

Tracking External Donor Funding to Palestinian Non Governmental Organizations in the West Bank and Gaza Strip 1999 -2008

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Foreword

Palestinian Non-Governmental Organizations (PNGOs) play a central role in the social and economic life of the Palestinian Territories, far more than is the case in neighboring states and countries with comparable levels of development. One of the primary reasons for this is undoubtedly the prolonged period of occupation experienced by the Palestinian population. Of equal significance was the absence of central governing institutions capable of providing basic services to the population. However, even after the establishment of the Palestinian Authority (PA) and the emergence of an infant form of central administration, the role of PNGOs did not diminish. Indeed, the number of PNGOs has actually increased from approximately 930 in the year 2000 to about 1,500 in 2007. It is clear, therefore, that the development of a centralized Palestinian administrative structure has not negated or even reduced the need for the services supplied by civil associations. Another reason for this persistence is that a considerable portion of the international aid to the Palestinian Territories is channeled through these civil society institutions. Our estimate suggests that, at present, about 10 per cent of international aid to the Palestinian Territories is channeled through the PNGO sector.

MAS has paid particular attention to the role that PNGOs play in Palestinian economic and social life. We have undertaken two major surveys, in 2000 and 2007, covering the general features of PNGOs (their legal status, year of establishment, recruitment, beneficiaries, funding and internal structure), their geographic and sectoral distribution and their capabilities and needs. Additionally, in 2007 MAS published a study evaluating

the effectiveness of PNGOs in the fields of democracy, governance and human rights.

The present study takes our research programme regarding PNGOs one step further. The study's central aim is to track funding of international donors to PNGOs during a ten-year period (1999-2008). Two surveys were undertaken for this purpose; one from the side of PNGOs and the other from the side of the donors. Data regarding the amounts and sources of external funds as well as the way these funds were allocated to the various sectors, regions and governorates in the West Bank and Gaza is provided in the study. Furthermore, in order to put the external funding received by PNGOs into perspective, this study includes a comprehensive review of the external aid directed to the Palestinian Territories along with a detailed map of the structures that coordinate the relationship between donors and Palestinian institutions.

Analysis of external aid to PNGOs provides an important contribution to the understanding of the development process in Palestine. For successful development to be achieved in the Palestinian Territories it is essential that there should be a complementary relationship between PNGOs and Palestinian governmental institutions. The objective of the current study is to shed light on the sources of external finance and the way external funds are deployed by PNGOs. It is hoped that this will contribute towards the wider goal of improving the effectiveness of the PNGOs and enhancing cooperation and coordination between Palestinian civil society organizations and central administrative bodies.

Numan Kanafani
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Preface

Palestinian NGOs (PNGOs) comprise a vital part of the Palestinian community, in terms of their role in service delivery and the socio-economic development process. They exist as a major pillar of Palestinian civil society on which the responsibility of protecting citizens' interests, providing them with platforms for self expression, and reaching out with their services to the poor and marginalized falls. According to statistics on Palestinian NGOs for the year 2007 provided by the Palestinian Central Bureau of Statistics (PCBS) and by the Palestine Economic Policy Research Institute (MAS), there are almost 1,500 Palestinian NGOs active in the West Bank and Gaza, in addition to tens of NGOs that are registered at the Ministry of Interior and have yet to commence operations. NGOs cover a wide range of social services including health and specialized health, education, agriculture, environment, rehabilitation services to people with special needs, care for the elderly, among a number of other services and activities. In the fields of human rights, good governance and democracy, NGOs are leaders in empowering and defending the rights of women and children, enhancing youth participation in public life and protecting and promoting human rights principles.

In the same context, the NGO sector suffers financial deficits, reaching an estimated USD 22 million in 2006, as compared to USD 9 million in 1999 (according to a 2007 statistical report on the Palestinian non-governmental sector). This indicates the existence of great dependency on external funding, in general, and the inability of the local community to mobilize the needed funds in particular. The issue of funding Palestinian NGOs is of great importance to ensure the sustainability of these organizations and to enhance and sustain their vital societal role.

NDC conducted a thorough analysis of the funding directed to NGOs in the West Bank and Gaza and reviewed the literature available on this matter. There are significant gaps in the information available on the amounts of support, funding mechanisms types and sources of funds; and a lack of information on the distribution of funds sectorally and geographically. This lack of information impacts the ability of Palestinian NGOs to benefit from the available funding opportunities, and adversely influences the effectiveness of donor funding. To ensure adequate and successful planning at the national level, information on donor

funding becomes crucial and allows the Palestinian Authority and the Palestinian NGOs to better coordinate interventions and planning of service delivery. It also allows the advancement of the policy dialogue on improving the complimentary roles between the Palestinian Authority and PNGOs and the creation of accountable mechanisms and controls.

Given the essential and continued role which NGOs play in providing vital services to the Palestinian society, there is a need to track, monitor and analyze information related to financing coming from the donor community. With funding from the World Bank, and in coordination with the Ministry of Planning, NDC has therefore initiated this research on "Tracking Donor Funds to Palestinian NGOs". The research was undertaken by the Palestine Economic Policy Research Institute (MAS). The preliminary assessment study on this research, which included a literature review and interviews with different stakeholders, informed the scope of the research. Two surveys were undertaken to track donor funding over a ten-year period (1998-2008); one from the side of PNGOs and the other from the side of the donors. The collected information was also compared with data available on the Palestinian Aid Monitoring System (PAMS) of the Palestinian Ministry of Planning and Administrative Development. Data regarding the amounts and sources of external funds as well as the way these funds were allocated to the various sectors, regions and governorates in the West Bank and Gaza is provided in the study. Furthermore, in order to put the external funding received by PNGOs into perspective, this study includes a comprehensive review of the external aid directed to the Palestinian Territories along with a detailed map of the structures that coordinate the relationship between donors and Palestinian institutions.

We take this opportunity to thank all organizations and individuals who supported and participated in making this research a reality. We hope that the information made available through it will help various parties in formulating their development plans according to reliable information. We also hope that it will help influence policy makers for better planning the involvement of the NGO sector in future strategies, interventions and plans. This will for sure support coordination mechanisms among Palestinian NGOs, the Palestinian Authority and the donor community.

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Acknowledgements

This publication aims to provide a comprehensive picture of international aid to Palestine and the PNGO sector and is the product of the collective efforts of the MAS research team, over 140 survey respondents, 10 external fieldworkers, 2 focus groups, one workshop and 5 external peer reviews by individuals specialized in the field of aid and Palestinian civil society.

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Acronyms

AFESD	– Arab Fund for Economic and Social Development
AHLC	– Ad Hoc Liaison Committee
AMC	– Aid Management and Coordination
ATC	– Anti-Terrorism Certification
BZU	– Bir Zeit University
CBO	– Community Based Organization
CDS	– Center for Development Studies
CG	– Consultative Group
COPP	– Coordinating Committee for International Assistance to the Palestinian Police Force
DAC	– Development Assistance Committee
DCO	– District Coordination Office
DoP	– Declaration of Principles
DSP	– Development Studies Program
EC	– European Commission
ECHO	– European Community Humanitarian aid Office
ESSP	– Emergency Services Support Project
EU	– European Union
GDP	– Gross Domestic Product
GE	– Government Expenditure
GFCF	– Gross Fixed Capital Formation
GNI	– Gross National Income
GOI	– Government of Israel
GOV	– National Government
HWC	– Health Work Committees
HR	– Human Rights
HQ	– Headquarters
IDB	– Islamic Development Bank
ICRC	– International Committee of the Red Cross
IGO	– Inter-Governmental Organization
IMF	– International Monetary Fund
IMG	– International Management Group
INGO	– International Non Governmental Organization
JLC	– Joint Liaison Committee
LACC	– Local Aid Coordination Committees
LACS	– Local Aid Coordination Secretariat
LDF	– Local Development Forum
MAS	– The Palestine Economic Policy Research Institute
MoEHE	– Ministry of Education and Higher Education
MoF	– Ministry of Finance
MoH	– Ministry of Health
MoI	– Ministry of Interior
MoP	– Ministry of Planning
MoPIC	– Ministry of Planning and International Cooperation
MoSA	– Ministry of Social Affairs
MPs	– Members of Parliament
MTDP	– Medium-Term Development Plan
NDC	– The Nongovernmental Organization Development Center
NGO	– Non Governmental Organization
ODA	– Official Development Assistance
OECD	– Organization for Economic Cooperation and Development
OCHA	– The United Nations Office for the Coordination of Humanitarian Affairs
OFID	– OPEC Fund for International Development

OoP – The Office of the President
 OPEC – Organization of Oil Exporting Countries
 oPt – occupied Palestinian territory
 PA/PNA – Palestinian Authority/Palestinian National Authority
 PACS – Public Administration and Civil Service
 PAMS – Palestinian Assistance Monitoring System
 PARC – Palestine Agricultural Relief Committee
 PCBS – Palestinian Central Bureau of Statistics
 PCPD – The Palestinian Center for Peace and Democracy
 PHG – Palestine Hydrology Group
 PINGO – Palestinian Nongovernmental Organizations Network
 PLC – Palestinian Legislative Council
 PMA – Palestinian Monetary Authority
 PMO – Prime Minister's Office
 PMRS – Palestinian Medical Relief Society
 PNGO – Palestinian Non Governmental Organization
 PRCS – Palestinian Red Crescent Society
 PRDP – Palestinian Reform and Development Plan
 SESP – Socio-Economic Stabilization Plan
 SG – Strategy Group
 SPSS – Statistical Package for Social Sciences
 SWG – Sector Working Group
 TFPI – Task Force on Project Implementation
 UN – United Nations
 UNDP – United Nations Development Programme
 UNICEF – United Nations Children's Fund
 UNRWA – United Nations Relief and Works Agency for Palestinian Refugees
 UNSCO – United Nations Special Coordinating Office
 USAID – United States Agency for International Development
 US – United States
 USD – United States Dollar
 VAT – Value Added Tax
 WB & GS – West Bank and Gaza Strip

- N. WB – Northern West Bank
- C. WB – Central West Bank
- S. WB – Southern West Bank

Executive Summary

Between 1999 and 2008, external aid to the West Bank and Gaza Strip increased by over 600% to 3.25 billion US Dollars per year. During the same time period, external aid to Palestinian Nongovernmental Organizations (PNGOs) increased by over 500% from 48 million US Dollars in 1999 to 257 million in 2008. Throughout this period the level of external aid received by PNGOs fluctuated, however, it averaged around 10% over the 10 year period.

According to our findings, not only the amount, but also the type of external aid entering the WB&GS varied according to political conditions. During times of political upheaval, we identified shifts in the destination of external aid, usually moving away from development or the Palestinian Authority and towards emergency relief programs, as well as a shift in the conduits of external aid, away from bilateral donors and towards multilateral agencies. According to our findings, PNGOs are engaged in development activities on a nearly 2:1 basis to Relief, changing only slightly during the Intifada. Whereas we had expected a higher percentage of PNGO activities during the Second Intifada, we learned that much of the external aid to the Occupied Palestinian Territories during this period was channeled through International Nongovernmental Organizations (INGOs) and multilateral agencies engaged in direct implementation.

Amongst donor groupings, it is clear that Europe, both as an institution and as individual states, is by far the largest donor to both the Palestinian Authority and the PNGO sector, providing nearly 70% of the total funding to the latter. Aid from the Arab countries to Palestine has decreased steadily in comparison to Western donors and primarily contributes to the Palestinian Authority's budget. Unlike European and American aid to Palestine and PNGOs, during times of Political crisis the amount and impact of Arab aid increases. Aid from the United States has decreased steadily throughout the period studied, from around 12% of the total external aid to PNGOs in 1999 to only 5% in 2008. According to our findings, nongovernmental donors surpass governmental sources in external aid to PNGOs, though most of the aid

granted through INGOs comes from national governments. Prior to the Second Intifada, the opposite had been true, in which bilateral contributions to the PNGO sector outmatched those of the INGO sector.

According to our findings, external aid is critical to both the health of the PA and PNGO sectors. According to MAS's estimates, external aid comprises over 60% of the GNI of the WB&GS. For PNGOs, the dependency is even more pronounced with around 78% of PNGO revenues come from external aid. The increase in aid dependence has occurred along side a decrease in PNGO funding from the local community in the West Bank and Gaza Strip.

The primary conclusion of our analysis of externally funded PNGO activities by sector was the seemingly clear correlation between political realities and the sectors receiving external aid. According to our findings in 2008, PNGOs engaged in Rights-based activities received the highest proportion of external aid (30%), followed by PNGOs engaged in the Social Services sector (26%), Economic Sector (22%), Education (14%) and Charity and Relief (9%).

According to our survey, external aid to PNGOs engaged in urban areas increased between 1999 and 2008 from 25% to just under 40%. We also found that PNGOs tend to focus their efforts in rural areas, spending 40% of their resources there, despite urban inhabitants making up only 31% of the Palestinian population. Due to the scale and importance of UNRWA in providing aid to Palestinian refugees, PNGOs are less represented in the refugee target area.

While PNGOs are regionally distributed somewhat close to the Palestinian population, those who partner with international agencies are overwhelmingly located in the Central West Bank, along with the vast majority of external donors. Though project implementation is more evenly spread throughout the WB&GS, it is still disproportionately targeting the Central West Bank in comparison to the number of people or PNGOs.

1. Introduction and Methodology

1.1 Introduction

This analysis of external aid to PNGOs provides an important contribution to the collective understanding of the process of development in Palestine. In 2008, PNGOs received over a quarter of a billion US dollars to meet their objectives. Yet, until now, there is only a limited knowledge of what was happening with this money and why.

After this introductory chapter the study begins with a historical and statistical account of external aid to the West Bank and Gaza Strip in order to provide the context needed to understand external aid to the PNGO sector. Having done so, chapter three of the study presents and analyses the results of our surveys of external donors and PNGOs. In this chapter the study reviews the importance of external aid to PNGOs, as well as the types of aid and donors involved. The chapter also reviews external aid to PNGOs by the sectors of their activities, as well as the target area and geography of externally funded PNGO project implementation. The final chapter offers policy recommendations aimed at improving the coordination and transparency in the PNGO sector.

Following the body of the study, an expanded appendix is compiled, including the statistical breakdown of our findings, reviews of previous and ongoing efforts at tracking external aid and the surveys of Palestinian perceptions of external aid.

1.2 Problem Statement

Though external donor funding to Palestinian NGOs (PNGOs) is critical to a sector so heavily reliant upon it, there is little data about this phenomenon. Given the essential role which NGOs play in providing basic services to Palestinian society, there is a need to track and analyze information related to the finances coming from the donor community in a more comprehensive way than is being done by the Palestinian Ministry of Planning's (MoP) Palestinian Assistance Monitoring System (PAMS) Database.

To say there is no literature on the topic would be misleading. However, reviews of existing research highlighted three gaps that this study aims to fill:

1. Inaccurate data regarding geographic and sectoral distribution of aid
2. Narrow focus on either donors or PNGOs
3. Recent data is only cross-sectional as opposed to time series making it difficult to capture trends.

1.3 Research Objectives

The research aims to track and document external donor funding to Palestinian NGOs in the West Bank and Gaza Strip over the last 10 years (1999-2008) by surveying both sides of the equation: PNGOs and external donors. The research provides data on funding patterns focusing on the amount of aid, as well as the geography, sector and target of its distribution over time¹.

1. The study will be made available to help various parties formulate development plans with reliable figures. By setting a frame of reference concerning development, development actors can begin to look at 'where they have been' and 'where they are' within the broader picture of development in Palestine.
2. The study serves as a reference guide for researchers in the field of development and NGOs – Palestinian or otherwise. Existing literature on PNGOs and donors has tended to be weighted heavily toward the theoretical – largely due to the information shortfall that this study aims to address.
3. Finally, the study concludes with policy recommendations and observations that aim to systemize the data collection of PNGOs and INGOs in a way that makes further research of this type unnecessary.
4. Though our research does aim to identify trends in external aid to PNGOs, it is not our aim to pass judgment on the allocation or misallocation of this aid, as this would require further targeted studies aimed at capturing real needs.

1.4 Methodology

1.4.1 Primary Data Collection

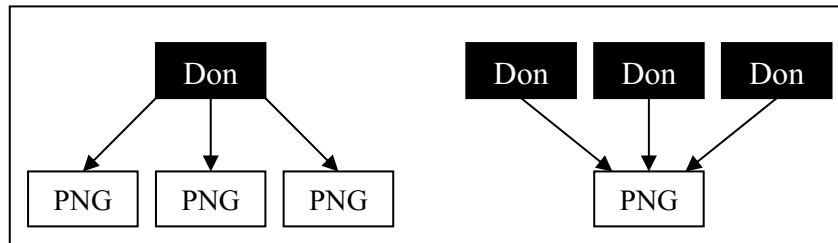
MAS researchers conducted two surveys of the two different sides of the equation being analyzed: external donors and their PNGO partners. However, our surveys of the two different targets did not attempt to capture the same picture from two different perspectives. Instead we utilized the survey of one side to look at the characteristics and activities of the other. As the following figure shows, the nature of the PNGO donor relationship in Palestine means that an individual donor can be questioned on his relationship with a number of PNGOs and vice versa. For this reason, a limited survey of one side of the equation returns a large sample of the other.

¹ For definitions of these terms, see appendix II: Glossary of Terms.

Due to the fact that the donors sampled each had a number of PNGO partners, ranging from 2 to 25, the survey of 41 donor institutions may have yielded a sample of as many as 800 PNGOs, much higher than our PNGO survey sample of 80 organizations. Like our donor survey, the survey of PNGOs was an opportunity to look more closely at the activities of the other side of the equation. Because PNGOs, especially larger ones,

have a number of donors ranging anywhere from 1 to 20 according to our data, the PNGOs survey have returned a donor sample in the hundreds (around 540), allowing us to look more closely at the trend in external funding in terms of the source and type of aid, as well as the level of aid dependency experienced by PNGOs.

Figure1: Donor – PNGO Survey Rationale



Donor Survey²

Our donor survey aims to track external aid into the PNGO sector over a ten year period according to the sector, geography and target population of its distribution. Donor Survey fieldwork was conducted between April and July of 2009.

Sample and Approach

A total 41 institutions were surveyed directly and each returned completed data for at least one year. Donors were chosen primarily on a basis of perceived scale, the findings of previous MAS studies and through consultations with stakeholders. As our study sought to cover a specific percentage of funding to PNGOs in 2008, projects and programs from any available source were compiled indirectly in order to help meet that goal³. Indirect data gathering included the use of the websites and financial reports of organizations.

Efforts were also made to differentiate our sample along other lines, such as the type, the region of the aid's origin, the sector of the donor's work and their estimated contributions to the PNGO sector. Especially in the case of INGOs, only those who utilized the majority of their funding in direct partnerships with PNGOs were approached; while those INGOs who directly implement most of their own projects were not.

The primary division within our sample is between Governmental (bi-lateral and multilateral aid) and Nongovernmental (INGO, Private and Religious)

sources. The 25 nongovernmental agencies surveyed provided up to 55% of the external aid captured in our survey, while the 16 governmental agencies provided the remaining 45%. Though it is largely true that INGOs act as intermediary channels of Government funding to PNGOs, we worked to analyze whether the behaviors of the two groups differed. In other words, are INGOs able to assert their own agendas, not necessarily those of the government financing them? We also wanted to look at how the channels of funding to PNGOs are affected by political upheaval and whether governments prefer bilateral, multilateral or indirect (INGO) partnerships with PNGOS.

The expansion of our donor sample beyond governments and into the INGO sector is crucial to capturing the real picture. The MoP, from the MoPIC system to the current PAMS database, has not been given the legal mandate to capture external aid to PNGOs channeled through INGOs. As Hanafi's 1998 study for Welfare shows in the table 1, the failure to incorporate INGO funding into the picture dramatically underestimates the amount of external funding allocated to PNGOs. According to Hanafi's findings, when INGOs funding to PNGOs is included, the amount of total external aid to the WB&GS captured by the PNGO sector moves from 11% to 18%.

Table 2 shows the results of the donor survey against the official time series estimates of the MoP, as well as the two cross-sectional estimates of MAS in 1999 and 2006. The success of our survey fluctuated according to the year, as well as the estimate of total aid entering the PNGO sector. If the official estimates of the MoP are used, the survey managed to cover nearly 64% of the total estimated aid to PNGOs in 2008. However, if MAS's 2006 estimate is assumed to be closer to reality, our survey managed to capture 76% of the external aid to PNGOs in 2006.

² Donor questionnaire available in Appendix VI.
³ We originally set out to reach 70% of the total external funding to PNGOs in 2006 according to previous MAS mappings of the PNGO sector. As the following section shows, we were able to capture much more than that in both of our surveys.

Table 1: Hanafi's Illustration of the Significance of INGO Inclusion in Surveys of the PNGO Sector

	1997	USD
MoPIC: Donor aid to the PA and PNGOs from Governmental Agencies.		432,259,000
MoPIC: Aid to PNGOs from Governmental Agencies		45,995,000
MoPIC: Percentage of total donor aid to Palestine captured PNGOs		11%
Welfare 1998: Donor aid to PNGOs from Governmental Agencies and INGOs		76,897,000
Welfare Survey: % of total aid to Palestine captured by PNGOs		18%

Source: Hanafi, Tabar, 2005: 73.

Table 2: Donor Survey Results versus Estimated Aid to PNGOs

Year	# of Orgs Returning Data	% of Total Surveyed	Total Amount Surveyed (USD) Donors	Est'd total Int'l Aid to PNGOs (MoP)	Total % of MoP estimate surveyed	Est'd total Int'l Aid to PNGOs (MAS)	Total % of MAS estimate surveyed
1999	8	20	8,000,000	48,000,000	17	53,000,000	15
2000	9	22	14,000,000	55,000,000	26		
2001	11	27	20,000,000	93,000,000	22		
2002	23	56	46,000,000	103,000,000	45		
2003	26	63	49,000,000	65,000,000	76		
2004	29	71	68,000,000	57,000,000	119		
2005	34	83	97,000,000	218,000,000	44		
2006	38	93	104,000,000	196,000,000	53	136,000,000	76
2007	40	98	148,000,000	213,000,000	69		
2008	41	100	165,000,000	258,000,000	64		
Total Funding Captured			719,000,000				

Note: Total Amounts Surveyed are rounded to the nearest Million USD and percentages are rounded to the nearest whole number. For a review of the differences between MoP and previous MAS estimates of external aid to PNGOs, see section 3.1.1

Implementation

The 25 INGO donor respondents were questioned on whether or not they also implement their own projects, as opposed to partnering directly with a local PNGO. According to the survey, 15 of the INGO donors implemented their own projects without PNGO partners, representing 60% of those surveyed. Eight of the INGOs (32%) claimed to only work through local implementation partners and two organizations did not provide any answer.

PNGO Survey

Ten fieldworkers (seven in the WB and three in the GS) began their survey of 80 PNGOs on August 1st and completed it on September 15th, 2009.

Sample and Approach

Similar to the donor survey, our survey of PNGOs attempted to capture as much external funding as possible by focusing on the institutions who receive the highest proportion of aid. Only when these larger NGOs

had been selected did we begin looking to differentiate our sample based upon sector, geography and the target population of their work.

The PNGOs with total annual budgets of less than 30,000 USD were excluded, as they typically receive external aid via the larger PNGOs, if they receive much at all. Therefore the survey of the larger PNGOs covers much of the external aid that filters down to the vast majority of smaller ones. After selecting the 46 largest PNGOs (based on the organizations with annual external revenues of over 500,000 USD in MAS's 2006 Census of PNGOs), the remaining 34 were distributed as widely as possible in terms of geography and primary sectors of activity. Researchers also worked to include a number of newer organizations in order to look at some of the more recent trends in the PNGO sector. Table 3 illustrates the results of our PNGO survey. It should be noted that two of the surveyed PNGOs reported to have not received external funding in 2007 or 2008.

Table 3: PNGO Survey Results versus Estimated Aid to PNGOs

Year	# of NGOs Returning data	% of Total NGOs Surveyed	Total Amount Surveyed (USD) PNGOs	MoP Estimate of Total Aid to PNGOs	% MoP Estimate Surveyed	Est'd total Ext'l Aid to PNGOs (MAS)	% of MAS Estimates Surveyed
1999	41	51	39,000,000	48,000,000	82	53,000,000	74
2000	24	30	20,000,000	55,000,000	37		
2001	27	34	28,000,000	93,000,000	31		
2002	31	39	36,000,000	103,000,000	35		
2003	37	46	31,000,000	65,000,000	47		
2004	44	55	42,000,000	57,000,000	74		
2005	61	76	55,000,000	218,000,000	27		
2006	80	100	121,000,000	196,000,000	62	136,000,000	89
2007	78	98	147,000,000	213,000,000	69		
2008	78	98	126,000,000	258,000,000	49		
Total Funding Captured			645,000,000				

Note: Estimates to the nearest million and percentages to the nearest whole number.

PNGO Survey Sample Analysis

A key point discussed in our PNGO survey Focus Group⁴, was the fact that our PNGO sample does not offer a representative picture of PNGO activities in terms of sector, geography and target population. However, the survey of less than five percent of the estimated number of PNGOs did not aim to map these institutions. Instead we aimed to track the activities of donors and primarily the activities of the largest PNGOs, who are also the largest recipients of external aid, in terms of the sector, geography and target of their work. The following sections highlight some of the characteristics of our sample.

Scope of Work

33 of the 80 PNGOs we surveyed (41%) work at the national level and provide services throughout both the West Bank and Gaza Strip. 19 respondent PNGOs (24%) claimed to work throughout the West Bank only and 16 (20%) claimed to work throughout the Gaza Strip only. Finally, 11 PNGOs claimed to work at the district or governorate level and only one PNGO's activities remained at the individual community level. 54 of the 80 PNGOs surveyed (68%) had established branch offices to extend the scope of their services.

Besides the actual budgets of those sampled, this is the best indication that our survey is weighted heavily towards large PNGOs. According to the 2007 MAS Mappings, only 11% of PNGOs worked at the national level, 8.1% at the level of the West Bank and 12.4% throughout all of the Gaza Strip. Whereas only one

surveyed PNGO worked at the local level, in 2007 31.9% of all PNGOs did so.

Sector Groupings of PNGO Sample

As the limited PNGO survey sample worked to track trends in external aid as opposed to PNGO activities, the 19 sectors were divided into 5 groups, in order to have a broader picture of international donor activities. Table 4 shows the distribution of sectors into groupings.

Table 5 shows the distribution of our sample by sector, grouping and region. As our intention was to capture as much of the external aid as possible within the scope of our sample, some figures stand out clearly.

18 of the 80 PNGOs surveyed were focused on rights-based development and located in the Central West Bank (C WB). 10 of the Economic based PNGOs and 5 of the Education-based PNGOs were also from the C WB. The reason for this over representation will become clear throughout the study, but it is worth mentioning now. When tracking external donor funding to PNGOs, as opposed to mapping PNGO activity, a small targeted sample is capable of capturing the bigger picture; but only if one is to recognize the existing geographic and sectoral inequalities of aid to PNGOs, rather than attempt to build a sample representative of PNGOs themselves. While our survey of 1,388 PNGOs in 2006 yielded an estimate of nearly 136 million USD in external aid to the sector; our sample shows that almost 90% of it is captured by only 80 organizations.

⁴ The PNGO Survey workshop was held at MAS on October 26th, 2009,

Table 4: Sector Groupings and Sectors

Group	Sectors
Charity & Relief	Charity & Relief
Economic	Rural Development , Water and the Environment, Vocational Training, Other
Rights-based Development	Human Rights, Enhancing Democracy, Good Governance, Women’s Affairs
Education	Research, Scientific Education, Liberal Arts Education, Religious Activities
Social services	Health Services, Elderly Care, Disabled Care, Children’s Activities, Youth and Sports

Table 5: PNGO Sample Distribution by Region and Sector Grouping

Activity	Region				Total WB&GS
	N WB	C WB	S WB	G S	
Charity & Relief	4	0	2	7	13
Economic	0	10	3	3	16
Rights-based Development	1	18	3	4	26
Education	0	5	3	0	8
Social services	2	6	3	7	17

Though the table 5 illustrates an effort to spread our sample somewhat beyond the large PNGOs working in only a few sectors, we did not aim to carry out another mapping of PNGOs similar to 1999 and 2006. Our sample included a higher percentage of Economic PNGOs than their percentage of the total PNGO sector because these infrastructure intensive programs receive high levels of external aid. The same is true to an even greater degree concerning the Rights-Based PNGOs who make up 32% of our sample while only making up 12% of PNGOs. Both the education and social services sector groupings are underrepresented in our sample. Though these PNGOs make up the vast majority in terms of population, only a few sectors within them receive large amounts of external aid. So while there are a number of PNGOs engaged in the Youth and Sports and Children Activities Social sub-sectors, the largest portion of funding within the social sector grouping is captured by a small number of Health NGOs.

1.4.2 Secondary Data Collection

Analysis on the topic of Palestinian civil society and external aid is abundant, perhaps due to the unique situation of Palestine. The sheer amount and duration of aid that has entered the WB&GS make it an ideal case study to measure the impact of aid and its sensitivity to political events. Whenever necessary, we have referenced these other studies throughout the text. More often though, a footnote is provided to readers describing where they can find elaborated work on the topic at hand.

The MAS Institute has already published two studies on the development of the NGO sector in 2001 and 2007, both of which assisted us greatly in our efforts to track the development of external aid.

The 1998 study by Sari Hanafi, commissioned by the Welfare Association, is perhaps the most important starting point of our review as the aim, methodology and scope of the study is very similar to our own. Prior to the release of this study, Hanafi’s tracking of donor funding from 1995 to 1998 is the only available time series data. As our study begins in 1999, we are in a sense picking up where he left. A brief overview of the study and its results are available in the appendix.

Another crucial secondary resource to the study has been the MoP’s PAMS database. Though the database provides only limited information concerning primarily donor government activities, the nature of our research allowed us to take full advantage of the information that PAMS does possess, without being harmed by the information that it does not. A review of the evolution, weaknesses and importance of PAMS is available in the appendix.

Beyond numerous studies and databases, we scoured through websites and annual reports of organizations in search of data that would be compatible to our survey.

In addition to tracking donor funding, MAS also sought to track the location of donors themselves. Rather than relying on the relatively small sample of surveyed

institutions, we looked to the annual diaries of PASSIA and its listing of approximately 120 to 130 international organizations and donors according to the locations of their HQs and Field Offices.

World Bank and OECD data is referenced throughout the study or offered as a comparison, and the PCBS was used for most demographic statistics.

1.4.3 Survey Limitations

Our research aimed to track the trends in external funding to PNGOs over a ten year period. In doing so, we faced a number of obstacles and difficulties.

Data Availability of Donors and PNGOs

During our primary data collection, we found that many local and international organizations, especially the smaller ones, lacked proper data concerning the sector, geography and target populations of their work over time, typically for one of the following reasons:

- ✧ They do not keep such data, or have only recently begun to do so
- ✧ Publicly available data is most often given in broad aggregate programs in annual financial and activities reports.
- ✧ In the case of donors, existing data was sometimes not available in either English or Arabic, rather only the language of the donor country.

Institutional Knowledge of Donors and PNGOs

Often the lack of data required researchers to depend heavily upon the staff and their memories to provide educated estimates during our primary data collection. In doing so, our fieldworkers found that the level of experience in many NGO offices was noticeably low. In many cases, the majority of the staff had been working for the same organization for a short time; and in a few instances, the same was true of the management.

Transparency, Participation and Bias

There was a palpable, if not widespread, sense of mistrust amongst a number of donors and PNGO institutions we approached for primary data. A small number of organizations refused outright to take part in the survey, while a larger proportion agreed initially, but then refused to release the data within the time limit.

In either of these cases, the most likely cause for not participating was the lack of available manpower to fill our lengthy survey. However, on several occasions, donors or PNGOs cited an unwillingness to disclose the data. We believe that the reasons unwillingness to share data revolves around:

- ✧ Organizations' fears of being associated with agencies that carry a political stigma, such as USAID.
- ✧ The previous 'turf war' between the PA and NGO sector (culminating in the late 1990's attempts by the PA to levy greater regulations on civil society) left many NGOs mistrustful of attempts to gather information.
- ✧ The current state of division between Hamas/Fatah and the West Bank/Gaza Strip has created an atmosphere in which openness and transparency is not encouraged. This was more evident for fieldworkers in the Gaza Strip.

From the organizations who did return data, there was the additional danger of accuracy and credibility. We believe that it is possible for respondents to have painted an idealized picture of the organization's activities, rather than a real one.

Terminology and Allocation

The detailed information required to fill out this survey, in terms of sectors, geographic distribution and even target populations served, is largely unavailable on the websites of PNGOs or their donors, making secondary data collection difficult. This is also true of Annual or Financial Reports - the former providing only summaries or 'success stories' of their work, and the latter giving numbers in aggregates that are not useful. When data is actually available on a project by project basis, a major disadvantage for researchers is the use of project titles in deciphering sectors or target groups. Yet this is often the most one can find. Project titles are sometimes sculpted in a manner that market their proposals rather than describe them.

If a 'good' project title for the purpose of this research and the understanding of external aid were to look like this: *Drama Therapy for Refugee Youth in Jenin*. A 'marketed' project title would look something like: *Reversing the Culture of Pain*. A 'fashionable' title adopting the international jargon would be more like: *Empowering Refugee Youth through Sustainable, Cultural Interventions*⁵. The risk of ambiguous project titles for researchers is the possible misallocation of aid to a particular sector or target group during the secondary data collection.

⁵ These examples come from one of the authors' experiences in fundraising. Each of these titles was used for the same project proposal but then sent to different donors.

2. Overview of Aid to Palestine

The primary contribution of our research, tracking external aid to PNGOs between 1999 and 2008, is in chapter three of this study. Before delving into our findings however, the following section works to lay a framework for understanding the bigger picture, of which PNGOs are only a part. The first section of the chapter will look into the political history of the WB&GS, before going into a statistical analysis of the trends in aid to the WB&GS. The chapter closes by looking at how the local and international structures of aid coordination have changed over time.

2.1 The Political Evolution of Aid to the WB&GS

Since the War of 1948 and the Palestinian dispossession of what would eventually become the State of Israel, the Palestinian people, both inside the WB&GS and throughout the region, have been heavily dependant upon external aid. It is often said that Palestinians are among the highest recipients of external aid per capita in the world⁶. Whether Palestine is indeed the first, second, or even in the top ten of aid recipients, the importance of this money to the ongoing political and humanitarian crisis cannot be discounted.

Though external aid has acted as a constant buttress to Palestinians since the War of 1948, the manner, type and conduits have changed significantly over time. Certainly changes should be expected as a recipient country moves from different stages of crisis and development, but we have found that these shifts coincide closely with political realities here in Palestine and around the world, rather than local development needs.

This introduction to aid in Palestine aims to give a broader understanding of the history and context of our study, not solely by looking at our subjects (international donors and NGOs) but the 'very political economy' in which they operate⁷.

2.1.1 The 1967 Occupation to the Second Intifada

Researchers have dated the emergence of NGOs in Palestine back to the 1920s, largely in the form of

charitable societies⁸. These may have grown in parallel, or in response, to the emergent Jewish Zionist movement (Sullivan 1996). As it became more and more evident that the British Mandate would come to an end, both the Jews and Palestinians began preparing institutions which would replace those of the leaving colonial power.

Despite the parallel efforts, some argue that Palestinian institution-building lagged behind that of their Israeli counterparts due to the divisions remaining from the 1936 'Arab Revolt' that sat in sharp contrast to the unifying nationalist fervor of the Zionist movement.

It was the war of 1967, and the beginning of the occupation, which sparked a real and vibrant NGO movement in the WB&GS. In the absence of a centralized state and under occupation, NGOs stepped into fill critical gaps in service provision by looking inward to the formation of quasi-governmental structures. Building rival, democratic institutions (such as) nonprofit, independent research centers acquired great popular prestige and a large number of them emerged as a result (Sullivan, 1996).

In 1987, the First Palestinian Intifada was launched from the Jabalya Refugee Camp in the Gaza Strip. The initiative quickly caught throughout the rest of the Occupied Territories. Within days, the entire world was aware of the unfolding crisis in the Middle East. Up to this point, external aid to the WB&GS came primarily from Arab countries through the Palestinian Liberation Organization (PLO) in exile. The Palestine National Fund, fueled by Gulf countries placing a 5% tax on their Palestinian immigrant workforce, was given to the PLO to distribute between various factions operating within the WB&GS. Through regional foundations, such as the Islamic Development Bank or the AGFUND, private philanthropists from the Arab world were also influential in the funding of PNGOs (Challand, 2009:79)⁹.

⁶ This statistic has been disputed by a number of studies by the Alternative Information Center (AIC). According to Hever (2008), 2002 represented the highest ranking per capita in international aid in the WB&GS, when Palestine was ranked third in the world. Ironically, 2006 represents the second highest ranking for Palestinians (fifth), despite the fact that the elections of Hamas are largely blamed for the drying up of aid.

⁷ Phase coined by Dr Rex Brynen in the late 1990s, to describe peace building and foreign aid to the WB&GS.

⁸ In 1922 under the British Mandate, the new law on private and non-profit making companies laid 'the groundwork for the formation of many new organizations that were willing to escape' the control of the Ottoman law (Challand, 2009:60). Prior to 1922, the Ottoman Law of Associations of 1907 guaranteed the right of association, but in a limited manner. The groups first had to report to the authorities concerning their intentions, before then receiving licensing. This stipulation allowed Ottoman authorities to keep a check on the formation of nationalist associations within its sphere of influence (ibid).

⁹ According to Rex Brynen, Aid increased dramatically in the late 1970s, due to the Baghdad Summit commitments, and declined later. Aid was also affected by both intra-Palestinian and Palestinian-Jordanian rivalries (including that funneled through the Joint Committee), with support for NGOs being a prime mechanism of political competition.

Western support to the PNGO sector, much less at the time, came primarily through Consulates and Representative Offices. It was not until the outbreak of the First Intifada that many more Western INGOs arrived to channel more money into the PNGO sector (Challand, 2009:80)¹⁰. Whether the sudden Western interest in and funding to the Palestinian people responded to the crisis of the Intifada represented an increased solidarity with the Palestinian cause, or suggested an increase in awareness of the geopolitical importance of the conflict, can only be guessed. Whatever the reasons, Western donors soon supplanted their Arab counterparts in assistance to the WB&GS, reducing the ‘financial influence’ of the latter to a mere fraction of total external aid.

In 1991 the United States launched a war against Iraq following the latter’s invasion of neighboring Kuwait. The perception that the PLO supported Iraq during this period backfired on Palestinians in two important ways: First, the financial support from the Arab world to the WB&GS dried up immediately¹¹. This was compounded by the expulsion from many Gulf Countries of their Palestinian migrant workers (Challand, 2009:79), quickly drying up the National Fund. Whereas the Intifada had brought crucial international attention and sympathy to the cause of Palestinians around the world, the decision to support Iraq left Palestinians with both fewer and different friends. A second consequence was Israel’s imposition of stricter rules on Palestinian labor and movement that severely undermined the economy. Though Palestine was already suffering from military and civil occupation, Israel’s control over and isolation of the oPT intensified dramatically from the Gulf War onward. In consequence, while Palestine has been so heavily dependent upon international aid, the attendant gains have not overcome the economic losses caused by the closure of the Israeli economy to Palestinian workers¹².

It was at this time, when Palestinians were facing new harder challenges on the march to Oslo, that Western donors took the reins of financing Palestinian development (Challand, 2009:59).

The different nature of the aid offered to Palestinians from Arab and Western donors is important, especially when one considers funding to NGOs. ‘The noteworthy influence of this time is not only the increase in funding

from the West, but their insistence upon prepackaged programs with pre-defined thematic concerns and sectors’ (Hanafi, 2005:54). Core funding, or the institutional support once offered to local institutions, changed to project funding – short term and quick impact based development. Project funding has carried with it many downsides for the development of the NGO sector. Organizations competing for funding can become encouraged to follow annual funding fashions, more often flowing from donor countries and international best practices than from PNGO needs. Furthermore, the need to constantly look forward and be prepared to change the core strategy year by year encourages PNGOs to ‘not look back’, or follow up. The other clear danger comes when the prepackaged idea meets reality, and donors, realizing the project does not fit, insist on portraying the situation in a manner that would sell the project anyway¹³ (Hanafi, 2005:55).

The local services vacuum, under which Palestinian NGOs had formed and flourished, slowly vanished following the Oslo Accords and the establishment of the PA. As these institutions had had to minister to the WB&GS in the absence of an Authority, the PA’s emergence “almost immediately overwhelmed the NGO sector” through the competition or cooptation that accompanied the state-building process (Kamrava, 1999:4, Challand, 2009:63).

According the World Bank (2008), there were an estimated 1,400 PNGOs existing in 1994. In only two years the number dropped to “little less than 1,000, with more than a third of those organizations having been established after the coming of the PA” (MAS, 2007:12). Depending on exactly how much is meant by ‘more than a third’, the number of PNGOs decreases dramatically over the two year period. If, for example, 40% of the PNGOs in 1996 were founded after the establishment of the PA, then as many as 800 PNGOs may have disappeared following the establishment of the PA in 1994.

Part of the reason for this decline in the number of PNGOs was the PA’s invitation to incorporate them into its structures. The Health Services Council, for example, which ran as many as sixty-two clinics throughout the WB&GS, merged its resources into the structure of the PA (Sullivan 1996:95). All of the PNGOs close to Fatah merged into the the PA, while many others refused (Challand, 2009: 64). For these remaining NGOs, this meant an *uncomfortable* transition into new fields, as many of their prior activities were now undertaken by the

¹⁰ This reflected a shift in donor policy, and not merely the “arrival” of INGOs who, after all, get most of their money from donors. For donors, of course, NGOs and UN agencies were the only available channels prior to the establishment of the PA (Brynen, 2009 Referee Comment).

¹¹ To learn more about Arab aid to the WB&GS see Section 3.9.

¹² In the World Bank’s report on aid effectiveness (2000), the economic closures had cost the Palestinian economy 15-20% of GNP between 1995 and 1997, far more than the positive impact of external aid.

¹³ This trend is especially true when INGOs are classified as donors. While they play a role in choosing the over all direction of development in the WB&GS, much like their PNGO counterparts, they in turn are locked into the same cycle and competition for international governmental aid.

PA¹⁴. A wide variety of institutions once operating in a number of fields were pushed into a more limited range of activities and into competitive relationships over funding.

Throughout the years leading up to the Oslo Accords and immediately following them, the decline in the number of PNGOs in the WB&GS ran parallel to the growth in international NGOs and IGOs. While relatively few INGOs worked in the WB&GS prior to the Intifada (Challand, 2009:80), by 1993 there were an estimated 200. During this same time, the number of UN agencies jumped from three to 29 (ibid:81).

These new actors brought more funding and partnership opportunities along with them, and by 1999, the number of PNGOs had almost recovered to 982 (from an estimated 1000 in 1994) with a full 46.8% of their funding now coming from abroad (MAS, 2001) - the vast majority of this from the West. Due to the cut off of Arab funding to Palestine during the First Gulf War and the subsequent return of Arab aid in the form of PA Budgetary Support, their contributions to the PNGO sector during the late 1990's was nearly non-existent¹⁵.

2.1.2 The Second Intifada to the 2006 Parliamentary Elections to Present

The 2001 onset of the Second 'Al Aqsa' Intifada dramatically changed the face of external aid and the work of NGOs¹⁶. Though the Second Intifada improved

relations between the PA and NGOs as the latter shifted back to relief and advocacy against the occupation (Challand, 2009:66), the shift in donor focus from development back to emergency assistance changed PNGO strategies. Overall external aid to the WB&GS increased dramatically between 2000 and 2002 – by over 250% according to the World Bank. However, due to the crisis, the majority of this aid was shifted out of the PNGO sector and into INGO and IGO agencies engaged in emergency relief. Yet despite the shift from PNGO-based development toward INGO-based relief, the dramatic increase in overall aid to the WB&GS meant that there was still a slight increase of external aid captured by PNGOs.

As the Second Intifada began to wind down, aid began to shift back from meeting the immediate humanitarian needs of Palestinians to long-term development. The MoP (2008) describes the years of 2004 and 2005 the 'most stable in terms of governmental planning processes and donor relations (from a) from a humanitarian to a state-building and development paradigm' (MoP, 2008). According to PAMS, the PNGO sector also saw a dramatic increase in external funding between 2004 and 2005, much of it to the sectors of governance, democracy and human rights.

In January 2006, the second Palestinian Legislative Elections resulted in a victory for the Hamas Party¹⁷. The international response to Hamas' victory was to put a halt to state-building efforts as donor governments instituted financial sanctions against the PA. The immediate 'drying up' of funding was accompanied by the loss of VAT and trade clearance revenue transfers from Israel, decreased loan availability to the PA and the economic and social carnage wrought by intensified Israeli attacks¹⁸.

Following the arrest of a majority of Hamas MPs by Israel, President Abbas disbanded the Parliament in June of 2006. According to the MoP: 'in response to the year-long fiscal crisis and the resulting inability of the government to provide essential services to its citizens, a National Unity Government was formed between February and March of 2007. However, many donors continued to bypass the PA' (MoP, 2008), meaning that public salaries continued to go unpaid and development projects ground to a halt.

In June of 2007, fighting erupted between the two main rival political factions in the Gaza, resulting in the deaths of 118 Palestinians and Hamas' control over the Gaza

¹⁴ The PA began imposing various forms of controls over some in the NGO sector. "It required that they supply detailed information regarding the personal and professional lives of their members; in some cases, it asked for past and present political affiliations; the names of members' fathers and wives and past convictions for spying - NGOs soon found themselves closely monitored by the Ministry of Social Affairs (MoSA), the Ministry of Interior (MoI) and the intelligence services" (Kamrava, 1999:3). For more about the relationship between the PA and civil society, see: Al-Zeben 1998, 1999; Challand 2003; Khan et al. 2004, 2009; Ladadweh et al. 2001; and Sullivan 2002.

The first draft NGO law was presented to the Palestinian Legislative Council in 1997, but was reminiscent of the very strict Egyptian law on NGOs (Sullivan, 1996). A major point of contention involved the government being able to license NGOs, rather than just registering them, signaling a move backwards to the Ottoman era of control. The second point of contention was which ministry should have power to do the licensing. Arafat, then in control of the Ministry of the Interior, chose this body, which is also linked to the Palestinian intelligence services. The law finally came into effect in 2000 as the Law on Charitable Associations and Community Organizations (Challand, 2009:64-65), but not without first finding striking compromise with NGOs and foreign governments that would preserve a degree of autonomy in the sector (Hanafi, 2005:49).

¹⁵ According to Malhis (2007), between 1994 and 2000, Arab funding only comprised 7.3% of the total aid entering the WB&GS, with the vast majority of it avoiding the PNGO sector.

¹⁶ For an extended account of external aid to PNGOs during the Second Intifada, see: Bocco et al. 2001.

¹⁷ Hamas gained 74 out of 132 (56%) seats in the Legislative Council, far more than the 45 earned by the closest rival party, Fatah. (34%)

¹⁸ For more information about external funding during the time of the Hamas-led PA, see: Le More 2006.

¹⁹ ICRC, 2007 – Humanitarian Bulletin 22.

Strip. In the West Bank, President Abbas appointed an emergency 'technocratic' government, who after exceeding its 60 day became known as the 'caretaker government'.

According to the MoP, 'the Caretaker Government is favorably viewed by the international community, and (its appointment) led to an immediate reversal of donor financial sanctions and no-contact policies (with the PA). Donors reengaged with the PA in the West Bank on a development agenda (...) However, this donor-PA

engagement is limited to the West Bank – in the Gaza Strip, aid remains purely humanitarian' (ibid).

'Donor re-engagement' in the West Bank, as described by the MoP, is an understatement when one looks at the trends in external aid to both the WB&GS in general and PNGOs in particular. Through frameworks such as Temporary International Mechanism (TIM) and INGOs, aid to Palestine as a whole and the PNGO sector in particular, actually increased dramatically between 2006 and 2008 despite the embargo.

2.1.3 In Focus: From TIMS to PEGASE

Following the 2006 elections, the EU established a mechanism that tried to meet the basic needs of the Palestinians while by passing the coffers of the Hamas-led PA. The expenditures to be covered were limited to three Windows:

Window I:

Essential supplies and approved recurrent non-wage expenditures for the health sector, and basic allowances to health care service providers who had not been receiving salaries²⁰;

Window II:

Support for uninterrupted supply of utilities, including fuel; and

Window III:

Basic needs allowances to meet the essential needs of the poorest segments of the population.

The aid that did come through these windows came attached with important preconditions. Contact with the PA was to only take place at the 'lowest possible levels', with the Office of the President acting as the only interface for the management unit of the TIM and charged with signing and ratifying all legal agreements. Furthermore, international banks were selected to pay eligible expenditures directly to Palestinians within an agreed-upon process for validation, certification and oversight²¹.

In February 2008, seven months after the formation of the Emergency Government, the TIM was replaced by the PEGASE, a new aid channeling mechanism that aligned to the key priorities of the Palestinian Reform and Development Plan (PRDP)²².

In the words of the European Commission,

*'The European Union is strongly committed to support the Palestinian Authority's reform and development priorities aiming at boosting the economy and improving the life of all Palestinians. PEGASE will provide greater stability and predictability to our action as the largest donors to the Palestinians and emphasize the ownership of the Palestinian Authority in the process of reform and development.'*²³

Unlike the annual TIM, the PEGASE has a schedule of three years, the same length as the PRDP. A second difference is that rather than flowing through the OoP, the PEGASE shifted toward the Ministry of Finance and the PMO, both headed by Dr Salaam Fayyad.

Distribution

Since June 2006, the European Commission has contributed €455.5 million to the TIM, with further contributions coming from individual EU Member States, Norway and Switzerland (€157.5 million). Since its establishment in February of 2008, PEGASE has disbursed €409 million out of the €550 million pledged. The mechanism has channeled a further €131 million from other donors and EU Member States.

²⁰ By 2006, the salaries of 172,000 public employees constituted 60% of the PA's budget (Aronson, 2006)

²¹ Critics of the TIM mechanism, such as Oxfam (2007), have pointed to the fact that 'more than a million Euros of European aid for Palestinians is being paid to the HSBC bank each month in bank charges for transferring allowances to over 140,000 Palestinians'.

²² PEGASE channels aid through five different payment systems, tailored to match the nature of each activity. Donors can contribute to any of these, depending on their priorities and their specific requirements.

²³ EC Press Release (2007). *Commission launches PEGASE – a new mechanism to support the Palestinian people.*

2.2 Statistical Overview of Aid to the WB&GS

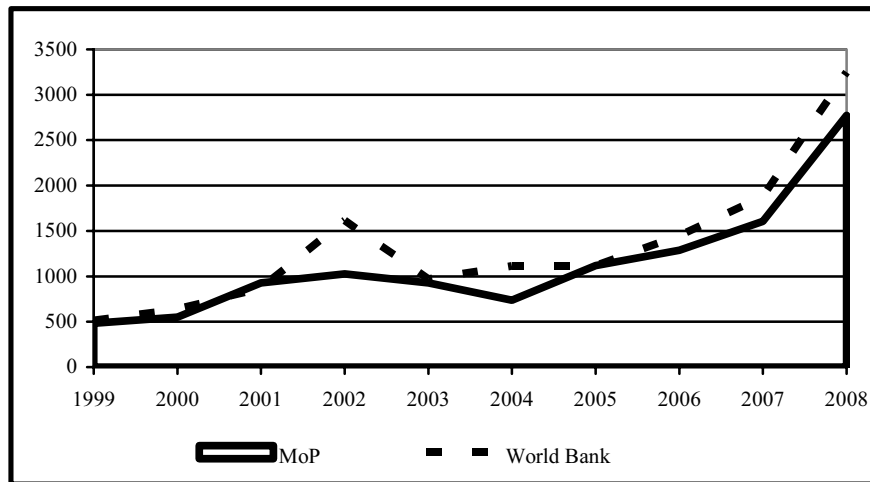
Having looked briefly at the political evolution of aid, the following section provides a statistical overview of external aid to the WB&GS. Following the trends in overall aid and understanding the environment in which they have occurred better enables us to understand the results of our tracking of aid to the PNGO sector.

2.2.1 External Aid to the WB&GS

The estimates of the World Bank and the MoP differ significantly in some years (2002 and 2004) while closely aligning in others. As Figure 2 shows, the total amount of external aid to the WB&GS has been on a general incline over the last ten years. According to

World Bank estimates, the amount of aid to the WB&GS has increased six-fold over the last decade alone (607 million in 1999 to 3.25 billion in 2008). The most noticeable ‘spikes’ in aid appear to occur in response to the Second Intifada and the emergence of the 12th Palestinian government. The difference between these two periods of rapid increase in aid is in the type of aid provided. Whereas the 2001 Intifada sparked a dramatic increase in emergency assistance at the expense of development spending, the 12th government and the launching of the PRDP has shifted external aid toward longer term development (Figure 2).

**Figure 2: Total Donor Disbursements to the WB&GS (1999 – 2008)
World Bank and Palestinian MoP (Millions USD)**



Source: MoP PAMS database and World Bank/OECD Databases

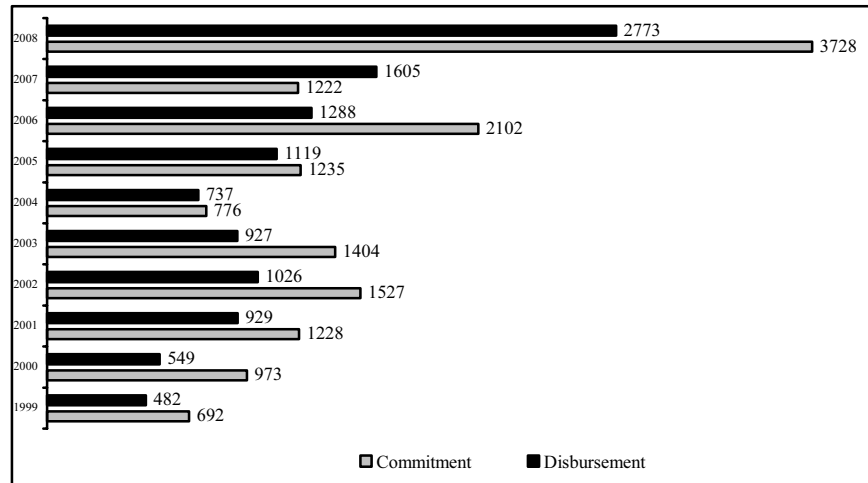
Note: According to some in the MoP, the differences between the World Bank and MoP, in terms of disbursements, revolve around the donor’s reporting disbursements that may have never have reached the WB&GS

2.2.2 Commitments versus Disbursement

Though Palestine is unique in the level of external assistance received, the differences between donor commitments and donor disbursements are significant, not least of which to policy planners. A key component

of the 2005 Paris Declaration on Aid Effectiveness is predictability, and as the following Figures 3 and 4 show, this is still an area of concern

Figure 3: Commitments versus Disbursements of External Aid (1998 – 2008) Ministry of Planning

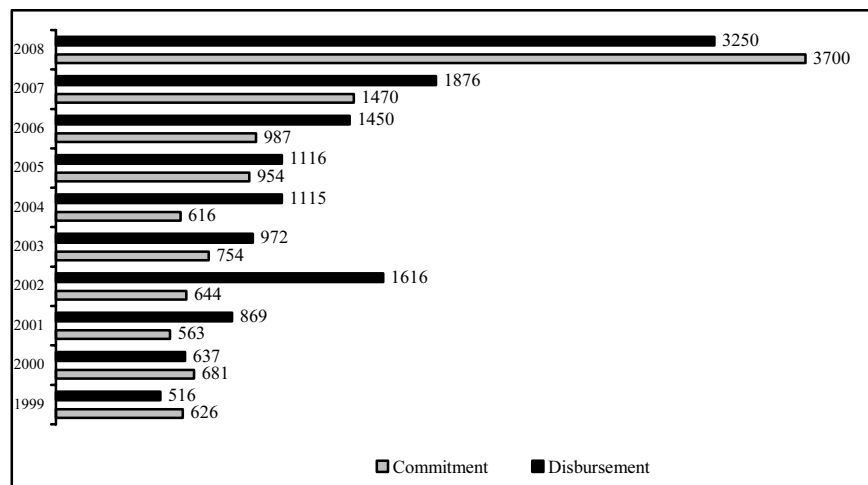


Source(s): 1998 – 2004 – MoP, World Bank Staff calculations (MoP, 2005:5) 2005 – 2007 - MoP, 2008:9; 2008 – MoP PAMS database online (accessed July 1, 2009).

Note: Figures are given in Thousands USD.

Note: Data from prior to 2004 does not include UNRWA or Humanitarian Relief, only budget and development support.

Figure 4: Commitments versus Disbursements of External Aid (1998 – 2008) World Bank/OECD



Source: World Bank, OECD DAC Databases

Note: 2008 figures are estimates. All figures are given in Thousands USD.

2.2.3 Type of Aid

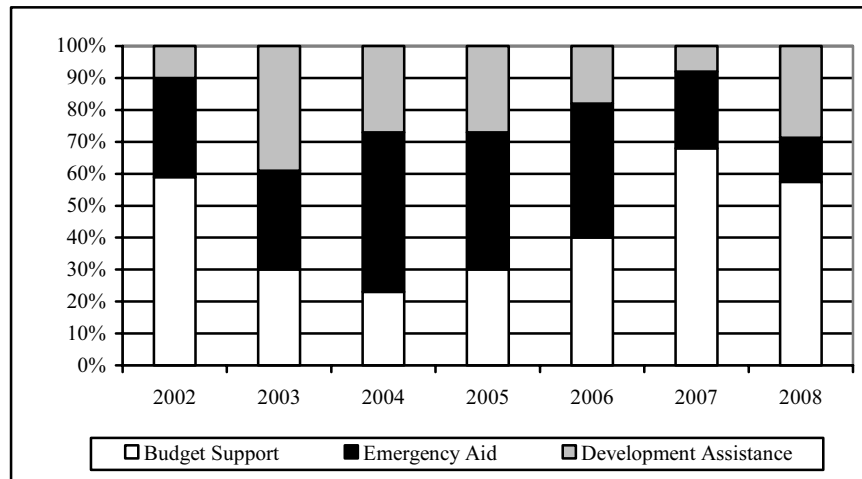
Much in the same way that the amount of aid fluctuates from year to year, the type of aid given varies as well. The following Figure 5 show the shifts between the three main types of aid entering the WB&GS (Emergency

Relief, Development and Budget Support) over the last seven years.

The Second Intifada and the shift in donor funding is the most illustrative example of politics altering development plans in Palestine. According to the World Bank (2003), in 2000 the ratio of donors' commitment to development aid and emergency assistance was 7:1 in favor of development. By 2002 it had shifted to 5:1 in favor of emergency assistance. The shift back towards development assistance during 2003 and the winding down of the worst of the Intifada is nearly as dramatic as the change in 2002 away from development.

2007 also represents a low point in development funding as most external donors refused to directly support the PA, and instead funded only those PA budget items covered by the TIM. As we have seen, the creation and acceptance of the PRDP in 2007 led to a shift from the TIM to the PEGASE in 2008. Under the new structure of aid delivery specifically designed to align with the PRDP, the percentage of funding to development increased even more rapidly than in the previous three years.

Figure 5: Type of External Aid Disbursed to the WB&GS (2002 – 2008)



Source: Palestinian MoP PAMS Database

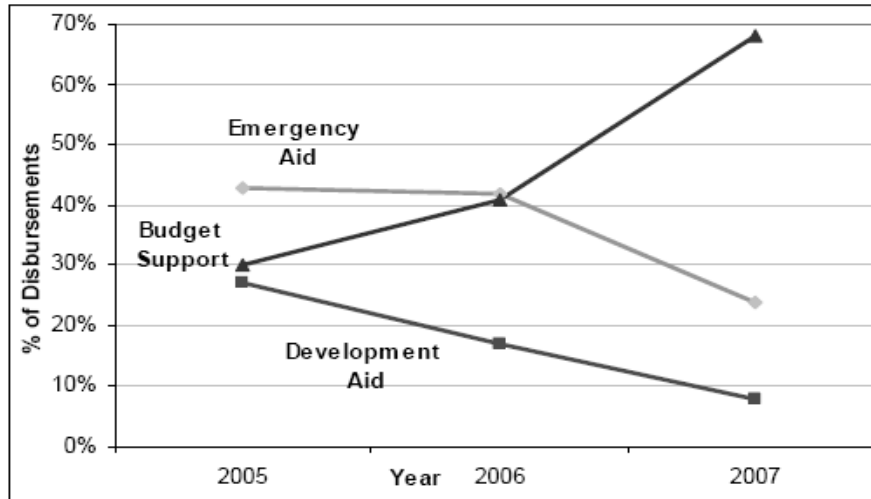
2006 Elections and External Funding to the WB&GS

'The political upheavals within Palestine between 2005 and 2007 resulted in shifts in the type of aid donors sought to give. Development aid was most harshly affected. It dropped from constituting just under a third of all disbursements in 2005 to less than 10% in 2007. Due to the Emergency Services Support Project (ESSP), the Temporary International Mechanism (TIM) and increased support from Arab countries, the percentage of budget support rose (from approximately 33%) in 2005 to nearly 70% of 2007 disbursements to the PA' (MoP, 2008:10).

Though the Figure 5 shows a decrease in emergency and development aid to the PA, during this time PNGOs received higher levels of external funds between 2005 and 2008, growing by over 100 Million USD.

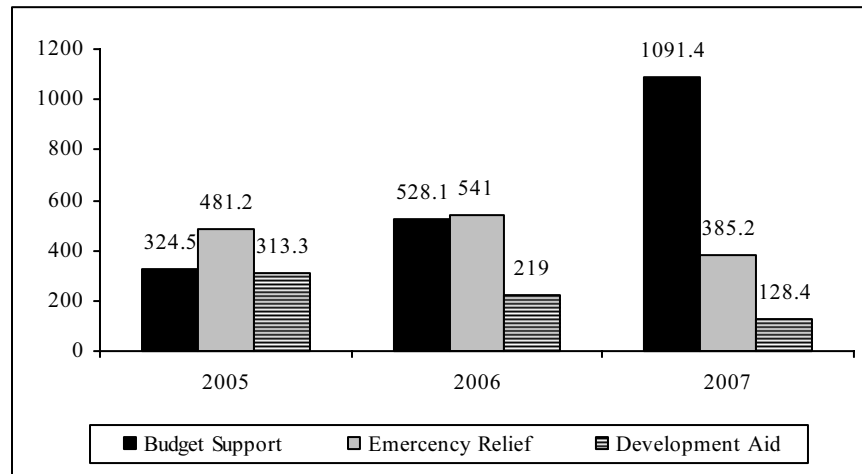
The two Figures 5 and 6 focused on the percentage of funding apportioned to the different aid types can be misleading if we forget to look at the changes in the amount of external aid entering the WB&GS. The dramatic growth in aid over the last few years means that a decline in the percentage aid captured by any category between years does not imply a decrease in the amount. The previous Figure 6 is charted below in amounts for the years 2005 to 2007. According in Figure 7, budget support grows throughout the three years, nearly doubling between 2006 and 2007. Emergency Relief increases slightly between 2005 and 2006, before decreasing to only 385.2 million USD in 2007. Development Aid decreases steadily throughout the three years from 313 million USD in 2005 to 128 in 2007.

Figure 6: Percentage of the External Aid Disbursed to the WB&GS by Aid Type (2005-2007)



Source: MoP, 2008:11.

Figure 7: Amount of the External Aid Disbursed to the WB&GS by Aid Type (2005-2007)



Note: Amounts are given in millions USD
Source: MoP, 2008:11.

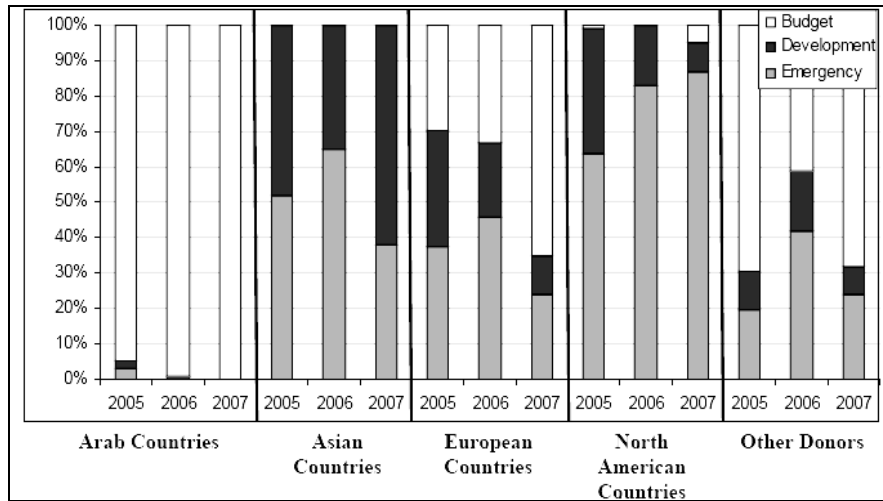
2.2.4 External Aid to the WB&GS by Donor Groupings

Figure 8 illustrates the differences in the type of aid given by different donor country groupings between 2005 and 2007, and the different ways in which they have reacted to the 2006 elections.

According to the MoP's estimates, the trend in Arab country donations away from both Development and Emergency Relief, the two areas where they would presumably support the Palestinian NGO sector, explains

in large part why we know so little about their contributions – there is not so much to know. Arab country support following the 2006 elections was critical to the health of the PA as they chose not to divert their money into PNGOs or International Agencies, as did their Western counterparts prior to the establishment of the TIM. However, Figure 8 does not measure the contributions of multilateral agencies, such as the AGFUND, that fund both PNGOs and international agencies.

Figure 8: Type of External Aid Disbursed by Donor Grouping (2005-2007)



Source: Ministry of Planning, 2008:12.

Asian countries disbursed no money to PA budget support in any of the years measured below²⁴. Asian disbursements were relatively evenly divided between humanitarian and development aid in 2005. Humanitarian projects were favored in 2006 and focus shifted to development projects in 2007.

In 2005, European disbursements were relatively evenly split between the three categories. In 2006, development disbursements dropped in favor of increases to emergency aid and lesser increases to budget support. In 2007, through the TIMS and PEGASE, the EU became the primary supporter of the PA.

The North American countries (US and Canada) gave almost no budget support over the three years. In 2005, they disbursed two-thirds to humanitarian aid and one-third to development. Development disbursements dropped to a fifth in 2006 and a tenth in 2007 in favor of humanitarian aid. Today, much of the USAID support to the WB&GS is put toward security sector reform programs. Much of the remainder is channeled through IGOs or INGOs, with a much smaller portion reaching PNGOs through direct partnerships in comparison with European donors. The apparent absence of US influence in the PNGO sector in our survey was not found to be the case in Hanafi's study of donor funding in 1998. At that time, the US was the largest single country donor to the

PNGO sector (Hanafi, 2005). To find out more about the development and changes in USAID, see section 3.4.

2.2.5 The Twenty Largest Donors to the WB&GS

Table 6 shows the top twenty donor countries to the WB&GS from 1994 to 2008, according to commitments and disbursements. The percentage column on the right illustrates how good each country has been at keeping to their pledge.

The EC is by far the largest donor to the WB&GS. Moreover, when one includes EU member states (*), European Union aid to the WB&GS comprises approximately 54% of the funds by the top twenty donors since Oslo.

Though Europeans are by far the largest donors, their Arab counterparts are a little better at keeping their pledges. Saudi Arabia, the third largest donor to the WB&GS, has met 97% of its pledges. The remaining Arab countries (Algeria, Kuwait and Qatar) all disbursed 100% of their pledges. On the other hand, the Islamic Development Bank, a multi-lateral instrument channeling Arab aid into the WB&GS, has met only 80% of its commitments since Oslo, lower than the EC or US. It is not only the ability to keep their financial promises that make Arab donors preferable to others. According to MoP officials, Arab funds come with fewer ties and conditions and a greater space for ownership.

²⁴ According to the former director of the MoP Aid Management and Coordination Directorate, though much of the aid from countries was reported as development support, much of it was shifted into budget support and humanitarian assistance in an effort to avoid funding the Hamas government.

Table 6: Twenty Largest Donors to the WB&GS by Commitment and Disbursement (1994– 2008)

Country	Total Committed	Total Disbursed	%
*European Commission	3,719,401,847	3,230,002,683	87
United States	1,203,982,588	1,061,958,817	88
Saudi Arabia	827,755,843	804,228,880	97
Japan	777,238,751	714,084,293	92
*United Kingdom	693,259,350	537,018,778	77
*Sweden	596,145,732	469,647,898	79
Norway	500,243,210	460,583,842	92
*Germany	808,501,952	400,632,219	50
United Arab Emirates	370,994,808	368,422,339	99
Algeria	300,004,624	300,004,624	100
*France	409,204,441	296,412,676	72
Canada	264,136,825	262,563,216	99
Kuwait	239,274,673	239,274,673	100
*Italy	286,973,587	236,721,432	82
*Spain	252,553,120	227,146,006	90
The World Bank	286,560,467	220,242,931	77
*Netherlands	245,695,649	215,613,985	88
Qatar	149,563,561	149,563,561	100
Switzerland	128,663,334	116,244,385	90
Islamic Development Bank	123,072,884	99,417,066	80

Source: Ministry of Planning PAMS Database.

Note: Percentages are rounded to the nearest whole number.

Note: Japan's position as the fourth largest donor to the WB&GS is misleading as much of their aid arrives as technical assistance not managed by the PA.

2.2.6 PA Dependence on External Aid

The Palestinian economy is characterized by its structural dependency on external aid. The following subsection aims to highlight the extent of Palestinian

dependence upon external aid by measuring it as a percentage of Gross National Income (GNI), Government Expenditure (GE), as well as on a per capita basis.

Table 7: External Aid as a Percentage of Gross National Income and Government Expenditure (1999-2008)

Year	GNI	GE
1999	10.47	55.09
2000	13.10	53.15
2001	20.59	79.40
2002	44.21	162.61
2003	23.73	78.35
2004	25.17	72.99
2005	22.36	55.97
2006	28.73	101.69
2007	35.94	73.07
2008*	60.66	99.30

Source: Calculations based upon PCBS (2009) and OECD/DAC and World Bank databases (2009).

Note: '*' estimated.

2.2.6.1 Aid versus GNI

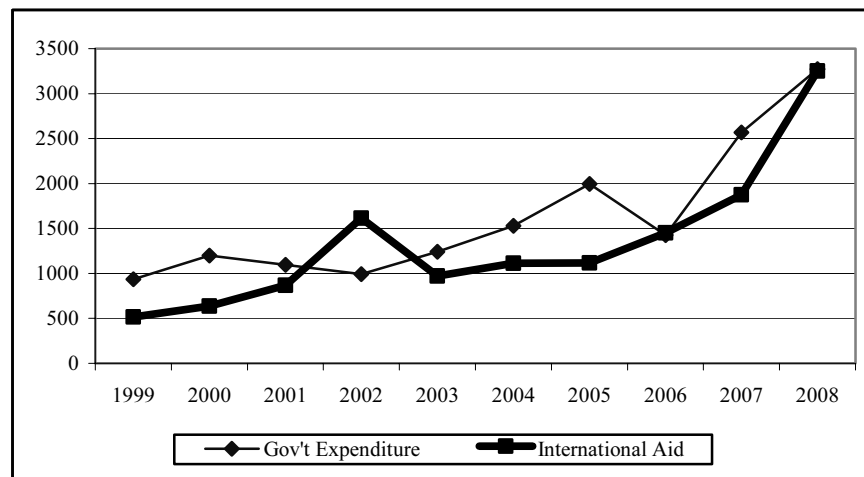
As table 7 shows, the percentage of aid in comparison to GNI has been extremely high leading up to the 2002 height of the Second Intifada. By constituting around a third of GNI, the sustainability of the Palestinian economy is questionable – as the removal of aid will bring disastrous effects. The huge increase in aid flows with modest growth in GNI means that in 2008, external aid constituted as much as 60% of the Palestinian GNI.

2.2.6.2 Aid versus Government Expenditures

As figure 9 shows, aid flows in 2002 were around 163% of government expenditures as a result of the

humanitarian crisis that shifted financing from Development to Emergency. During the years 2000 and 2005, aid constituted as much as half of government expenditures, as the PA began to accumulate massive deficits. In 2006 aid was almost 100% of public expenditures, as the PA was prevented from collecting taxes or clearance revenues by Israel. These revenues were eventually freed up in the latter half of 2007 and the beginning of 2008. Despite the return of other revenue streams, aid as a percentage of government expenditure increased from 73% and 99% between 2007 and 2008.

Figure 9: External Aid versus Government Expenditures (1999-2008 – Millions USD)



Source: PCBS- National Accounts (2009a), OECD/DAC and World Bank Databases (2009)

2.2.6.3 Aid versus Government Deficits

Since 2000, the PA has recorded high levels of deficit. However, more recently aid flows through PRDP have generated a surplus, allowing the government to carry out development projects in addition to emergency and

restructuring programs. Between 2005 and 2008 the bottom line changed from a 275 Million USD deficit to a surplus of 270 Million.

Table 8: Government Budget Surplus (Deficit) Before and After Aid (1997-2008 – Millions USD)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net Domestic Revenues Public (Gov't) Revenues	942	939	273	290	747	1,050	1,370	722	1,616	1,780
Total Expenditure and Net Lending Public (Gov't) Expenditures	937	1,199	1,095	994	1,240	1,528	1,994	1,426	2,567	3,273
Recurrent Budget Surplus (Deficit) before Aid-Budget support	5	-260	-822	-704	-493	-478	-624	-704	-951	-1,493
Recurrent Budget Surplus (Deficit) After Aid-Budget support	28	-206	-291	-236	-232	-125	-275	34	61	270

Source: PCBS – National Accounts (2009a)

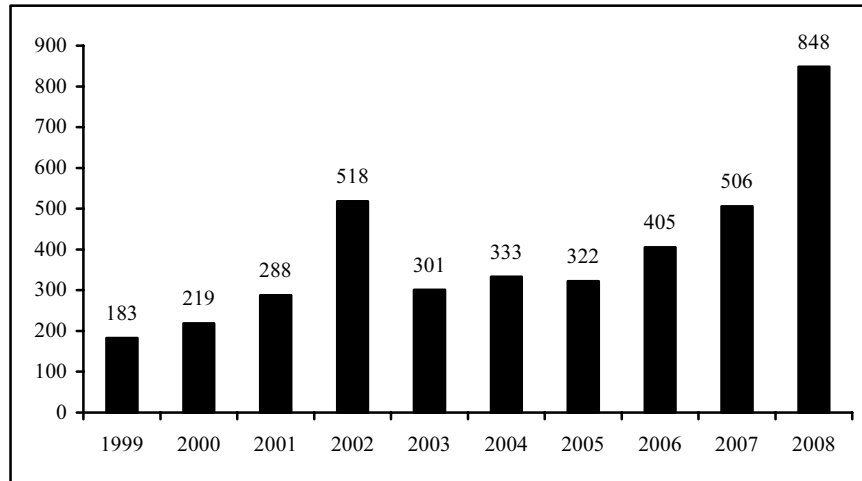
Note: In 2005, external donors withheld aid to the PA as a consequence for not meeting a series of benchmarks.

2.2.6.4 External Aid per capita in the WB&GS

Figure 10 shows the fluctuations in the amount of external aid to Palestinians in the WB&GS on a per capita basis. There is a dramatic rise beginning in 2000 and culminating at the height of the 2002 Intifada, and a similar pattern emerging in between the 2006 elections

and the 2007 advent of the Emergency Government. Between 2000 and 2002, and between 2006 and 2008, the level of external aid on a per capita basis more than doubles (219 to 518 and 405 to 848 respectively).

Figure 10: External Aid Per Capita to the WB&GS (1999-2008)



Source: Table drawn from OECD/DAC and World Bank Databases (2009) and the PCBS (2009). Figures are given in USD.

2.3 External Aid Coordination Structure

As a result of the almost unprecedented amount of aid being channeled to the WB&GS and the highly politicized conditions in which it is delivered, a complex structure governing external aid has developed. The following section briefly maps the structure and evolution of this system, as well as its influence on the direction of external aid system. As these bodies represent the macro-level decision makers and stakeholders in the Palestinian development process, how and what decisions they make have an effect on external funding to PNGOs, which are only a small part of the bigger picture of externally financed development.

2.3.1 Capital Level Aid Coordination

As figure 2.3.1 shows, the external aid coordination structure is divided into two levels, the capital and the local. At the capital level are the major donor bodies, represented by the Quartet, EU, US, Russia and the UN. These players liaise with the Ad-Hoc Liaison Committee (AHLC), a 12-member committee, established on the 1st of October 1993 by the Multilateral Steering Group of the multilateral talks on Middle East peace in the context

of the Washington Conference. The AHLC serves as the principal policy-level coordination mechanism for development assistance to the Palestinian people and seeks to promote dialogue between donors, the Palestinian Authority (PA) and the Government of Israel (GoI). The AHLC is chaired by Norway and co-sponsored by the EU and US. Its members include Russia, the EU, Japan, Canada and Saudi Arabia, while the PA, Israel, Egypt, Jordan and Tunisia are associate members. The World Bank acts as the Secretariat of the body.

According to Brynen (2000:3), the AHLC acts as a 'sort of political steering committee, responsible for the overall guidelines and policies of the aid process, with all decisions made by consensus.

The **Joint Liaison Committee (JLC)** follows up on AHLC decisions and recommendations at the local level, in between meetings of the AHLC, which are usually held twice a year (spring and autumn). The JLC was originally created in 1995 to enhance 'tripartite' cooperation with the understanding that implementation

could not proceed without the cooperation of the occupying power. The JLC was disbanded in the early part of the decade as a result of the Intifada and was revived in June 2008. Its current members include Norway, the PA, the World Bank, UNSCO, the IMF, the US, EC and EU and Gol.

A Task Force on Project Implementation (TFPI) which liaises with the GoI on issues of project implementation and comprises USAID, UNSCO, EC, the World Bank. The TFPI has a rotating Chairmanship with each member taking on the position of Chair for a six-month period.

2.3.2 Local Aid Coordination

LACS is central to aid coordination. Established in 1995 as the Local Aid Coordination Committee (LACC), LACS was responsible for establishing the Sectoral Working Groups (SWGs) in 1995 and coordinates between aid agencies and the PA. The original LACC was co-chaired by UNSCO and the World Bank. The LACS, on the other hand, is made up of a small team of technical experts who provide support to the Local Development Forum. The secretariat is led by the MoP, the World Bank, Norway and UNSCO.

The change from the LACC to the LACS came following a decision by the AHLC in December of 2005 to better align aid structures to the Paris Declaration on Aid Effectiveness and encourage more Palestinian 'ownership' over the development process. In response to the perception that the previous model was more 'top-down and donor-driven', especially since the outbreak of the Second Intifada, the new structure worked to put PA policy makers in the driver's seat. After its downsizing to a Secretariat, the LACS is now responsible for providing cross-cutting 'support to nearly every component part of the system'²⁵.

The Local Development Forum (LDF) was created in 2005 as a type of hub for external aid and development planning. Membership is open to PA representatives, all donor and aid agencies, as well as to the Association of International Development Agencies (AIDA). The Forum is co-chaired by the Ministry of Planning (MoP), together with Norway, the World Bank and UNSCO. LDF meetings are planned and prepared through meetings of the LDF co-chairs and 'Friends of the Co-Chairs' with the help of the LACS. Since October 2007,

LDF meetings have been chaired by Prime Minister Salaam Fayyad.

Four distinct Strategy Groups (SGs) dealing with: economic policy, governance, infrastructure development and social development and humanitarian issues are guided by the LACS and LDF. 'The SGs focus on policy formulation and programmatic coordination, and pursue better design of donor projects to support the PA's priorities. Membership is limited and based on solely upon the financial or analytical value of the respective agency' (LDF, 2009).

According to the LDF and LACS, 'each Strategy Group is co-led and chaired by the most relevant PA line ministry and lead donor to the sector' (ibid). Though the words *co-led* and *co-chaired* are used, the ministry chair is given the power to convene meetings and determine the agenda. The donor chair is only to 'support' or 'advise' the minister.

The key functions of the SGs include:

- ✧ Creating a space for national development policy formulation and adjustments that take into account socio-economic and political circumstances.
- ✧ A body to ensure convergence between PA priorities and donor commitments.

The Palestinian MoP is assigned to each of the four SGs as a representative of the Directorate General of Aid Management and Coordination (AMC) (LDF, 2009:9). A representative of the team creating the PRDP II is also invited. This cross-cutting role allows the MoP to fulfill its primary duty of 'ensuring the alignment of donor interventions with the PRPD, and other national plans, in accordance with relevant aid effectiveness principles' (ibid).

The SGs are supported by 15 Sector Working Groups (SWGs) and one Working Group. These groups coordinate between the PA and the donor community at the technical level. Certain SWGs are supported by Thematic Groups (TGs) or Taskforces, such as in the education and health sectors. The first responsibility assigned to the Co-Chairs of the Sector Working Groups is to 'Promote principles of ownership, alignment, harmonization, results and accountability' (LDF, 2009:6). The SWGs and their corresponding TGs are as follows:

²⁵ In its cross-cutting role, the LACS support the LDF, SGs, SWGs and TFPI. They are charged with assisting the co-chairs of the SGs, liaising with the TFPI, and guiding the agenda of the LDF through the preparation and organization of meetings.

Table 9: Sector Working Groups and Subgroups

Sector Working Groups	Thematic Groups and Taskforces
Agriculture	
Fiscal	Fiscal Taskforce
Private Sector Development	Micro Finance Taskforce
Water and Sanitation	
Municipal Development and Local Governance	
Health	National Nutrition Steering Committee, Pharmaceutical TG, Mental Health TG, Non-Communicable Diseases TG, Women's Health TG, Children's Health TG
Education	Higher Education TG
Social Protection	
Judiciary	
Public Administration	
Civil Service	
Security	
Elections	
Energy and Electricity	
Environment	

2.3.3 The Critique of the Aid Coordination Structure

Though the sheer amount of aid entering the WB&GS requires a system of external aid coordination, questions still remain about the effectiveness of this structure in responding to Palestinian needs and priorities, and the ability of Palestinian Ministries to put forward a competent agenda to guide donors, as opposed to follow them.

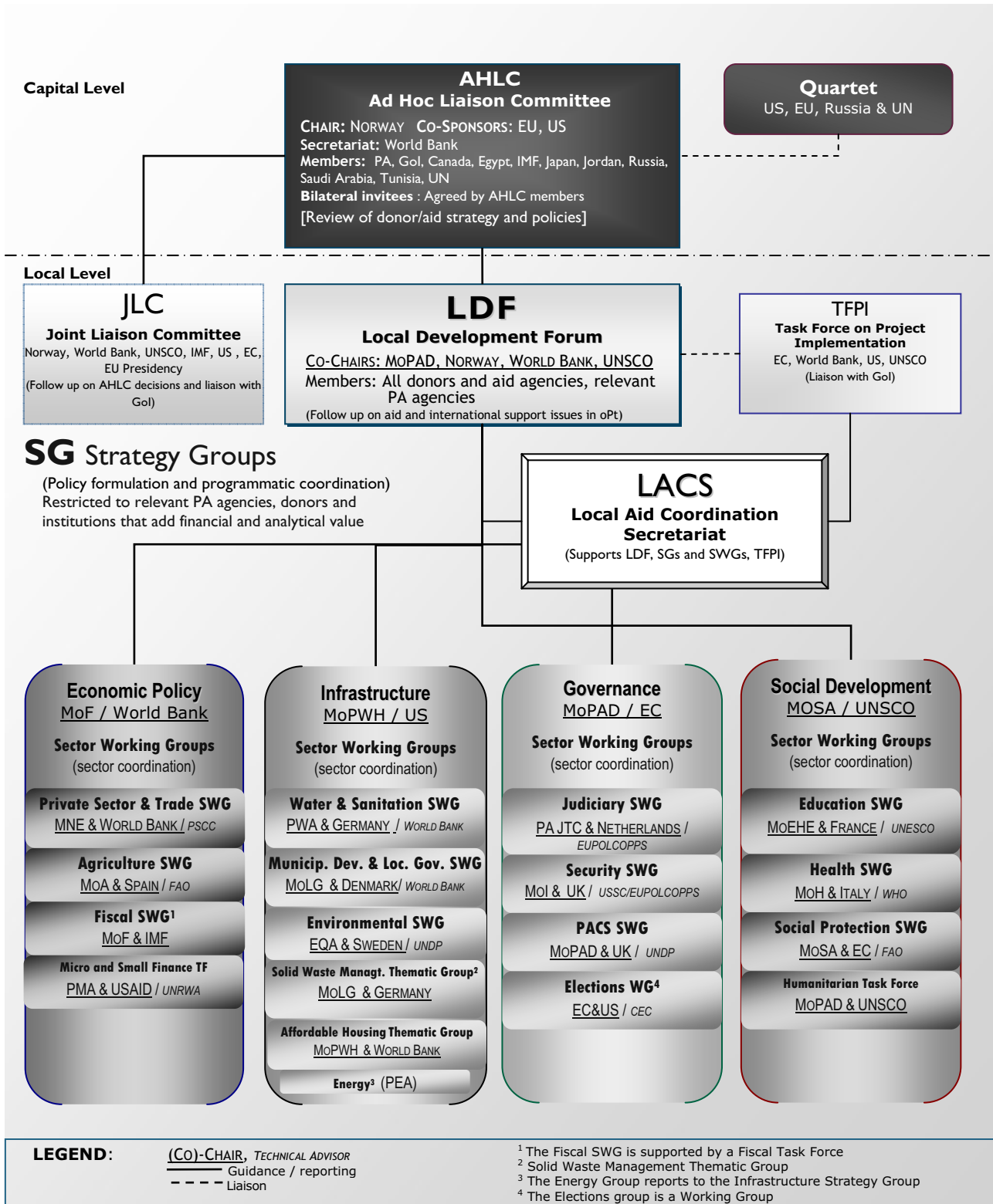
The blame for this cannot be entirely placed upon the door of international donors though. While the donors have changed the system to align with the principles of aid effectiveness outlined in the Paris Declaration, the ongoing occupation and political instability in the PA have ensured that decision making power still rests in the hands of donors at the capital level. Even with the structural changes, and even with a competent stable PA, the same client-recipient relationship would remain (Khan, 2003). After all, it is the donor who gives the money, or not, as the case may be. The response to the election victory of Hamas in 2006 is only too clear an example of donor's political agendas overriding their development strategies.

There is another important criticism of the system of aid coordination: it largely fails to include Palestinian NGOs²⁶. Though critical to development, these organizations have little say in the overall direction of aid at the strategic levels. While International NGOs are represented through AIDA, the Palestinian NGO Network (PINGO) has continually asked the AHLC for more representation and access to technical information²⁷.

²⁶ A few PNGOs, such as MAS, are given 'observer' status within SWGs. However the numbers are low and the placement is not fixed. The ability to do little more than observe has meant that attendance is low for the small number of PNGOs invited to the table.

²⁷ For an expanded and critical account of the Aid coordination system, see: Brynen, 2000: chapter 4, Le More, 2004 and Khan et al., 2004.

Figure 11: Aid Management Structure in the oPt



2.3.4 The Question of Ownership in External Aid

Having reviewed the structures of external aid coordination and the ways in which they have evolved over time to nurture Palestinian ownership, the following section reviews how Palestinians have taken advantage of the changing themes of development. The most pivotal points in this process were the announcement of the Paris Declaration on Aid Effectiveness and the 2007 launch of the PRDP.

Though the debate over ownership had been going on in Palestine for some time, only in the past few years have local and international actors begun to turn the ideas of ‘ownership’ into a more concrete structural reality²⁸.

‘In 2003, aid officials gathered in Rome for the High Level Forum on Harmonization, where donor countries agreed to better streamline and coordinate their aid efforts in the developing world. In the same year, the MoP drew up a Socio-Economic Stabilization Plan (SESP) in an attempt to steer donor assistance towards the deteriorating social and economic environment. Until 2000, most donor support was largely in the areas of institution-building and reconstruction. (...)As the Second Intifada extended into its third year, it became clear that funding priorities were no longer sustainable. The successive implementation from one year to another of emergency and relief plans, which are decoupled from development needs, leads to dependency and donor fatigue.

Through the SESP, the PA sought to regain the leadership of its development agenda and enhance the quality of its dialogue with the international donor community by providing a framework for foreign aid’ (MTDP, Forward).

Work on the *Medium Term Development Plan 2005 – 2007* (MTDP) started in March 2004 and involved a core group of staff from the Ministry of Planning (MoP) and a wide range of counterparts from other line ministries of the Palestinian Authority (PA).

Much like the SESP, the MTDP worked to transform the relationship between the PA and donor institutions. Despite the ongoing difficulties to development posed by the occupation, the PA recognized its responsibility to guide the development process ‘within the limits of the occupation’ (MTDP, 2005-2007, Forward). The MTDP attempts simultaneously to pursue relief efforts and address development issues in a way that sustainably addresses two of the WB&GS’s most prominent needs: the reduction of poverty and the building of institutions (ibid).

In 2005, representatives of over 100 countries and dozens of international NGOs signed the Paris Declaration on Aid Effectiveness. Unlike the Rome Declaration on Harmonization, which focused on relations between donors, the Paris Declaration laid out a framework for relations between donors and recipients. The Declaration is focused on five mutually reinforcing principles.

Paris Principles on Aid Effectiveness (2005)

- **Ownership:** Developing countries must lead their own development policies and strategies, and manage their own development work on the ground. The target set in Paris was that 75% of developing countries would produce their own national development strategies by 2010.
- **Alignment:** Donors must line up their aid firmly behind the priorities outlined in developing countries’ national development strategies.
- **Harmonization:** Donors must coordinate their development work better amongst themselves to avoid duplication and high transaction costs for poor countries. They agreed on a target of providing two-thirds of all their aid via so-called “program-based approaches” by 2010.
- **Managing for results:** All parties in the aid relationship must place more focus on the end result of aid and must develop better tools and systems to measure this impact.
- **Mutual accountability:** Donors and developing countries must account more transparently to each other for their use of aid funds, and to their citizens and parliaments for the impact of their aid.

²⁸ For more information on early research in development initiatives, see: Abdelkarim 2005; Adullah 2005; and Al-Naqib 2003, 2004.

These five principles, agreed upon by 91 nation states, 26 IGOs and multi-lateral bodies and 16 large INGOs representing civil society, and later reaffirmed and refined in the Accra Agenda for Action (AAA) in 2008, has prompted major changes in the development structure in the WB&GS²⁹.

Shortly after the Paris Declaration, a meeting of the AHLC in London restructured the external aid system in Palestine to adhere more closely to the principles laid out in the Paris Declaration on Aid Effectiveness. In this new structure, the local aid coordination bodies were all to be chaired by relevant PA Ministries and overseen by the Minister of Planning. This new position of 'Gavel Holder' meant that for the first time, the PA was meant to take the lead in guiding development policies, rather than following the donors.

The PRDP (2008 – 2010)

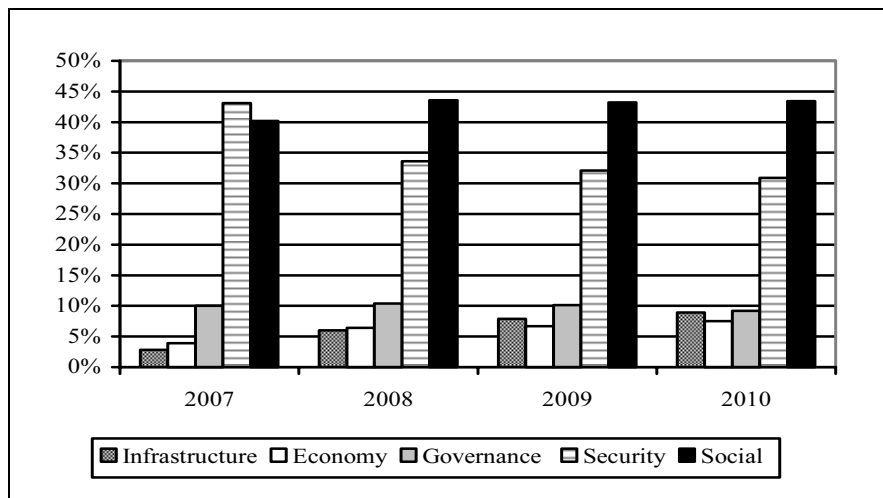
Following the election of Hamas and the eventual clashes between Hamas and Fatah for control of the Gaza Strip, a six month bridge plan was quickly put into place by the Emergency Government. The planning began for an expanded, 3-year MTDP that would eventually become known as the PRDP. Unlike previous plans, the PRDP involved the Ministries of Planning

and Finance and the Prime Minister’s Office. This cooperation and cohesion meant that, for the first time, the major policy organs of development were behind a single vision. In the words of the PRDP’s developers:

‘To begin with, it is worth noting that in previous years there has been an almost complete disconnect between policy-making, planning, and budgeting. This lack of linkage between policy, planning and spending played a major role in undermining the PA’s ability to manage effectively the implementation of its reform agenda, and its policies and plans to deliver better development and service delivery outcomes for its citizens (...) The absence of an integrated expenditure framework and performance management mechanisms has also frustrated efforts to harmonize and increase the effectiveness of donor aid and assistance.’

The following table shows the breakdown of the PRDP (2008-2010). Unlike the published plan, there are five sectors listed, with Security and Governance being divided into two.

Figure 12: Sector Distribution of Total Recurrent and Development Budget Resources



Source: The Palestinian Reform and Development Plan (2008)

²⁹ To learn more about ACCRA Agenda for Action, please visit <http://www.oecd.org/dataoecd/58/16/41202012.pdf> and <http://www.accrahlif.net>

The Subsector Breakdown of the PRDP (2008 – 2010)

Infrastructure – Road Improvement, Road Safety, Air and Sea, Electricity Sector Investment, Water and Wastewater Management, Public Recreation and Culture

Economy – Institutional Reform for Enterprise, Trade Infrastructure and Facilitation, Enterprise Investment and Development, Agribusiness Development, Industrial Capacity Development, Tourism Industry Development, Affordable Housing

Social - Social Protection Reform and Integration (SPRI), Access To Education, Quality Education For All, Education Performance & Efficiency, Vocational Training Initiative, Health Quality Improvement, Health Care Affordability, Women’s Empowerment, Youth Empowerment, Employment Generation Initiative

Governance – Justice Now, Open and Accountable Government, Efficient and Effective Government, Accountable Local Government Security –Reform and Transformation

Source: MoP, 2007. PRDP (2008 – 2010)

During the December 17th, 2007 Paris Conference, “Building a Palestinian State: Towards Peace and Prosperity”, donors pledged over 7.7 billion USD to the

three year plan. Table 10 shows the distribution of the pledges by donor country groupings.

Table 10: Distribution of PRDP Pledges by Donor Country Groupings

Donor Country Grouping	Pledges (*)	% of Total
European (incl. EU)	4,093	53.1
North America	839	10.9
Arab Countries	1,524	19.8
Other Countries	411	5.3
Int’l Organizations	843	10.9
Total	7,710	100%

Source: PA MoP, 2008

Note: (*) Amounts given in millions USD.

Critics of the PRDP

‘The PA has formed twelve governments during the thirteen years of its existence. Each of these governments experienced instability in the political, economic, social, and security environment. This discontinuity of leadership and lack of stability left little space for effective Palestinian institutions to take root and mature’ (PRDP, 2008:31).

According to some of the Plan’s architects, the PRDP is an agenda that guides the incoming government’s work. Individual ministers may reformat and restructure components of the plan, but they must remain within an overall framework. This has in many ways worked to reverse the crippling effects of political instability upon policy making. However, the plan is not without its critics.

A number of people interviewed described the PRDP as a ‘donor-driven’ exercise, and apparently one aimed at furthering the elusive ‘donor agenda’, while clothed in the fashionable phrasing of ‘ownership’³⁰. According to the PINGO Network and other progressive organizations such as Stop the Wall, the PRDP represents an implantation of the World Bank and G8’s neo-liberal agenda into the WB&GS³¹. Critics claim that there is an overemphasis on the role of the private sector and security in bringing about development that blatantly ignores the political and economic constraints to such an approach.

³⁰ For an extended critique of the PRDP, see Stop the Wall (2008) *Development or Normalization?*

³¹ According to Adam Hanieh (2008), the PRDP may represent the ‘harshest attack on any public sector in the Middle East in recent history, with the PA committed to cutting 21% of public sector jobs by 2010’.

One of the harshest criticisms of the PRDP is that it has yet to gain public endorsement due to the absence of the Palestinian Legislative Council (PLC) and the lack of stakeholder meetings preceding it– and is therefore democratically illegitimate. They argue that, although annual budgeting is one of the very limited set of powers granted to an emergency government according to the basic law, providing frameworks that will bind following governments is not. It was not only the PLC that was excluded from the planning process of the PRDP, according to a number of other critics. The wide variety of civil society actors and institutions also claim to have been left out of the process.

Whether the new PRDP II (2011 – 2013) being developed by the 13th Palestinian government will address any or all of these concerns and garner public support and engagement remains to be seen. It also remains to be seen whether the plan will provide more details about the Gaza Strip.

As envisioned by the original PRDP planners, this plan is a continuation and refinement of the original, including much more detailed sector strategies. With much more time available to planners, there has also been a concerted effort to open up the process to a wider variety of stakeholders.

3. Tracking of External Donor Funding to PNGO in the West Bank and Gaza Strip from 1999 to 2008.

Having looked into the historical, statistical and structural aspects of external aid to the WB&GS, we are better able to understand our own research data compiled between April and September of 2009. The purpose of the following chapter is to track external funding to PNGOs by surveying both sides of the equation: PNGOs themselves and their donor partners.

The first section will focus on the results of our survey of 80 PNGOs that, as discussed previously, has provided an excellent picture of hundreds of donors over the ten years analyzed. With this data, we paint a picture of:

- ✧ The importance of external aid to PNGOs according to the percentage of their operating budgets it comprises;
- ✧ The broad types of external aid granted to PNGOs;
- ✧ The difference amongst different donor groupings in the type and amount of aid given;
- ✧ and the differences between governmental and nongovernmental sources of external aid to PNGOs.

The data provided in our PNGO survey concerning the activities and nature of PNGOs themselves is only indicative of the larger PNGOs. In order to look at the activities and nature of the PNGO population as a whole, the donor survey is used.

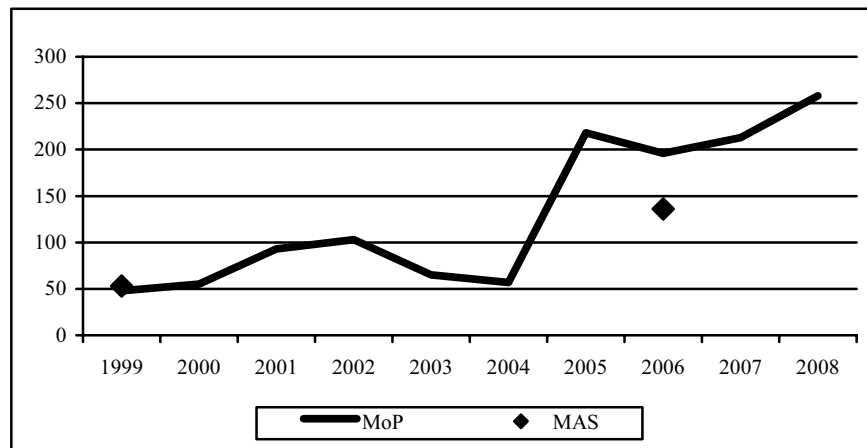
The second section of our research will look at the results of our survey of 41 donors in order to paint a picture of the externally funded PNGO activities of hundreds of PNGOs over a ten year period of time. External Funds to PNGOs will be analyzed according to the

- ✧ Broad sectors and sub sectors of their activities
- ✧ the target populations that their the externally funded PNGO projects serve
- ✧ and the geographic location of external donors and partner PNGO headquarters, as well as the site of project implementation

3.1 Amount of External Aid to PNGOs

As our surveys set out to cover as high a percentage as possible of external funds to PNGOs in 2008, we first had to estimate the total amount of aid entering into the PNGO sector over the course of the period studied. Figure 13 below illustrates the trend in aid to PNGOs as estimated by the MoP over a ten year period, versus the estimates of aid derived from the two previous MAS mappings of the PNGO sector in 1999 and 2006.

Figure13: Estimated Donor Funding to PNGOs in the WB&GS (Millions USD)



Sources (MoP): 1994-2002 – MoPIC Data from Quarterly Reports. 2003-2008 – MoP PAMS Database.

Note: MoP data is backed by agreements with donor governments.

The MoP's estimates indicate that aid to PNGOs has risen dramatically in the last ten years - by nearly 500%. Noticeable declines in external PNGO funding appear to have occurred in 2000, 2004 and 2006. In 2000, the second Intifada began shifting funding to the emergency sector, but amidst an overall increase in aid to the WB&GS. Thus there is only a slight dip before a steady increase coinciding with the ongoing shift back from relief to development. In 2004, there is a slight dip followed by a dramatic rise into 2005. The results of our survey, however, have made us suspicious of scale of growth in external aid estimated by PAMS between 2004 and 2005.

In 2006, much like in 2000, there is a brief dip in aid to Palestine, but amidst an overall surge of aid into the WB&GS as a whole. So while 2006 actually saw a decline in external PNGO revenues, new funding opportunities arose at such a rate as to give the perception that it was a 'boom' year rather than a 'bust'.

3.1.1 Previous MAS Estimates of Aid versus the MoP's

When the MoP's time series estimates are compared with the two previous snapshots by MAS in 1999 and 2006, there is a marked difference (see figure 13). In 1999, for example, MAS's survey of 982 PNGOs estimates that these organizations received 53 million USD of external aid, versus the MoPIC's estimate of 48 million USD. If MAS's estimate is indeed closer to reality than that of the MoPIC's, the latter's underestimation of the total external funding of PNGOs is indicative of the MoPIC's lack of mandate to monitor the INGO or

PNGO sectors. The only contributions to PNGOs measured by PAMS and MoPIC were bi-lateral contributions

Again in 2006, MAS mapped the PNGO sector and estimated that the sector received a total of 136 million USD, versus the MoP PAMS estimate of 196 million USD. If MAS's estimates are indeed closer to reality than that of the PAMS', the latter's overestimation (by nearly 30%) follows upon the weakness of the PAMS database in tracking aid to the PNGO sector, as opposed to the NGO sector as a whole. There is currently no system in place to account for the roles of INGOs as intermediary conduits of aid to local PNGOs, project implementers or both. As such, administrative cost, and even the projects implemented without PNGO partners are possibly included in their estimates of total funds being channeled through PNGOs³². Furthermore, the database also returns a large number of project results that do not fit with our definition of PNGO partnerships, such as those partially or fully channeled to municipalities or university centers³³.

The following table 11 illustrates the success of our surveys of external donors and PNGOs versus PAMS estimates of. Doing so highlights some more of the possible inaccuracies of the of the database. Whereas for 2005 our donor survey captures only 70% of the total aid to PNGOs, in 2004 we were able to capture an 'impossible' 119% of the total external aid to PNGOs. This leads us to believe that the database has inaccurately distributed funds from 2004 into 2005. If this indeed the case, revised MoP estimates would more closely align to the trends in our surveys.

Table 11: Estimated Donor Funding to PNGOs in the WB&GS versus the Amount Surveyed (USD)

Year	Total amount captured in Donor survey	Total % of MoP estimate surveyed	Total amount captured in Donor survey	Total % of MoP estimate surveyed
1999	39,356,000	82	7,966,000	17
2000	20,256,000	37	14,228,000	26
2001	28,476,000	31	20,273,000	22
2002	36,022,000	35	46,225,000	45
2003	30,741,000	47	49,409,000	76
2004	42,241,000	74	67,556,000	119
2005	54,684,000	27	96,767,000	44
2006	120,953,000	62	103,567,000	53
2007	146,575,000	69	147,597,000	69
2008	126,033,000	49	165,035,000	64
Total	645,354,000	50	718,623,000	55

Sources (MoP): 1999-2002 – MoPIC Data from Quarterly Reports. 2003-2008 – MoP PAMS Database. Amounts are rounded to the nearest thousand

³² According to one employee of a large INGO that does not implement its own projects, the amount of administrative costs to act as an intermediary between donor governments and PNGOs is up to 30%.

³³ An example of the difference between our definitions of PNGO and that used by the PAMS and the PA is the Bir Zeit University's Institute of Law. Within the PAMS database, donors have described the funding to the public university as funding an NGO.

3.1.2 External Aid to PNGOs as a Percentage of Total External Aid to the WB&GS

The following table 12 measures the percentage of external aid to the WB&GS that is captured by the PNGO sector between 1999 and 2008. As the table shows, the percentage of aid to the PNGO sector fluctuates significantly from year to year. However, similar to the early estimates of the MoPIC, when all ten years are

averaged, the PNGO sector captures approximately 10% of total external aid to the WB&GS. Note: As mentioned in previous sections, estimates of external disbursements to PNGOs in 2005 is suspected to be partially misallocated from 2004.

Table 12: External Aid to PNGOs as a Percentage of Total External Aid to the WB&GS (USD)

Year	Estimated External Aid to the WB&GS World Bank	Estimated External Aid to PNGOs MoP	% of External Aid
1999	516,000,000	48,000,000	9.3
2000	637,000,000	55,000,000	8.6
2001	869,000,000	93,000,000	10.7
2002	1,616,000,000	103,000,000	6.3
2003	972,000,000	65,000,000	6.7
2004	1,115,000,000	57,000,000	5.1
2005	1,116,000,000	218,000,000	19.5
2006	1,450,000,000	196,000,000	13.5
2007	1,876,000,000	213,000,000	11.4
2008	3,250,000,000	258,000,000	7.9
Total	13,417,000,000	1,305,000,000	9.7

Sources (MoP): 1999-2002 – MoPIC Data from Quarterly Reports.

2003-2008 – MoP PAMS Database. World Bank/OECD Databases

Note: Amounts are rounded to the nearest million and percentages to the nearest tenth of a percent.

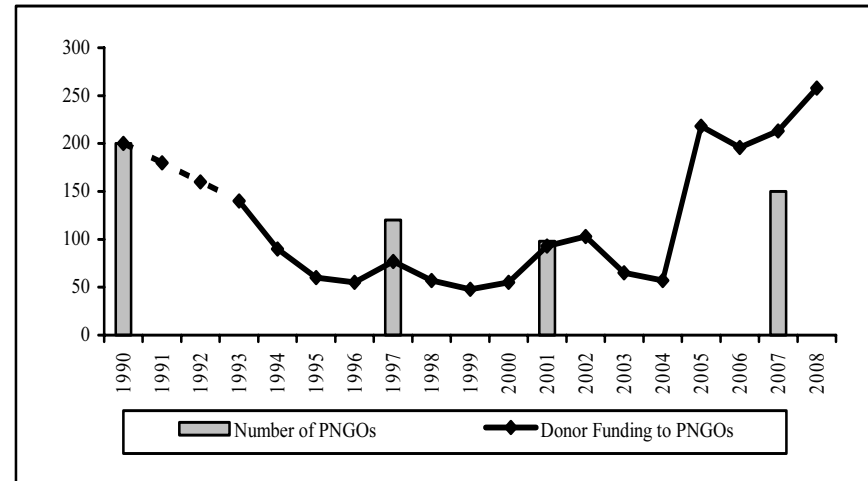
3.1.3 The Number of PNGOs Compared to External Aid

Figure 4 compiles four different estimates of the number of PNGOs over a 20 year period and overlays it against the estimated amount of external aid entering the PNGO sector. When put against the political timeline, the story of PNGOs, especially their ‘rocky’ relationship with the PA, becomes clearer.

In the early 1990s, Curmi estimated that nearly 2000 PNGOs were operating in the WB&GS, while the World Bank described the number as being between 2000 and 1400 between 1990 and the 1994 establishment of the

PA. In 1997, Curmi estimated that there were only around 1200 PNGOs operating in the WB&GS, a 15% drop over three years. MAS’s Mappings of the PNGO sector in 2001 and 2007 showed that there were respectively 982 and 1495 active PNGOs in these years. If these previous estimates are accurate, between 1990 and 2001, the number of PNGOs declined by over 50%. Between 2001 and 2007, on the other hand, the number of PNGOs has grown by nearly 62%, and is suspected to be even higher today with the increase in external aid to both the WB&GS as a whole and PNGOs in particular

Figure 14: Estimates of Aid to PNGOs Compared to the Number of PNGOs Operating in the WB&GS (1990 -2008)



PNGO Funding Sources: 1990: Author’s Estimate (indicative only). 1991, 1992, 1993: The World Bank 2008 (indicative only.) The estimate given is between 200 and 140 million USD per year. 1994: Sullivan 1998:95 (cited in Challand, ????:68). 1995: World Bank, 2008, estimates that between 1995-96, 60 million dollars went to PNGOs, which is not far off from MOPIC’s (1998) estimates of 45-50 million between 1995-1998, which is an underestimate that excludes contributions to INGOs. 1996, 1997, 1998: Welfare 1998 (cited in Hanafi, Tabar, 2005:73,75). 1999 – 2008: MoP PAMS Database

Number of PNGOs Sources: Curmi, 2002, MAS, 2001 & 2007.

Ministry of Interior Estimates of PNGOs

Over the course of the study, MAS sought to fill in figure 14 with the help of the Palestinian Ministry of Interior (MoI). The data that they returned was problematic for our study for a number of reasons:

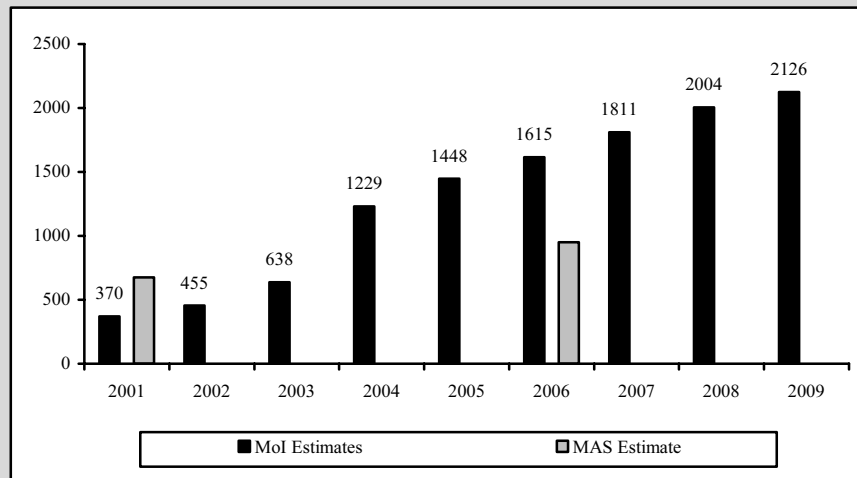
- ✧ We received data for 9 years as opposed to the ten requested
- ✧ The Gaza Strip is not included in any of the numbers
- ✧ Data returned conflicted wildly with our own compilation of estimates

According to the MoI in figure 15 below, the number of PNGOs, *in only the West Bank*, rises throughout the period studied, sharply in 2004, and steadily after that. When compared to our own previous Mappings of PNGOs, the differences between the MoI and MAS are very large. Whereas the MoI estimates that there were 370 PNGOs in the West Bank in 2001, MAS estimates the number to be 675, or nearly double. In 2007 however, the MoI estimates that 1811 PNGOs were operating in the West Bank, representing a nearly 500% increase in 6 years. MAS estimate that 951 PNGOs were active in the West Bank in 2007, representing a 40% increase.

The differences between the numbers of the MoI and our own table are suspected to be the following:

- ✧ The MoI accounts for ‘registered’ NGOs, whereas other studies are looking for ‘active ones’. The high rate of ‘NGO turnover’, caused by donor funding shifting in and out of different sectors by year may not be accounted for by the MoI. In sum, those who registered, may never un-register.
- ✧ The definition of NGO used by the MoI differs from that used by MAS (see Glossary of Terms Used). The MoI uses the Palestinian Charitable Law on Associations (2000) Article 2 where an NGO is defined as “Any charitable Association or civil society Organization with an independent judicial character, established upon the agreement of no less than 7 persons to achieve legitimate objectives of public concern, without aiming at financial profit-making or other personal benefit for the members”. This broader and more ambiguous definition contributes significantly to the difference between MAS and MoI estimates.

Figure 15: Number of Registered NGOs in the West Bank (2001-2009)



Source: Palestinian Ministry of Interior

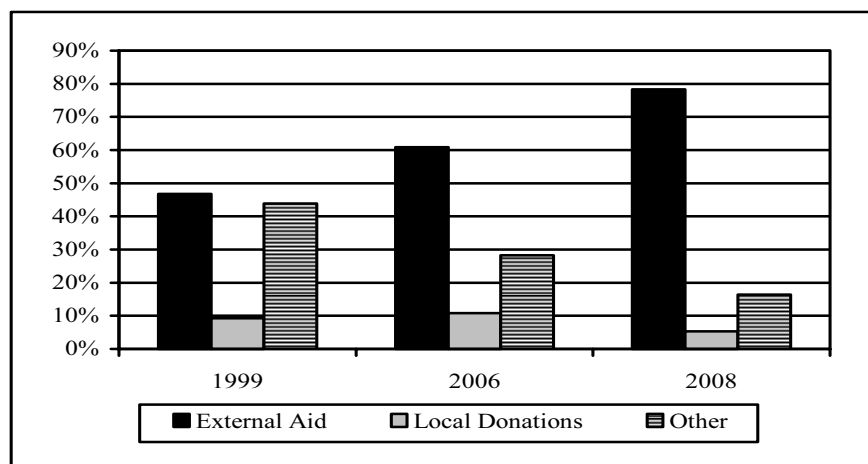
Note: Numbers for 2009 are registered in the database as of the 14th of September, 2009.

3.2 The Importance of External Aid to PNGOs

Previous MAS mappings of the PNGO have produced an interesting set of snapshots concerning PNGO reliance on external donors. As figure 16 shows, external assistance has by far outdistanced local assistance in terms of scale and rate of growth³⁴. Between the two studies mapping the whole of the Palestinian population (1999 and 2006), there is a 14% increase in external

donor dependency and a smaller increase in dependency on the PA for funds – both at the expense of 'other' sources. The 'Other' category includes: revenue generating activities, aid from the PA, aid from within the Green Line, Aid from Palestinian Diaspora and Other sources of revenue³⁵.

Figure 16: Percentage of PNGO Funding from External Donors, Local Communities and Others (1999, 2006 & 2008)



Source: MAS, 2001, 2007 and 2009 – PNGO Survey

³⁴ Local assistance means donations or in-kind contributions of from private individuals or organizations in the WB&GS.

³⁵ To see the data concerning the individual types of aid to PNGOs in 1999, 2006 and 2008, refer to the statistical appendix. For more analysis of PNGOs and financial sustainability, see: Abdelkarim, 2002.

The measurement for 2008 shows a continued increase in dependence upon external aid. However, as this figure is derived from our PNGO survey, it is biased toward a sample of those PNGOs receiving the highest sums of external aid. Though a comparison between this figure and the results of MAS's mappings of 1999 and 2006, According to the survey, these larger PNGOs receive nearly 80% of their funding from external sources and a much lower percentage of their aid from other PNGO revenue streams. The biggest difference between these larger PNGOs and the PNGO population as a whole, in terms of revenue streams other than external aid, is the much lower rate of revenue-generating activities (12.5% and 21.5% respectively).

The following table 13 shows the whole picture of PNGO revenue sources. Much like before, the estimates for 2008 are biased toward large PNGOs, heavily dependent on external aid. In spite of this bias, a number of interesting trends can be identified:

Self generated revenue continues to fall throughout the periods studied. The same is true, to a less dramatic extent, of the aid the Diaspora or local sources. Aid from 1948'ers, the PA and 'Others' fluctuates slightly over the three measurements, but remain relatively inconsequential in total PNGO revenues, usually at less than 1%.

**Table 13: PNGO Sources of Revenue
(1999, 2006 & 2008)**

Source/ Year	1999	2006	2008
External Aid	46.8	60.9	78.3
Self-generated Revenue	28.8	21.5	12.4
PA Funding	4.9	0.7	0.8
Local Donations	10.8	9.3	5.3
Donations from 1948'ers (*)	1.4	3.7	0.1
Donations from the Diaspora	5.5	3.2	2.3
Others	1.8	0.7	0.8
Total	100	100	100

Sources: MAS, 2001, 2007 and 2009 – PNGO Survey.

Note: '1948'ers' refers to Palestinians living in what is now Israel.

3.3 Tracking External Funding to PNGOs by broad Type of Aid

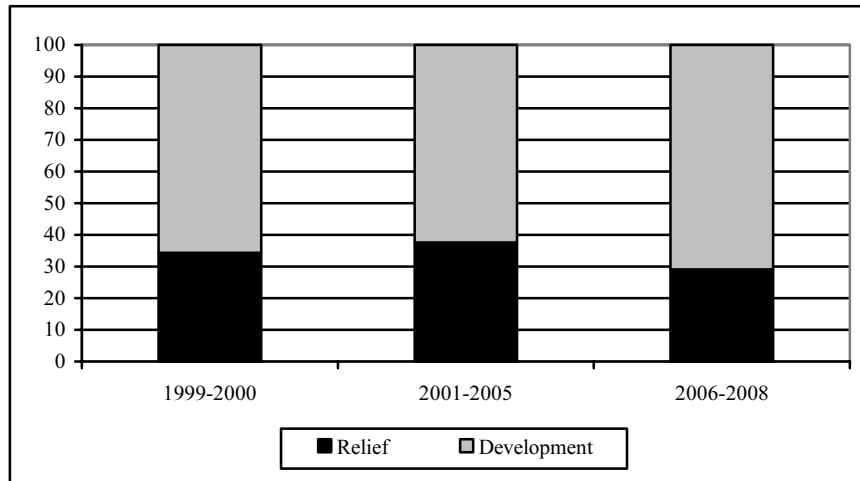
Before looking into the specific sectors and groupings of externally funded PNGO activities, we have divided their programs into the broadest categories possible: Relief and Development. In the simplest sense, relief and development aid are differentiated by the sustainability of the impact and the goals of the activity. Relief aid typically takes the form of direct welfare to marginalized families or communities, or comes in response to an acute crisis. In either scenario the purpose is to meet an immediate need. Development aid, on the other hand, aims to engender long term social, economic or political transformations and consists of a wide variety of activities ranging from public infrastructure development to women's empowerment.

The results of our PNGO survey shows that PNGOs are engaged in Development activities on at least a 2:1 basis compared to Relief over the three periods analyzed. During the second period of the Intifada, amount of activities targeting relief increased slightly, before subsiding again in the third period when over 70% of PNGO activities were focused on development.

The dominance of development over relief activities amongst PNGOs makes sense when one considers the limited role of PNGOs in externally funded emergency relief programs. Though there are a number of PNGOs engaged in relief, the largest part of relief work and budgeting is captured by INGOs, such as Care, or UN Agencies, such as UNRWA. For this reason, in the context of an overall increase of aid to the WB&GS, and a dramatic shift in this aid from development to emergency relief, there is only a slight increase in the percentage of PNGO activity in the Relief sector.

This is especially true in times of political unrest, such as in the 2001 Intifada. As the violence and need for external aid increased, donors may have chosen to channel much their funds through the IGO and INGO sectors in order to avoid entering into the much more political realm of PNGOs, where donor support could be misinterpreted for support of the ongoing uprising – or where the funds could be channeled into a PA shunned by many in the donor community.

Figure 17: Comparing the Percentages of PNGO Activities of Relief and Development



Source: MAS, 2009 – PNGO Survey

3.4 Tracking External Aid to PNGOs by Donor Country Groupings

The statistical overview of aid to the WB&GS showed how different donor country groupings vary dramatically in the amount and type of aid they give to Palestine over the ten years studied, as well as how these groupings react to the political environment. Our survey of PNGOs showed that differences among donor groupings also exist in terms of their funding to PNGOs.

European Aid to PNGOs

According to our survey of PNGOs, the European Donor Country Grouping is by far the largest donor to the PNGO sector, comprising 67.8% of total funding in 2008³⁶. During the period of the Intifada (2001 – 2005), European funding declines 22.7% from the prior period (1999-2000) – precisely when needs when local need for external aid was the highest. There is a slight increase in European funding during the height of the Intifada (2001-2002), but amidst a much larger increase in funding to the WB&GS as a whole that signals Europe’s to channel aid through INGOs and IGOs during the period. Between the second (2001 – 2005) and third periods (2006 – 2008), European funding grew by 98%.

The United States’ Aid to PNGOs

Surprisingly, the United States was surveyed as contributing only 4.3% of the external aid to PNGOs in 2008. Our assumption was that it would be much higher. Despite Hanafi’s assertion that the US was the single largest country contributor to the PNGO sector between 1995 and 1998, our own survey of the largest PNGOs shows US bi-lateral and funds channeled to PNGOs through the INGO sector to PNGOs account for just over 12% of the external aid to PNGOs.

We believe that there are a number of reasons for a low representation of US funding in our survey that were not present during Hanafi’s fieldwork. First, USAID remains highly taboo among Palestinian NGOs, some of whom may have been unwilling to disclose it and instead allocated the funding to a different grouping. Secondly, and especially since the advent of the Anti-Terrorism Certification (ATC), USAID has worked through a number of INGOs, who in turn fund PNGOs. The possible consequences of this is an inability on the part of local PNGOs to identify the real source of funding, and instead allocated the budget to the home country of the donor INGO³⁷. Finally, USAID’s activities focus more on the private sector and municipalities as opposed to NGOs.

³⁶ Europe as a donor grouping includes European States, including those not affiliated to the EU such as Switzerland, European INGOs and the Various Agencies of the EU, such as the EC or the ECHO.

³⁷ It is not uncommon for the USAID to grant money to a number of US based INGOs, such as ANERA, ARD, CHF or ACIDI-VOCA, who in turn fund a European INGO, who then grant money to the local PNGO. In such a scenario, PNGOs may identify Europe as being the source of aid. According to conversations with a number of INGO donor recipients of USAID, this confusion is somewhat by design, as it allows USAID to fund PNGOs in spite of the taboo which has surrounded it since the advent of the ATC.

Multilateral Aid to PNGOs

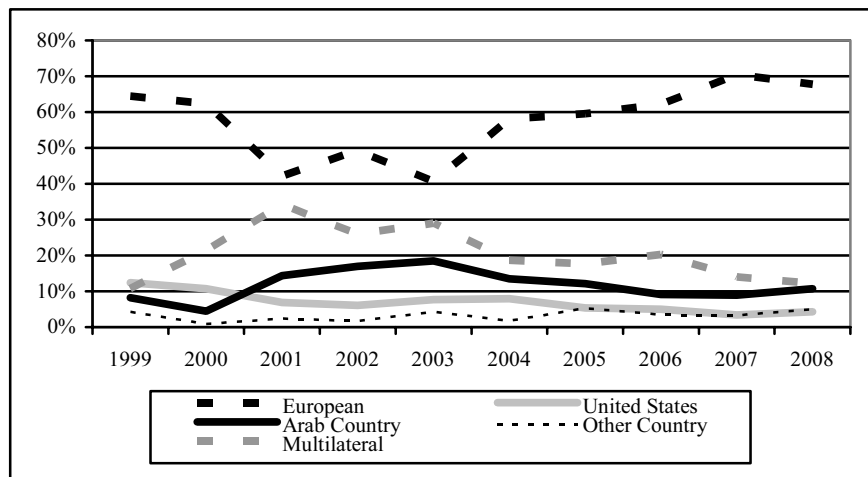
Multilateral funding, primarily distributed through UN Agencies and the World Bank, appears to rise and fall in a negative correlation to European Aid. As European aid to PNGOs decreased during the Intifada, external multilateral aid to PNGOs increased. As we have discussed previously, political upheaval and crisis have caused shifts in external aid away from development PNGOs and into emergency relief programs run by large INGO or IGOs, as a way of addressing the crisis in Palestine without entering into the politics of the Intifada. Figure 18 below shows how these multilateral

institutions virtually replace Western partnerships with local PNGOs.

Arab Country Aid to PNGOs³⁸

Unlike the Europeans or Americans, Arab aid to PNGOs increased dramatically during the Intifada, from less than 4.5% of total aid to PNGOs to a peak of nearly 18.5% in 2003. As the Intifada began to wind down, so did Arab aid to PNGOs, comprising just over 10% of the total in 2008.

Figure 18: Percent PNGO Funding by Donor Groupings (1999 – 2008)



Source: MAS, 2009 – PNGO Survey

Note: 'Other' funding sources includes a number of countries, the most important of which are Japan, Korea, Australia and Canada. As the figure shows, the amount of aid from this grouping in comparison the others is relatively insignificant.

3.5 Governmental and Nongovernmental Donors

The PNGO survey also sought to group donors into two categories: Nongovernmental and Governmental Donors. In the following section, multilateral institutions are included in the Governmental category, and only separated to highlight particular trends.

Nongovernmental Donors

Nongovernmental external donors to PNGOs began by making up just under half of the external aid to PNGOs in 1999, after which it declined into 2001. With the onset of the Second Intifada, Nongovernmental funding to PNGOs rises dramatically from 40% of total aid to 62%. From 2001 onwards, Nongovernmental aid remains higher than Governmental aid.

According to our survey of PNGOs, governmental donor contributions to PNGOs dropped significantly with the onset of the Intifada, from 61 to 38%. Our survey shows that donor governments have preferred to work with local PNGOs through INGOs from 2001 onward. If multilateral agencies are measured separately from governmental aid (12.2% of total external aid to PNGOs in 2008), then direct governmental partnerships with PNGOs account for only 1/3 of the total. The dotted line in figure 20 below shows the percentage of governmental aid captured by multilateral agencies. The black line represents governmental aid, including multilateral agencies.

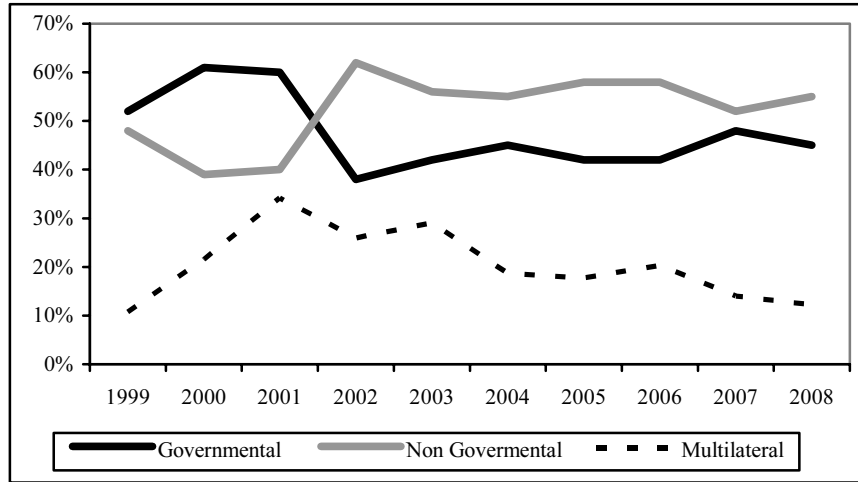
³⁸ For an extended review of Arab Aid to PNGOs, see section 3.9.

Governmental Donors

As discussed in the previous sections, decreases in governmental aid to PNGOs runs in parallel to an increase in PNGO partnerships with multilateral agencies. During the period of the Intifada for example,

multilateral aid to PNGOs comprises around 3/4 of total governmental aid, as opposed to only around 1/4 in 2008.

Figure 20: Governmental versus Nongovernmental Donors as a Percentage of PNGOs’ External Revenues (1999 – 2008)



Source: MAS, 2009 – PNGO Survey

3.6 Tracking External Funding to PNGOs by Sector and Sector Grouping

3.6.1 Distribution of PNGOs by Sector

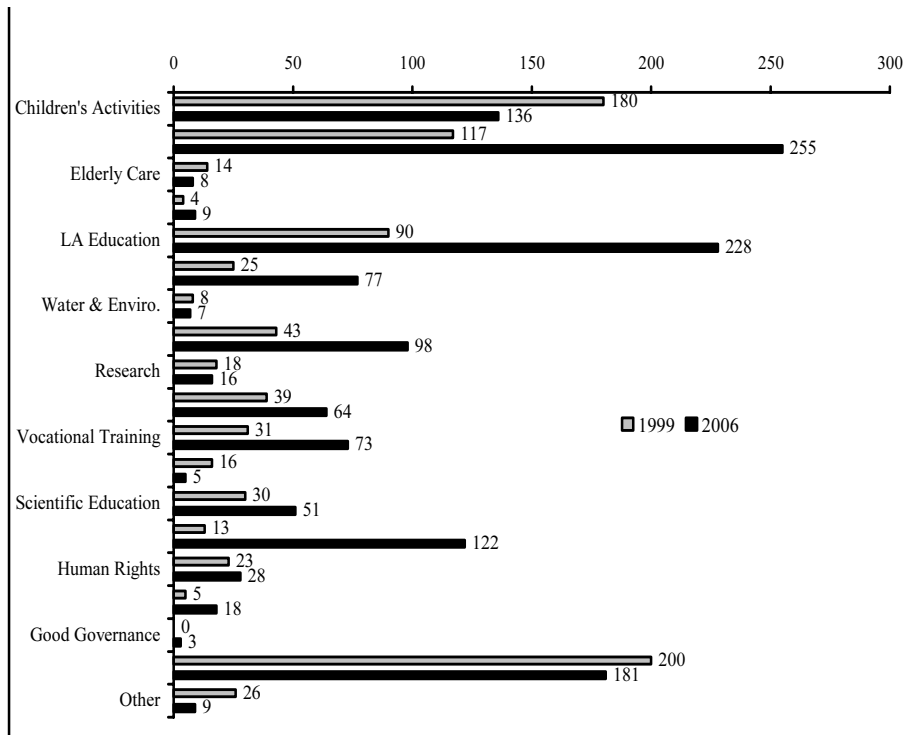
MAS mappings of the PNGO population in 1999 and 2006 revealed what activity sectors PNGOs are engaged in. figure 21 shows both the growth in the number of PNGOs as a whole, as well as the shift among sectors.

The sectors that saw the most dramatic growth between 1999 and 2006 were Charity and Relief, Family Planning, Liberal Arts Education, Rural Development, Health, Vocational Training, Democracy Promotion and Women’s Affairs. All of these sectors at least doubled the number of NGOs working in them, within an overall 65% growth in the number of PNGOs between 1999 and 2006. The sectors of Disabled Care, Scientific Education,

and Human Rights all saw more moderate growth in the numbers of PNGOs working in them.

Given the overall growth of PNGOs, it is not surprising that relatively few sectors saw a decline. The fact that some do decline, however, signals a clear difference in priorities between the two cross-sectional snapshots. According to our mappings, the sectors of Children’s Activities, Elderly Care, Water & Environment, Research, Religious Activities, Youth & Sports and ‘Others’ all saw a decline in the number of PNGOs identifying them as their primary activity between 1999 and 2006.

Figure 21: Number of PNGOs Based on Principal Program (1999 & 2006)



Source: MAS, 2001 & 2007. Mapping PNGOs in the WB & GS
 Note: There was not a category for Good Governance in the 2001 Mapping of PNGOs.

3.6.2 External Aid to PNGOs by Sector

The previous section concerning the sectors of PNGO activity is even more interesting when one looks at the amount of external aid individual sectors receive. The change in the number of NGOs working in a sector, and the percentage of their budget coming from the international community, highlights the importance of the donor community in guiding Palestinian development through their partnerships with local PNGOs. Table 14 details the distribution of PNGOS in 2000 and 2006 based upon their primary sector of work, as well as the percentage of their total budgets coming from external donors.

As the table shows, PNGOs whose primary programs were Children's Activities, Rural Development, Water and the Environment, Human Rights, Good Governance and Religious Activities receive more than three quarters of their revenues from external donors. Meanwhile, PNGOs working in Liberal Arts Education, Charity and Relief, Research, Vocational Training, Women's Affairs, Youth and Sports, Health Care and 'Other' receive half

to three quarters of their operating budgets from external donors. Only four PNGO sectors received less than half of their revenues from external donors in 2006: Elderly Care (37.7), Family Planning (13.4), Scientific Education (45.0) and Disabled Care (42.0).

When 1999 and 2006 are compared, only the sectors of Research, Scientific Education, Women's Affairs, Human Rights and 'Others' decreased their level of dependence upon external donors, if only slightly. A number of sectors, such as Youth & Sports, Religious Activities, Water & Environment, Elderly Care and Children's Activities, see a decline in the percentage of PNGOs operating in those sectors, together with an increase in the percentage of their total funding from external donors. This suggests that the PNGOs which closed down or shifted out of these sectors were those less dependent upon external aid.

Table 14: Comparison of the Percentage of PNGOs Working in each Sector with the Percentage of the Funding Coming from External Donor (2000 & 2007)

Sector	% of PNGOs based on 'Primary' Objective		% of PNGO Revenues from External Aid	
	1999	2006	1999	2006
Children's Activities	20.4	9.8	44.5	75.6
Charity & Relief	13.3	18.3	53.2	55.9
Elderly Care	1.6	0.6	27.7	37.7
Family Planning	0.5	0.6	63.4	13.4
Liberal Arts Education	10.2	16.4	34.2	60.1
Rural Development	2.8	5.5	54.2	79.8
Water and Environment	0.9	0.5	91.9	93.4
Health Services	4.9	7.1	34.4	50.2
Research	2.0	1.2	76.4	71.8
Disabled Care	4.4	4.6	66.7	42.0
Vocational Training	3.5	5.3	64.7	72.5
Religious Activities	1.8	0.4	54.7	89.2
Scientific Education	3.4	3.7	47.0	45.0
Women's Affairs	1.5	8.8	85.9	54.9
Human Rights	2.6	2.0	86.5	75.8
Enhancing Democracy	0.6	1.3	0.0	83.2
Good Governance	n/a	0.2	n/a	83.0
Youth and Sports	22.7	13.0	9.7	59.5
Other	3.0	0.6	69.8	66.3
Total	100%	100%	46.8%	60.9%

Source: MAS, 2001, 2007

Note: 2006 includes 1206 out of the estimated 1495 PNGOs. 1999 includes 881 out of 926.

3.6.3 Distribution of PNGOs and External Aid by Sector Groupings

The following table 15 shows the division of our 19 sectors into five groupings in order to track broader trends.

When comparing the 2007 distribution of the whole of the PNGO population with the data on external aid distribution in 2008, there are clear indications that PNGOs in different sector groupings receive a different percentage of external aid.

Table 15: Grouping of 19 Sectors into Five

Group	Sectors
Charity & Relief	Charity & Relief
Economic	Rural Development, Water and the Environment, Vocational Training, Other
Rights-based Development	Human Rights, Enhancing Democracy, Good Governance, Women's Affairs
Education	Research, Scientific Education, Liberal Arts Education, Religious Activities
Social services	Health Services, Elderly Care, Disabled Care, Children's Activities, Youth and Sports

✧ **Charity & Relief** PNGOs make up just fewer than 20% of the PNGO population while receiving less than 10% of external aid.

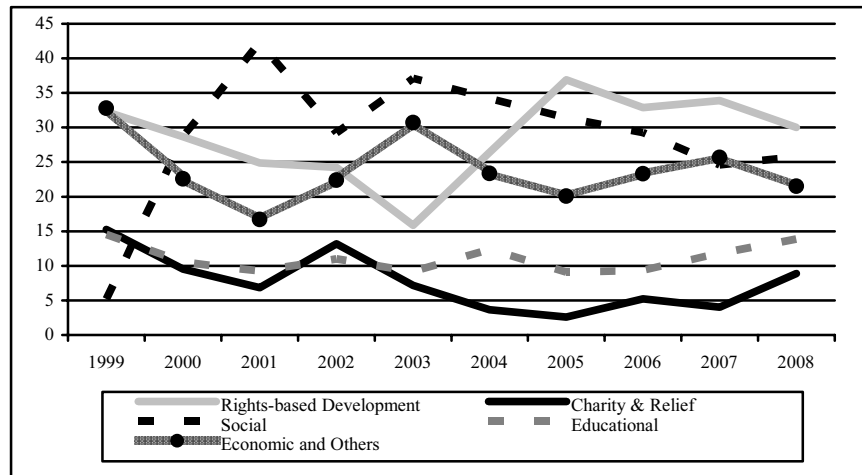
✧ PNGOs engaged in the **economic** sector grouping make up fewer than 12% of the PNGO population, and receive over 21% of total external aid.

- ◇ **Rights-based** PNGOs make up around 12% of the PNGO population, but receive 30% of total external aid.
- ◇ PNGOs focused on **education** make up more than a fifth of the PNGO population but receive only 13.9% of external funds.

- ◇ PNGOs engaged in the **social services** sector grouping make up more than 36% of the total PNGO population, but receive a quarter of the external aid to PNGOs.

Figure 22, drawn from our survey of external donors, shows the trends in aid to sector groupings on an annual basis.

Figure 22: Percentage of External Donor Funding to PNGO Sector Groupings (1999 – 2008)



Source: MAS, 2009 – Donor Survey

Charity and Relief sees a dramatic, yet predictable, increase and decline in funding surrounding the worst parts of the Intifada in 2002. After declining until 2005, there is an increase into 2006, followed by a slight decline into 2007 and a near doubling into 2008. The fluctuations in emergency aid over the last few years may be attributed to the actual humanitarian needs, such as those in Gaza resulting from the siege, or politics, as the emergence of the Hamas government in 2006 often meant a shift in donor aid away from the PA and into the NGO sector. As such, the doubling of aid between 2005 and 2006 appears not to have been in response to a specific crisis or acute need as was the case in 2002.

External Funding to PNGOs working in the **Economic** sector grouping saw a decline by nearly half between 2000 and 2001. Over the following two years, the sector nearly recovers all of the losses. In 2004 and 2005, funding remained relatively stable at around 17.5% before fluctuating upwards to almost 24% into 2007 and back down again to little over 18% in 2008. Between 2004 and 2008, funding to the grouping remained relatively stable between 20% and 25%.

External funding to **Rights-based** PNGO programs declined steadily between 1999 and 2003. Between 2003

and 2005 however, Rights-based PNGO programs more than doubled from around 16% to 37%. Much of this growth was spurred on by democratization projects leading up to the 2006 elections. From 2005 to 2008, the percentage of funding to development related programs drops from 36 to 30%. The decline in democracy projects following the elections is responsible for this decline; however the decrease would have been much more dramatic had funding to Good Governance not remained steady.

PNGOs aimed at providing **Education** or capacity building remained relatively stable throughout the period studied, hovering near 10% from 1999 to 2006. Between 2006 and 2008, external aid to the sector grew by over 4% to 13.8%.

The **Social Sectoral** grouping begins increases quickly between 1999 and 2001, from just over 5 to 42% of total funding. There is a dramatic increase in 2001, presumably in response to the Intifada and the increased need for PNGO health workers. Following a slight decrease in 2002, funding to this grouping increases again in 2003, before declining steadily after that. In 2008, Social PNGOs received just over a quarter of the total aid.

3.6.4 Tracking External Aid to PNGOs by Individual Sectors (1999 – 2008)

Figure 23 illustrate the trends in aid by individual sectors over the last 10 years. The grouping of the sectors into five separate charts is not done in the same manner as the previous section. The analysis also includes a brief description of the trends in Governmental versus Nongovernmental (NGO) funding. The full SPSS tables on total funding, Governmental and INGO, can be found in the appendix. As the following five Figure 23-27 divide the total external aid to PNGOs between our 19 sectors, they do not add up to 100% of external aid for any given year.

3.6.4.1 External Funding to Charity & Relief PNGOs

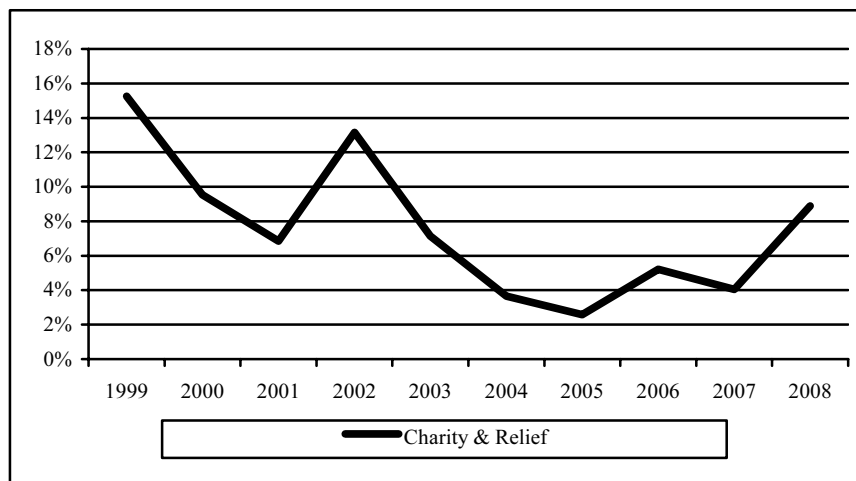
Spending for emergencies and welfare programs peaks at the height of the Intifada, and then declines steadily into 2005, as more funding shifted away from short term emergency programs and into longer term development projects. The ‘stability’ that led to a decline in emergency spending ended between 2005 and 2006 when funding to the sector nearly double from 2.6 to

5.2% of total external aid. There is a slight decline into 2007, before another near doubling into 2008, presumably in response to the siege-led crisis in the Gaza Strip.

Governmental donor aid to Charity and Relief follows the trend of overall aid, but apportions a lower percentage than the INGO donor sector. The INGO sector similarly follows the trend, but with an even greater increase in 2008. Assuming that this is in response to the crisis in Gaza, the difference in the rate of emergency response makes sense: INGO donors have more leeway than governments in who they can work with and where. This makes it possible for governments to continue to fund activities in the Hamas-led Gaza Strip without having any direct contact with the organization.

According to MAS PNGO mapping in 2007, PNGOs working in charity or relief have spread their sources of income more broadly than the other sectors discussed (democracy, HR and governance). Only 59% of their budgets come from abroad, while 17.5% is funded locally and 15.4% is self-financed (MAS, 2007:80).

Figure 23: External Donor Funding to PNGOs Working in Charity and Relief (1999-2008)



Source: MAS, 2009 – Donor Survey

3.6.4.2 External Funding to Economic-Based Development PNGOs

Rural Development / Water & Environment

Funding to support Rural Development is closely related to the funding of Water and Environmental programs, as a difficult challenge facing most rural communities is access to Palestinian resources, either as a result of insufficient infrastructure or the Israeli occupation. INGO donors to the sector follow roughly the same pattern as the overall aid. Government donor

aid to the sector, on the other hand, declined much more sharply in 2007. Government donors apportioned more aid to the sector from the beginning of the survey until 2007 and 2008, when INGO donors paid more. As 2007 saw the creation of the Emergency technocratic government and the subsequent Palestinian Reform and Development Plan (PRDP), the decrease in donor funding to the PNGOs in favor of the public sector is understandable.

In 2006, 79.8% of PNGO funding in Rural Development came from the external donors. Most of the remainder came from self-financing. In 2006, PNGOs working in the Water and Environment sector were the most heavily dependent upon international aid, with a total of 93.4% of their funding financed from abroad³⁹.

Vocational Training

The Vocational Training sector hits a peak in 2002 during the height of the Intifada, before decreasing slightly into 2003. From 2004 to 2005 Vocational Training begins to decrease again before remaining steady between 2 and 3% through to 2008.

INGO donors follow the overall trend closely. Governments do as well, with the exception of 2004 where their funding does not begin to decrease. INGOs

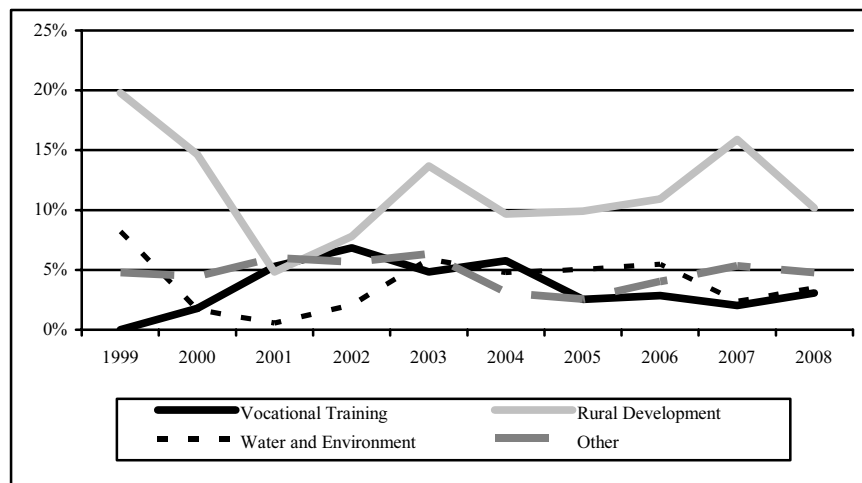
contributed less than Governmental donors in the earlier years, and more in the latter.

In 2006, PNGOs in this sector received 72.5% of their funding from international aid, with almost all of the remainder coming from self-financing activities (MAS, 2007:80).

Other

From what our researchers were able to gather about the small number of the donors who used this sector as a definition of their aid, activities focused around microfinance and capacity building for recipients. Any number of other activities however may be included. Without knowing what the activities are, from our previous studies we do know that PNGOs who fit into the Other sector receive 66.3% of their funding through external aid (MAS, 2007:80).

Figure 24: External Donor Funding to PNGOs Working in Economic-Based Development (1999-2008)



Source: MAS, 2009 – Donor Survey

3.6.4.3 External Funding to Rights-Based Development PNGOs

Human Rights

External aid to Human Rights PNGOs peaked during the 2002 height of the Intifada, before sharply declining into 2003. Following this there is a steady decline until 2005, after which it plateaus to between 10 – 11% of total external aid to PNGOs. Much like Charity and Relief, Human Rights funding tends to correlate closely with political events, mainly crisis. However, as Figure 25 shows, Human Rights spending remained at its peak from 2005 – 2008.

The INGO donor sector follows the pattern of overall, while apportioning a smaller percentage of funding to the sector than Government donors. Governmental donors apportioned between 16 – 18% of their aid to the sector between 2001 and 2008. INGO donors, on the other hand, apportioned between five and seven percent over the same period. According to previous MAS mappings, 75.8% of Human Rights PNGOs' funding consists of external aid (MAS, 2007:80).

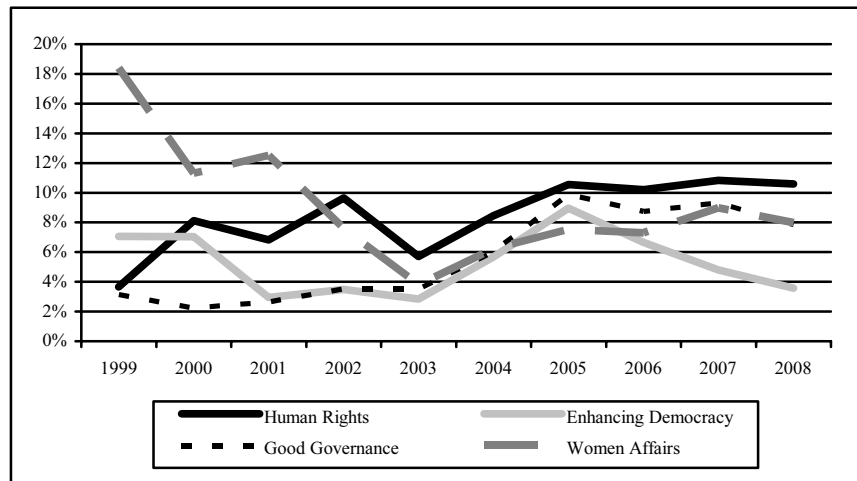
³⁹ It should be noted that PARC receives the lion's share of funding to this sector to the rural development, and often acts as a donor to smaller implementing PNGOs or CBOs. The same is largely true of the Palestinian Hydrology Group in the water and environment sector.

Enhancing Democracy

Funding to Enhancing Democracy remained relatively low until a dramatic increase beginning in 2003 and peaking in 2005 at 8.9% of total external aid. The decline in funding between 2006 and 2008, presumably in response to the elections of Hamas, is nearly as dramatic as the rise in funding preceding the elections. In 2008, the percentage of funding was only 3.58 %, down dramatically from the high in 2005. The funding from INGO and Governmental donors closely follows the

overall trends, but with INGO donor funding fluctuating much less dramatically. Government donors apportion a higher percentage of their aid to this sector in general, but it has fluctuated severely leading up to and since the 2006 elections. Despite the decrease in support following the electoral victory of Hamas, 83.2% of the funding to PNGOs engaged in the sector of Enhancing Democracy still came from external aid in 2006.

Figure 25: External Donor Funding to PNGOs Working in Economic-Based Development (1999-2008)



Source: MAS, 2009 – Donor Survey

Good Governance

Much like Enhancing Democracy, Good Governance funding begins relatively low and steady until a dramatic rise in 2003 to the start of 2006. Unlike Enhancing Democracy projects though, external Good Governance funding remains relatively steady after the elections, fluctuating between 8 and 10% of total aid to PNGOs. So while the perceived need for Enhancing Democracy was ‘eased’ by the 2006 elections, the need for Good Governance was not – presumably spurred locally with the advent of the PRDP.

Like the overall trend, Governmental donor funding to the sector remains low until rising dramatically from 2003 – 2005. Government funding drops more rapidly, by half, than over all aid following the 2006 elections, and then increases more rapidly following the creation of the Emergency 12th Government in 2007. The percentage apportioned the sector then decreases again by half into 2008 to 5.7%. INGO donor funding to the sector fluctuates in the opposite manner as Governmental donors – slightly higher in 2006, lower in 2007 and higher again in 2008.

Much like Enhancing Democracy, Good Governance PNGOs rely heavily on external aid to cover 83% of their budgets. The sector does receive less local funding than democracy, but far more assistance from Palestinians living in the Diaspora who make up another 15% of their support with individual contributions (MAS, 2007:80).

Women’s Affairs

Funding to Women’s Affairs appears to have declined rapidly since its peak in 2001, and only began rising again steadily from 2003 to 2008 – more reflective of other long-term development oriented sectors. There was a slight decrease into 2008.

Governmental donors account for the dramatic decrease between 2001 and 2002 as they disbursed 14% and 1.2% of their aid to the sector respectively. INGO donors on the other hand, continued to support Women’s Affairs throughout, only decreasing slightly between 2001 and 2002. In terms of percentage of disbursements, INGO donors apportion more of their funding to the sector.

Women’s Affairs received 54.9% of their funding from external donors in 2006. They also record a higher percentage of self-financing (32.5%) than most other sectors (MAS, 2007:80).

3.6.4.4 External Funding to Education-Based PNGOs

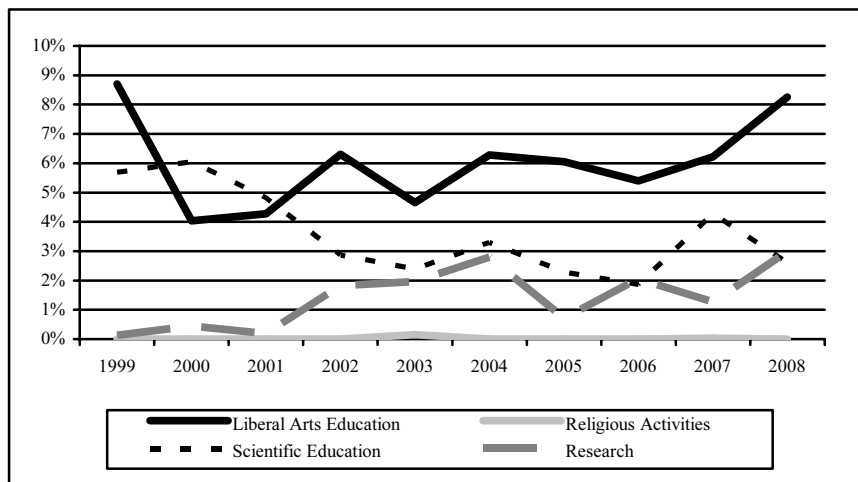
Scientific Education

Throughout the period studied, donor funding to Scientific Education remained relatively small in scale and consistent – between 2 and 4% of total external aid to PNGOs. This small number reflects the fact that external aid flows to this sector primarily through public bodies, such as the Ministry of Education and Higher

Education (MoEHE), or semi-public bodies, such as Bir Zeit University.

INGO donors apportioned a slightly higher percentage of their funds to this sector than Governmental donors, the most significant year in terms of differences being 2007, where INGO donors apportioned 6.79% of their funding to PNGOs in this sector versus 0.27% from Governmental sources. According to MAS’s 2007 mapping of PNGOs, organizations working in this sector received 45% of their funding from international aid, with the remainder split between self-financing, local aid and aid from the Diaspora (MAS, 2007:80).

Figure 26: External Donor Funding to PNGOs Working in Education-Based Development (1999-2008)



Source: MAS, 2009 – Donor Survey

Research

External funding for PNGOs engaged in Research remained steady between 2 and 3%. Governmental donors apportioned a higher percentage in the early years, but the pattern was reversed in 2006 and 2007 with INGO donors contributing more. In 2008, Governmental donors contributed significantly more than

their INGO counterparts (5.13% and 1.64% respectively). In 2006, PNGO research institutes received 71.8% of their funding from external donors (MAS, 2007:80).

Liberal Arts Education

Aid to PNGOs working in the Liberal Arts sector began to rise in 2001 with the onset of the Intifada and the corresponding increase in funding toward peace building. There is a slight decline between 2002 and 2003, after which funding stabilized around 8% of total external aid

to PNGOs before beginning to recover again between 2006 and 2008 to nearly 8%.

INGO and Governmental donors followed similar trends, with the latter apportioning a higher percentage of aid. According to MAS’s PNGO mapping (2007), this sector received 60.1% of its funding from international aid. The Liberal Arts sector also received by far the highest percentage of of their funding from ‘Palestinians within the Green Line’ or ‘1948’ers.’(24.3%).

Religious Activities

External funding to PNGOs engaged in religious activities is not captured well in this survey. We do know from previous studies that religious PNGOs receive nearly 90% of their funding from abroad, one would have to assume from regional sources – which are also the least represented in our study.

3.6.4.5 External Funding to Social Service-Based PNGOs

Health Services

The percentage of PNGOs engaged in Health Services was at its peak in 2001 with the start of the Intifada, after which it declines sharply, over 10%, into 2002. From then on there is a steady decline, broken only by an increase in 2006, presumably from the shifting of some money out of the public health sector and into PNGOs. From 2007 to 2008, the funding remained at a steady 15%.

Unlike the overall trend and governmental donors, INGO funds declined straight through to 2008, without climbing in 2006 in response to the elections. The INGO donor sector also apportions a higher percentage of its aid to health related activities than the Governmental sector, presumably because the latter also funds the Palestinian Ministry of Health (MoH).

In 2006, MAS measured external financing to PNGOs in the Health Services sector as covering a total of 50.2% of their budgets. As many health INGOs offer their services at a price, the amount of self-financing in this sector is far higher than the others, with the exception of family planning.

Elderly Care

According to our survey, Elderly Care is not a PNGO sector heavily funded by external donors. The data may also be open to the possibility of respondents including Elderly Care projects that are part of larger health programs into the Health Services sector.

In 2006, Elderly Care PNGOs only received 37.7% of their budget from international aid. In contrast to most other PNGOs, this sector receives a high percentage of aid from self-financing revenues (20%), local sources (28.3%) and from the Diaspora (11.1%) (MAS, 2007:80).

Disabled Care

After the height of the Intifada, and presumably in the wake of intense violence, the Disability Care sector began to grow. It peaked in 2003 at 6.74%, before remaining steady at around 5% of total external aid to PNGOs into 2008.

Unlike the overall trend in aid, INGO donor funding to PNGOs working in the disabilities sector peaks in 2005, at the same time when Governmental funding is at an all time low, less than 1%. This could in part be due to the fact that Governmental donors had shifted so much of their funding into the sector of Human Rights, Democracy and Good Governance in 2005 in advance of the elections.

Disabled Care received 42% of its funding from external aid in 2006 and a total of 31.9% of its funding from self-financing - much like PNGOs engaged in the more general health sector (MAS, 2007:80).

Family Planning

According to our survey, external donor funding to PNGO programs in Family Planning is almost nonexistent. As we assume this is untrue, we suspect that a number of respondents allocated these projects to other sectors, such as Health Services or Women's Affairs. However the low figures are not too far off when we look at the percentage of external aid in Family Planning PNGOs' budgets in 2006. According to MAS survey of PNGOs in 2007, only 13.4% of funds came from abroad, while a full 78.4% of aid came from self-financing. 2005 represents the peak in donor funding to the sector and the trend is mimicked by both Governmental and INGO donors.

Children's Activities

External aid to PNGOs working in Children's Activities decreased dramatically between 2001 and 2002. In 2003 it began to recover dramatically, finally reaching its peak of 8.04% in 2004. Between 2004 and 2005 there was a dramatic drop in aid to the sector, presumably following a shift in funding toward the PA or into sectors such as Enhancing Democracy or Good Governance.

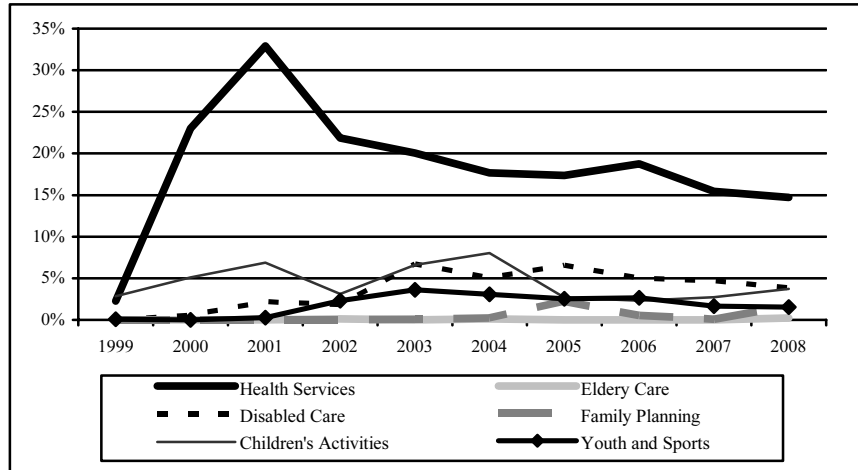
Both Governmental and INGO donors generally follow the overall pattern of aid to the sector – with the former apportioning a higher percentage of its disbursements from 2003 forward. According to previous MAS mappings, 75.6% of the budgets of PNGOs working in Children's Activities came from external aid (MAS, 2007:80).

Youth and Sports

Unlike work with the children's sector, Youth and Sports increased dramatically during the Intifada and peaked in 2003 at 3.62% of total aid. Since 2003, funding to the sector has steadily declined. The increase in funding throughout the Intifada was due largely to INGO donors, who also apportioned a higher percentage of their aid to the sector in general.

It is important to note that Youth and Sports organizations are the most numerous type of PNGO in the WB&GS, and at the same time, one of the sectors receiving the least amount of external aid. External aid made up 59.5% of Youth and Sport PNGO budgets in 2006. Local funding to the sector is higher than any other, with the exception of elderly care, at 19.6% of their operating budgets (MAS, 2007:80).

Figure 27: External Donor Funding to PNGOs Working in Social Service-Based Development (1999-2008)



Source: MAS, 2009 – Donor Survey

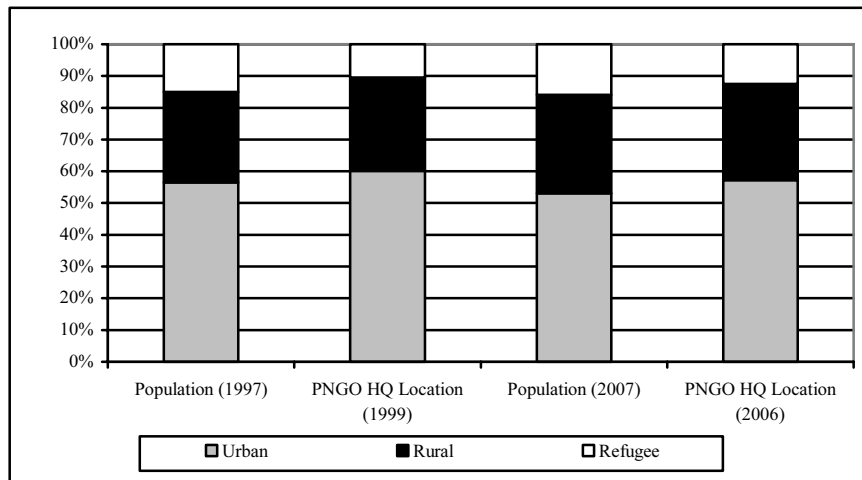
3.7 Tracking Externally Funded PNGO Activities by Target Area

One of the aims of our donor survey was to look at how externally funded PNGO activities were distributed according to target areas: Urban, Rural and Refugee⁴⁰. We do this by looking at the distribution of the Palestinian population, PNGO HQs and external funding to target populations.

3.7.1 Distribution of the Palestinian Population and PNGOs by Target Area

The previous MAS mappings of PNGOs in 2001 and 2007 have provided us with snapshots of the distribution of local organizations among the different target areas, as well as the percentage of external aid these PNGOs receive in comparison to their counterparts.

Figure 28: Distribution of the Palestinian Population vs. PNGOs HQs by Target Area



Sources: PCBS, 2002 and 2007 Census. MAS, 2001 and 2007 Mapping of PNGOs in the WB&GS

⁴⁰ Official PCBS definitions of these populations can be found in the glossary at the back of the book.

The following Figure 28 compares the distribution of PNGOs with that of the Palestinian population as a whole. Though at a glance it appears that the distribution of PNGOs aligns with the distribution of the population, there are slight differences. While rural areas are almost exactly aligned, the number of PNGOs operating in urban areas is higher than the percentage of Palestinians living there, with the opposite being true of refugees.

3.7.2 External Aid to PNGOs versus Palestinian Demographics

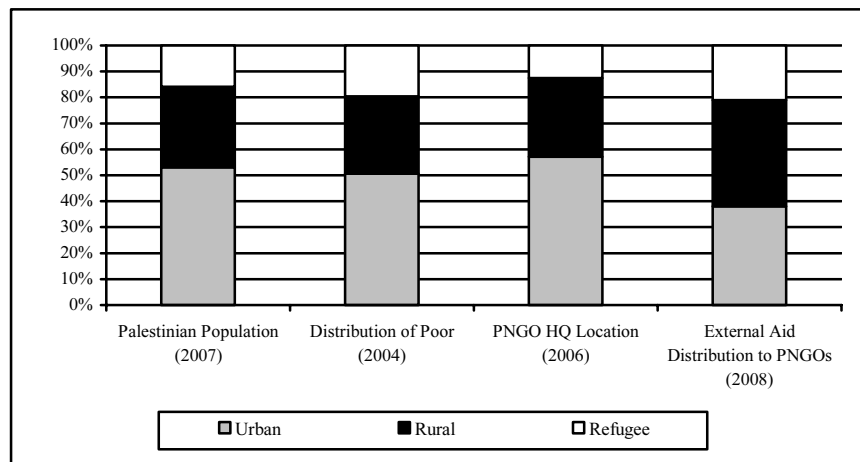
The following Figure 29 compares our survey results with the Palestinian Population distribution, the distribution of PNGOs and the distribution of those under the poverty line by target population. We also looked into the differences in funding to target

populations between governmental and nongovernmental sources.

Urban – While the percentage of Palestinians living in urban areas in 2007 was 53.1%, over half of them (50.6%) are under the poverty line. In spite of this, Urban Palestinians only received 38% of the total externally funded PNGO projects, with a marked difference between Governmental (49%) and INGO donors (32%).

Rural – The percentage of Palestinians living in rural areas in 2007 was approximately 31%, 29.8% of them live below the poverty line. In spite of these two facts, rural Palestinians receive 41% of total externally funded projects managed through PNGOs, with only a slight difference between Governmental (34.8%) and INGO donors (44.5%).

Figure 29: External Donor Funding to Target Population (2008)



Sources: Palestinian Population statistics are taken from PCBS (2007). Palestinian Poverty Distribution was calculated on the basis of consumption from PCBS (2004). External aid Distribution – MAS, 2009 – Donor Survey

Refugee – While comprising 15.9% of the total population in the WB&GS, 19.6% of them live below the poverty line. 21% of all external aid channeled through PNGOs targets the refugees, with a marked difference between Governmental⁴¹ (16%) and INGO donors (23.8%).

3.7.3 Tracking External Funding to PNGOs by Target Area (1999 -2008)

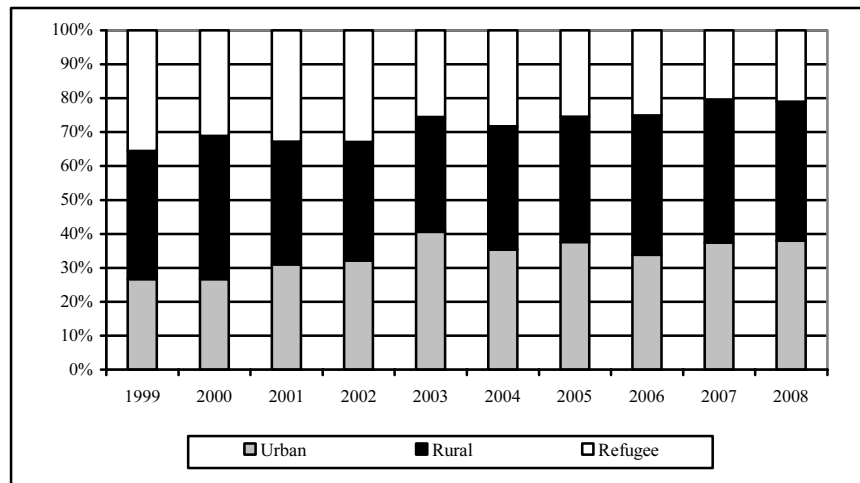
The following section focuses on the distribution of external aid to PNGO projects according to the target area of the project’s implementation over ten years.

According to our survey results, external aid to PNGO projects targeting **urban** populations rose from 2000 to 2003, before remaining steady just below 40% of the total, 13% lower than the Palestinian percentage of urban inhabitants.

External aid to PNGO projects targeting **rural** populations is consistently the highest, garnering 42.2% of aid in 2000 and 2007, while only comprising 31% of the total population in 2007. This is in large part due to the scale of projects targeting urban areas versus rural, the latter receiving more large-scale assistance in terms of infrastructure.

⁴¹ While Governmental donors channel a smaller percentage of their aid through PNGOs to the refugee population than INGO donors, the former invest heavily in this sector through support to UNRWA.

Figure 30: Proportion of External Donor Funding to Target Areas by Location of the Project Implementation (1999-2008)



Source: MAS, 2009 – Donor Survey

External aid to PNGO projects targeting **Refugee** populations slowly declined between 2001 and 2008. In 2007, refugees comprised nearly 16% of the total population and were the recipients of over 20% of the external aid channeled through PNGOs in 2008.

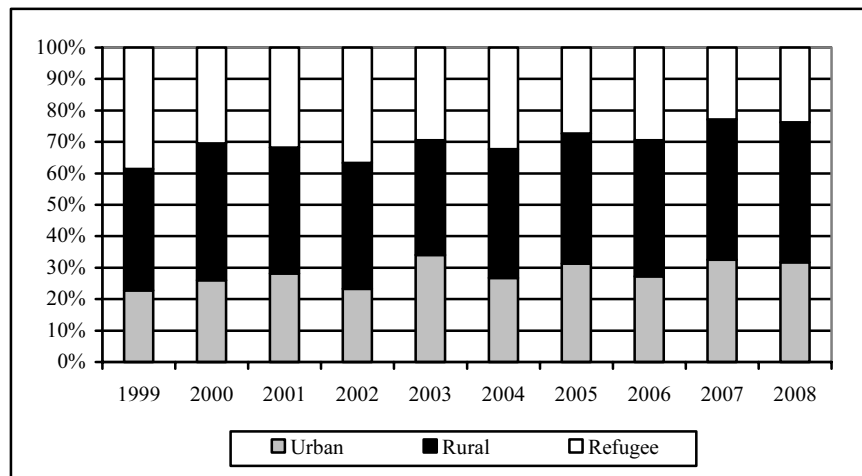
Breakdown of Aid to Target Populations by Donor Type

The following two Figure 31 and 32 break down external aid to Palestinian target populations according to the broad type of donors engaged: Governmental and INGO.

From 2002 onwards, slightly more focus is placed on refugees by the INGO donors than Governmental ones. Also throughout the period studied, INGO donors have focused more upon rural populations; and finally, urban populations receive less INGO funding than the Governmental. However, there is a clear trend upwards by INGO donors in their focus on urban populations

Figure 31 shows that INGO donors largely follow the same trends as overall aid, with a few exceptions.

Figure 31: External Nongovernmental Funding to Target Population (1999-2008)

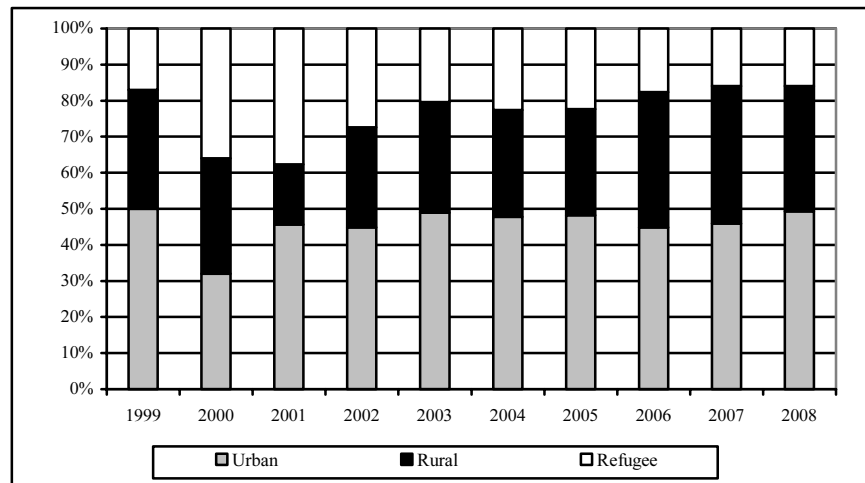


Source: MAS, 2009 – Donor Survey

As Figure 32 shows, donor government funding by target population shows a heavy focus upon urban areas, with the majority of the years measuring between 45 and 50% of total funding. When compared with the sectors funded by the government, this makes more sense. On average, governmental contributions to PNGOs working in the

rural sector is lower than their nongovernmental counterparts. Unlike nongovernmental donors, however, donor governments contribute significantly to rural development through partnerships with the PA and local municipalities.

Figure 32: External Governmental Funding to Target Population (1999-2008)



Source: MAS, 2009 – Donor Survey

With the exception of 2000 to 2002, donor government contributions to PNGOs working with refugees has remained low. Between 2002 and 2008, the percentage of total funding apportioned to this sector fell from 27.4% to only 16%. Much like governmental work with rural communities, PNGOs are not the primary conduit

of governmental development assistance to refugees. UNRWA, the largest UN agency with a budget extending into the hundreds of millions, is fully financed by nation state contributions to work with refugees above and beyond the efforts of the PA or PNGOs.

3.8 Tracking Externally Funded PNGO Activities by Geography

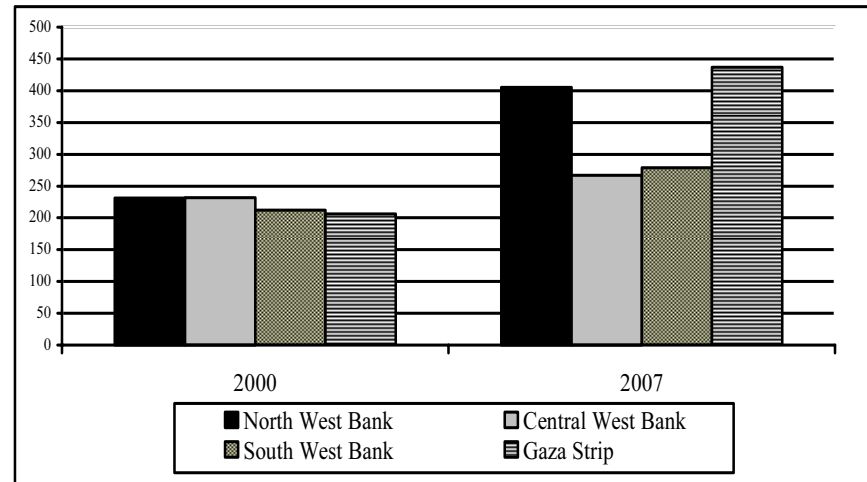
One of the primary tasks of our survey was to pinpoint the geographic location of external aid at the governorate and district level. Previous studies, such as Welfare 1998, were unsuccessful in distinguishing between the location of partner PNGOs and the location of their work. Furthermore, there has been little analysis done on the location of donors themselves. Our geographical

analysis of external funding and PNGOs focused on the geographic distribution of PNGOs, the geographic distribution of donors, the location of the HQs of external financed partner PNGOs and the geographic distribution externally financed project implementation.

3.8.1 Geographic Distribution of PNGO HQs in the WB&GS

Tracking the number and sector of PNGOs is not as difficult as tracking the location of the organizations themselves, and further, the location of their project implementation. As Figure 33 show, there is a marked difference between MAS and MoI data on the distribution of PNGOs. The trends from the MoI data of PNGO distribution align more closely with International Agency Distribution (focused on the central West Bank), while MAS's mapping spreads NGOs and their activities almost evenly throughout the West Bank. Most noticeable is the 2007 trend toward greater activity in the Northern West Bank as opposed to the Center. The following Figure 33 shows the distribution of PNGOs by region in the WB&GS in 1999 and 2006.

Figure 33: Geographic Distribution of PNGOs by Region (2000 & 2006)



Source: MAS, 2007. Tracking Donor Funding to the West Bank and Gaza Strip 2000 – 881 PNGOs surveyed, 2007 – 1388 PNGOs surveyed

3.8.2 Geographic Distribution of PNGOs HQs and External Aid by Governorate

Previous MAS mappings of the PNGO sector have provided us with more data of PNGO activities and external aid at the governorate level.

In the **Northern West Bank** region, Jenin and Nablus have the highest number of PNGOs, with the former

more than doubling the number of organizations between 1999 and 2006. However, only 23% of the budgets of PNGOs working in Jenin come from external sources, and only 25% of those of PNGOs working in Nablus. In Tubas, on the other hand, where the number of PNGOs tripled between 1999 and 2006, the dependence on external aid is much higher at over 70%.

Table 16: Number of NGOs by Governorate, External Aid as a Percentage of PNGO Funds by Governorate

Governorate	# of PNGOs in each Governorate		% of PNGO funding from External Aid	
	1999	2006	1999	2006
Jenin	42	110	37	23.1
Tubas	8	24	78	70.7
Tulkarm	35	65	28	20.2
Nablus	81	125	35	25
Qalqyia	22	32	29	63
Salfit	12	26	0	73.3
Ramallah/Al-Bireh	85	132	37	71.4
Jericho	9	17	8	8.1
Jerusalem	69	63	49	21.4
Bethlehem	82	99	44	63.3
Hebron	112	133	32	35.6
North Gaza	10	48	81	58.4
Gaza City	64	149	60	68.1
Dier Al-Balah	28	70	81	73.5
Khan Younis	35	62	57	83.4
Rafah	16	51	57	82
Total	710	1,206	46.8	60.9

Source: MAS, 2001 & 2007.

Note: The survey covers approximately 77% of NGOs in 1999 and 81% of PNGOs in 2006.

In the **Central West Bank**, Ramallah and Bireh are home to over 130 PNGOs who have almost doubled their reliance upon international aid between 1999 and 2006, from 37% to over 71%. In Jerusalem, both the number of PNGOs and their percentage of reliance on external aid decreased. Jericho, the least active governorate in terms of PNGO activity and external aid, moves from 9 to 17 PNGOs between 1999 and 2006, while the dependence of these organizations remained steady around 8% of their total budgets.

In the **Southern West Bank**, both Hebron and Bethlehem have seen an increase their number of PNGOs, as well as increased the dependence of these organizations on external aid. However, reliance on external aid is much higher in Bethlehem (63.3%) than in Hebron (35.6%) and has increased more dramatically between 1999 and 2006.

In the **Gaza Strip**, the number of PNGOs increased dramatically throughout all of the governorates between 1999 and 2006. Furthermore, all of the PNGOs operating in the Strip derive at least half of their budgets from external donors. In Khan Younis and Rafah, the dependence on external donors is the highest in the WB&GS at over 80%.

3.8.3 Geographic Distribution of External Donor HQs in the WB&GS

The location of the HQs of external donors was gathered through a mapping of ten years of PASSIA Directories⁴². External NGOs and Governmental donors are located overwhelmingly in the Central West Bank, in Ramallah and Jerusalem, with no presence in Jericho. According to our sample, nearly 84.5% of International agency HQs are in the Central West Bank, as opposed to only 5.6% in the North, 5.3% in the South and 4.6% in the Gaza Strip (see appendix for full 10 year statistical layout). On a regional basis, this remains virtually unchanged over the 10 year period.

In Palestine, where projects and programs are undertaken amidst a military occupation, restrictions on movement are levied upon local and international aid workers alike. The overwhelming presence in Ramallah and Jerusalem, where access and movement to international workers is facilitated by a series of specialized checkpoints, is understandable for reasons of comfort and efficiency⁴³. Furthermore, the two cities

represent the political centers of Israelis and Palestinians. As such, international agencies gravitate to where the decision makers are. Though this is natural in the case of Governmental donors, the same holds true for INGO ones as well.

The concentration of international agencies in the Central West Bank raises interesting questions concerning PNGO access to external aid.

❖ *Can these agencies be accessed as easily by PNGOs located outside of these cities and surrounded by a series of checkpoints and obstacles; or are the more 'cosmopolitan' elite urban PNGOs in Ramallah and Jerusalem given an advantage by their proximity to donors?*

In 2006, PNGOs with HQs in Ramallah and Bireh received 71.4% of their funding from external sources. This is in stark contrast to more marginalized cities in the Northern or Southern West Bank. PNGOs located in Hebron, for example, receive only 35.6% of their funding from abroad; while those located in Tulkarm receive only 20.2%⁴⁴. It should be noted that the percentage of funding from external sources of PNGOs in Ramallah and Bireh has nearly doubled since 1999 (MAS, 2007:76-77).

❖ *Secondly, do donors prefer to work with NGOs in the Central West Bank due to the much greater freedom of movement and access they enjoy in the region that makes oversight easier and more efficient?*

As you will see below, 69.6% of external aid partnerships are made with PNGO headquartered in the Central West Bank. According to our previous mappings, PNGOs working at the national and semi-national levels are also overwhelmingly located in either Ramallah or Jerusalem.

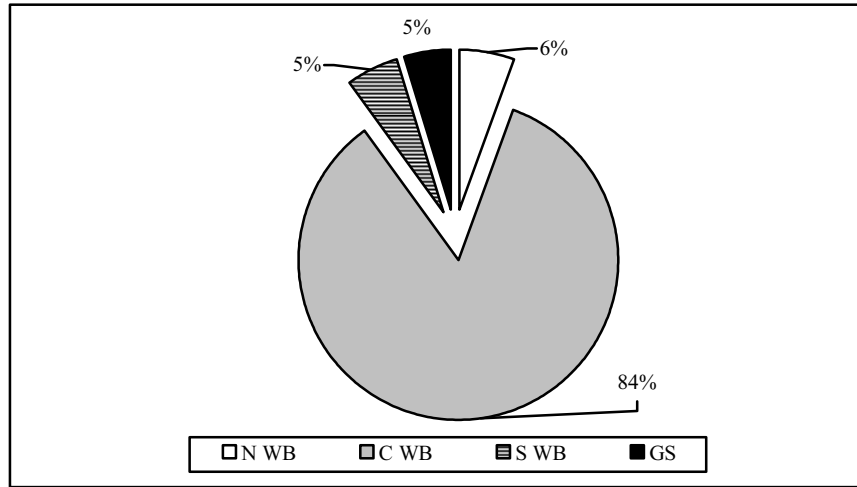
⁴² Full data on the results of this survey can be found in the appendix. Surveyed PASSIAs were from 2009 to 2000, with each year representing the data from the year before.

⁴³ Due to the DCO and the access to 'settler routes', such as Hizme, international aid workers can move more easily between Jerusalem and Ramallah than any other major city centers within the WB&GS. Once inside of Israeli-controlled

Jerusalem, international workers have better access to the entirety of the West Bank. For example, the typical drive time from Jerusalem to Bethlehem can be just ten minutes. Due to checkpoints and the destroyed or diverted transportation network of the WB&GS, a drive from Ramallah to Bethlehem can take hours.

⁴⁴ In those communities where external aid to PNGOs is relatively lower, the organizations tend to rely much more heavily on local aid and revenue-generating activities (MAS, 2007:68).

Figure 34: Location of International Aid Agencies by Region (2008)



Source: PASSIA Diaries, 2009

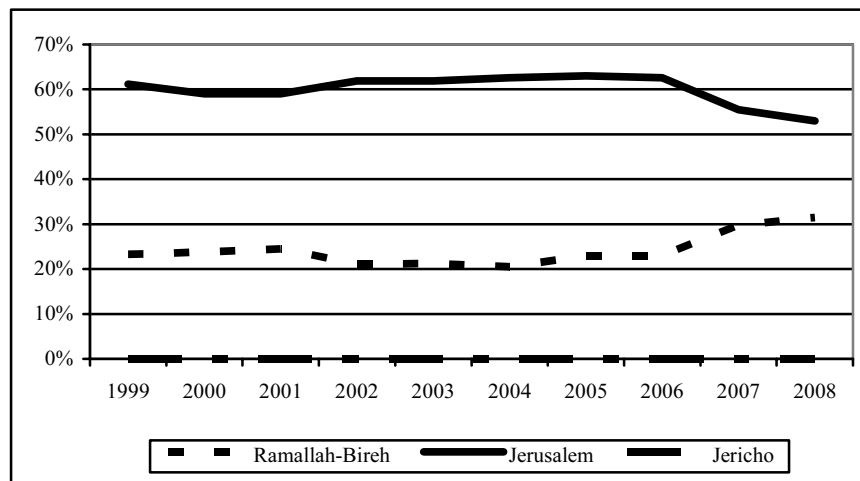
The Central West Bank

Within the Central West Bank, we tried to analyze changes in the preferences of donors between Ramallah and Jerusalem over a ten year period. As the two cities are located next to each other, and both are important centers of political activity, it was expected that the trends would be negatively related. That is, a decrease in the number of agencies in one city would mean an increase in the number of the other. We also tried to measure the impact of Israel’s construction of the Separation Wall in 2002, with the assumption that it would lead to significant fluctuations in the percentages

of NGOs working in either city as restrictions and obstacles to movement increased.

However, as the Figure 35 below shows, from 2002 until 2006, the percentages of agencies located in either city remains relatively stable. One possible explanation for this has already been discussed. Namely, the fact that movement restrictions do not affect international agencies in the same way that they do Palestinian ones, allowed international organizations to stay put throughout the Wall’s construction.

Figure 35: External Donor and Agency Distribution in the Central West Bank (1999 – 2008)



Source: PASSIA Directory, 2000 – 2009

Note: The numbers do not add up to 100% because the graph excludes the HQs of donors in other regions of the WB&GS

While the Figure 35 shows a relative stability in the location of donor HQs in the Central West Bank, between 2006 and 2008, the number of international agencies with HQs in Ramallah increases by nearly 10%, mirrored by a near 10% decrease in Jerusalem over the same period. This trend towards Ramallah from Jerusalem, in terms of the location of Donor Agencies' HQs, seems to have been mirrored by the percentage of international aid received by PNGOs in the area. In 1999, 49% of PNGO budgets came from abroad, after which it had dropped to only 21.4% in 2006. PNGOs working in Ramallah on the other hand received 37% and 71.4% of their funding from abroad in 1999 and 2006 respectively (MAS, 2007:76-77).

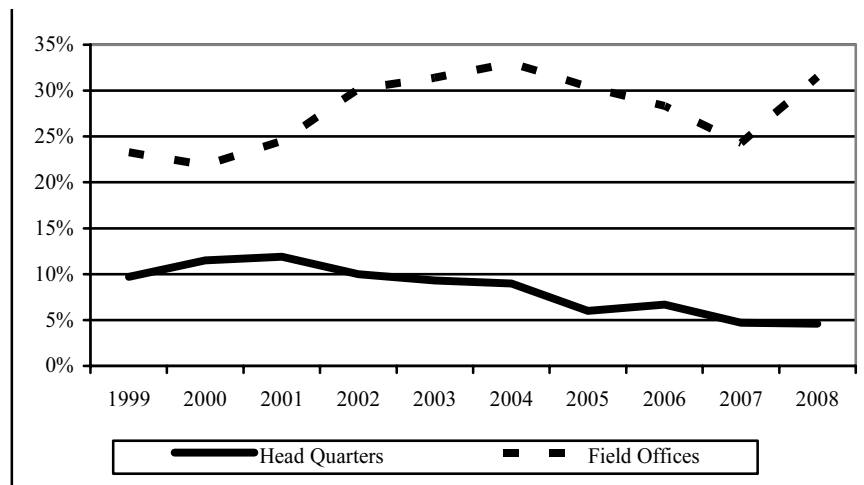
The Gaza Strip

Our team also looked into the trends of international aid agencies HQs with respect to the Gaza Strip. As Figure 36 below shows, the number of international aid agencies with HQs in the Gaza Strip peaked in 2001 at nearly 12%, before declining to the present level under 5%. The gradual decline between 2001 and 2003 steepens between 2004 and 2005. Between 2005 and 2006, the year of the Israeli 'Disengagement' Gaza, there is a slight rise in international presence, perhaps in preparation for the coming elections. The following year

though there is another decline into 2007; and since then, the number of international agencies with HQs in Gaza has remained just under 5%⁴⁵. It must be noted that over the two last years of the survey Gaza remained under a siege, which brought in a number of new international agencies, such as those from Qatar, and forced out a number of others who were unable to guarantee access to their staff or work with the de-facto Hamas Administration⁴⁶.

The Figure below also details the number of international agencies with field offices in the Gaza Strip. While the number of HQs begins to decrease in 2001, the number of Field Offices begins to increase. However, in 2004, both the number of HQs and Field Offices begins to decrease. Between 2007 and 2008, the number of agencies with Field Offices in the Gaza Strip rises by more than 5%, perhaps due to the siege requiring agencies to maintain a permanent staff in the area to oversee ongoing projects. In 2008 there were only two international governmental agencies listed as being headquartered in Gaza, compared to four INGOs. Largely the same is true of Field Offices as well, where 26 are maintained by INGOs in comparison to 14 by IGOs or governmental agencies.

Figure 36: International Donors and Agency with HQs in the Gaza Strip Compared to the Number of International Donors and Agencies with Field Offices in the Gaza Strip (1999 – 2008)



Source: PASSIA Directory, 2000 – 2009

⁴⁵ While the number of international agency HQs in Gaza may be low, the amount of dependency on international aid amongst Palestinian NGOs is quite high. In 2006, with the exception of North Gaza, the remaining four districts' PNGOs receive the highest percentage of budget from abroad. In Rafah and Khan Younis it is over 80% (MAS, 2007:76). This dependency on international aid amongst Gazan PNGOs is mirrored by the Gaza Strip as a whole, where 86% of the population is 'heavily dependent' upon international aid (MAS, Economic and Social Monitor 13).

⁴⁶ Those agencies receiving USAID funding, for example, are not permitted to communicate or cooperate with individuals or organizations affiliated to the Hamas party. Since the June 2007 skirmishes resulted in the takeover of the Gaza Strip by Hamas, the line between 'affiliated' and 'unaffiliated' to Hamas has blurred significantly. Despite this, a number of agencies, even those receiving USAID funds, have continued working in the Strip and many are planning to increase their activities in the wake of the war on Gaza that began in the closing days of the period studied.

3.8.4 Geographic Distribution of External Donors' Partner PNGO HQs

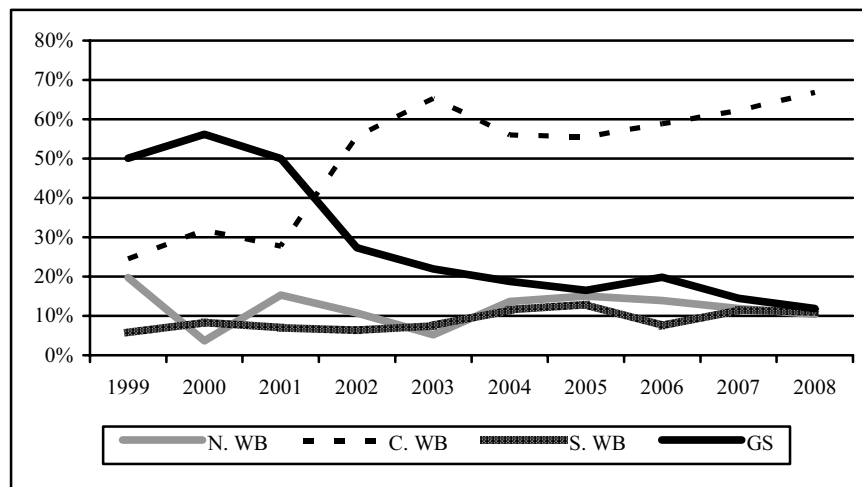
Our geographical survey asked two different questions: where are the HQs of your partner PNGO, and where is the location of the project or program's implementation. Over the ten year period, interesting patterns emerged in terms of the location of the external donors PNGO partner organizations.

The Gaza Strip, even if well-represented in the first years, declines steadily throughout the decade, with the

exception of 2006. After this slight increase the percentage of partnerships falls by nearly 10% between 2006 and 2008, perhaps in response to the takeover by Hamas.

Partnerships with PNGOs in the Northern and Southern West Bank remain low throughout the decade, at or near 10%.

Figure 37: The Location International Donors' Partner PNGO HQs by Region (1999-2008)



Source: MAS, 2009 – Donor Survey

Partnerships with PNGOs located in the Central West Bank, on the other hand, rise rapidly in the early years of the study, and steadily afterwards until 2008, with the exception of a slight dip between 2003 and 2004⁴⁷. By 2008, 66.8% of international donors' partner PNGOs are located in the Central West Bank.

In terms of Governmental versus INGO donors, the former have a higher percentage of partnerships in the Central West Bank, presumably as it is home to Jerusalem and Ramallah, the political capitals of the WB&GS. INGO donors closely mirror the overall trends, with the exception of having fewer partnerships in the Northern West Bank. Between 2006 and 2008, INGO partnerships with PNGOs in the Gaza Strip decreased by nearly 10%, with a corresponding 12% increase in the Central West Bank.

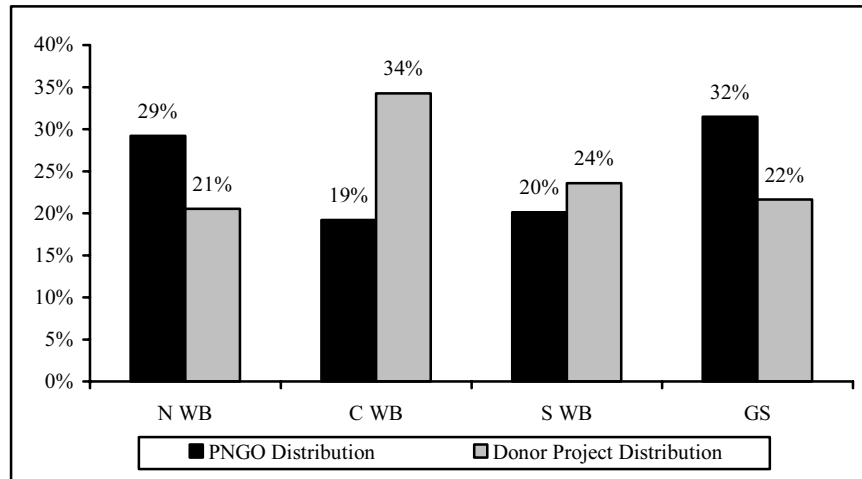
3.8.5 Geographic Distribution of Externally Funded Project Implementation

After having learned where international donors' PNGO partners are headquartered, we sought to find out the location of the implementation of the projects they were funding.

As shown in the Figure 38 below, the Central West Bank receives the highest percentage of international aid in terms of project implementation. At 34.2%, the region receives nearly double the aid in proportion to its share of the population (17.8%). Only the Southern West Bank, mostly due to Bethlehem, is the share of aid also higher than the share of total population (23.5% and 18.9% respectively).

⁴⁷ During this same year, the percentage of partnerships in the Southern and Northern West Bank both rise.

Figure 38: The Location of International Donors' Partner PNGO HQs versus the Location of Externally Funded PNGO Project by Region (2008)



Source: MAS, 2009 – Donor Survey. Population: PCBS 2007 Census.
 Note: Percentages are rounded to the nearest whole number.

In the Northern West Bank, where 24.3% of Palestinians live, and where over 29% of PNGOs are headquartered, only 20.5% of externally financed projects are implemented. In the Gaza Strip the disparity is much greater. With a total of 39% of the Palestinian population and 31.5 percent of the total PNGOs, only 21.6% of externally funding to PNGO activities are implemented there⁴⁸.

The following Figure compares the location of international donors' PNGO partners with the location of their project implementation

While the Figure above provides only a snapshot of the geographic distribution of international donor funded PNGO projects, the Figure below shows how this has changed over the ten-year period. According to our survey, the Gaza Strip received a much higher proportion of international aid in the late 1990's, until peaking in 2000 at just over 60% of total aid⁴⁹. In 2001, with the onset of the Second Intifada, the percentage of internationally funded PNGO projects in Gaza falls dramatically, nearly 20%, before stabilizing between 23% and 30% from 2002 onward.

Internationally funded PNGO projects remained relatively stable throughout the ten years studied, remaining between 19% and 27% throughout, with the exception of a slight decline in 2000. By 2008, the NWB was the beneficiary of nearly the same percentage of international funding as the GS, despite being home to 15% less of the of the Palestinian population.

The Central West Bank hosts the highest proportion of internationally funded PNGO projects, despite being the home to the smallest percentage of the Palestinian population. According to our study, there is a dramatic increase (nearly 15%) in the percentage of projects implemented in the CWB between 2001 and 2002, correlating very closely with the dramatic decline in the GS over the same period. From 2002 onward, the percentage of internationally funded PNGO projects implemented in the CWB remains stable at or slightly above 30% of the total. There is a slight dip in 2005, once more seeming to correspond with a slight rise in the GS.

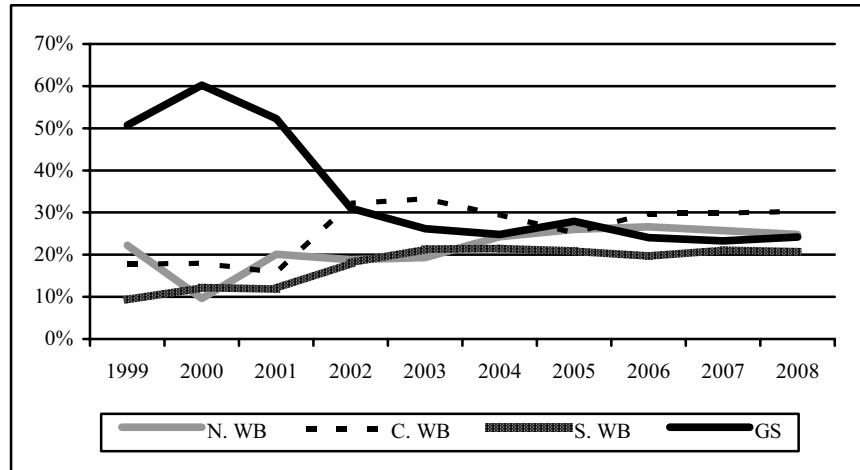
The Southern West Bank was the location of implementation of nearly 10% of externally funded PNGO projects between 1999 and 2001, before climbing to nearly 20% in 2002. From 2002 to 2008, the percentage remains stable around 20% of the total.

In terms of the different types of donors studied, INGO donors give a higher percentage of their aid to the NWB, less than the average to the CWB, noticeably less to the SWB and more to the GS than the average. Between 2007 and 2008, funding for project implementation in the GS increased by 5% among INGO donors. Governmental donors, on the other hand, devote over 34% of their funding to projects implemented in the CWB.

⁴⁸ As the following sections will show, the low percentage of international aid to PNGOs in Gaza has not resulted from the 2007 takeover by Hamas, but has remained consistently low since 2002.

⁴⁹ However, these earlier years of data are biased toward the small number of organizations who were able to provide it.

Figure 39: Location of Implementation of Externally Funded Projects Carried Out in Partnership with PNGOs by Region (1999-2008)



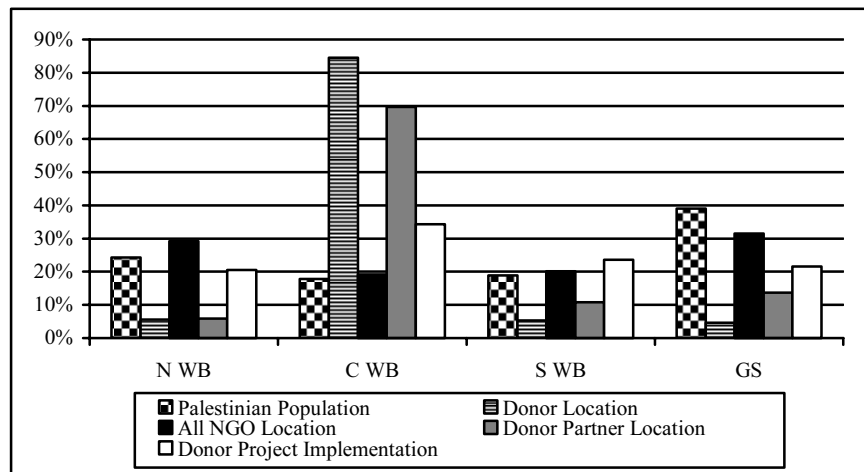
Source: MAS, 2009 – Donor Survey

3.8.6 Overview: Geographic Distribution of PNGOs and External Aid

The Figure 40 below works to summarize the story of external aid and PNGO activity in terms of geography. The first, checkered, bar represents the regional distribution of the Palestinian population as a whole in 2006. The second striped bar represents the location of donor HQs in 2008. As mentioned above, there is an overwhelming presence in the Central West Bank as opposed to the rest of the oPT. The black bar shows how PNGOs are distributed throughout the oPT, with the lowest percentage actually being in the Central West Bank. The grey bar, representing the location of

international aid agency partner PNGO HQs, shows that although there are a smaller number of PNGOs in the Central West Bank, they enjoy much greater access to international funds other regions. Finally, the white bar represents the location of internationally funded projects implemented by partner PNGOs. Though much more evenly distributed throughout the oPT than partnership HQs, there is still a higher percentage of funds targeting the Central West Bank than any other region – despite the fact that in many ways, it is the least in need of assistance.

Figure 40: Geographic Breakdown of International Aid to PNGOs



Source: Donor HQ source: Source: PASSIA Organizations Directory, 2009. 130 listed organizations.
 NGO HQ Source: MAS, 2007. – figures are from 2006. Donor implementation and Partnership Source: MAS, 2009 – Donor Survey.
 Palestinian Population Source: PCBS, 2007 Census.

3.8.7 In Focus: PNGO Hierarchies

The fact that PNGOs have not distributed themselves along the same lines as donors and contributions does not mean that those outside of the Central West Bank are forgotten by international aid. The geographical structure of aid, as detailed in the Figure 40 above, tells the story of a developing hierarchy amongst local organizations. Large professionalized PNGOs working on a regional or national basis are overwhelmingly located in the Central West Bank. In 2007, 29.6% of NGOs in the Central West Bank claimed to work at the national level, as opposed to only 4.9% in the north, 9% in the South and 7.8% in the Gaza Strip (MAS, 2007:74). These powerful, nationally oriented organizations act as patrons to smaller PNGOs or CBOs spread throughout the remainder of Palestine – often serving as conduits of donor aid, capacity builders, ad-hoc project contractors or oversight and administrative support.

An example of the hierarchy of aid extending to the local level could be when a donor government provides funding to the Welfare Association, an INGO, who in turn gives money to the NGO Development Center (NDC), a Palestinian NGO that often acts as a donor to smaller local organizations. Among the dozens of PNGO partners of NDC is The Palestinian Center for Peace and Democracy (PCPD), an NGO located in Ramallah who works with and through smaller PNGOs and CBOs through a network of offices in the West Bank. In such a scenario, there would be three intermediary steps between the donor and the implementing agency.

3.9 Arab Funding to PNGOs

When setting out to track external funding to PNGOs, the team at MAS worked to better understand the relatively small percentage of aid arriving from Arab governments and institutions. The following section reviews two important reports on Arab funding to the WB&GS, as well as the findings of our survey.

According to Dr. Malhis (2007), Arab aid to Palestine is characterized by its solidarity with the Palestinian cause and liberation movement. From the 1940s until 1967, remained reactive to the severity of the economic, political and social conditions in the oPT while lacking an overall framework.

After the 1967 war, Arab countries' priorities shifted from helping in the liberation of Palestine toward eliminating the war's effects. Following the 1973 war, countries gathered at the seventh League of Arab States Summit where they pledged to give countries 'on the front line' (Egypt, Syria, Jordan and the PLO) 1.369 Billion USD annually. At the time this represented a far higher amount than their Western counterparts.

Following the signing of the Camp David Peace Agreement between Egypt and Israel in 1978, attendees of the ninth Arab League Summit pledged to allocate 150 Million USD to Palestine annually over ten years. Although detailed data is not available, the joint Palestinian-Jordanian Committee reported to have received around 422.6 Million USD between 1979 and 1985, only 40.2% of the pledged amounts, and 29.5% of total pledges (10 years at 150 Million USD/yr). Between 1988 and 1993, following the onset of the first Intifada, the League of Arab States pledged immediate support of 128 Million USD to Palestine along with a 43 Million USD stipend per month. However, the onset of the first Gulf War between the United States and Iraq, prevented most of these pledges from turning into disbursements. It is estimated that transfers between

1988 and 1992 totaled to around 103 Million USD, most of which went to emergency aid and medicines. This number represents a far cry from the promised monthly stipend of over 40 Million USD.

The period between 1994 and 2000 saw another shift in Arab country aid giving, influenced by the Oslo Accords and the push to support the nascent PA. Between 1994 and 1996, Arab aid reached around 393.4 Million USD, only about 15.6% of the total aid. The MoP on the other hand, reports that between 1994 and 2000, Arab aid totaled 7.3% of total aid to Palestinians⁵⁰. Regardless of the differences in estimates, both clearly show that Arab funding was becoming increasingly limited and marginalized in comparison to its Western counterparts.

Between 2001 and 2007, Arab funding saw a dramatic rise. Between 3.96 Billion USD was committed as direct budget support and total commitments reached 5.11 Billion USD.

The major increase in funding followed on the eruption of the Second Intifada and the intensified occupation of the West Bank and Gaza. Arab countries convened an emergency summit in Cairo where they created two funds: The Al Quds Intifada Fund (200 Million USD) and the Al-Aqsa Fund (800 Million USD). The following year in 2002, an additional 150 Million USD was pledged to those two funds.

However, actual disbursements are different than pledges. The actual contributions to the two funds totaled around 761.8 Million USD, representing only 66.2% of the total pledges. Moreover, of the disbursements made, 89% came from only five countries (Saudi Arabia at

⁵⁰ It should be noted that the PAMS system and the previous MoPIC inaccurately captured the data of many multi-lateral instruments and foundations.

35.6%, Kuwait at 22.4% and United Arab Emirates at 19%, Qatar at 7% and Algeria at 5%).

Since 2000, 84.4% of Arab funds have targeted government budget support, with the remaining 15.6% going to reconstruction projects. As such very little aid has been channeled through PNGOs.

3.9.1 Review of the Islamic Development Bank Report – Published July 2009

The Al-Aqsa Fund is managed by the Islamic Development Bank (IDB) on behalf of the Arab Bank for Economic Development in Africa; Arab Fund for Economic & Social Development; Arab Monetary Fund; Saudi Fund for Development; and The OPEC Fund for International Development (OFID). Between 2003 and 2008, the Al-Aqsa fund managed a portfolio of around \$462 million.

Amongst the millions of dollars managed by the fund, very little has entered the PNGO sector. The fund primarily targets the PA, local governments and municipalities, emergency relief, building reconstruction, road constructions and schools. It is worth mentioning that the Arab Bank for Economic Development in Africa had a program that aims to economically empower the poor families (around 12,000 families) through helping them in establishing their own projects. The budget for program is \$3 million. Those funds are channeled mainly through PNGOs, such as the Sharek Youth Forum, the Palestinian Hydrology Group, PARC and others. These PNGOs directly implement the program, distributing aid to 2,133 families as of May 2009. A further 1,071 interventions are in the implementation phase and 1331 are being planned.

Besides welfare programs, there is a micro financing scheme of around \$3.38 million also channeled through private institutions and PNGOs. Between 2003 and 2008, 873 loans were granted and allocated as follows: Faten granted 250 loans for \$1,110,500; Asala granted 205 loans in \$706,100; the YMCA granted 110 loans for \$395,000; PARC granted 105 loans for \$498,500 and ACAD granted 203 loans for \$674,800. Recently, Faten received an additional in \$500,000 micro financing funds and Asala received \$600,000. According to the report, the other institutions will all so receive more funding shortly.

The Welfare Association is one of the primary recipients of Arab Aid, however not many of the projects funded utilize PNGO partnerships. For example, the Arab Fund for Economic & Social Development granted Welfare \$4 million from September of 2008 to September of 2010 for renovation and reconstruction old city in Jerusalem and Nablus. The Arab Monetary Fund also is directly partnering with the Welfare Association by granting \$1.5 million between May of 2008 and May of 2010 to renovate the old city in Jerusalem, in addition to \$1.1 million in support of the Maqased hospital by \$1.1 million for 2009 and 2010.

The Saudi Fund for Development is providing \$2 million between 2008-2009 for 10 organizations, PNGOs, and charities in Jerusalem under the scope of ‘Al Quds Capital of Arab Culture 2009’ for building, renovation, machinery and equipment. PNGO partners include: the YMCA, Silwan Club, Olive Mountain Club, Edward Said national music institute and others.

Table 17: Commitments and Disbursements of Al-Aqsa Fund Members (2003 – 2008)

Membership	Committed	Disbursement	Com./Dis.
Islamic Development Bank	62.7	26.5	42.30%
Arab Bank for Economic Development in Africa	58.8	27.7	47.40%
Arab Fund for Economic & Social Development	50	16.4	32.70%
Arab Monetary Fund	43.7	18.7	42.80%
Saudi Fund for Development	41	8.1	19.80%
The OPEC Fund for International Development	8	4	50.00%
The Arab Investment & Export Credit Guarantee Corporation	1.1	0	0.00%
The Arab Authority for Agricultural Investment and Development	0.8	0.8	100.00%
Al-Aqsa Fund	196.2	155.3	79.2
Total	461.8	255.5	55.33%

Source: IDB Report, 2009.

Note: Amounts given in Millions USD.

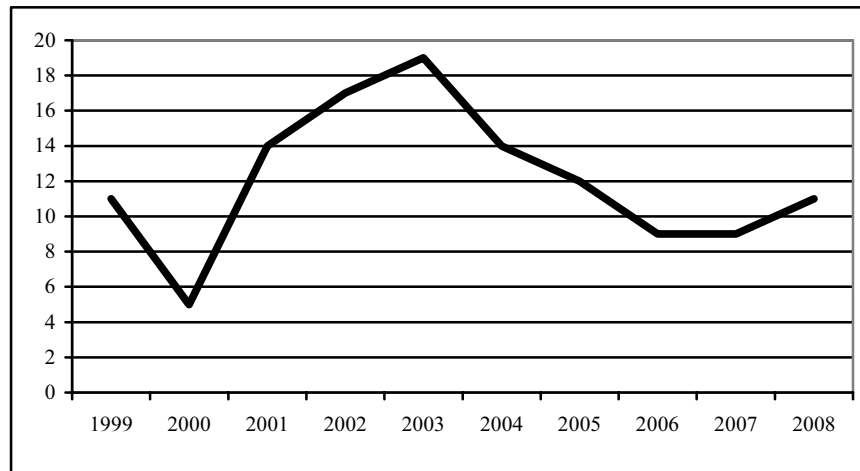
The OPEC Fund for International Development will provide \$1.5 million between June 2009 and June 2010 for ‘empowering the Palestinians live in Jerusalem’. However, this project is implemented in partnership between Al-Awqaf Islamic affairs department and a ‘PNGO’ called Al Quds for Welfare and Development, who received \$600,000 out of the \$1.5 million granted.

In spite of the few samples of Arab-PNGO partnerships outlined above, it looks like the funds provided through Al-Aqsa Fund are primarily directed at the Palestinian Authority. Arab funding to PNGOs is still limited and exclusive to certain area and priorities.

3.9.2 PNGO Survey Results

Though we are aware of the limitations of our survey of Arab funding, our PNGO survey has given us an interesting picture of the broad trends in Arab aid to PNGOs between 1999 and 2008. According to our survey, Arab funding decreases in the proportion of total aid to PNGOs almost throughout the 1990’s. Only with the onset of the Second Intifada and the decline in funding from the West. As the Intifada began to wind down in 2003, Western support returned, reducing the significance of Arab funding to the PNGO sector. Between 2006 and 2008, Arab aid has accounted for around 10% of the total.

Figure 41: Arab Funding as a Percentage of Total External Aid to PNGOs (1999 – 2008)



Source: MAS, 2009 – PNGO Survey

3.10 The European Union Funding to PNGOS

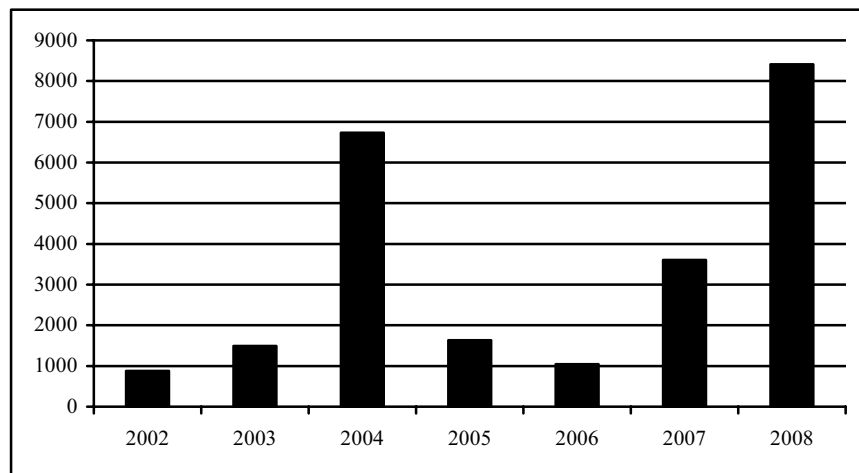
The European Commission is a major benefactor to the PNGO sector. Unlike USAID, however, PNGOs accepting European money is not tabooed, and there are a number of programs through which local NGOs can apply for direct partnerships with the EC (eg. the European Partners for Peace Initiative). As most often occurs though, European money flows through a member states INGO before it reaches the local partner.

The trend in EU funding from 2002 to 2008 to PNGOs could be characterized as a roller coaster. It nearly doubles between 2002 and 2003, before quadrupling the following the year. In 2005 the amount of funding decreased by a factor of four over 2004 and dropped again in 2006. In 2007 the EU reached over 3.5 Million Dollars in direct funding to PNGOs, and in 2008 the amount had grown to over 8.5%.

In 2002, 2003 and 2006, the EC was heavily invested in Rural Development which comprised 72, 98, and 64% respectively. 2005 saw a big move into peace education and forums (67%), categorized here as Liberal Arts Education. 2006 ironically saw the greatest amount of funding to activities falling under Democratization. In 2008, there is a wide variety of projects (27 in total). The majority of the funding however is captured by three main sectors: Health (primarily in the treatment and rehabilitation of torture victims), Human Rights and Women’s Affairs.

The EU tends to focus on urban populations with its NGO funding, though rural populations also benefit. Their impact or targeting of refugees however remains relatively low – most likely due to their funding of UNRWA.

Figure 42: EC Funding to PNGOs (2002 – 2008)



Source: 2002 – 2003: MoP's PAMS database. 2004 – 2008: MAS, 2009 – Donor Survey
 Note: The numbers are given in 1000's and presented in USD.

The location of the EU's partners is overwhelmingly the Central West Bank. Only in 2007 does the percentage of partners in the Center drop below 80%, and then only to an increased number of projects targeting the Gaza Strip. EU partnerships with organizations headquartered in the Northern West Bank are almost non-existent; while on the other hand, there is a small but consistent percentage of organizations in the Southern West Bank, primarily Bethlehem, who have accessed EC Money.

Information Availability

Whether it is a policy choice aimed at aligning with the principles of the 2005 Paris Declaration, or simply a by-product of their complex procedures, information on EU projects is more readily available than that of other major donors, such as the US or UN. The EU trend toward thematic multi-year grants also makes it easier to track data.

3.10.1 Ownership

In interviews with EU press officials, it was cited that the organization wanted to increase local ownership over the development process by increasing the proportion of direct partnerships (those without an INGO intermediary). In order for this to happen however, obstacles to access and EU practices should be reformed.

1. Expertise: The expertise required to even apply for an EU grant, much less implement it, is often well beyond the capacity of local NGOs, often those closer to the 'grass roots'. Even if there is a competent local administration in place, the inability to apply for funds or carry out reporting in the local language, often means PNGOs rely heavily on expensive international personnel in their

fundraising departments, who are adept in the language of the donor.

2. Recycling: Though never admitted on record, the use of indirect partnerships through home country INGOs is a useful way for donor countries to recycle international aid back into their own economies. The administrative costs of these intermediaries support a number of salaries of donor country expatriates.

In conversations with one European INGO worker, the effect of these two barriers is extensive when it comes to bottom lines of PNGO project budgets. The interviewee described the recent submission of a multi-partner, multi-year grant proposal by her INGO. In exchange for the INGO carrying out the complex reporting and oversight required by the EU – with no implementing role whatsoever – the INGO earmarked 24% of a 500,000 Euro grant, or 120,000 Euros.

3.11 Large PNGOs and External Aid

Though our survey of PNGOs was not nearly representative enough to analyze the PNGO population as a whole, it has provided some interesting data concerning the activities of Palestine's largest NGOs – precisely those who receive most of the international aid. The following section reviews the distribution of externally funded activities of large PNGOs by the sector, target and geography of their work.

3.11.1 Distribution of Externally Aid to Large PNGOs by Sector Groupings & Period

Figure 43 shows the distribution of external aid to large PNGOs by sector grouping and time period.

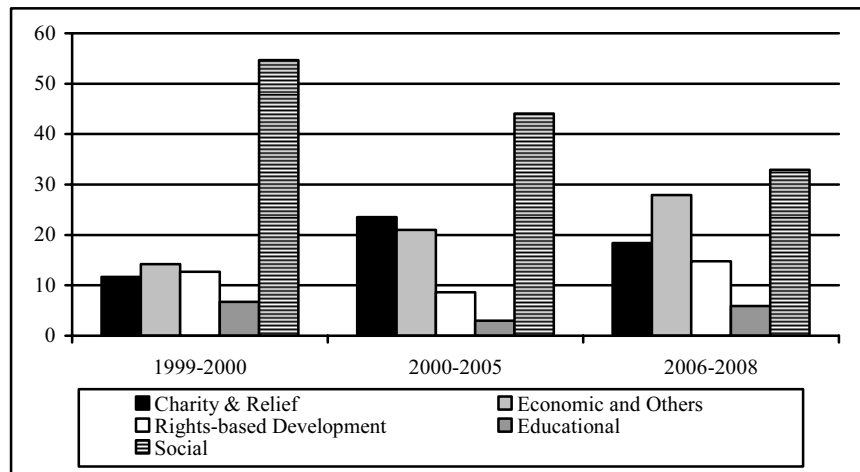
According to the survey, external funding to large PNGO projects in **Charity and Relief** doubles between the first and second period, as the onset of the Intifada increased the need for short term assistance. Between 2006 and 2008, charity and relief projects receive just over 18% of the total external aid to PNGOs.

External funding to large PNGOs in the **Social Services Grouping** drops steadily over the three periods from 54.7% of total external aid in the first to 32.9% in the last. The largest part of the social sector grouping is healthcare, which alone captures 42.2% and 34.4% of total funding to PNGOs in the first two periods. In the third period, PNGO projects related to health received 19.8% of total funds. The Palestinian Medical Relief Society (PMRS), one of the largest Palestinian healthcare

NGOs, declined to take in the survey, leading us to believe that the percentage of funding captured by the Health Services sector of the social services grouping would be even higher.

According to our survey of PNGOs, external aid to projects included in our **Rights-based** grouping decreased slightly between the first and second period, despite the increased focus on human rights at a time of crisis. The percentage of aid designated to this grouping rises between the second and third period, moving from 8.6% to 14.8% of the total, presumably spurred on by the rapid increase in funding to democracy and good governance in the 2005 lead up to Palestinian elections.

Figure 43: Distribution of External aid to Large PNGOs by Sector Groupings & Period



Source: MAS, 2009 – PNGO Survey

External aid to PNGOs engaged in the Group **Education** behaved predictably, dropping by more than half during the Intifada, and recovering once more in the third period, where it makes up 5.9% of externally funded PNGO activities.

Funding to PNGOs working in sectors that benefit the **Economy** rises steadily over the three periods analyzed. In the first period this grouping captured 14.2% of total aid to PNGOs, 21% over the second period and 27.9% in the third - nearly as large as the Social Sector.

3.11.2 External Funding to Large PNGOs by Target Area

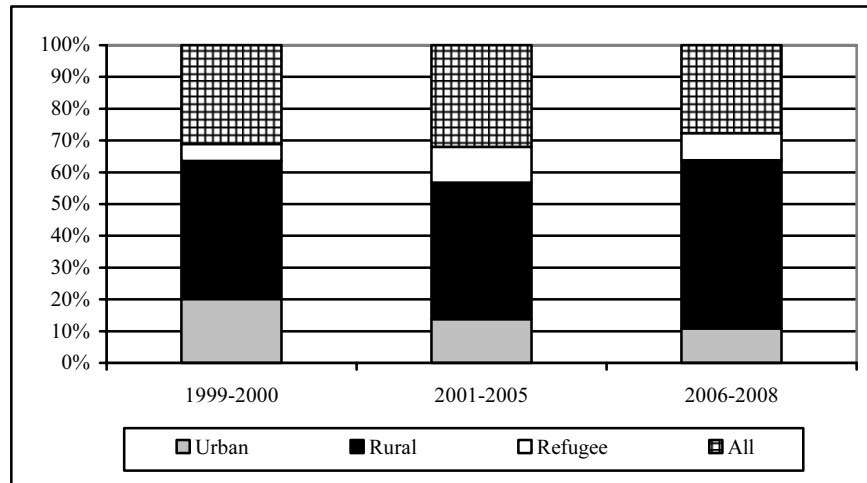
Though our donor survey returned a more representative picture of external aid to PNGOs by target population, our survey of PNGOs captured an interesting picture of the target populations of the largest PNGOs. Unlike our 20 to 10% between 2006 and 2008.

donor survey however, PNGO respondents were given the option of choosing ‘All Populations’ to describe the beneficiaries of large programs spread throughout target areas. Though the data is more ambiguous, interesting trends can be identified.

As the following figure 44 shows, large PNGO projects targeting **Urban** areas have fallen steadily over the three periods from around

External funding to PNGOs working with **Rural** populations carries the largest percentage throughout the period studied. In the first and second period, the percentage of aid sits around 43%, dropping only slightly in the second period in favor of refugees and ‘all populations’. In the final period, rural populations are allocated nearly 53% of the total.

Figure 44: Percentage of Externally Funded PNGO Activities by Target Population and Period



Source: MAS, 2009 – PNGO Survey

Refugee target groups receive only a fraction of the total external aid to large PNGOs, with the highest percentage (11%) being in the second period.

The high percentage of respondents choosing the ‘**All Populations**’ category is reflective of a sample weighted towards large PNGOs working at the national and semi-national levels. We suspect however that the lower percentage of external funded PNGO activities targeting ‘all populations’ in the third period, reflects the better record keeping of PNGOs in more recent years, allowing them to better allocate their activities by target population.

3.11.3 Location of Large PNGO Project Implementation by Region and Period

Our PNGO survey aimed to capture the changes in the geographic distribution of large PNGO project implementation on the regional level over the three periods of time, rather than the population of PNGOs as a whole. As the following table shows, there is a slight increase (12.4% to 14.8%) in large PNGO activity in the **North WB** during the second period, when the region underwent extreme economic and social destruction in Israel’s operation “Defensive Shield”. In the third period,

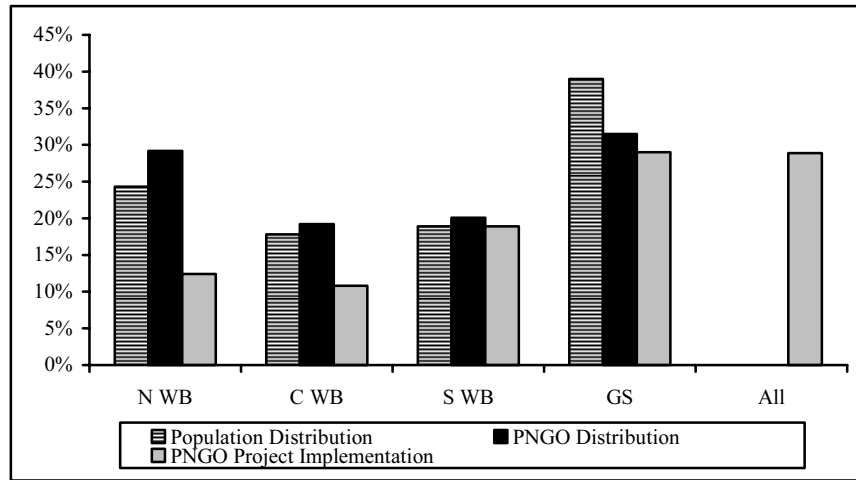
the percentage returns to little over twelve, highlighting that within the West Bank, the north is the most under represented region in comparison to the population (24.3%).

The **Central WB** sees a slight increase between the first and second periods, before declining again in the third period to around 11% of the total. As the Central WB constitutes 17.8% of the total Palestinian population, it could be viewed as under represented in terms of externally funded PNGO activities. However, we believe this to be untrue as a number of the organizations working at the **All Palestine** levels are located in the Central WB and carry out activities there, as well as the rest of the WB&GS.

The distribution of externally funded PNGO activities in the **South WB** increases steadily over the three periods, from 14.8% to 18.9%. This is precisely the distribution of the population in the region.

The **Gaza Strip** is home to 39% of the Palestinian population in the WB&GS and 29% of its activities. Like the other regions, the Gaza Strip does receive a portion of the aid designated as ‘All Palestine’.

Figure 45: Palestinian Population Distribution versus the Location of PNGOs and their Project Implementation by Region and Period (2008)



Source: MAS, 2009 – PNGO Survey

4. Reflections and Policy Recommendations

It has been the objective of this study to produce a comprehensive review of the external finances absorbed by the Palestinian NGO sector. Neither the above research nor the following recommendations include any discussion of whether these organizations have achieved their stated objectives; no evaluation or judgment has been made regarding the effectiveness of the aid received by the Palestinian Territories. By way of conclusion, we will outline the problems associated with the unavailability of PNGO financial data and end by recommending a potential means of overcoming these.

4.1 The Absence of Data, Policy Harmonization and Transparency

In response to the Paris Declaration on Aid Effectiveness, the MoP created the PAMS system for tracking external finances. This database, however, is still unable to capture a genuinely accurate picture of aid flows to both the governmental and non-governmental sectors in the WB&GS. Often, smaller organizations with budgets of less than a million US dollars are overlooked by PAMS. Yet research demonstrates that small budgets can quickly accumulate, and thus grow, into significant sums deserved of our attention.

An obvious consequence of the limitations inherent in the PAMS system is a lack of coordination between non-governmental and governmental organizations operating within the Palestinian Territories. This lack of harmonization between sectors has, on occasion, resulted in poor communication between donors, PNGOs and the PA or even direct duplication of services or projects; a reality that may have challenged the legitimacy of collective and long-term development strategies.

It is clear, therefore, that a lack of transparency regarding the finances and activities of PNGOs has helped to prevent effective policy harmonization. Moreover, an unwillingness to disclose this information may well have restricted the effectiveness of the non-governmental sector in general. Only through an increase in the level of transparency can a harmonized and collective development strategy be forged. Unless all parties are made aware of what development aid is being spent on, successful policy coordination will remain allusive; harmonization cannot be achieved without reference to an accurate picture of the totality of development efforts.

It must be noted, however, that achieving greater harmonization is not as simple as it initially sounds. Efforts must be made to balance the need of greater

transparency with the needs of PNGOs to maintain the autonomy and flexibility which they require to do the work that they do. Both local and international NGOs are often unwilling to reveal the sources and destination of their finances. It may be the case that many local NGOs would be unwilling to participate in any effort to increase transparency without first being assured of their continued right to operate in a manner they deem necessary and serve the constituencies they choose.

4.2 Policy Recommendation: NGO Project Database

It is for the above reasons that this study recommends the development of a database capable of accurately tracking aid flows to PNGOs; a database superior to those that already exist. Such a database could be made available to governmental and non-governmental organizations both within and outside of the WB&GS. Care would have to be taken, however, to manage access to this database. It would be essential that it did not become viewed as an encroachment into the rights of the nongovernmental sector by the PA instead of a move towards mutually beneficial harmonization.

4.3 Potential Benefits of the Proposal

Our research suggests that a database of this sort would have some clear and tangible benefits. Most importantly, it would allow policy-makers, project managers and researchers to build a broad and accurate picture of the financial resources that are entering the Palestinian Territories, the origins of these resources, what they are being spent on and where they are being spent. Improved transparency and increased access to data regarding the finances and activities of PNGOs and their international counterparts would allow for a harmonization of development strategies between governmental, non-governmental and international organizations. In turn, this would allow for greater coordination, a far more efficient distribution of resources and increased “value for money” for both Palestinian citizens and international donors alike. Donor states and organizations, for example, would be able to better assess the impact of the finances they provide and make superior decisions regarding which organizations to financially support.

Likewise, the collated data could be employed by researchers and academics to evaluate the role that NGOs play in Palestinian development and the value of their development strategies to the Palestinian economy and the wider society. Any lessons learned from such

research could be fed back into the policy making machine and, hopefully, allow for more relevant and effective policy-making in the future.

Furthermore, such a database could provide an important source of institutional memory for the NGO sector. It would allow PNGOs to track, more effectively than before, their past activities and how their objectives and structure has changed over time. Perhaps more importantly, this information could then be compared to similar organizations and used to learn from the successes of other PNGOs. Improved access to data could also allow for more effective and relevant project planning. Likewise, the collated data and information could be used to educate and train incoming staff, not only to help create a cohesive organizational structure and a common understanding of the organizations role, but also, to educate staff in past mistakes and lessons learned.

4.4 Evaluation of the Proposal by Key Stakeholders

On November 18th, 2009, a focus group was held at the MAS Institute to discuss this proposal. Attendees included Representatives from the MoP PAMS department, the World Bank and the Local Aid Coordination Secretariat as well as a small number of PNGO donors. We asked them if they thought the database was relevant, whether it endangered donors or their local partners and whether real implementation was feasible.

Those in attendance agreed on the utility of such a database. However, it was argued that the peculiarities of the occupation would render mandating the use of the database nearly impossible. INGOs and donors located in Jerusalem are not required to register with the PA MoI nor do those headquartered in the rest of the WB&GS. As the PA's authority does not extend to East Jerusalem, tracking these institutions would prove difficult. Moreover, donors are encouraged to headquarter in

Jerusalem, as opposed to Ramallah, in order to receive work permits from the Israeli Government. Consequently, publically disclosing the whereabouts of their work may endanger their legal status. Without the PA being able to mandate the use of the database to all PNGOs and INGOs, the data that it would collate may not be relevant to either policy makers or development professionals.

During the focus group concerns were also raised over whether the PA was 'trust worthy enough' to be given access to the financial data of the nongovernmental sector. The rocky relationship between the PA and PNGOs culminating in the 1999 'public fight' between the two, was cited as a reason and justification for the nongovernmental sector maintaining its independence from central authorities. Others argued that, regardless of the performance of the PA, it has a right to know, and that INGOs and international agencies should not be choosing when they should or shouldn't be acting in accordance with Palestinian law or the principles of the Paris Declarations. It should be noted that it is not only the PA that poses a potential threat to PNGOs. In the aftermath of the September 11th attacks in New York, a number of NGOs from the region have come under intensive scrutiny for their supposed or possible links to organizations or individuals designated as terrorists by the US Government. Following the closure of a number of high profile organizations for precisely this reason, PNGOs are much more cautious about revealing the sources of their finances.

The proposed project would depend on securing adequate funding for it. At present, funding for PAMS is insufficient to fulfill its stated mandate. Further extending the scope of that mandate or creating an entirely new data collection system, as is being suggested here, would require a significant increase in funding for PAMS. It may well be the case, however, that the changes in funding priorities that resulted from the PRDP and the Paris Declaration would allow for funds to be allocated to such a project.

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I. Political Timeline

1991

Oct – Madrid Peace Conference

1993

Sep – Declaration of Principles on Interim Self-Government, Oslo Accords

Oct – First Pledging Conference for Middle East Peace in Washington, DC

Nov – First Meeting of the Ad Hoc Liaison Committee (AHLC) in Paris

Dec – First Meeting of the Consultative Group in Paris

Dec – First Palestinian Police Donors Conference

1994

Jan – Establishment of the World Bank administered Holst Fund

Mar – Second Police Donors Conference and the formation of the COPP

Apr – Paris protocol on economic relations between Israel and the PLO

May - The Gaza-Jericho Agreement is signed by Israel and the PLO

May – Informal meeting of the AHLC

July/Aug – Establishment of the PA with the Arrival of Yasser Arafat in Gaza

Sep – Informal meeting of the AHLC

Oct – Israel and Jordan sign peace treaty

1995

Jan – First meeting of the LACC and the formation of the Sector Working Groups

Jan – Informal Meeting of the AHLC

Apr – Informal meeting of the AHLC

June – First meeting of the Joint Liaison Committee (JLC)

Sep – Oslo II Agreement in Taba

Sep – Informal meeting of the AHLC

Oct – CG meeting in Paris

Nov – Assassination of Israeli Prime Minister Rabin

Nov – Informal meeting of the AHLC

1996

Jan – International conference on aid to Palestine

Jan – Legislative and Presidential Elections held in Palestine

Spring – Intensified attacks between Israelis and Palestinians

Apr – Informal meeting of the AHLC

May – Benyamin Netanyahu is elected Israeli Prime Minister

Sep – Informal meeting of the AHLC

Nov – CG meeting

Dec – Informal meeting of the AHLC

1997

Jan – An agreement on redeployment in Hebron begins

June – Informal meeting of the AHLC

Nov – Informal meeting of the AHLC

Dec – CG meeting in Paris

1998

May – Informal meeting of the AHLC

Oct – Wye River Memorandum signed to begin final status negotiations

Nov – Second Pledging Conference for Middle East Peace in Washington, DC

1999

February – CG meeting held in Frankfurt, Germany
May – Oslo Accords expire
May - Ehud Barak is elected Israeli Prime Minister
Sep – Sharm El Sheikh Agreement to start final status negotiations
Oct – AHLC meeting in Tokyo

2000

July – Camp David Peace Summit Fails
Sep – Outbreak of the Second Intifada
Dec – President Clinton provides parameters for accelerated negotiations

2001

Jan – Negotiations in Taba fail
Feb – Israel elects Ariel Sharon Prime Minister
Sep – First meeting of the Middle East Quartet (US, EU, Russia & UN) in New York

2002

Spring – Israel launches ‘Operation Defensive Shield’
June – ‘100 Days Reform Plan’ for the PA is announced
June – US President George W Bush delivers speech on peace in the Middle East
June – Israel begins construction of the Separation Wall
July – The ME Quartet launches a Task Force on Palestinian Reform (TFPR)

2003

Feb – AHLC meeting
Apr – Mahmoud Abbas is appointed first Palestinian Prime Minister
May – The ‘Roadmap to Peace’ is launched by the Quartet

2004

Apr – Sharon’s Disengagement Plan from Gaza Strip is announced
Nov – The death of Palestinian President Yasser Arafat

2005

Jan – Mahmoud Abbas is elected Palestinian President
Feb – Ariel Sharon and Mahmoud Abbas announce a ceasefire in Sharm el-Sheikh
Mar – Endorsement of Paris Declaration on Aid effectiveness
Aug – Israel disengages from Gaza
Dec – AHLC meeting

2006

Jan – Hamas wins a majority in Palestinian Parliamentary Elections
Mar – Hamas-Led Government is established
May – EU Launches TIM mechanism of international aid
June - Parliament Disbanded

2007

Feb – Signing of the Palestinian unity agreement/Mecca Agreement
Mar – The Palestinian unity government formed
Mar – The ‘Riyadh Declaration’ is adopted following the 19th Arab league summit
May – The U.S security plan ‘Acceleration benchmarks for agreement on movement and access’ is adopted
June – Hamas takeover of Gaza
June – Unity Government disbanded
June – First Emergency Government Formed
Sep – AHLC meeting
Oct – AHLC meeting

Nov – Annapolis peace conference
Dec – Paris Donor's Conference- PRDP financing

2008

Jan – AHLC meeting
Feb – AHLC meeting
Feb – EU replaces the TIM with the PEGASE
Mar – AHLC meeting
Apr – Informal meeting of the AHLC
Sep – AHLC meeting
Dec- Israeli war on Gaza

2009

Mar – The 12th Palestinian government is disbanded by Salaam Fayyad
Mar – Sharm el Sheik conference on Gaza Reconstruction
May – AHLC meeting
June – The 13th Palestinian government is formed by Salaam Fayyad
June – AHLC meeting
Sep – AHLC meeting

II. Glossary of Terms

What is a PNGO¹?

MAS standards for categorizing organizations as PNGOs were developed in previous mappings (2001; 2007). They include²:

1. *To be of official legalized presence*: meaning an institutionalized presence for the organization. The organization must have a headquarters, an administrative and financial system, a membership system, clear objectives, and a long-term operation program that distinguishes it from a temporary gathering of people.
2. *To be independent*: meaning to be institutionally separate from the government, be of dignified character and self-governed, as opposed to controlled by an external power.
3. *To be a non-profit organization*: it should not have the objective of seeking profit for its members. If some of its programs seek profit, the purpose should be to serve the non-profit objectives of the organization.
4. *To contain a reasonable degree of voluntary participation*: this should be either in its administration or in its activities and can include the activities of steering committee or Board of Trustees.
5. *To be un-inheritable*: this means that membership should not be based on blood relations and positions of power are not inherited.

Where are PNGOs and Externally Financed Programs in the WB&GS?

A key component of both surveys is to track external aid and PNGO activity by governorate and region. To do so, the study adopted the geographic divisions used by the Palestinian Central Bureau of Statistics (PCBS). The Palestinian territories are divided into two broad areas: the West Bank and the Gaza Strip.

The **West Bank (WB)** is divided into three regions with eleven governorates:

Northern WB (NWB): Nablus, Tulkarm, Qalqyia, Jenin, Tubas, and Salfit.

Central WB (CWB): Ramallah and El-Bireh, Jerusalem and Jericho.

Southern WB (SWB): Bethlehem and Hebron.

The **Gaza Strip (GS)** is its own region and is divided into five governorates: Northern Gaza, Gaza City, Deir Albalah, Khan Younis, and Rafah.

¹ For reasons of simplicity, as well as the scope of the study, the authors have refrained from using the term Civil Society in relation to NGOs. Firstly, NGOs only constitute a portion of the larger civil society. Secondly, there is an ongoing debate as to the ‘civility’ of these organizations after having undergone the decades of growth from the grassroots to professionalization.

² MAS previously included another criterion for PNGOs: that they not be aligned to a political faction in Palestine. Our research team has found this to be more ideal than realistic in the context of Palestine where a large number of PNGOs, especially the bigger ones, are closely affiliated to a political party or individual.

Figure 1: Geography of West Bank and Gaza Strip



What Population Areas do PNGOs Serve?

A second component of our work looked at the target population being affected by external aid through the PNGO sector. To do so, the study adopts the PCBS categorization of Palestinians into three distinct populations or types of residence:

Urban is defined as: (1) a population area where the number of residents equals 10,000 or more; (2) a population area where the number of residents is between 5,000 and 9,999 and four out of the five conditions are met: there is a water network, a health clinic, an electricity network, and a high school. The center of a governorate is also considered to be an urban area regardless of its size.

Refugee Camps are those areas under the administration of UNRWA, resulting from the 1948 or 1967 wars. The PCBS defines the areas which are neither urban nor camp as **Rural**. The Bureau used to use the terms city, village, and camp, defining “city” as a population area with a municipality which pre-dates 1967.

The Sector of Work

An important part of our survey tries to understand the sector of external aid to PNGOs. Though there are a number of different sector frameworks, the most widely used being the OECD-DAC definitions adopted by the MoP, our research uses the categorization developed by MAS in 2001. We feel these definitions are more suited to the unique environment of Palestine and the work of PNGOs here. Furthermore, this allowed us to utilize the key findings of previous MAS studies in the NGO sector from 2001 and 2007.

Table 1: MAS 2001 and 2007 Sector Definitions

Sector	Definition
Rural Development	Programs targeting rural areas of Palestine, primarily focused on agriculture. These do not include water project, though many are specifically aimed at agriculture.
Charity & Relief	Activities aimed at providing general assistance to marginalized sectors of society or immediate assistance to following an acute crisis. In previous MAS mappings these were separated into two distinct categories. For this study they have been linked due to the complexity of separating them within a context of perennial conflict.
Children's Activities	This sector describes activities aimed at young people under the age of 18. They typically include summer camps, exchanges and cultural activities specifically aimed at children. There are additional advocacy projects included when their primary target is children.
Disabled Care	Those activities aimed at supporting sectors of society living with physical or psychological disabilities. This includes the specific healthcare and educational programs targeting the disabled.
Elderly Care	Projects and programs aimed at supporting the elderly in Palestine, including specific healthcare and educational programs.
Enhancing Democracy	Projects or programs aimed at bringing about an improvement in civic activism through democratic structures and practices at both the social and organizational levels. This also includes projects aimed at enhancing the capacity of free media, as well as the vague contributions to 'civil society' development.
Good Governance	Projects aimed at improving the transparency, accountability and decision-making structure of an organization, sector or the Palestinian Authority. This sector also includes contributions to the strengthening of the judicial sector and the encouragement of civil rights.
Family Planning	Reproductive health services ranging from health care, lobbying, education and advocacy.
Health Services	Programs that aim to provide general health care through NGOs as opposed to either the public or private sectors. This includes the broad range of care to all populations except: disabled, elderly, and specific reproductive healthcare programs.
Human Rights	Projects that either monitor the situation of Human Rights, or work to raise awareness of HR issues both locally and internationally.
Professional Training	Capacity-building programs aimed at increasing the target population's technical skills in the public, private and civil society spheres.
Religious Activities	Activities that bring together participants under the broader framework of shared spiritual beliefs and range from one time events to ongoing programs.
Research	Projects whose primary activity involves data gathering and analysis
Liberal Arts Education	Educational projects focused on culture and humanities. This sector also includes 'peace-building' activities and those aimed at dialogue between Israelis and Palestinians.
Scientific Education	Educational projects focused on the sciences and technology, as opposed to culture and humanities. This sector also includes contributions to PNGO educational infrastructure.
Water and Environment	Projects aimed at protecting and conserving Palestinian resources, either in terms of water or the environment as a whole. It should be noted that the number of projects targeting the water sector far outweigh the number targeting the environment. In the future this should be separated into two categories.
Women's Affairs	Projects and programs targeting women that aimed to increase their economic and social mobility. This sector also includes advocacy, education and legal programs specifically targeting women.
Youth and Sports	These programs target youth, male and female, between the ages of 18 and 34. The activities primarily revolve around sports and recreation
Other	Any project or program that does not fit into the above categories. It should be noted that major donors, whose programs fit into a number of categories, often chose other as an alternative to breaking the numbers down.

Conduits of Aid to PNGOs

Bi-lateral Aid is provided directly by a donor country or organization to an aid recipient (OECD DAC, 2003:321-324, cited in Challand, 2009:74). An example of bi-lateral aid to PNGO would be the Danish Government partnering with the Palestinian Hydrology Group (PHG) in order to improve water infrastructure in the Jordan Valley.

In **Multilateral Aid** donors pool funding that is then 'channeled via an international organization' (ibid). The best example of multilateral assistance entering into the WB&GS is that of the European Commission. By pooling large amounts of money, EU countries are able to collectively invest in larger programs, rather than individual projects.

International Non-Governmental Organizations are an important conduit of international aid into the WB&GS – they are also the least understood. These organizations receive both bi-lateral and multi-lateral funds, as well as donations from various constituencies that are used for their own project implementation or partnership with implementing PNGOs.

Types of NGOs

New Organizations (Vocational Centers) were formed at the end of the seventies and beginning of the eighties and adopted new methods of administration to tackle issues previously left unattended by the main Palestinian players. Such organizations depend on a specialized professional staff for both their structure and function and include full-time, part-time, and voluntary workers. Usually, their authoritative bodies are composed of a small number of interested people who agree on the objectives of the organization and its message.

Traditional Organizations use less rigidly structured administrative methods in their work. Their interests usually include charity work and activities related to local society, such as youth clubs and charitable institutions.

Development Organizations aim to generate a long-lasting impact on Palestinian society through sustainable projects and programs, not by addressing the immediate needs of the population.

Relief Organizations are those whose programs aim at providing for immediate social needs, such as food, shelter, housing, health and other services. These organization typically act in reaction to a event or crisis in the short term and forego longer term development activities.

Aid Types

International flowing into the WB&GS is generally broken down into three types: PA Budget Support, Emergency Aid and Development Assistance.

Budget Support includes all contributions to PNA institutions, and since 2006, to the Temporary International Mechanism (TIM) and the ESSP, as well as any aid going directly to the Ministry of Finance to cover the government's recurrent costs. It also includes payments of the PNA recurrent costs, such as fuel. Significantly, this does not include support for specific ministries running specific programs—these are largely classified under development assistance (ie. The Ministry of Health) (MoP, 2008:10).

Emergency Aid: Includes all funding to UNRWA and other humanitarian organizations, all funding which is directly responding to the conflict such as rebuilding destroyed infrastructure or mitigating the effects of the Wall or closures, any short-term employment generation/ job creation activities, all food aid, all work directed at refugee camps, all work addressing crossing points, psychosocial/trauma programs, Quartet activities, support to Palestinians in Israeli detention, Avian flu-related activities, any funds channeled through the Consolidated Appeals Process, and conflict/humanitarian monitoring activities (ibid).

Development Aid: Includes everything which does not fall in the first two categories, including "peacebuilding" activities. The broad definition of development, and its overlap into by other sectors, is reflective of the wide variety of organizations that fall under this banner. This is the primary type of aid flowing to the PNGO sector and the least understood by planners.

Local Partners

Though our study does not distinguish between NGOs and CBOs, there is a noticeable and growing difference between the two.

NGOs (PNGOs) are the larger, well-established organizations that have grown more and more dependant and adept to the international aid system. These organizations have administrative capacity, infrastructure and organized governance. While nearly all of them are engaged in direct project implementation, large PNGOs, much like the INGOs, now often partner with smaller organizations known as CBOs.

CBOs are often better described as 'ad-hoc' organizations that form around a single project or idea before melting back into society. They usually lack the same structures, hierarchies and expertise as larger NGOs, and as such, are unable to access international funding in the same way.

III. Perceptions of International Aid

The following section is a review of a pair of surveys carried out by the Bir Zeit University's Center for Development Studies in 2004 and 2009³. The data for 2009 are indicated in parenthesis when available.

- ❖ **Do you believe that donor countries and agencies determine priorities according to the needs of Palestinian Society or according to their political agendas?**

	WB&GS (%)	West Bank (%)	Gaza (%)
According to the needs of Palestinian society	14 (15)	12	16
According to their own political agendas	62 (57)	65	57
Both	24 (28)	23	27

Source: BZU-DSP (2004) and BZU-CDS (2009).

The responses to this question show that Palestinians do not perceive external donors as basing their decisions on the needs of Palestinians, but rather their own agenda. In 2009 there is a slight change in the perception of who determines priorities. In the WB&GS 15% of respondents believe that Palestinian needs determine the agenda, 57% believe that donors follow their own political agendas and 28% believe that they follow a mixture of both.

- ❖ **Do you believe that international aid reduces the human suffering of the Palestinian people in the WB&GS?**

	WB&GS (%)	West Bank (%)	Gaza (%)
Yes	49 (52)	44 (46)	55 (63)
To Some Extent	33 (37)	34	30
No	16 (9)	18	14
No Opinion	2 (2)	4	1

Source: BZU-DSP (2004) and BZU-CDS (2009).

Though the previous table highlighted Palestinian perceptions that aid is not geared toward meeting the needs of Palestinian society, there is a widespread belief, especially in the Gaza Strip, that external aid helps to decrease the human suffering caused by the occupation. In 2009 there was an increase in the numbers of respondents who felt that international aid reduces the human suffering in the WB&GS (89% in 2009 compared to 82% in 2004). The most marked increase came in the Gaza Strip, most likely due to the ongoing siege.

- ❖ **In general, do you believe that international aid contributes to the development of Palestinian Society?**

	WB&GS (%)	West Bank (%)	Gaza (%)
Yes	40 (40)	35.8 (36)	43.6 (47)
To Some Extent	38	39.7	35.9
No	21	22.1	19.1
No Opinion	2	2.4	1.4

Source: BZU-DSP (2004) and BZU-CDS (2009).

Between 2004 and 2009 the perception of international aid's contribution to the development of Palestinian society has not changed significantly. According to the surveys, over three quarters of Palestinians believe that external aid contributes to Palestine's development at least to some extent. This is nearly as high as the number who feels that it reduces human suffering. When compared to the first question concerning donor priorities, it is clear that Palestinians do not consider relief or development in their calculations determining Palestinian interests. Instead they prioritize the political, as highlighted by the following question.

³ 1,197 and 6,400 Palestinians in the WB&GS were surveyed in 2004 and 2009 respectively. BZU-CDS was gracious enough to allow us to use some of their most recent survey data, even though it has yet to be published.

❖ **Does international aid help to support the achievement of Palestinian national goals or does it reinforce the Israeli occupation? 4**

	WB&GS (%)	West Bank (%)	Gaza (%)
Supports Palestinian national goals	32	29	38
Reinforces Israeli occupation	55 (23)	57	51
No Opinion	13	14	11

Source: BZU-DSP (2004) and BZU-CDS (2009)

As the table above shows, the majority of Palestinians in both the West Bank and Gaza Strip believe that international aid reinforces the Israeli occupation. This makes sense when one considers the previous tables in which the majority of Palestinians believe that international aid has eased the human suffering of Palestinians. It appears that the public associates the easing of suffering as a means of making the occupation more ‘bearable’ for Palestinians and ‘cheaper’ for Israelis. However, although the majority of people believe that aid is politicized, but a dramatic shift occurred in this regards. According to BZU-DSP (2004), in 2004, 55% of Palestinians believed that aid reinforces the Israeli occupation, while only 23% in 2009 believe so. This shift is also reflected in aid/right of refugees to return indicator.

❖ **How do you evaluate the role of the following parties in making ‘important decisions’ for Palestinian society?**

	WB&GS (%)	WB (%)	GS (%)
USA	70	69	71
Israel	63	63	64
PA	43	39	48
Donors	42	38	48
Egypt	32	29	38
Jordan	18	20	15

Source: BZU Development Studies Program (DSP), Survey No. 1 2004. The percentage above reflects those responding ‘significant’.

According to the 2004 survey, the Palestinian Authority is seen as slightly more influential than international donors in the WB&GS. Most surprising is the perception that the US, rather than Israel, yields more influence over developments in Palestine.

Additional Findings in 2009

- ❖ 43% of Palestinians believe that international aid has facilitated movement within the occupation (50% in the GS and 38% in the WB). The differences between regions are due to the different circumstances of occupation they find themselves in. Where as international pressure was nearly the only factor forcing aid into the besieged Gaza Strip, international aid in the West Bank has done nothing to halt the increasing number of checkpoints, movement restrictions or the Wall.
- ❖ 70% of Palestinians believe that international aid is associated with the peace process endeavor.
- ❖ 47% of Palestinians believe that international aid targeting youth aims to empower them within the society. 46%, on the other hand, believe that international aid to youth aims to marginalize or distract them from the national movement.
- ❖ 47% of Palestinians believe that international aid and development plans do give space for the participation of the Palestinian people.
- ❖ In 2004, 45% of Palestinians believed that aid contributed to protecting Palestinian refugee rights, while another 45% believe it contributed to their annihilation. In 2009, the percentages were 56% and 36% respectively.
- ❖ 76% of Palestinians believe that international aid is creating an elite class within society who are guided by international agendas, while only 16% say that it is not⁵.

⁴ For more analysis on this subject, see: Jurado 2009; Lagerquist 2003; Le More 2005; Nasser 2006; and Sayigh 2007.

- ✧ When asked whether international aid contributes to social justice, only 32% responded positively, while the remainder chose no.

MAS 2009 Donor Straw Poll

In order to supplement our quantitative survey, MAS approached donors with a follow-up straw poll. These brief surveys were given anonymously to international aid agency employees who were asked to respond according to their opinions, as opposed to the position of their organization. It should be noted that this survey was not of adequate size, 30 people, to be taken as more than indicative. It should also be noted that we expect many of the responses to have been affected by the recent war on the Gaza Strip, especially the question asking about the need for aid based on geography.

The table below shows aid workers' perceptions of the sectors most in need of international funding in the final opinion column. The columns 2006 – 2008 represent the actual disbursements of international aid by sector as captured in our survey.

Table 2: International Donor Worker Perceptions versus Organizational Trends by Sector

Sector	2006	2007	2008	Opinion
Children's Activities	2.31%	2.74%	3.73%	1.4%
Charity & Relief	5.21%	4.04%	8.88%	2.9%
Elderly Care			0.22%	1%
Family Planning	0.53%	0.08%	1.70%	1.9%
Liberal Arts Education	5.40%	6.22%	8.25%	1.9%
Rural Development	10.93%	15.88%	10.17%	14.8%
Water and Environment	5.47%	2.38%	3.51%	15.2%
Health Services	18.74%	15.45%	14.72%	5.7%
Research	2.05%	1.26%	3.00%	1%
Disabled Care	5.05%	4.68%	3.83%	1%
Vocational Training	2.85%	2.04%	3.06%	4.8%
Religious Activities		0.03%		
Scientific Education	1.87%	4.28%	2.61%	4.8%
Women's Affairs	7.29%	8.97%	7.99%	10%
Human Rights	10.21%	10.83%	10.60%	15.7%
Enhancing Democracy	6.65%	4.81%	3.58%	3.8%
Good Governance	8.73%	9.32%	7.84%	14.1%
Youth and Sports	2.66%	1.64%	1.54%	1.9%
Other	4.04%	5.35%	4.78%	
Total	100%	100%	100%	100%

Note: Of the 30 international aid workers given the survey, 29 returned completed questionnaires.

Empty Cells are equal to 0% and numbers for the opinions are rounded to the nearest tenth of a percent.

The most dramatic differences between international agency worker perceptions and the reality on the ground are in the sectors of Charity and Relief, Water, Health, Liberal Arts Education, Human Rights and Good Governance. If worker perceptions were to become reality in 2009, Charity and relief would decrease by nearly 2/3, as would funds to the Health Sector. Water would nearly quintuple its funding while Human rights would increase by a third. Other sectors that international workers would emphasize more than their organizations were: Youth, Governance, Democracy, Women, Scientific Education, Rural Development, Vocational Training and Elderly Care. Other sectors that these workers would de-emphasize were: Children's Activities, Liberal Arts, Research and Disabled Care.

⁵ For more analysis on this subject, see: Brynen 1995; Hanafi and Tabar 2004, 2005; Said 2005; and Taylor 1997.

Table 3: International Donor Worker Perceptions versus Organizational Trends by Target Population

Target Population/Year	2006	2007	2008	Opinion
Urban	33.8%	37.4%	38.0%	17.8%
Rural	41.1%	42.2%	41.0%	43.3%
Refugee	25.1%	20.4%	21.0%	38.9%

Note: Of the 30 international aid workers given the survey, 28 returned completed questionnaires.

International worker perceptions are closely aligned to the overall funding trends when it comes to targeting urban populations. However, opinions and reality are almost the opposite when it comes to funding Refugee versus Urban populations, with workers noticeably favoring the former over the latter.

Table 4: International Donor Worker Perceptions versus Organizational Trends by Governorate

Governorate	2006	2007	2008	Opinions
Nablus	3.4%	2.4%	1.2%	4.1%
Tulkarm	0.2%	0.4%	0.3%	2.1%
Qalqilya	2.8%	2.3%	3.0%	7.7%
Jenin	0.6%	0.9%	0.8%	4.6%
Tubas		0.1%	0.3%	4.6%
Salfit	1.8%	2.1%	2.0%	4.1%
N WB	17.7%	17.4%	17.2%	--
Ramallah-Birch	6.9%	6.7%	5.3%	0.5%
Jerusalem	1.9%	2.9%	2.9%	11.8%
Jericho		1.3%	0.6%	3.0%
C WB	20.8%	19.0%	21.4%	--
Bethlehem	0.7%	1.8%	1.8%	0.5%
Hebron	3.1%	2.4%	1.5%	15.4%
S WB	15.8%	17.0%	17.4%	--
Northern GS	0.6%	0.3%	0.1%	2.6%
Gaza City	1.7%	5.1%	0.8%	11.3%
Dier Al Balah		0.2%	0.1%	3.6%
Khan Younis	0.2%	0.4%	0.3%	8.7%
Rafah	0.0%	0.1%	0.1%	15.4%
Gaza Strip	21.5%	17.2%	22.7%	--
Total	100%	100%	100%	100%

Note: Of the 30 international aid workers given the survey, 24 returned completed questionnaires.

Empty Cells are equal to 0% and numbers for the opinions are rounded to the nearest tenth of a percent.

The numbers on governorates collected in our quantitative survey were not sufficient to measure against our qualitative survey. However, trends can be identified. The perception of Ramallah in terms of its need for international aid is much lower than reality. On the other hand, Hebron, Jerusalem and almost the whole of the Gaza Strip are perceived as needing much more assistance than they are currently allocated.

Table 5: International Donor Worker Perceptions versus Organizational Trends by Governorate

Region	2006	2007	2008	Opinions
N WB	26.65%	25.73%	24.79%	24.1%
C WB	29.72%	29.90%	30.26%	19.2%
S WB	19.62%	21.09%	20.72%	21.7%
GS	24.01%	23.28%	24.23%	35.0%
Total	100%	100%	100%	100%

Note: Of the 30 international aid workers given the survey, 24 returned completed questionnaires.

International workers tend to favor funding to Gaza at much higher rates than the real disbursements to PNGOs in the Strip (35% versus 24%). This higher percentage all comes from the Central West Bank, where workers perceive the least amount of need for international aid. Respondents were very close to reality in their perceptions of the needs in the Northern and Southern West Bank.

Additional Findings

Question	Yes	No
Does your organization prioritize the PRDP?	13.3%	86.7%
Do you believe international aid has helped the Palestinian people?	60.0%	40.0%
Do you believe international aid has helped the Palestinian cause?	26.7%	73.3%

Note: Of the 30 international aid workers given the survey, 20 returned completed questionnaires.

As the results show, most international workers did not feel that their organizations incorporated the PRDP into their development strategies. Also much like the local Palestinian perceptions of international aid, most also believes that aid helps the people of Palestine, while not necessarily helping them to reach their goals.

IV. Review of Welfare Study (1998)

IV.1 Profile of Donors to Palestinian NGOs (1995-1998)

In 1998 the Welfare Association commissioned a study by Dr. Sari Hanafi, *Profile of Donors to Palestinian NGOs*, which would later become the quantitative foundation behind the book *The Emergence of a Globalized Palestinian Elite* (2005). The 16 week study surveyed 100 (of the estimated 230) foreign donor organizations, and approximately 50% of those surveyed returned completed questionnaires (50). Dr Hanafi divided donor organizations into four broad categories: governmental (GOV), inter-governmental (IGO), non-governmental (NGO) and international non-governmental (INGO).

IV.2 Research Limitations

Dr Hanafi admits that, without first mapping Palestinian NGOs (Welfare, 1998:9), a true picture of aid may be difficult to paint. The survey was unable to properly access the geographic distribution of donor funding to Palestinian NGOs and did not clearly define the location of an organization versus the location of its projects, activities and beneficiaries.

The total amount calculated from the data for disbursements for Palestinian NGOs projects from 1995 to 1998, USD 232 million, must be viewed as low, since disbursements by some larger donors such as Welfare Association, World Bank PNGO Project and UNICEF are not included.

IV.3 Results Breakdown by Sector

1. Education and Health remain the most important sectors of interest for NGOs, although responsibility for them was transferred to the PA four years ago.
2. Although the main Palestinian economic sector is Agriculture, it remains neglected or ignored by donors, with only 7.7% of total PNGO funding being directed to it over a four year period. Of this small amount, the Palestinian Agricultural Relief Center (PARC) commands over 2/3.
3. Traditional sectors, such as Culture and Social Services have a small share with 17 million each (approximately 7% separately for a cumulative amount of 14% of the total).
4. Micro-credit and the Private Sector Support lag far behind other sectors, indicating the lack of NGO activity in the economic sphere. Income generation and micro credit only received 3.7% of total funding, with most of it directed towards projects for women.
5. There is a dramatic shift from Emergency Relief to Development Assistance since the end of 1997. Relief activities only take up 0.9% of total NGO funds. This is also due to the fact that local NGOs do not often operate in this sector, and the brunt of emergency aid is channeled through major IGOs, such as UNRWA.
6. There is a new interest among PNGOs in the Environment, but this interest has not resulted in an increase in donor funding to the sector.
7. Infrastructure was primarily seen as function of the individual municipalities or the PNA and only comprised 2.9% of total funding to the NGO sector.
8. Human Rights and Democracy have continually increased over the period studied and now sit at 10.5% of total funding to PNGOs.
9. The funding of Institution-Building was 8 million, approximately 3.5%, but it is difficult to differentiate between the resources that are directed towards either equipment or training.
10. *Development* also includes any unspecified project or projects that are multi-sectoral.
11. Dr. Hanafi's study included as subsectors projects targeting Women (6% of total funding) and the Needs of the Handi-capped (10% of total funding).

IV.4 Geographic Trends Identified

1. Despite the general view that Jerusalem is ignored by donors, the city enjoys the largest share of WB funding (26%). The second is Ramallah with 7.7%, then Bethlehem with 6.9%, Nablus with 5.6% and Hebron with 5.3%.
2. Bethlehem benefits disproportionately compared to their population, especially when compared to Nablus or Hebron.

3. Qalqilya and Tulkarm represent ‘marginalized districts’ where the amount of resources does not even compare to cities of similar size in the West Bank.
4. Inside of the GS, Gaza City receives 40% of the funding.

Table 6: Distribution of International Funding by Governorate (1995 – 1998-Welfare)

West Bank					
Year	1995	1996	1997	1998	Total (\$)
Total: 1000's USD	17,713.3	25,291.4	39,747.6	24,878.9	107,631.2
% per Governorate					Total (%)
Nablus	4.4	6.9	4.8	4.0	5.0
Tulkarm	1.7	1.7	1.1	2.0	1.6
Qalqilya		.3	.2	.2	.2
Jenin	1.2	5.2	5.4	3.1	3.7
Tubas	.6	.4	.8	.4	.5
Salfit	.6	.5	.3	.4	.4
Ramallah-Bireh	7.0	2.9	9.1	9.5	7.1
Jerusalem	31.1	23.1	25.4	24.3	26.0
Jericho	.4	.3	1.3	.6	.6
Bethlehem	4.5	4.3	5.7	10.3	6.2
Hebron	8.0	5.7	4.1	1.8	4.9
All West Bank	40.5	48.8	41.9	43.4	43.6
Gaza Strip					
Year	1995	1996	1997	1998	Total (\$)
Total: 1000's USD	5434.1	4321.6	8909.9	8361.4	27,027.0
% per Governorate					Total (%)
Northern GS	8.3	10.4	5.2	9.0	8.2
Gaza City	24.8	25.7	34.8	50.4	33.9
Dier Al Balah			.2	.1	.1
Khan Younis	1.8	4.7	2.9	1.5	2.8
Rafah			1.5	1.8	.8
All Gaza Strip	65.1	59.2	55.3	37.2	54.2

Source: Welfare 1998. (Taken From: Hanafi, Tabar, 2005:81-82)

Note: The categories ‘All West Bank’ and ‘All Gaza Strip’ capture the respondents whose activities cannot be localized to a governorate, or who lacked the data necessary to place past projects. The scale of the ambiguity in both the West Bank and Gaza (43.6% and 54.2% respectively) as to the specific direction of aid was an important motivation for our study.

IV.5 Funding Fashions versus Development Priorities

Dr Hanafi’s 1998 study, and the publication of 2005, emphasizes the role of donor funding in determining the priorities at the local level. According to his findings:

- a. Donors tend to have a broad framework allowing for maximum flexibility. This flexibility often translates into donors working in a number of sectors, rather than focusing on merely one or two. This increases their visibility on the ground, perhaps at the expense of their effectiveness, and allows them to follow the funding fashion trends set forth by national governments and intergovernmental agencies in the same manner that PNGOs do.
- b. Administrative Staff at INGOs are charged with choosing local partners and thus play a major role the decision-making and direction of development in Palestine. This is in light of the fact that these agencies are primarily channels between the donor governments and the local implementing organizations.

- c. The *donor agenda* does not necessarily reflect rational choice in terms of INGOs identifying and meeting their own national or Palestinian objectives. Rather than being driven by a specific agenda, Dr Hanafi found that, for the most part, INGOs efforts are reactive.
- d. Short term funding that emphasizes certain local and international trends pushes Palestinian NGOs to pursue finite projects⁶ rather than an overall goal of development through long term projects focused on a single sector or objective.

⁶ 'Finite' in this context refers to projects with a clear beginning and end. The criticism of such an approach is that development goals will be replaced by the goals of the project itself. Furthermore, these projects are often unrelated to each other, and therefore not aimed at achieving an overall goal, rather the objectives of the project itself.

V. The Evolution of the Palestinian Assistance Monitoring System (PAMS)

In 2003 the MoP's General Directorate for Aid Management and Coordination began an effort to track donor funding into the West Bank and Gaza Strip in a Mechanism known as PAMS, the Palestinian Aid Monitoring System.

Through an interactive computer-based archive, donors were asked to submit the data from their projects, or enter it in directly, starting from the year 2002⁷. Donors were asked for a basic amount of information primarily focused on type and conduit of aid.

Type of Aid	<ul style="list-style-type: none"> ✧ Budget Support ✧ Emergency and Relief Assistance ✧ Development (technical assistance and institution-building)
Conduits of Aid	<ul style="list-style-type: none"> ✧ PNA ✧ UNRWA ✧ NGOs

The process of asserting more and more control over both the data and coordination of international assistance to the WB&GS by the Palestinian Authority continued into 2005⁸. The PAMS data tracking system was updated, improved and placed under the control of a new MoP Directorate for Aid Management and Coordination (AMC), charged with monitoring project information' (MOP 2005:2).

According to the MoP, the information gathered in 2004 was significantly greater than in 2003, and included sector, budgets, contractual data and geographic location of the projects implementation. This was far above and beyond the previous year's collection of data on only type and conduit.

Despite the improvements, there was still a heavy reliance on data from the World Bank and, as in 2004's report on aid in 2003, the MoP found it particularly difficult to access data from the NGO sector (2005:1)

In May of 2008, the Ministry of Planning issued a report covering the 3 previous years of international aid flows to the occupied Palestinian Territories. The fact that the report was released three years after the previous one reflects the turbulence within the Palestinian Authority, and its return to a type of policy making normalcy under the Emergency Caretaker Government. By this time the PAMS system was beginning to generate much higher quality data in an easy to use system.

V.1 Challenges of PAMS

In the beginning of the PAMS effort, the MoP comments that donors were either unwilling or unprepared to give them the information needed to build a proper data base, forcing the first report from the AMC, *Donor's Assistance to the Occupied Palestinian Territories for the Year 2003*, to rely heavily upon World Bank data, and the previously discredited data from MOPIC. The MoP's attempt to gain access to the finances and activities of donors, under the auspices of the 2003 report by OECD, *Harmonization of Donor Practices for Effective Aid Delivery*⁹, was as an unwelcome encroachment, especially concerning international aid to NGO sector.

⁷ All projects which began prior to 2002 and were still ongoing do not have financial data broken down by years, rather it is all offered as the aggregate (prior to 2002).

⁸ Prior to the creation of the PNA, international assistance was channeled essentially through UNRWA and NGOs. The last ten years have seen the PNA emerge as the leading service provider in the WB&GS. Moreover, the first phase of reconstruction, as well as the recent Intifada, resulted in a greater need for budget support, which at times absorbed almost half of the total annual aid disbursed in the WB&GS. By 2003, international assistance was channeled primarily through the PNA, 25% through UNRWA and 10% through NGOs' (MoP, 2005:5).

⁹ According to the report, 'Donors should provide partner governments with full information of aid flows. This should be done regularly and in a timely manner' (OECD, 2003). For its part, the intentions of the MoP were clear. A new movement toward Palestinian 'ownership' over the aid process was beginning, one which has so far culminated in the 2007 Palestinian Reform and Development Plan. Regarding the OECD's position, "the MOP strongly supports this recommendation and will take all measures necessary to implement it" (MOP, 2004:11).

Even when donors were cooperative, they often maintained their own data sets and the need for standardization was immediately recognized.

Finally, the PAMS staff and planning committees ran into further difficulties due to the donors scheduling and announcement of their commitments, as ‘most donors make their actual commitments (for the following year) available in June or Early July of that year’ (MoP, 2004:30).

V.2 Moving Forward

Despite the Inadequacies of the PAMS system, it has certainly been evolving in the right direction, each year becoming a better and more useful resource for information on aid. Despite the continued improvement, it now looks like the system is beginning to slow its progress considerably in 2009 under the auspices of the 13th Palestinian government. While this is written there is only one full-time employee at PAMS, down from the high of four in 2008, who is not only tasked with tracking and updating data, but also supporting the ministries or the broader public through reports.

VI. Questionnaires

Donor Questionnaire

Organization Name	
Year began working in oPT	
Organization Type	Character
1. Private (PRI) 2. Religious (REL) 3. Palestinian NGO (PNGO) 4. International NGO (INGO) 5. Intergovernmental Organization (IGO) 6. Governmental Agency (GOV) <i>**please circle one</i>	Does your organization implement projects directly? Yes No If so, what percentage of your resources go toward project implementation? ____% (<i>Estimated</i>) and what percentage goes toward funding PNGOs ____% (<i>Estimated</i>)

Sectoral Distribution of Funding

Sector	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Q Total Budget for PNGOs¹⁰										
Q1 Children's Activities										
Q2 Charity & Relief										
Q3 Elderly Care										
Q4 Family Planning										
Q5 Liberal Arts Education										
Q6 Rural Development										
Q7 Water and Environment										
Q8 Health Services										
Q9 Research										
Q10 Disabled Care										
Q11 Vocational Training										
Q12 Religious Activities										
Q13 Scientific Education										
Q14 Women's Affairs										
Q15 Human Rights										
Q16 Enhancing Democracy										
Q17 Good Governance										
Q18 Youth and Sports										
Q19 Other										
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Target Population

Target	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Urban										
Rural										
Refugee										
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

¹⁰ Please give the budget in 1000's of USD. (ie. 2006 budget for PNGOs = 2,600,000 = 2,600 in table)

Governorate or Region	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Nablus										
Tulkarm										
Qalqilya										
Jenin										
Tubas										
Salfit										
Northern WB										
Ramallah-Bireh										
Jerusalem										
Jericho										
Central WB										
Bethlehem										
Hebron										
Southern WB										
Northern GS										
Gaza City										
Dier Al Balah										
Khan Younis										
Rafah										
Gaza Strip										
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Location of Local Partners (not implementation)

Governorate or Region	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Nablus										
Tulkarm										
Qalqilya										
Jenin										
Tubas										
Salfit										
Northern WB										
Ramallah-Bireh										
Jerusalem										
Jericho										
Central WB										
Bethlehem										
Hebron										
Southern WB										
Northern GS										
Gaza City										
Dier Al Balah										
Khan Younis										
Rafah										
Gaza Strip										
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Location of Project Implementation

PNGOs Questionnaire

All information in this questionnaire is confidential and it is only for research and statistical purposes.

Background Information:

ID00	Questionnaire Serial Number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	ID01	Organization ID	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
ID02	Governorate.....	<input type="text"/> <input type="text"/>	ID03	Locality.....	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
ID04	Organization Name.....				
ID05	Director Name.....	ID06 Sex: 1. Male 2. Female			<input type="checkbox"/>
ID07	Main Economic Activity.....	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>			
ID08	Organization Address:				
	Building Name:..... Street Name:..... Neighborhood: P.O box:				
	Phone Number: Fax Number: E-mail:..... Website:.....				

IR07	Researcher Name:	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Respondent:

INF01	Full Name	Position	Telephone/ mobile
	<input type="text"/>	<input type="text"/>	<input type="text"/>

Information about the organization activities:

Q1	Year of Establishment	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Q2	Number of branches in the oPt	<input type="text"/> <input type="text"/> <input type="text"/>
Q3	Legal Status 1. Charitable organization 2. Cooperative organization 3. Foundation 4. Research center 5. Development institution 6. Human rights organization 7. Cultural institution 8. Training / rehabilitation 9. Other (specify):	<input type="checkbox"/>
Q4	Type of targeted Locality during the year of 2008? (Percentage of Organization budget) 1. Urban.% 2. Rural % 3. Camps.....%	
Q5	The organization activities cover: 1. Locality 2. District 3. West Bank 4. Gaza Strip 5. At national level.	<input type="checkbox"/>
Q6	Nature of the activities during the year of 2008? (Percentage of budget) 1. Relief% 2. Developmental%	

Q7	What is the proper description of Organization	<input type="checkbox"/> <input type="checkbox"/>										
Q8	Have the organization activities been changed since its establishment? 1. Yes 2. No (go to Q11)	<input type="checkbox"/>										
Q9	Aspects of change: 1. Change in programs 2. Change in the targeted areas 3. Change in the targeted groups 4. Other (specify):	1.yes 2. No <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>										
Q10	Reasons of change: 1. Lack of funding 2. Extra (plenty) of funding 3. Change in the objectives and policies of the Organization 4. Changes in the society's priorities 5. To cope with a change in donors' directions 6. Poor respond of targeted groups 7. To face the occupation measures 8. Other (specify)	1.yes 2. No <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>										
Q11	Sources of funding: 1. External funding 2. self Sources 3. Grants from the PNA 4. local donations 5. Donations from institutions and individuals within the Green Line 6. Donations from Palestinians abroad 7. Other (specify)	1.yes 2. No <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>										
Q12	Sources of funding as percentage of 2008 budget: 1. External funding 2. self Sources 3. Grants from the PNA 4. local donations 5. Donations from institutions and individuals within the Green Line 6. Donations from Palestinians abroad 7. Other (specify)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> % <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> % <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> % <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> % <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> % <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> % <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> %										
Q13	Expenditures of the year 2008?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>										
Q14	Revenues of the year 2008?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>										
Q15	Distribution of external funding by source and year (as percentage of total external fund)											
	Donor	Donor code	Year									
			1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
	Total (in US\$)											

Q16		Programs shares of external funding distributed by District, Annual average of the period															
Programs total		Governorate														In USD\$	
Time Period/ Program	%100	Rafah	Khan younis	Deir Al-Balah	Gaza	North Gaza	Hebron	Bethlehem	Jericho	Jerusalem	Ramallah	Tubas	Saffet	Nablus	Qalqilya		Tulkarem
1999-2000																	
1.																	
2.																	
3.																	
4. Other:...																	
2001-2005																	
1.																	
2.																	
3.																	
4. Other:...																	
2006-2008																	
1.																	
2.																	
3.																	
4. Other:...																	

Q17		Percentage distribution of the budget by program, type of targeted locality and time period (percentage of budget)					
		Type of locality					Total (in USS)
Time Period/ Program	Program code	Urban	Rural	Camps	Total		
1999-2000							
1.					100%		
2.					100%		
3.					100%		
4. Other:...					100%		
2001-2005							
1.					100%		
2.					100%		
3.					100%		
4. Other:...					100%		
2006-2008							
1.					100%		
2.					100%		
3.					100%		
4. Other:...					100%		

Q18	Percentage distribution of the budget by work scope and time period (percentage of budget)				
	Time period	Work Scope			
		Relief	Developmental	Total	Total (in US\$)
	1999-2000				
	2001-2005				
	2006-2008				

Field researcher Notes:

VII. Statistical Appendix¹¹

1. External Donor Aid

**Comparison of MAS and MoI data
on PNGO Distribution (2001, 2006)**

Org Year	MOI				MAS			
	2001		2006		2000		2006	
Comparison	No. of PNGOs	% of WB	No. of PNGOs	% of WB	No. of PNGOs	% of WB	No. of PNGOs	% of WB
North WB	77	20.8	492	30.5	231	34.2	405	42.6
Central WB	205	55.4	704	43.4	232	34.4	267	28.1
South WB	88	23.8	423	26.1	212	31.4	279	29.3
All WB	370	100	1615	100	675	100	951	100

Source: Palestinian Ministry of Interior & MAS, 2007.

Note: In MAS Studies, the West Bank accounts for 76.6% and 68.5% of all Palestinian NGOs in 2000 and 2006 respectively.

Types of Aid to PNGOs (2008)

Sources of Aid to PNGOs	# of PNGOs surveyed receiving aid	% of external aid to PNGOs
External Aid	80	78.28%
Self Funding	52	12.37%
PA funding	20	0.83%
local donations	41	5.31%
donation from 1948 area	15	0.09%
from outside Palestinian- Diaspora	25	2.32%
Others	16	0.80%
Total		100%

Source: MAS, 2009 – PNGO Survey

PNGO Sources of Revenue (1999, 2006 & 2008)

Source/ Year	1999	2006	2008(*)
External Aid	46.8%	60.9%	78.28%
Self-generated Revenue	28.8%	21.5%	12.37%
PA Funding	4.9%	0.7%	0.83%
Local Donations	10.8%	9.3%	5.31%
Donations from Palestinians living in Israel	1.4%	3.7%	0.09%
Donations from the Diaspora	5.5%	3.2%	2.32%
Others	1.8%	0.7%	0.80%
Total	100%	100%	100%

Sources: MAS, 2001, 2007 and 2009 – PNGO Survey

*Note: The measurement of external aid dependency in 2008 is biased toward larger PNGOs.

¹¹ Cells left blank equal zero or 0%

Externally Funded PNGO Activity by Type and Period

Activity Type	1999-2000	2001-2005	2006-2008	Average
Relief	34.3	37.6	29.1	32.7
Development	65.7	62.4	70.9	67.3
Total	100%	100%	100%	100%

Source: MAS, 2009 – PNGO Survey

PNGO Funding by Donor Groupings (1999 – 2008)

Year	EU	USA	Arab	Other Countries	Multilateral Institutions	Total
1999	64.43%	12.41%	8.20%	4.25%	10.71%	100.00%
2000	62.42%	10.67%	4.46%	0.89%	21.56%	100.00%
2001	42.14%	6.89%	14.40%	2.40%	34.16%	100.00%
2002	49.33%	6.08%	16.96%	1.68%	25.95%	100.00%
2003	40.61%	7.66%	18.47%	4.25%	29.02%	100.00%
2004	58.06%	7.94%	13.51%	1.82%	18.66%	100.00%
2005	59.53%	5.40%	12.10%	5.25%	17.72%	100.00%
2006	62.10%	4.99%	9.13%	3.48%	20.30%	100.00%
2007	70.44%	3.39%	8.89%	3.30%	13.98%	100.00%
2008	67.78%	4.32%	10.70%	4.96%	12.23%	100.00%

Source: MAS, 2009 – PNGO Survey

Governmental versus Non Governmental Aid to PNGOs

Year	Governmental	Nongovernmental	Total
1999	52.09%	47.91%	100.00%
2000	61.14%	38.86%	100.00%
2001	59.9%	40.1%	100.00%
2002	38.0%	62.0%	100.00%
2003	42.3%	57.7%	100.00%
2004	44.9%	55.1%	100.00%
2005	41.7%	58.3%	100.00%
2006	41.1%	58.9%	100.00%
2007	48.2%	51.8%	100.00%
2008	44.8%	55.2%	100.00%

Source: MAS, 2009 – PNGO Survey

2. External Aid and PNGO Activity by Sector

International Aid to PNGOs by Sector (1999 – 2008)

Sector/year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Budget (Million USD \$)	7,966	14,228	20273	46225	49409	67556	96767	103567	147597	165035
Children's Activities	2.84%	5.10%	6.89%	3.12%	6.62%	8.04%	2.69%	2.31%	2.74%	3.73%
Charity & Relief	15.26%	9.54%	6.85%	13.16%	7.15%	3.66%	2.58%	5.21%	4.04%	8.88%
Elderly Care				0.13%		0.10%				0.22%
Family Planning					0.08%	0.24%	2.23%	0.53%	0.08%	1.70%
Lib. Arts Education	8.70%	4.03%	4.27%	6.30%	4.66%	6.28%	6.05%	5.40%	6.22%	8.25%
Rural Development	19.79%	14.64%	4.83%	7.81%	13.67%	9.68%	9.90%	10.93%	15.88%	10.17%
Water and Environment	8.20%	1.68%	0.55%	2.09%	5.89%	4.79%	5.04%	5.47%	2.38%	3.51%
Health Services	2.27%	23.01%	32.94%	21.86%	20.05%	17.66%	17.37%	18.74%	15.45%	14.72%
Research	0.13%	0.45%	0.18%	1.83%	1.96%	2.79%	0.71%	2.05%	1.26%	3.00%
Disabled Care		0.56%	2.18%	1.83%	6.74%	5.07%	6.57%	5.05%	4.68%	3.83%
Vocational Training		1.78%	5.30%	6.83%	4.83%	5.78%	2.53%	2.85%	2.04%	3.06%
Religious Activities					0.15%				0.03%	
Scientific Education	5.69%	6.05%	4.82%	2.87%	2.39%	3.29%	2.29%	1.87%	4.28%	2.61%
Women's Affairs	18.41%	11.30%	12.51%	7.58%	3.81%	6.25%	7.51%	7.29%	8.97%	7.99%
Human Rights	3.66%	8.11%	6.82%	9.65%	5.70%	8.45%	10.54%	10.21%	10.83%	10.60%
Enhancing Democracy	7.06%	7.03%	2.94%	3.49%	2.85%	5.69%	8.96%	6.65%	4.81%	3.58%
Good Governance	3.15%	2.24%	2.64%	3.52%	3.51%	6.03%	9.89%	8.73%	9.32%	7.84%
Youth and Sports	0.06%		0.27%	2.30%	3.62%	3.09%	2.54%	2.66%	1.64%	1.54%
Other	4.79%	4.47%	6.02%	5.65%	6.32%	3.09%	2.57%	4.04%	5.35%	4.78%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: MAS, 2009 – Donor Survey

International Governmental Aid to PNGOs by Sector (1999 – 2008)

Sector/Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Budget (Million USD \$)	3795	5257	11563	33246	30449	30360	45746	46379	59402	74066
Children's Activities			2.54%	0.11%	7.39%	11.37%	3.22%	2.33%	3.45%	5.76%
Charity & Relief				10.99%	6.20%	2.32%	1.72%	4.93%	4.67%	5.01%
Elderly Care						0.24%				0.50%
Family Planning					0.18%	0.56%	5.58%	1.33%	0.20%	4.36%
Liberal Arts Education	14.50%	7.00%	14.00%	11.76%	7.39%	11.51%	12.02%	10.99%	11.14%	12.91%
Rural Development				16.09%	19.62%	7.43%	6.72%	7.66%	16.94%	6.89%
Water and Environment	17.50%			3.22%	12.41%	4.48%	4.94%	5.73%	0.07%	2.06%
Health Services	8.50%	33.00%	21.77%	7.55%	12.96%	11.51%	12.30%	18.92%	12.54%	14.50%
Research	0.50%	2.00%	1.04%	4.33%	4.56%	5.03%	1.22%	1.40%	0.20%	5.13%
Disabled Care		2.50%	12.44%	2.77%	5.20%	4.95%	0.79%	1.53%	5.25%	4.39%
Vocational Training		6.00%		10.10%	5.20%	2.72%	1.32%	1.70%	0.18%	2.90%
Religious Activities									0.07%	0.00%
Scientific Education		5.00%		1.66%	1.46%	3.76%	1.72%	0.07%	0.27%	0.31%
Women Affairs	18.50%	6.00%	14.00%	1.22%	3.10%	5.91%	4.90%	5.83%	6.74%	6.02%
Human Rights			5.70%	15.98%	7.39%	10.55%	16.17%	17.19%	18.01%	16.55%
Enhancing Democracy	28.00%	28.50%	13.48%	4.00%	2.37%	9.67%	15.67%	11.33%	7.40%	4.51%
Good Governance	12.50%	10.00%	15.03%	3.44%	3.74%	2.16%	8.51%	4.60%	11.05%	5.70%
Youth and Sports				4.99%	0.82%	4.87%	0.21%	2.07%	1.47%	1.94%
Other				1.78%		0.96%	3.00%	2.40%	0.36%	0.56%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: MAS, 2009 – Donor Survey

International Nongovernmental Aid to PNGOs by Sector (1999 – 2008)

Sector/Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Budget (Million USD \$)	4171	8971	8710	12979	18960	37196	51021	57188	88195	90969
Children's Activities	3.79%	6.57%	7.09%	5.06%	6.06%	8.37%	2.35%	2.29%	2.29%	2.44%
Charity & Relief	20.40%	12.29%	8.38%	14.57%	7.85%	4.54%	3.15%	5.40%	3.65%	11.35%
Elderly Care				0.21%						0.04%
Family Planning										
Liberal Arts Education	6.75%	3.18%	2.22%	2.79%	2.67%	2.24%	2.08%	1.75%	3.16%	5.27%
Rural Development	26.46%	18.87%	5.90%	2.47%	9.32%	11.04%	12.02%	13.06%	15.22%	12.26%
Water and Environment	5.06%	2.17%	0.67%	1.36%	1.13%	4.88%	5.11%	5.30%	3.83%	4.44%
Health Services	0.17%	20.12%	35.59%	31.07%	25.22%	21.66%	20.75%	18.63%	17.27%	14.86%
Research				0.21%	0.07%	1.06%	0.38%	2.48%	1.91%	1.64%
Disabled Care				1.21%	7.87%	5.00%	10.42%	7.35%	4.33%	3.48%
Vocational Training		0.56%	6.48%	4.72%	4.55%	7.86%	3.34%	3.60%	3.20%	3.15%
Religious Activities					0.27%					
Scientific Education	7.61%	6.36%	5.89%	3.64%	3.07%	2.85%	2.66%	3.04%	6.79%	4.08%
Women Affairs	18.38%	12.83%	12.29%	11.67%	4.33%	6.31%	9.25%	8.24%	10.36%	9.24%
Human Rights	4.89%	10.46%	7.11%	5.57%	4.47%	6.65%	6.80%	5.65%	6.35%	6.80%
Enhancing Democracy		0.82%	0.71%	3.16%	3.21%	2.59%	4.51%	3.60%	3.18%	2.98%
Good Governance				3.57%	3.33%	8.71%	10.80%	11.43%	8.24%	9.20%
Youth and Sports	0.08%		0.33%	0.57%	5.67%	1.68%	4.09%	3.04%	1.75%	1.28%
Other	6.41%	5.76%	7.35%	8.14%	10.93%	4.56%	2.28%	5.12%	8.47%	7.47%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: MAS, 2009 – Donor Survey

Distribution of Internationally Funded PNGO Sectors by Grouping & Period

Sector Grouping	1999-2000	2000-2005	2006-2008	Average
Charity & Relief	11.7%	23.5%	18.4%	19.0%
Social	10.3%	5.6%	8.1%	7.6%
Health	42.2%	34.0%	19.8%	28.4%
Rights	5.7%	5.1%	11.6%	8.4%
Education	6.7%	3.0%	5.9%	5.1%
Infrastructure	14.2%	15.2%	25.7%	20.2%
Children	0.6%	0.1%	0.4%	0.3%
Youth	1.6%	4.4%	4.6%	4.0%
Women	7.0%	3.5%	3.2%	3.9%
Others		5.8%	2.2%	3.1%
Total	100%	100%	100%	100%

Source: MAS, 2009 – PNGO Survey

External Aid and PNGO Activity by Target Population

International Aid Distribution to Target Populations

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Urban	26.7%	26.7%	31.0%	32.1%	40.6%	35.3%	37.6%	33.8%	37.4%	38.0%
Rural	37.8%	42.2%	36.2%	35.0%	33.9%	36.4%	36.9%	41.1%	42.2%	41.0%
Refugee	35.5%	31.1%	32.8%	32.9%	25.5%	28.3%	25.4%	25.1%	20.4%	21.0%
Total (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: MAS, 2009 – Donor Survey

International Aid Distribution to Target Populations by Governmental Agencies

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Urban	50.0%	32.0%	45.7%	44.9%	48.9%	47.7%	48.2%	44.8%	45.9%	49.3%
Rural	33.0%	32.0%	16.6%	27.7%	30.7%	29.6%	29.5%	37.5%	38.1%	34.8%
Refugee	17.0%	36.0%	37.7%	27.4%	20.4%	22.6%	22.3%	17.6%	16.0%	16.0%
Total (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: MAS, 2009 – Donor Survey

International Aid Distribution to Target Populations by Nongovernmental Agencies

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Urban	22.8%	26.0%	28.1%	23.3%	34.0%	26.7%	31.3%	27.3%	32.5%	31.7%
Rural	38.6%	43.5%	40.1%	40.0%	36.5%	41.0%	41.4%	43.3%	44.6%	44.5%
Refugee	38.6%	30.5%	31.8%	36.7%	29.5%	32.3%	27.3%	29.5%	22.9%	23.8%
Total (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: MAS, 2009 – Donor Survey

Internationally funded PNGO Activities by Target Population and Period

Target Population	Period		
	1999-2000	2001-2005	2006-2008
Urban	20.13%	13.83%	10.88%
Rural	43.49%	42.96%	52.89%
Refugee	5.32%	11.26%	8.56%
All	31.06%	31.96%	27.67%
Total %	100%	100%	100%

Source: MAS, 2009 – PNGO Survey

3. External Aid and PNGO Activity by Geography

**International Aid Distribution by Governorate (if known) and Region
(1999-2008) According to the Location of PNGO Partner HQ**

Gov/Reg	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Nablus	13.58%		7.55%	2.79%	1.72%	0.72%	3.79%	4.64%	2.97%	1.58%
Tulkarm	0.25%	0.16%	0.09%	0.46%	0.02%	0.91%	0.78%	0.57%	1.03%	0.71%
Qalqilya					0.68%	3.51%	3.32%	2.40%	2.22%	2.81%
Jenin	3.33%			3.68%		0.91%	2.04%	1.00%	0.83%	0.64%
Tubas						0.90%	0.94%	0.40%	0.53%	0.43%
Salfit							0.25%	1.72%	2.22%	1.56%
N. WB	2.59%	3.48%	7.64%	3.78%	2.80%	6.70%	3.89%	3.15%	2.03%	2.68%
Total – N. WB	19.75%	3.64%	15.27%	10.71%	5.22%	13.65%	15.02%	13.88%	11.84%	10.41%
Ramallah - Bireh	10.00%	4.57%	2.45%	14.03%	19.37%	20.38%	21.76%	24.07%	19.53%	15.95%
Jerusalem	0.99%	3.64%	4.36%	3.64%	2.40%	6.81%	3.26%	4.21%	9.52%	5.03%
Jericho	0.37%			0.69%	0.16%	0.02%	0.50%	0.31%	1.89%	0.54%
C. WB	13.09%	23.59%	20.91%	37.22%	43.38%	28.83%	30.00%	30.25%	31.26%	45.30%
Total – C. WB	24.44%	31.79%	27.73%	55.57%	65.31%	56.04%	55.52%	58.84%	62.20%	66.82%
Bethlehem		3.26%	4.45%	2.97%	3.68%	3.67%	7.01%	3.68%	4.99%	2.88%
Hebron	3.09%	3.26%	1.27%	1.47%	1.48%	1.72%	2.41%	1.92%	3.08%	4.56%
S. WB	2.59%	1.85%	1.27%	1.93%	2.32%	6.12%	3.54%	1.83%	3.45%	3.50%
Total – S. WB	5.68%	8.37%	7.00%	6.38%	7.48%	11.52%	12.96%	7.43%	11.52%	10.94%
North GS	7.47%	2.17%	1.82%				0.22%	0.99%		0.21%
Gaza City	17.04%	28.59%	11.55%	5.27%	1.52%	3.83%	5.25%	2.92%	4.89%	1.29%
Dier Al Balah					0.06%	0.07%				0.11%
Khan Younis	4.38%				0.44%	0.97%	0.53%	0.89%	0.67%	0.67%
Rafah	2.47%		2.73%				0.03%			0.11%
Gaza Strip	18.77%	25.43%	33.91%	22.06%	19.97%	13.93%	10.47%	15.05%	8.89%	9.45%
Total – GS	50.12%	56.20%	50.00%	27.34%	21.99%	18.80%	16.50%	19.85%	14.45%	11.83%
Total Governorate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total Region	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: MAS, 2009 – Donor Survey

**International Nongovernmental Aid Distribution to PNGOs by Governorate
(if known) and Region (1999-2008) According to the Location of PNGO Partner HQs**

Gov/Reg	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Nablus	15.49%		9.2%	4.6%	2.9%	0.9%	3.8%	6.9%	4.2%	2.0%
Tulkarm	0.28%	0.2%	0.1%	0.8%			0.8%	0.6%	1.6%	1.0%
Qalqilya						6.6%	3.3%	3.8%	3.5%	4.0%
Jenin	3.80%			6.7%		1.7%	2.0%	1.6%	1.3%	0.7%
Tubas						1.7%	0.9%	0.6%	0.8%	0.6%
Salfit							0.3%	2.7%	3.5%	2.2%
N. WB	2.96%	4.0%	9.3%	4.8%	4.3%	7.2%	3.9%	2.5%	0.7%	1.7%
Total – N. WB	22.54%	4.19%	18.67%	16.88%	7.27%	18.18%	15.02%	18.77%	15.61%	12.36%
Ramallah - Bireh	4.37%	5.3%	0.8%	15.6%	27.3%	26.8%	21.8%	26.7%	20.4%	13.8%
Jerusalem	1.13%	0.4%	0.9%	0.8%	1.8%	2.2%	3.3%	2.8%	11.4%	3.9%
Jericho	0.42%			1.3%	0.3%		0.5%	0.5%	2.1%	0.8%
C. WB	14.93%	27.1%	25.6%	27.8%	28.6%	23.0%	30.0%	23.2%	23.4%	47.1%
Total – C. WB	20.85%	32.81%	27.22%	45.33%	58.04%	51.99%	55.52%	53.14%	57.33%	65.61%
Bethlehem		2.5%	3.2%	2.0%	4.2%	4.1%	7.0%	3.8%	4.2%	2.9%
Hebron			1.6%	0.6%	2.8%	2.9%	2.4%	2.5%	4.6%	5.7%
S. WB	2.96%	2.1%	1.6%	2.3%	1.2%	2.4%	3.5%	1.1%	5.1%	2.4%
Total – S. WB	2.96%	4.63%	6.33%	4.88%	8.24%	9.43%	12.96%	7.34%	13.89%	11.01%
Northern GS	8.52%		2.2%				0.2%	0.7%		0.3%
Gaza City	19.44%	29.1%	14.1%	6.0%	0.4%	3.6%	5.3%	4.0%	4.4%	1.8%
Dier Al Balah				2.4%	0.1%	0.1%				0.2%
Khan Younis	1.48%					0.9%	0.5%	0.6%	0.6%	0.7%
Rafah	2.82%		1.1%							0.2%
Gaza strip	21.41%	29.3%	30.3%	24.5%	25.9%	15.7%	10.5%	15.5%	8.1%	7.8%
Total – GS	53.66%	58.38%	47.78%	32.92%	26.44%	20.41%	16.50%	20.75%	13.17%	11.02%
Total Governorate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total Region	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: MAS, 2009 – Donor Survey

**International Governmental Aid Distribution to PNGOs by Governorate (if known)
and Region (1999-2008) According to the Location of PNGO Partner HQs**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Nablus				0.5%	0.4%	0.5%		0.9%	0.8%	0.5%
Tulkarm						1.9%		0.5%		
Qalqilya					1.4%					
Jenin										0.5%
Tubas							0.6%			
Salfit										
Northern WB				2.6%	1.2%	6.2%	4.6%	4.3%	4.3%	4.9%
Total – N. WB				3.09%	3.00%	8.54%	5.23%	5.56%	5.16%	5.86%
Ramallah - Bireh	50.00%		10.0%	12.1%	10.8%	13.1%	21.5%	19.6%	18.0%	20.9%
Jerusalem		25.0%	20.0%	7.2%	3.1%	12.0%	3.9%	6.6%	6.2%	7.7%
Jericho									1.5%	
Central WB				48.9%	59.3%	35.4%	35.8%	42.3%	45.1%	41.0%
Total – C. WB	50.00%	25.00%	30.00%	68.23%	73.17%	60.59%	61.23%	68.55%	70.82%	69.64%
Bethlehem		8.3%	10.0%	4.1%	3.2%	3.2%	8.1%	3.6%	6.4%	2.8%
Hebron	25.00%	25.0%	0.0%	2.6%		0.4%	0.6%	1.0%	0.4%	1.8%
Southern WB				1.5%	3.5%	10.3%	7.6%	3.0%	0.5%	6.1%
Total – S. WB	25.00%	33.33%	10.00%	8.24%	6.67%	13.87%	16.31%	7.57%	7.31%	10.79%
North GS		16.7%						1.5%		
Gaza City		25.0%		4.4%	2.8%	4.0%	5.3%	1.1%	5.7%	
Dier Al Balah				3.0%						
Khan Younis	25.00%				0.9%	1.0%	1.3%	1.3%	0.8%	0.5%
Rafah			10.0%							
Gaza strip			50.0%	19.1%	13.5%	12.0%	10.6%	14.4%	10.2%	13.2%
Total – GS	25.00%	41.67%	60.00%	20.44%	17.17%	17.00%	17.23%	18.32%	16.71%	13.71%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: MAS, 2009 – Donor Survey

**International Aid Distribution by Governorate (if known) and Region
(1999-2008) According to the Location of Project Implementation**

Gov/Reg	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Nablus	12.5%		7.5%	2.6%	1.6%	0.7%	4.0%	3.4%	2.4%	1.2%
Tulkarm	0.3%	0.2%	0.1%	0.5%		0.9%	0.3%	0.2%	0.4%	0.3%
Qalqilya					0.7%	1.6%	0.3%	2.8%	2.3%	3.0%
Jenin	3.4%					1.1%	1.9%	0.6%	0.9%	0.8%
Tubas							0.5%		0.1%	0.3%
Salfit						0.1%	0.3%	1.8%	2.1%	2.0%
N. WB	6.1%	9.4%	12.5%	15.7%	17.0%	19.9%	18.7%	17.7%	17.4%	17.2%
Total – N. WB	22.25%	9.61%	20.09%	18.78%	19.36%	24.28%	26.04%	26.65%	25.73%	24.79%
Ramallah – Birch	7.0%	1.9%	2.5%	13.3%	8.4%	8.9%	6.8%	6.9%	6.7%	5.3%
Jerusalem	1.0%	3.7%	4.4%	2.5%	0.5%	3.9%	1.2%	1.9%	2.9%	2.9%
Jericho	0.4%			0.7%	0.2%		0.1%		1.3%	0.6%
C. WB	9.4%	12.3%	9.0%	15.7%	24.1%	16.6%	17.0%	20.8%	19.0%	21.4%
Total – C. WB	17.75%	17.94%	15.82%	32.20%	33.18%	29.42%	25.16%	29.72%	29.90%	30.26%
Bethlehem		3.3%	3.5%	1.4%	3.6%	1.0%	3.6%	0.7%	1.8%	1.8%
Hebron	3.1%	1.1%	2.2%	2.2%	1.7%	1.3%	2.2%	3.1%	2.4%	1.5%
S. WB	6.1%	7.8%	6.1%	14.4%	16.0%	19.2%	15.1%	15.8%	17.0%	17.4%
Total – S. WB	9.25%	12.22%	11.82%	18.02%	21.30%	21.47%	20.88%	19.62%	21.09%	20.72%
North GS	7.6%	2.2%	1.8%			1.7%	0.3%	0.6%	0.3%	0.1%
Gaza City	7.9%	20.9%	6.1%	2.4%	1.6%	3.6%	6.0%	1.7%	5.1%	0.8%
Dier Al Balah				1.4%	0.1%	1.0%	0.5%		0.2%	0.1%
Khan Younis	4.4%				0.6%	0.8%	0.8%	0.2%	0.4%	0.3%
Rafah	2.5%		2.7%				0.5%	0.0%	0.1%	0.1%
Gaza strip	28.4%	37.1%	41.6%	27.3%	23.9%	17.7%	19.9%	21.5%	17.2%	22.7%
Total – GS	50.75%	60.22%	52.27%	31.00%	26.16%	24.83%	27.92%	24.01%	23.28%	24.22%
Total Governorate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total Region	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: MAS, 2009 – Donor Survey

**International Nongovernmental Aid Distribution by Governorate (if known)
and Region (1999-2008) According to the Location of Implementation**

Gov/Reg	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Nablus	14.29%	0.00%	9.22%	4.27%	2.72%	1.25%	5.20%	5.22%	3.12%	1.25%
Tulkarm	0.29%	0.19%	0.11%	0.77%	0.04%	0.03%	0.40%	0.13%	0.49%	0.34%
Qalqilya						2.75%	0.30%	4.35%	3.24%	4.48%
Jenin	3.86%					1.28%	2.90%	0.91%	1.21%	0.95%
Tubas							0.30%		0.20%	0.25%
Salfit							0.40%	0.87%	3.24%	3.07%
Northern WB	7.00%	10.63%	15.22%	15.00%	17.80%	24.63%	19.95%	17.78%	18.34%	16.79%
Total – N. WB	25.43%	10.81%	24.56%	20.04%	20.55%	29.94%	29.45%	29.26%	29.84%	27.13%
Ramallah - Bireh	0.86%	2.13%	0.78%	18.23%	13.22%	15.31%	10.70%	8.74%	7.98%	6.67%
Jerusalem	1.14%	0.44%	0.89%	0.69%	0.21%	0.06%	1.10%	0.87%	1.90%	0.80%
Jericho	0.43%			1.15%	0.29%	0.03%	0.00%	0.00%	1.50%	0.59%
Central WB	10.71%	13.88%	11.00%	12.08%	17.23%	15.19%	15.65%	19.22%	15.95%	20.00%
Total – C. WB	13.14%	16.44%	12.67%	32.15%	30.95%	30.59%	27.45%	28.83%	27.33%	28.07%
Bethlehem		2.50%	3.22%	0.35%	3.86%	1.28%	3.03%	0.89%	1.01%	1.33%
Hebron			1.56%	2.08%	2.64%	1.50%	3.15%	1.87%	3.28%	1.12%
Southern WB	7.00%	8.75%	7.44%	10.38%	14.22%	14.06%	14.50%	14.65%	17.85%	16.71%
Total – S. WB	7.00%	11.25%	12.22%	12.81%	20.73%	16.84%	20.68%	17.41%	22.15%	19.17%
North GS	8.64%		2.22%				0.35%	0.02%		
Gaza City	9.00%	19.75%	7.44%	0.92%	0.36%	1.44%	4.68%	2.04%	3.81%	1.06%
Dier Al Balah				2.23%	0.11%	0.13%				
Khan Younis	1.50%									
Rafah	2.86%		1.11%				0.05%			
Gaza strip	32.43%	41.75%	39.78%	31.85%	27.31%	21.06%	17.35%	22.43%	16.88%	24.58%
Total – GS	54.43%	61.50%	50.56%	35.00%	27.77%	22.63%	22.43%	24.50%	20.69%	25.64%
Total Governorate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total Region	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: MAS, 2009 – Donor Survey

**International Governmental Aid Distribution by Governorate (if known)
and Region (1999-2008) According to the Location of Implementation**

Gov/Reg	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Nablus							2.23%		1.02%	1.08%
Tulkarm						1.95%	0.25%	0.41%	0.24%	0.34%
Qalqilya					1.70%		0.25%		0.56%	0.32%
Jenin						0.98%	0.25%		0.31%	0.45%
Tubas							0.72%			0.41%
Salfit						0.24%	0.25%	3.65%		
Northern WB				16.73%	16.00%	13.75%	16.72%	17.64%	15.63%	17.94%
Total – N. WB				16.73%	17.70%	16.92%	20.65%	21.71%	17.76%	20.53%
Ramallah - Bireh	50.00%		10.00%	5.22%	1.70%	0.65%	0.70%	3.54%	4.27%	2.83%
Jerusalem		30.00%	20.00%	5.53%	0.80%	8.84%	1.35%	3.96%	4.85%	6.86%
Jericho							0.25%		0.94%	0.64%
Central WB				21.51%	33.80%	18.39%	19.24%	23.91%	24.82%	23.94%
Total – C. WB	50.00%	30.00%	30.00%	32.26%	36.30%	27.88%	21.54%	31.41%	34.89%	34.27%
Bethlehem		10.00%	5.00%	3.14%	3.30%	0.57%	4.56%	0.41%	3.25%	2.70%
Hebron	25.00%	10.00%	5.00%	2.39%	0.30%	1.06%	0.72%	5.42%	0.57%	2.16%
Southern WB				21.01%	18.50%	25.87%	15.93%	17.97%	15.24%	18.71%
Total – S. WB	25.00%	20.00%	10.00%	26.54%	22.10%	27.50%	21.21%	23.80%	19.05%	23.57%
North GS		20.00%					3.86%	0.25%	1.65%	1.00%
Gaza City		30.00%		4.72%	3.30%	6.40%	8.16%	1.15%	7.50%	0.38%
Dier Al Balah							2.23%	1.20%	0.67%	0.38%
Khan Younis	25.00%				1.40%	1.94%	2.01%	0.49%	1.13%	0.92%
Rafah			10.00%				1.09%	0.00%	0.18%	0.38%
Gaza strip			50.00%	19.75%	19.20%	13.26%	23.89%	19.79%	17.83%	19.17%
Total – GS	25.00%	50.00%	60.00%	24.47%	23.90%	27.69%	36.59%	23.08%	28.30%	21.63%
Total Governorate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total Region	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: MAS, 2009 – Donor Survey

**Location of PNGO Project Implementation
by Region and Period**

Region	1999 - 2000	2001-2005	2006-2008
North WB	12.6	14.8	12.4
Central WB	9.5	12.2	10.8
South WB	14.8	16.8	18.9
Subtotal WB	36.9	43.8	42.1
Gaza Strip	32.3	29.4	29.0
All	30.8	26.9	28.9
Total %	100%	100%	100%

Source: MAS, 2009 – PNGO Survey

**International Donor and Agency Headquarters Distribution
by Region and Percentage (1999 – 2008)**

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total # of Organizations	103	105	110	109	118	121	128	134	144	130
Governorate or Region Total (%)										
Nablus						0.8	0.6	0.7	1.3	2.4
Tulkarm					1.0	0.8	0.6	0.7		
Qalqilya									0.6	0.8
Jenin				1.9	2.5	1.5	1.5	1.0	2.0	2.4
Tubas										
Salfit										
Northern WB				1.9	3.5	3.1	2.7	2.4	3.9	5.6
Ramallah-Bireh	23.3	23.8	24.5	21.1	21.2	20.5	23.0	23.0	29.8	31.5
Jerusalem	61.2	59.0	59.0	62.3	61.9	62.6	63.0	62.6	55.5	53.0
Jericho										
Central WB	84.5	82.8	83.5	83.4	83.1	83.1	86	85.6	85.3	84.5
Bethlehem	3.9	3.8	2.7	2.8	2.5	2.4	3.0	2.9	4.1	3.8
Hebron	1.9	1.9	1.9	1.9	1.6	2.4	2.3	2.2	2.0	1.5
Southern WB	5.8	5.7	4.6	4.7	4.1	4.8	5.3	5.1	6.1	5.3
Northern GS										
Gaza City										
Dier Al Balah										
Khan Younis										
Rafah										
Gaza Strip	9.7	11.5	11.9	10.0	9.3	9.0	6.0	6.7	4.7	4.6
Total Governorate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total Region	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total Field Offices	24	23	27	33	37	40	39	38	35	41
% Orgs with Field Offices	23.3	21.9	24.5	30.2	31.4	33.0	30.4	28.3	24.3	31.5

Source: PASSIA Organizations Directory, 2000 – 2009

Note: Governorate level HQs were not recorded in the case of Gaza, and only offered as a regional whole. % of organizations with field offices is a measure of those headquartered in the West Bank with a branch or field office in Gaza.

**Distribution of PNGOs Based on Geographical
Location and Type of Residence, 2007**

Governorate	Urban(%)	Rural(%)	Camp(%)	Number of organizations
Jenin	33.6	64.7	1.7	116
Tubas	24.0	52.0	24.0	25
Tulkarem	43.9	47.0	9.1	66
Nablus	39.1	51.4	9.4	138
Qalqyia	63.6	36.4		33
Salfet	18.5	81.5		27
North West Bank	38.0	55.3	6.7	405
Ramallah and Al-Bireh	55.4	37.3	7.2	166
Jericho	65.0	15.0	20.0	20
Jerusalem	60.5	29.6	9.9	81
Central West Bank	57.7	33.3	9.0	267
Bethlehem	57.8	32.8	9.4	128
Hebron	60.3	33.1	6.6	151
South West Bank	59.1	33.0	7.9	279
Total West Bank	49.7	42.6	7.7	951
North Gaza	70.7	5.2	24.1	58
Gaza	94.7	2.4	2.9	170
Deir Al-Balah	23.8	2.5	73.8	80
Khan Younis	88.7	8.5	2.8	71
Rafah	63.8		36.2	58
Total Gaza Strip	73.5	3.4	23.1	437
WB&GS	57.2	30.3	12.5	1388

Source: MAS, 2007

Distribution of PNGOs in the West Bank (2001 – 2009-MoI)

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009
Gov/Reg	#	#	#	#	#	#	#	#	#
Salfet Tulkarm									
Qalqilya	35	43	45	139	175	191	217	233	249
Jenin	16	21	30	76	100	125	145	169	186
Nablus	26	33	50	123	152	176	194	213	225
N. West Bank	77 20.8	97 21.3	125 19.6	338 27.5	427 29.5	492 30.5	556 30.7	615 30.7	660 31.1
Ramallah	125	162	233	354	421	470	532	587	623
Jerusalem	63	72	104	186	186	200	222	260	281
Jericho	17	18	22	24	30	34	39	44	47
C. West Bank	205 55.4	252 55.4	359 56.3	564 45.9	637 44.0	704 43.4	793 43.8	891 44.5	951 44.7
Bethlehem	35	41	70	180	213	238	248	278	284
N. Hebron							14	16	19
C. Hebron	43	51	67	112	128	140	149	150	154
S. Hebron	10	14	17	35	43	45	51	54	58
S. West Bank	88 23.8	106 23.3	154 24.1	327 26.6	384 26.5	423 26.1	462 25.5	498 24.8	515 24.2
Total	370	455	638	1229	1448	1615	1811	2004	2126

Source: Palestinian Ministry of Interior.

Note: The second number given in the shaded regional boxes refers to the total percentage of PNGOs in that region per year. Percentages are rounded to the nearest tenth.

**Distribution of PNGOs by Governorate
and Region (2000 & 2006)**

Year Governorate / Region	2000		2006	
	No. of PNGOs	% of PNGOs	No. of PNGOs	% of PNGOs
Jenin	52	5.9	116	8.4
Tubas	8	.9	25	1.8
Tulkarm	39	4.4	66	4.8
Nablus	90	10.2	138	9.9
Qalqilya	27	3.1	33	2.4
Salfit	15	1.7	27	1.9
North WB	231	26.2	405	29.2
Ramallah-Bireh	114	12.9	166	12.0
Jericho	20	2.3	20	1.4
Jerusalem	98	11.1	81	5.8
Central WB	232	26.3	267	19.2
Bethlehem	93	10.6	128	9.2
Hebron	119	13.5	151	10.9
South WB	212	24.1	279	20.1
All WB	675	76.6	951	68.5
Northern GS	20	2.3	58	4.2
Gaza City	90	10.2	170	12.2
Dier Al Balah	38	4.3	80	5.8
Khan Younis	42	4.8	71	5.1
Rafah	16	1.8	58	4.2
All GS	206	23.4	437	31.5
Total	881	100%	1388	100%

Source: MAS, 2007

