the use of skills without edges
- Ensuring that the stated values of civil society organisations translate into all areas of practice
- Longer-term and more developmental approaches to funding NGOs in transformational civil societies
- Ensuring funding policies reflect real needs and that funders are not afraid to be different and take risks
- Influencing funders and policy-makers understanding and support of development processes
- Avoiding NGO funding dependency through encouraging diverse funding bases and donor cooperation
- Developing funding systems that reach those that are most in need and which build indigenous funding and grant-making capacities
- Recognising that small amounts of well-placed funds can achieve as much and often more than larger sums
- Thinking creatively about relationships between civil society organisations, from information sharing to merger, where it is recognised that cooperation ultimately brings greater benefit to the needs and interests that are being addressed
- Working out what the real nature of partnership with government and business is and building these as the foundations
- Building public credibility, confidence and involvement in NGOs
- Advocating to create appropriate legal and fiscal environments for NGOs operation

¹³ Smillie Ian 'Painting Canadian Roses Red' in Edward Michael and Hulme David (eds) **Non-Governmental Organisations - Performance and Accountability: Beyond the Magic Bullet** Earthscan 1995

- Improving NGOs abilities to deal with fundamental shifts in the social, political, economic and technological environment including the questioning of the need for their own sustainability
- Advocating for changes in the macro environment for social benefit
- Rethinking the role of international development agencies in transformational situations
- Using technical skills as a support for development processes and not as a replacement for them
- Reclaiming failure as a prime vehicle for learning
- Rebalancing the use of evaluation as a development process and not purely as an accountability framework
- Placing the understanding of context where it deserves to be - as unique and fundamental to each development situation
- Consigning the logframe to the scrap heap of a brief period in history when the world was struggling to manage uncertainty rather than live with it

In conclusion, if sustainability is narrowly defined and acts as a straight-jacket for thought, creativity and activity then I believe that civil society organisations will lose their life-blood. The end of exploration in the modern era. If, however, sustainability is viewed as a way of understanding and working with the complexities and paradoxes of everyday life to achieve social justice then I, for one, am passionately committed to continuing the quest.

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