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Paper 2: Characteristics of Palestinian NGOs*

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General Objective

This study examines the features of Palestinian non-governmental organizations (PNGOs) in the West Bank and the Gaza Strip (WBGS), with particular focus on those that work in the field of social welfare and support services. This is done by outlining their goals and programs, the recent changes they have undergone, how much support they offer, their geographical distribution, their efficiency, their sustainability, the problems they face, and their coping mechanisms. To achieve this, data was collected from a comprehensive census of PNGOs functioning in 2007, which repeated a similar exercise conducted by the Palestine Economic Policy Research Institute (MAS) in 2000. This information was supplemented by interviews with a number of PNGOs and a focus group discussion attended by representatives of organizations offering social welfare and support services.

The subjects of the study were all PNGOs offering some form of social protection, in accordance with their own definition of their activities and programs in the 2007 census. Consequently, the study deals with all PNGOs who reported they are involved in emergency or program-based humanitarian and social welfare and support services, which includes food, in-kind and financial aid, or providing education, health or job-creation services.

Significant increase in the number of PNGOs involved in social protection

The number of PNGOs stating that their work involves social welfare and support services in the WBGS reached 926 in 2007, about 62 percent of the total number of PNGOs currently operational. In the 2000 survey carried out by MAS, the number of PNGOs giving similar responses was only 305, representing only 35 percent of PNGOs at the time. Thus there has been a significant increase in the last seven years – in fact, since the outbreak of the second *Intifada* – in the number and percentage of PNGOs which offer social assistance in the WBGS. This may be seen as an inevitable consequence of the severe deterioration in political and economic conditions since September 2000, and the rapid spread of poverty and unemployment which has accompanied it.

The harsh economic situation during the second *Intifada* led to an increase in citizens' requirements for social protection, particularly in the form of food aid. It is notable that the number of PNGOs that offer food aid has increased dramatically: there are now 668 such organizations, about 72 percent of the total number of organizations offering social welfare services and almost half (45 percent) of all PNGOs.

The study shows that 580 organizations, about 63 percent of the total number of PNGOs providing social protection services, were established during or after 1994. Of these organizations, 272 were established during the second *Intifada*, which represents about one third of the total number of PNGOs providing social assistance. It is also noteworthy that only one third of the organizations which provide food aid were established after 1994.

Results from the 2007 PNGOs census show that most (65 percent) of the PNGOs involved in social welfare and support are registered as either cooperative bodies or cooperative associations. This is because most of these were established to provide support and assistance to certain categories of the population based on principles of cooperation, solidarity or religious ideology. Meanwhile, around 13 percent of these PNGOs are social and youth clubs and nine percent are developmental organizations that provide relief services besides basic developmental programs.

Varied objectives of PNGOs involved in social welfare and support services

The areas in which PNGOs provide social assistance are diverse, and this is reflected in the breadth of objectives these organizations profess. The data indicate that objectives related to education and awareness, and objectives dealing with capacity building through training and professional courses are the most widespread among PNGOs that provide aid, with 59 percent and 54 percent respectively stating that these were one of their goals.

Unsurprisingly, a high percentage of PNGOs providing aid consider the provision of charitable and relief aid as one of their objectives. The percentage of these organizations was 49 percent of all NGOs that provide social assistance and 55 percent of those that provide food aid. Also noted was the high proportion of organizations that provide social assistance or food aid and consider youth empowerment and child

development as one of their objectives (44 percent and 46 percent respectively).

Increased tendency towards relief and aid programs

Concerning PNGOs which offer aid in the WBGS, the results of the survey show that the percentage of organizations whose programs include 'charity' services has decreased from 95 percent in 1999 to 54 percent in 2007. This decrease is accounted for by the increase in number of organizations which offer varied services without considering this among their 'charitable' programs, instead classifying them under other aid programs such as health, child care or development. It emerges that over half (54 percent) of PNGOs that offer social services have changed their programs since they were established – 44 percent of these organizations stated that their development programs have increased, and 32 percent said the same about relief programs. The main reasons given for these changes were either a change in the priorities of their target communities, or because of Israeli occupation measures.

Nearly two thirds of the organizations are in the West Bank (WB), mostly in urban areas

A total of 64 percent of organizations offering social protection in 2007 were based in the WB (27.8 percent in the north, 19.8 percent in the south and 16.4 percent in the centre), with the remaining 36 percent in the Gaza Strip (GS). The concentration of the majority of these organizations is in urban areas (55.3 percent), followed by rural areas (30.6 percent), and refugee camps (14.1 percent).

Most PNGOs are small and work at the governorate or local community level

A small percentage of PNGOs (6.4 percent) have a large number of beneficiaries, while the number of small and medium organizations is rather more substantial (46.9 percent and 46.7 percent respectively). Regarding the location of beneficiaries, almost half (47 percent) of social assistance-providing PNGOs target rural and urban areas and camps. Of the remainder, 35 percent focus on rural areas, 6 percent target rural and urban areas, 5 percent work solely in camps, 4 percent target only urban areas and 3 percent focus on urban areas and camps or rural areas and camps. Regarding the geographical focus of their operations, 39 percent work at the governorate level and 32 percent say they work at the level of their community. Some 95 percent of PNGOs working in social protection say they have a national focus, while only 13 percent consider the GS to be their field of operation and seven percent say the same about the WB.

Diversity of services

PNGOs working in this field usually offer several types of assistance. The percentage of PNGOs offering only one type of assistance is 16 percent, while 19 percent offer two types, 24 percent offer three and 43 percent offer four or more types of help. By type, 73 percent of assistance-providing PNGOs offer food aid, 61 percent provide health-

related services (including five percent offering health insurance), 49 percent offer financial aid, and 30 percent of organizations create and offer employment opportunities.

Targeting poorest classes with *ad hoc* needs assessment and support provision

Most PNGOs providing social welfare and support services naturally focus their activities on poor families and individuals. Interviews with some of the organizations confirmed that they focus on the poorest cases, especially those suffering from chronic poverty. To determine their beneficiaries, PNGOs depend on assessments provided by their employees (56 percent), local community committees (38 percent) or information from the Ministry of Social Affairs. The frequency with which lists of beneficiaries get updated varies from one organization to another; 55 percent of PNGOs revise them on a when-needed basis, 19 percent revise them annually or seasonally, and 13 percent do not revise them at all. Likewise, the vast majority (92 percent) have no predefined schedule of the nature of support provided, using their own criteria based on available resources. Notable exceptions to this are orphans' support programs provided by the Zakat committees and other PNGOs.

Huge increase in revenue, expenditure and deficits of surveyed PNGOs

In comparison to that of 1999, the 2006 revenue of PNGOs providing social assistance increased significantly. The total revenue of 815 PNGOs reached US\$155.7 million in 2006. In 1999 the revenue of 247 NGOs reached US\$49.9 million, about US\$202,000 per organization. Likewise, PNGOs' 2006 expenditure also exceeded that of 1999. It was about US\$165 million for 816 organizations, about US\$203,000 per organization. In 1999 the expenditure of 252 organizations reached US\$49.5 million, about US\$196,000 per organization. Thus the increase in revenues and spending of PNGOs operating in this field was similar to the increase in their number.

By and large, this increase in funding is connected with the increase in community needs for social welfare and support services as result of the prevailing political, economic and social conditions since the outbreak of the second *Intifada*, which resulted in high percentages of the population becoming unemployed and falling under the poverty line. In spite of the great increase in the concerned PNGOs' revenues and expenditures, their financial deficits signals the depth of the crisis in the Palestinian society and the permanent need for programs of social welfare and support services. Results from the 2007 PNGOs census show that 433 PNGOs involved in social welfare and support services had a budget shortfall in the year 2006, with a total deficit of US\$13 million and an average deficit of US\$30,000 per PNGO. This represents a large increase in the total deficit of such PNGOs; in 1999 the total deficit amounted to US\$3 million shared by 235 PNGOs, with an average of US\$11,800 per organization.

Rise in dependence on external funding sources and constant insecurity

External funding represents the main source of revenue for PNGOs providing some form of social protection. More than half of PNGOs' revenue comes from outside sources, an increase from the case in 1999. This relatively high reliance on external funding sources makes them vulnerable to variations in donors' attitudes and agendas.

Self-funding has risen in overall value significantly, but in light of the increased overall funding levels its share in the total revenues of PNGOs has remained constant. Self-funding revenues have risen from US\$13 million to more than US \$41million between 1999 and 2006, which is a positive indication that these organizations have greater self-reliance. If the current conditions improve, self-funding may allow the sustainability of many of these PNGOs. Indeed, 61 percent of the PNGOs in question said they have plans to guarantee their financial sustainability through self-funding mechanisms, including establishing investments or endowments of their own, or enhancing the participation of the local community. However, it remains questionable how capable these organizations are of putting these plans into action under the current conditions.

Widespread but shallow relations with other organizations; lack of coordination

Most PNGOs involved in providing social welfare and support services (89 percent) said they have cooperative relationships or shared programs with governmental, non-governmental or international organizations. Of these, 97 percent have relationships with local Palestinian organizations, most of which (84 percent) are other local NGOs. Some 39 percent of these organizations have relations with Arab organizations, 2 percent with Israeli organizations and about 60 percent with international organizations. Although there are widespread coordination and cooperative relationships among PNGOs offering social services, and with other NGOs and Arab, International and Palestinian governmental organizations, these relations remain superficial. Such relationships are considered either ineffective or of 'medium' effectiveness by 60 percent of the organizations.

The PNGOs participating in the focus group discussion and interviews confirmed this view, with participants explaining that the absence of real coordination prevented them from improving their operations and from collectively exerting pressure the government to improve its social protection policies. The organizations attributed the lack of coordination to competition for funding on the one hand, and to the different developmental approaches and policies among the PNGOs or the government on the other. Additionally, the PNGOs in question stated that their employees do not have enough time to devote to coordination, lobbying and solidarity initiatives because they are already overwhelmed with carrying out their organizations' programs. As a result, each organization deals with public policies and ministerial decisions individually rather than collectively, using just its own competencies and personal relationships with other organizations. Indeed, the organizations highlighted the importance of personal relations between PNGO directors and Palestinian National Authority (PNA) officials to influence coordination and cooperation. The PNGOs confirmed that weak coordination leads to inefficiency in social protection programs and to increased costs; work is often

duplicated and, in the absence of centralized lists, beneficiaries are often targeted more than once (see below).

Insufficient services in spite of rise in number of beneficiaries

The total number of 'beneficiaries' from PNGOs involved in social assistance reached 5.18 million in 2006, a number which by far exceeds the total Palestinian population in the WBGS. This is due to records being kept only of the number of instances of assistance being provided, rather than of individuals, many of whom received services several times.

Judgement about whether service provision is adequate depends on its frequency. Although the survey reveals that PNGOs offering other social assistance do not provide data about the frequency of its distribution, organizations that offer food aid do. This service has been more important in recent years, as the need for it has increased. However, the data indicates that only 194 out of 668 organizations claiming to provide food do so on a regular basis, and of these only 97 do so at least once a quarter. The PNGOs taking part in the focus group asserted that the services and support provided by these organizations are insufficient to meet the growing needs of beneficiaries.

It can be concluded from this study that although the services provided by PNGOs are very important, they are still insufficient to cover the needs of the Palestinian community. Despite all the social services offered by these PNGOs, international organizations and the Palestinian Authority, they were unable to cover the needs of Palestinians in the WBGS. The most evident confirmation of this is that consumption poverty of Palestinian families remained worryingly high, with the PCBS reporting the rate reaching 45 percent by mid-2006.

In general, the effectiveness and sustainability of PNGOs providing social assistance is influenced by the attitudes of their donors, and by the degree of coordination among themselves and with other service providers such as PNA agencies and UNRWA. Failure to work together leads to both overlap and under-coverage, whereby distribution failures mean that duplicate services are provided to some individuals while others receive none.

Suggestions

The following suggestions, arising from the data collected in the survey and the interviews with PNGOs, aim to improve the situation of PNGOs, making them more effective in responding to the social protection needs of the Palestinians and enabling them to overcome the challenges and problems they face.

- Set objective criteria for selecting the families and individuals who require social assistance. This could be done by establishing a national information system, which should include potential beneficiaries' geographical distribution and should classify them according to needs and poverty level, and according to the human and financial resources available to them, so as to guarantee delivering services to those amongst the population who are the poorest and most neglected.

- Set up a system for reviewing the mechanics of service delivery regularly and fairly so as to avoid duplicating services for certain beneficiaries while excluding deserving classes.
- Establish a national assistance priority system which should be flexible and based on objective indicators related to the poverty line. Additionally it should identify poor families according to where they live, their composition and their needs.
- External funding should be administered as part of an integrated plan that encompasses all related organizations. The donors should deal flexibly with funding conditions and should raise their sensitivity level to the political and economic conditions in the WBGS. Consequently, donors' conditions should be changed to ensure that funding is used in genuinely sustainable programmes. PNGOs themselves should manage their funds more efficiently and should develop sources of self-funding.
- Funding organizations should focus their support on PNGOs that are efficient and have the institutional capability to allocate services fairly to those who deserve them, instead of funding a large number of organizations; this wastes effort, reduces accountability and makes coordination more difficult.
- Organizations should adhere to their plans and work hard to put them into effect. Additionally they should work hard to provide necessary human and financial resources for putting their plans into action, to improve the chances of long-term program success.
- It is important to enhance and institutionalize the coordination between PNGOs offering social support services, and all other organizations working in this field in the WBGS. This will lead to increased efficiency, improved funding administration, and reduced duplication of services. Additionally it will reduce the possibility of services being used for selfish or political purposes.
- It is of great importance to enhance the abilities of organizations offering social services to influence public policies to create a suitable environment that enables them to improve their effectiveness. This also requires that these organizations improve coordination to increase their ability to influence decision-makers.

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