



**Assessment of the Palestinian NGOs Efficiency and  
Decision Making Aspects - Ramallah Area**

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**Faculty of Graduate Studies  
Birzeit University  
Palestine  
October 2005**



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**Submitted in partial fulfillment of the requirements of the Faculty of  
Graduate Studies at Birzeit University**

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To my family, starting by my father who was the supportive element for my academic studies, my mother who always stood by my side in good and bad times, my dear brothers Saeed, Bashar, Mamoun and Ashraf , my dear fiancé Ali, my friends Maha, Arij, Rola, Faten, Reem, Shereen, Nairooz and Rana and everyone who supported me in this contribution.

Hope this effort will be of fruitful benefit to every concerned person in the academic field in general and to our Palestinian society in particular.

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## LIST OF ACRONYMS

<b>NGO:</b>	Non Governmental Organization
<b>PNGO:</b>	Palestinian Non- Governmental Organization
<b>PNGON:</b>	Palestinian Non- Governmental Organizations Network
<b>PNA:</b>	Palestinian National Authority
<b>WBGS:</b>	West Bank and Gaza Strip
<b>PLC:</b>	Palestinian Legislative Counsel
<b>INGO:</b>	International NGO
<b>BINGO:</b>	Business-Oriented International NGO
<b>RINGO:</b>	Religious International NGO
<b>ENGO:</b>	Environmental NGO
<b>PASSIA:</b>	Palestinian Academic Society for the Study of International Affairs
<b>PLO:</b>	Palestinian Liberty Organization



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تقييم فعالية المؤسسات غير الهادفة للربح ومظاهر اتخاذ القرار فيها- منطقة رام الله

## ملخص

برزت أهمية القطاع الأهلي الفلسطيني بشكل موسع خلال الخمسة أعوام الماضية في مختلف مجالات المجتمع الفلسطيني الاجتماعية، الاقتصادية، السياسية، التعليمية، الصحية وغيرها من المجالات المتعلقة بالبنية التحتية الفلسطينية خاصة بعد تأثر هذه المجالات بانتفاضة الأقصى التي بدأت في أيلول عام 2000. حالياً أصبحت هذه المؤسسات (المؤسسات غير الهادفة للربح) تشكل ما يمكن أن يعرف بالظاهرة التي أصبحت تستقطب العديد من عناصر المجتمع متمثلة بالقوى البشرية العاملة، الموارد المادية وبشكل خاص الاهتمام المحلي والعالمي. تعتبر هذه الدراسة إضافة للعديد من الدراسات التي تناولت مواضيع مختلفة حول دور المؤسسات الأهلية في المجتمع الفلسطيني إلا إنها تميزت بالتركيز على العديد من القضايا الداخلية والخارجية التي تؤثر على المجتمع الفلسطيني خلال الخمسة أعوام السابقة. تناولت الدراسة علاقة هذه المؤسسات بالسلطة الوطنية الفلسطينية والجهات المانحة وكذلك علاقتها مع بعضها البعض و أشارت إلى الطابع الذي يطغى على العلاقة مع كل من الجهات المذكورة.

بالإضافة إلى ذلك بينت الدراسة أهمية المؤسسات العاملة في مجال حقوق الإنسان وتميزها عند الجهات المانحة وذلك للدور التي تقوم به في تعزيز مفاهيم الديمقراطية الضرورية لبناء مجتمع سليم، حيث شكلت هذه المؤسسات 47% من العينة المأخوذة للدراسة في منطقة رام الله وبينت مدى اهتمام الجهات المانحة الأجنبية بهذه المؤسسات، وكذلك مدى تأثير الإجراءات البيروقراطية المتمثلة في الإجراءات الإدارية ومتطلبات الجهة المانحة على تنفيذ النشاطات التي تقوم بها هذه المؤسسات.

اختتمت الدراسة أجزائها ببعض التوصيات الموجهة لعدة أطراف لها علاقة بعمل المؤسسات الأهلية منها التركيز على ضرورة وجود قاعدة معلومات تشمل جميع المشاريع التي تنفذها هذه المؤسسات الأمر

الذي يقلل من إمكانية تنفيذ مشاريع مشابهة أو غير متعلقة بالحاجة المجتمعية الفعلية لها. بالإضافة إلى ذلك، ومن التوصيات المقترحة ضرورة تفعيل دور شبكة المنظمات الأهلية الفلسطينية الأمر الذي يؤدي إلى تحسين المناخ العام التي تعمل ضمنه هذه المؤسسات عن طريق وجود جهة مثل شبكة المنظمات الأهلية الفلسطينية التي تكون على اضطلاع كامل بانجازات هذه المؤسسات والتي تقوم بتوجيه عمل هذه القطاع بطريقة تضمن تحسين الظروف المعيشية للشعب الفلسطيني آخذين بعين الاعتبار احتياجات المجتمع والإمكانيات الفعلية لهذه للمؤسسات.

## **Assessment of the Palestinian NGOs Efficiency and Decision Making Aspects - Ramallah Area**

**Abstract**

The significance of the non- governmental sector has emerged widely in various sectors of the Palestinian society in the last five years. It covered the social, economical, political, educational, health and other societal sectors that are related to the Palestinian infrastructure- and that were affected by Al-Aqsa Intifada which started in September 2000.

Currently, the non- governmental organizations (NGOs) are representing what we can call a “phenomenon” that is attracting various societal elements including skilled labor force, financial resources and above all local and international concern. This study is considered a new addition to many other studies that were concerned with the NGOs role in the Palestinian society but focused on their role in the last five years in particular. In fact, it investigated several internal and external factors that are related to NGOs performance given the effect of Al- Aqsa Intifada on the Palestinian society.

Findings of this study have revealed that despite the cement formal and informal argue that many NGOs are conducting projects that are not related to their missions; still the majority of selected Palestinian non governmental organizations

(PNGOs) have revealed that they fulfill projects that are related to their missions and specialization.

In addition, the study uncovered several factors affecting the relationships' environment in which PNGOs operate, these include: relationship with the Palestinian National Authority (PNA), relationship with donors and the relationship with other PNGOs. Moreover, the study showed the importance of PNGOs that are operating in the human rights areas (which represented 47% of the selected sample of the study) -since these organizations turned out to attract special attention by donors for their important role in raising bureaucratic concepts that are needed for building a healthy society.

The study ended its section with recommendations that are directed to various sides that are related to PNGOs performance in Palestine. Some of these recommendations emphasized the importance of having an updated data base for all projects that are being fulfilled in certain areas at a certain period of time- the fact that helps in reducing the possibility of having duplication of similar projects or conducting projects that are not related to the real societal need. In addition, the recommendation section showed the importance of activating the role of the Palestinian Non Governmental Organizations Network (PNGON) by being consistently updated of PNGOs performance which helps in improving the

atmosphere in which PNGOs operate and which leads to improve the living aspects of the Palestinians by taking into consideration societal needs.

# **CHAPTER ONE**

## **INTRODUCTION**

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Overview**

Civil society organizations and Palestinian NGOs have played a central role throughout the period of occupation in strengthening the Palestinian identity on the ground. They provided a wide range of social services and contributed to the establishment of health, educational, industrial, agricultural, tourism, housing and public sector infrastructures. In the absence of a national authority, these institutions substituted the role of a national government in many areas. With the new conditions that emerged after Oslo agreement in 1993, an implicit and sometimes explicit conflict emerged between the new Authority and NGOs, which were traditionally considered an extension to the Palestinian Liberty Organization (PLO) as a whole.

Many of the NGOs that began during the occupation depended on European and American financial support in addition to some Arab NGOs. With the coming of the Palestinian National Authority (PNA), the emerging trend among donor countries was to provide financial support primarily to the departments directly associated with the PNA.



This has significantly decreased external support previously allocated to NGOs which has resulted in the closure of several NGOs and the reduction of services provided to marginalized and deprived sectors of society. To demonstrate the severity of this situation, World Bank statistics indicated that the NGOs in 1996 were providing 60% of the primary health care services and around half of the secondary care services. This included most programs offered to the handicapped, nurseries, agricultural services, housing for groups with limited income and support to small income projects. A reduction in support to NGOs has extremely serious implications for the maintenance of basic services to sectors which the PNA is still not in a position to handle (Brown, 2003).

Concerning the Arab aids, the form of financial support was represented in the twin Arab municipalities program which was a twin program between Arab cities and municipalities in Palestine so that Arab cities aid complements cities in Palestine. It was started in 1978 and ended in 1981 when the Israeli Authority decided to apply the civil administration which led to the resignation of the elected Arab mayors. At that period, the total value which had been transferred was about \$ 12.5 million mainly for municipalities of Hebron, Nablus, Ramallah, Bethlehem, Al-Bireh, Tulkarm and other municipalities. Sabri (1994) stated that other direct Arab aids were allocated to higher education and non-profit sector of health services in Palestine through the joint committee, but after freezing its work these local Arab institutions managed to find direct Arab sources to cover their annual budgets through direct communications. The estimated annual amount for higher education is about \$ 15 million, for health organizations \$ 6 million and for social organizations is about \$ 2 million at that time (Sabri, 1994).

According to the Welfare (2001) until 2001, there were 881 active Palestinian NGOs in the West Bank and Gaza Strip distributed on various sectors. In Ramallah area, 89 PNGOs were registered in the Palestinian non governmental organizations (PNGON). These organizations varied according to their mission, the targets that they serve, and the size of their organizations in terms of employees and number of projects that they fulfill.

As a recent phenomenon, the NGO sector is attracting the most skilled and qualified human resources from both the public and private sectors due to the increasing number of projects that are being fulfilled (Euro Mediterranean Network, 2004). However, and despite the large projects that are being conducted, there are many problems from which this sector suffers. This can be due to various reasons:

- 1- Donor's determination on certain areas to be improved regardless of the actual Palestinian need for these improvements. Welfare (2001) states that a percentage of 17.6% of PNGOs do not draw a timetable for the implementation of its programs, which shows the lack of clear and specific vision of its role in serving the community. The prevailing attitude regarding their work is a non-systematic and not scheduled unplanned approach. Even the organizations that followed time schedules, many failed to successfully and regularly meet set deadlines. Most organizations only occasionally achieve scheduled programs which indicate that planning is not based on scientific accurate foundations (Welfare, 2001).

- 2- The active PNGOs in the West Bank, Gaza Strip (WBGS) vary in their missions and programs. Nevertheless, the dispersion of goals and programs is a common symptom with most of them lacking focus on specific goals, objectives and programs. In other words, most of PNGOs are not specialized in specific areas but tend to deal with wide varieties of missions and goals. It is realized also that the number of NGOs with general goals is high compared to those who follow specific goals. This reflects the absence of a clear vision among most PNGOs.
- 3- The availability of previous data sources that dealt with similar projects -which increases the possibility of conducting projects of the same nature regardless of the actual societal need for such projects.
- 4- Gaps in addressing certain Palestinian needs due to lack of research and study in many places and subjects.
- 5- Lack of transparency in relationships with donors, PNA, and among NGO`s.  
(MAS, 1998).
- 6- The decline in the capacity of certain NGOs to access information that is crucial for their work and also in the ability to benefit from the available training opportunities to develop the skills of their employees or voluntary workers.

## 1.2 Need for the study

Although many studies have been recently concerned with the NGO sector in Palestine over the past twenty years like MAS, Bisan and Welfare studies; there is still an obvious need for further studies since to compliment and stress other areas that still need investigation. Concerning this study, various issues pushed us to conduct it; from which we mention the followings:

- 1- The increasing number of NGOs in the West Bank -and mainly in Ramallah area- requires a regular attention and obvious regulations since they have significant effects on the Palestinian market.
- 2- The large amounts of funds that are being spent in certain areas that were supposed to be spent in other areas that actually need improvement.
- 3- The importance of issuing updated regulations for supervising the allocation of funds in the NGO sector.
- 4- The shortage in number of centers that work effectively on improving the human life in the Palestinian Territories, i.e., (schools, health centers, entertainment, art and other related centers).

- 5- Lack of transparency in revealing the results of actual performance– financial statements and procedures- in many NGO sectors in the West Bank.
- 6- The trend towards satisfying personal concerns rather than the public concern in many areas, i.e., in project selection, employees recruitment, compensation criteria and more, which plays a major role in reducing donors` willingness to extend many projects –mainly in the human rights sector.
- 7- The big damage that was caused by the Israeli side to major centers since the beginning of Al-Aqsa Intifada, which caused an obvious damage to the Palestinian infrastructure. This requires planning, determining, and allocating certain amounts of funds for decreasing the damage results and improving the efficiency of the NGO sector in the occupied territories.

### **1.3 Goals of the study**

Since the NGO sector has faced criticism over the past twenty years despite its contribution to the development of various Palestinian sectors (Brown, 2003), this study was conducted in Ramallah area with focus on NGOs working in the human rights, minorities and child care NGOs. In addition, the study included PNGOs working in the filed of water and environment, societal development and others. It addressed certain issues that arose with the beginning of Al-Aqsa Intifada in the year 2000. In more details this thesis aims to:

- 1- Assess the impact of certain internal and external aspects of recent performance of PNGOs that are officially operating in the West Bank- mainly in Ramallah area.
- 2- Determine variables which are related to NGOs performance efficiency.
- 3- Examine relationships between no. of projects fulfilled and efficiency aspects for selected NGOs.
- 4- Suggest key issues for effective and efficient management of this sector.
- 5- Classify critical decisions which are taken in PNGOs according to their importance for better allocation of limited resources.

#### **1.4 Questions of the study**

The study covers several questions concerning the PNGOs internal and external aspects in addition to their impact on the civil society. Major questions of the study are concentrated in the questionnaire parts which can be summarized as follows:

- What are the major organizational characteristics, internal performance aspects of PNGOs operating in Ramallah area?

- What is the effect of major relationships in the PNGOs environment?
- What are the major decisions that are taken at NGOs and what decision making aspects affect the PNGOs performance in Ramallah area?

From the stated questions` areas, the hypothesis of the study was formed.

### **1.5 Hypothesis of the study**

Various relationships could be formed when studying the internal and the external environment in which NGOs operate. However, the major hypotheses of this study are directly related to the study questions and are as follows:

- 1- H1\*: There is no difference in major characteristics of PNGOs with reference to the field in which the NGO operates.  
  
H1a: There is a difference in major characteristics of PNGOs with reference to the field in which the NGO operates.
- 2- H2\*: For organizations that fulfilled 10 and more projects, availability of resources will have a positive relationship with directing PNGOs to work in fields other than stated in their mission statements.

H2a: For organizations that fulfilled 10 and more projects, availability of resources will have no positive relationship with directing PNGOs to work in fields other than stated in their mission statements

- 3- H3\*: There is a positive relationship between fulfilling projects that are related to societal need and being a leader in the fulfilled projects.

H3a: There is a no relationship between fulfilling projects that are related to societal need and being a leader in the fulfilled projects

- 4- H4\*: Bureaucratic procedures tend to have a negative relationship with the number of projects fulfilled.

H4a: Bureaucratic procedures tend to have no relationship with the number of projects fulfilled.

Where H\* stands for the null hypothesis of the question, Ha stands for the alternative hypothesis. Stated hypothesis will be tested using the correlation coefficient and the t-test will be used to determine means for section two of the questionnaire. The types of tests will be examined in chapter five.



## 1.6 Limitations of the study

Some caution is needed when extrapolating findings from a study of this scale to a macro-level. The scope of the study was small, involving only 36 organizations, each of particular relationship to Palestine and mainly Ramallah area. Nevertheless, the researcher hopes that the analysis provides illuminating analytical approaches and examples. Other limitations for conducting the study are:

- 1- Lack of transparency in revealing exact or almost exact financial results since competition techniques and regulations are taken into consideration by the majority of management sides at the stated NGO.
- 2- Lack of periodical updates of numbers and statistics that are gathered in the literature review as well as the primary sources of data.
- 3- The lack of participation in the study by major parts since they will not be satisfied to be included in a study of this kind (Organizations and individuals).
- 4- Closure and other political limitations that limited the possibility of reaching major b data sources, and therefore the study was limited to cover PNGOs operating in Ramallah area.

## 1.7 Definition of Major Terms

- **NGOs:** are “independent, self-governing, voluntary, non-profit distributing organizations operating not for commercial purposes but in the public interest for the promotion of social well-being and development, religion, charity, education, research, human and environmental rights. Specifically excluded are organizations that promote the interests of specified individuals” (Development Resources Centre, 1994).
  
- The World Bank (2001) defines NGOs as "private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development” (World Bank, 2001). In wider usage, the term NGO can be applied to any non-profit organization which is independent from government. NGOs are typically value-based organizations which depend, in whole or in part, on charitable donations and voluntary service.

Although the NGO sector has become increasingly professionalized over the last two decades, principles of altruism and voluntarism remain key defining characteristics.

- According to the Asian Institute of Technology (2004) various definitions for NGOs were demonstrated, these include:

- A non-profit making, voluntary, service-oriented/development oriented organization, either for the benefit of members (a grassroots organization) or of other members of the population (an agency).
  
- It is an organization of private individuals who believe in certain basic social principles and who structure their activities to bring about development to communities that they are servicing.
  
- Social development organization assisting in empowerment of people.
  
- An organization or group of people working independent of any external control with specific objectives and aims to fulfill tasks that are oriented to bring about desirable change in a given community or area or situation.
  
- An independent, democratic, non-sectarian people's organization working for the empowerment of economic and/or socially marginalized groups.
  
- An organization not affiliated to political parties, generally engaged in working for aid, development and welfare of the community.
  
- Organization committed to the root causes of the problems trying to better the quality of life especially for the poor, the oppressed, the marginalized in urban and rural areas.

- Organizations established by and for the community without or with little intervention from the government; they are not only a charity organization, but work on socio-economic-cultural activities.
- An organization that is flexible and democratic in its organization and attempts to serve the people without profit for itself.

**As for the Palestinian case, PNGOs can be defined as follows:**

- A mix of different collections that includes unions, clubs, cooperatives, religious committees and other non profit organizations that perform, and communicate with each other freely not for their own sake but mostly for public benefits ( Muslih, 1993).
- From the researcher point of view an efficient NGO can be defined as an independent, democratic, clearly structured organization working for improving the economic, social aspects of a certain society and which contributes to improving the public image of that society without focusing on the NGO profit.

### **Efficiency**

Lorgen (1998) defines efficient NGO as: “An efficient NGO develops its policies through a process of interaction between the values it espouses and realistic considerations such as: an assessment of the needs in a country

(awareness of patterns of service delivery); making optimal use of scarce resources; and the types of relationships it has with various levels of government” (Lorgen, 1998).

Certain efficiency aspects are selected in this study, these include:

- The degree of implementing activities according to a predetermined plan or set of plans.
- The degree of allocating resources (financial and human) in related areas that require improvement.
  - The degree of coordination and information flow among PNGOs.
  - The reliability in the staffing procedure.
  - Projects selection and evaluation flexibility.

**Decision making aspects:** in this study, four areas will be examined as decision areas: Staffing, donors’ relationships, projects selection and expansion and spreading. In addition, the degree of involving more than one managerial level in certain decision areas will also be investigated. Brief definitions for the stated concepts are as follows:

**Staffing:** is the process of selecting, recruiting, appraising, training, compensating and evaluating employees in a given organization. Concerning this study, it focuses on staff size, staff compensation and staff nature (local and foreign).

**Donors' relationships:** refers to internal and external means of communication with donors which includes reporting aspects, sustainability of relationships, transparency in communication and creation of new relationships.

**Project selection:** In this study, it refers to the area in which a certain NGO selects to conduct its activities and the donor that it approaches for a certain type of projects.

**Expansion and spreading:** refers to increasing the target which the NGO serves which can be represented in increasing no. of staff, conducting projects in other areas than originally stated in the NGO's mission, and having communication with new donors.

Clear understanding of the importance of the stated decisions aspects can make the decision making process smoother and will lead to a clearer understanding of PNGOs' performance.

**CHAPTER TWO**

**LITERATURE REVIEW**

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 NGOs in history

The "NGO" phrase came into use with the establishment of the [United Nations](#) in 1945 with requirements in Article 71 of Chapter 10 of the United Nations Charter for a consultative role for organizations that are not governments or member states. Korten, (1990) stated that the vital role of NGOs in [sustainable development](#) lead to revised arrangements for consultative relationship between the United Nations and non-governmental organizations that neither are governments nor member state.

The number of nongovernmental organizations and their involvement in national and international policy-making has increased vastly over the last half century and especially the last several decades. "In 1945, there were 2865 international nongovernmental organizations (INGOs); by 1990 the number had increased to 13,591. This compared to 3443 international [intergovernmental organizations](#) and roughly 200 nation-states" (Yearbook of International Organizations, 1990-91). But, more important, in the 1990s there began to be recognition of the importance of the NGO role. In [human rights](#),



[development](#), [environment](#), and even [disarmament](#), NGOs had begun to be recognized for their role in influencing public policy.

Concerning ways in which NGOs operate, NGOs operate with many different methods and scales. In this area, Paul (1996) comments that “some act alone while others work in coalitions, some organize noisy protests and demonstrations while others prefer sober education or quiet diplomacy. Some “name and shame” those in power who abuse citizen rights, while others work closely with the authorities” (Paul, 1996).

In having major contributions in the development process around the world, INGOs role becomes crucial. There are two broad reasons why INGOs have become central to the development process. The first is that aid and development projects are increasingly delivered through civil society rather than through the state, because NGOs are seen as more efficient, less corrupt, more easily able to respond to new situations, and able to draw up on local social capital. The second reason is that INGOs are seen as “offering participative democracy, acting as a channel for individual voices to be heard as a source of influence both in their own actions and in their relationships with institutions such as state governments and global players” (Barr and Marcel, 2005). Edwards and Gaventa (2001) argue that INGOs are being drawn into strategic partnerships with organizations such as the World Bank.

## 2.2 The Historical Development of Palestinian NGOs

Since the first occupation on the Palestinian land in 1917, moving to the announcement of “Balfour” promise to have the state of Israel on the Palestinian land in 1948, the NGO sector efforts were directed towards resisting the Jewish immigration and land stealing considering these issues the major threats to the existence of the Arab Palestinian society. NGO’s activities during this period were concentrated on the Palestinian independence and resistance of the Jewish foundation. Their activities included labor associations, students unions, women movements and sports` clubs in addition to cooperative committees (Euro Mediterranean Network for Human Rights, 2004).

The earliest Palestinian NGOs were formed in the period of the permission, generally focusing on nationalist work or support for those affected by the nationalist struggle. Most of these were local voluntary organizations. Some showed remarkable staying power. However, after 1948, Palestinian organization proved stronger in the area outside of mandatory Palestine, as organizations for women, students, teachers, and others were formed. From the very beginning, these organizations had a symbiotic relationship with the PLO. Some supported the formation of the PLO in 1964 and assisted in its founding; others were founded partly on PLO initiative. As Brown (2003) stated: “Most attempted to work closely with the PLO and focused their energies on the nationalist struggle. The result was that building civil society and building a state were not distinguished “(Brown, 2003).

However, it is sometimes observed that Palestinian NGOs are so significant because they emerged in the absence of a state. Elsewhere in the Arab world, strong states emerged first, greatly limiting their political and social space and autonomy for NGOs. It is true that Palestinian NGOs display greater autonomy than their equivalent parties in the region largely because of the prevailing political situation, but it is not true that they have been organized in the absence of a state. A variety of states (Jordan, Egypt, and Israel) have governed them, each one imposing its legal framework and regulatory and policing powers in significant ways.

As a matter of fact, the seventies period was a considerable period for the NGO's existence on the Palestinian land. However, despite the arising contributions of the NGO sector, that period didn't witness the finding and development of organizations that were capable of offering unique services to the Palestinian society especially the workers' unions and the cooperatives -since all efforts were concentrated on getting rid of the Israeli occupation and achieving independence.

During the last five years, many studies were concerned with PNGOs especially with the beginning of Al-Aqsa Intifada; since many politicians see that these organizations form a major tool for improving the Palestinian infrastructure.

However, despite the major effect of the NGOs on developing and building the Palestinian infrastructure, still various efficiency aspects suffer from gaps and need investigation.

### 2.3 PNGO Sector's Activities

The NGO effect on the Palestinian market varies according to the sector that it serves. As matter of fact, most of the NGOs that work with children and youth conduct training and consultation, provide educational activities and offer social services. In the civic-education sector, NGOs primarily engage in providing training and consultation, educational activities, information, research and analysis. Organizations working in the NGO-development sector conduct training, offer consulting, disseminate information, protect lobbying interests, design policy recommendations and provide legal assistance.

NGOs involved in the human-rights sector are mostly focused on providing legal assistance, protecting their clients' interests and lobbying efforts, designing policy recommendations on socio-political issues, and conducting research and analysis. As Maksymenko (2005) stated, "the majority of NGOs working in the "politics, legislation, state-building" sector are dedicated to protecting clients' interests and lobbying, conducting analytical research, disseminating information, and the like. NGOs that are active in the social sector primarily focus on social services, rehabilitation and charity, training, consulting, protecting clients' interests and lobbying, education and legal assistance" (Maksymenko, 2005).

In this area, Sabri (2003) states that the NGO sector in Palestine could be divided into six main areas which can be shown in table 2.1.

**Table 2.1**  
**Activities of Major PNGOs according to the PNGO field**

<b>Sector</b>	<b>Major Activities</b>
<b>Education</b>	Universities
	Kinder gardens
	Career education
	Basic education
<b>Health</b>	Hospitals
	Health centers and clinics
	Laboratories
<b>Social work</b>	Cooperatives
	Orphans cooperatives
	Special needs cooperatives
	Sport and awareness activities
<b>Research and training</b>	Training
	Research
<b>Human and women rights</b>	Women organizations
	Human rights
<b>Unions</b>	Trade chambers
	Labor services
	Career unions

Sabri, N. (2003). *The Public Sector within the Palestinian Economy*, Muwatin Institution, Palestine.

As a matter of fact, it should be noted that there are various foreign NGOs that operating besides the Palestinian NGO sector since tens of years and which has considerable effect on the Palestinian economy such as UNRWA which focuses on the agricultural sector and the Amid East which focuses on the educational sectors.

## 2.4 NGOs Common Characteristics

Although NGOs are considered legal organizations to which management decisions and regulations apply, still there are differences that affect evaluating their performance and decision making aspects, some of these can be summarized as follows:

1) These are organizations, i.e., groups which have a certain organizational form. It is not important, whether the organization has been registered and legally recognized, but it should have an institutional reality. It is evidenced by, for example, certain level of internal organization, relative independence of its goals, structure and activities, and the outline of its borders. The definition includes both the formal and informal organizations. “It only excludes temporary groups of people who have come together for a specific purpose and who do not have a real structure and organizational identity. Without this condition one could have a perception that an NGO is something vague, temporary and intangible” (Wilber, 1993).

Usually boards of directors govern the majority of PNGOs and this adds more reliability to their performance. However, there are still many PNGOs that are governed by a public assembly, or administrative assembly (Bisan, 2002).

2) They have a private nature, i.e., they are separated, in organizational terms, from public administration. It does not mean that NGOs may not use the state support nor have the representatives of public institutions in their management. The decisive factor in this case is the fact that NGO structure is of a private nature.

3) They do not share their profit, which means that the profit of the organization is not divided between its owners or managers. An NGO may have a profit, but it must be used solely for accomplishing its objectives and may not be regarded as the profit of the organization or its managers. In this case it is a private organization whose primary goal is not related to profit-making. This feature determines the difference between a non-for-profit organization and a commercial organization in the private sector.

4) They are self-regulating and autonomous, which means that the organizations themselves control their activities. NGOs have their own regulating management that is not dependent on the public administration. Nevertheless, there must be a common law for regulating this sector to avoid potential conflicts and corruption.

5) They have a voluntary nature, which includes two conditions: first, they involve voluntary participants in their activities and the management structures, i.e., the Board members or voluntary staff, and, second, “voluntary” means something which is not coercive or mandatory. Organizations whose membership is defined by law or imposed on a certain range of persons are not included in the definition of the term “NGO”. The latter are, for example, professional associations whose member one must become in order to obtain a specific license or permit (Clark, 1991).

## **2.5 Efficiency Related Aspects**

Despite the major contributions of PNGOs for improving the Palestinian infrastructure during the last five years, still larger output should be achieved and certain inefficiency

aspects should be addressed in the coming years especially in a period that witnesses preparations for building a Palestinian state

Certain inefficiency aspects were investigated in a study conducted by Welfare (2001). The study registered that there are 881 active PNGOs in the West Bank and Gaza Strip distributed on various sectors, the ratio of new PNGOs registered is 29.2%. Inefficiency aspects include:

- 1- The tendency to work in fields that are not related lacking focus on specific goals, objectives and programs is a major issue for WBGS NGOs. In other words, most of these PNGOs are not specialized in specific areas but tend to deal with wide varieties of missions and goals. It is realized also that the number of NGOs with general goals is high compared to those who follow specific goals which reflects the absence of a clear vision among most PNGOs.
- 2- Weakness in the internal management of PNGOs especially in the area related to planning. A percentage of 17.6% of PNGOs do not draw a timetable for the implementation of its programs, which shows the lack of clear and specific vision of its role in serving the society.
- 3- There is no high correlation with the degree of need for the implemented projects in many areas. Welfare (2001) demonstrates that. PNGOs' programs are distributed according to general categories and amongst various areas in ratios



parallel to the number of NGOs in each area. Furthermore, the programs are distributed among urban, rural and refugee camps in ratios parallel to the percentage of NGOs for each area.

In studying the previously stated area, there are certain issues that affect the NGO performance and that can be investigated in order to decrease the problems that the PNGO sector may suffer from, these include:

***- The Supervising Body***

The law should specify the party to whom NGOs should report to in the areas of nature of the work to be undertaken, as well as conditions for their formation, financing, and supervision. This party should undertake to create and maintain good relations between the PNA and the NGOs.

In our Palestinian case, there is a large link between the PNA and the NGO performance since the PNA plays both consulting and coordinating roles (Ladadweh et al, 2001).

***- Formation***

Should be determined by the by-laws of each NGO within the framework of general law. This includes job descriptions, objectives, principles, work methods and tell whether the organization actually represents a party or movement (World Bank, 2001).

In fact, formation guidelines and rules can reduce the possibility of conducting activities in areas other than those stated in the NGO mission statement- the gap that proved to be

found in a number of organizations in our Palestinian market as our study will investigate in the next analysis

### **- Membership**

In the last five years, PNGON role in tying, coordinating and facilitating communication among NGOs has increased. In fact; the laws on membership should make clear the conditions for membership in an NGO and members' rights and duties (Ladadweh et al, 2001).

### **- Financing**

Can be considered the major variable of the NGOs aspects. As a common rule, the source of financing should be made public. Moreover, NGOs must be financially viable, and the economy must be robust enough to support NGO self-financing efforts and generate certain donations from local sources. For many NGOs, financial viability may be equally dependent upon their ability to compete for international donor support funds. Factors influencing the financial viability of NGOs include the state of the economy, the extent to which volunteerism is being nurtured in the local culture, as well as the extent to which government procurement and commercial revenue raising opportunities are being developed. Under this dimension, certain questions must be asked

- Do NGOs raise a significant percentage of their funding from local sources?
- Are NGOs able to draw upon a core of volunteer and non-monetary support from their communities?
  - Do NGOs typically have multiple/diverse sources of funding?

- Are there sound financial management systems in place?
- Do revenues from services, products, or rent from assets supplement the income of NGOs?
  - Do government and/or local business contract with NGOs for services?

As a matter of fact, financing should not be used to force or impose a preconceived political aim. However, the financing procedures have suffered in the last period from various problems with the donors especially with the arising number of NGOs competing on similar projects.

Concerning the NGO role in the Palestinian financial system, the relative importance of NGOs in the WBGS financial system decreased over the last four years due to the expansion of the domestic banking system and the competition from the PNA to the donors' fund. Nevertheless, the NGOs still represent an important source of credit in the WBGS (MAS, 1998).

### ***- Independence***

The NGOs should enjoy a degree of independence within the law. Interference in NGO affairs should not be allowed in ways which are not set forth in the NGO law. The supervising agency must have the responsibility of reporting any deviation from the law. However, this independence does not reduce the importance of the relationship with law and authorities that govern and direct the performance of the various NGOs in one society. However, there is no doubt that there is a possibility for full independence especially that NGOs are nowadays shaping the socio-economical aspects in any society.

### **- Accountability**

An NGO must report what amounts of money are spent for which projects. This is a basic need that helps in assuring accurate reporting and evaluation for the different projects that can be fulfilled at one time (Lensink, 1996).

### **- Administration**

Neither publications nor numbers of meetings decide the efficiency of an organization. Rather, efficiency is to be measured by the end results which benefit the Palestinian people .

In fact, Welfare (2001) demonstrates that charity organizations, youth clubs and sports organizations are led by a general assembly, while new PNGOs are managed by boards of trustees or administrative boards. This difference reveals the different patterns of administration followed by these various types of organizations. The study indicates that the institutional building of the new PNGOs is preferable to the traditional ones which has its implications on their effectiveness and efficiency of service provision and successful achievement of set up goals

### **-Volunteerism**

The emergence of NGOs was originally linked with the principle of volunteerism. NGOs should not abandon this principle, or the organization will be spending money unnecessarily. However, in the last years it has been observed that large amounts of

money are being spent to satisfy personal needs rather than the wanted social concern (Korten, 1990).

**- Transparency**

This aspect does not only refer to finances, it refers also to the nature of the NGO, its board of directors, its executive committee and each of the parts of the NGO, the role of which should be specified. Power should not be concentrated in the hands of one person who hires and fires, and collects around him his brothers and sisters, aunts and cousins.

**- Coordination**

NGOs must coordinate with the proper ministry and all other institutions in the society whose work relates to theirs (Ladadweh et al, 2001).

**- Public Image**

For the sector to be sustainable, government, the business sector, and communities should have a positive public image of NGOs, including a broad understanding and appreciation of the role that NGOs play in society. Public awareness and credibility directly affect NGOs' ability to recruit members and volunteers, and encourage indigenous donors. The index of public image looks at the extent and nature of the media's coverage of NGOs, the awareness and willingness of government officials to engage NGOs, as well as the general public's knowledge and perception of the sector as a whole. Typical questions in this section include:

- \* Do NGOs enjoy positive media coverage at the local and national level?

- \* Does the media provide positive analysis of the role that NGOs play in civil society?
- \* Does the general public have a positive perception of NGOs?
- \* Do the business sector and local and central government officials have a positive perception of NGOs?

### ***- Organizational Capacity***

A sustainable NGO sector will contain a significant gathering of NGOs that are transparently governed and publicly accountable, capably managed, and that exhibit essential organizational skills, questions to be addressed here include:

- \* Do most NGOs have a clearly defined mission to which they adapt? Do most NGOs incorporate strategic planning techniques in their decision making process?
- \* Is there a permanent, paid staff in leading NGOs? Are potential volunteers sufficiently recruited and engaged?

## **2.6 Context within which NGOs work**

### **2.6.1 Structural Context**

The changing economic climate since the early 1980s has created a considerable need for NGOs to support national macro-economic policies. This climate has resulted in a political space in which the state can no longer provide services to the public. This can be seen in youth without youth clubs, educational enters without research capacities, and

villages without water supplies. Therefore, nowadays NGOs are seen the key players who will address these and other societal needs.

The increased interest in funding through NGOs thus appears to fill the state gaps. Sollis (1992) comments that NGOs must prepare and determine the “when, why, how and what” of the societal engagement if they are to avoid being no more than implementing agencies of the official aid agenda (Sollis, 1992).

### **2.6.2 National Context**

The characteristics of any country’s NGO sector have been developed as part of the religious and political history of the country. Each country has developed its peculiar constituency of NGOs with distinct relationship to the government and specific regulatory conditions.

### **2.6.3 Financial context**

The financial support to the NGOs takes two forms, first there is the selection and funding of projects submitted by the NGOs to official donors since many donors have explicit policies and NGOs tailor their programs, or selects the projects for submission, to fit these policies. The second form of funding through NGOs is where official agencies sub- contract NGOs to implement the donors own projects (MAS, 2001).

## 2.7 Lending NGOs

NGOs represented a major source of loans in the WBGS in the 1980s and 1990s. In 1993 14 NGOs operated in the WBGS. Hamed, (1998) stated “the total lending by these NGOs which were funded by donor was \$16.2 million in 1993, compared to \$17 million in total bank lending” (Hamed, 1998).

Some lending NGOs that operated in this period charged no interest on their loans, while others charged interest rates that were below the market rates. Their loan default ratios were very high that exceeded 50% at some NGOs. Despite this default rate, lending NGOs avoided taking borrowers to court or foreclosing on their properties to avoid forced sales to Israeli settlers and their supporters. Table 2.2 demonstrates the loan default ratios of major lending NGOs in the West Bank and Gaza Strip accompanied with interest rates in different years.

**Table 2.2**  
**Interest rates and default rates at selected NGOs**

NGO	Default Rate (%)	Loan Maturity (Years)	Rate of Interest (%)
Arab Center for Agricultural Development	15	1-3	9 a year (in JD)
Care International	-	Up to 3	12 a year (in NIS)
Caritas	-	2	6 a year (in \$)
International Christian Committees	20	1-3	Zero
Jenin Charitable Society	50	1-3	Zero
Palestinian Development Fund	25	1-5	7-8 a year (in JD)
Save the Children	Under 1	0.5	2 a month (in JD)
UNRWA			
The Micro Enterprise Credit Program	4	1-3	2.2 a month (in NIS)
The Small Scale Enterprise Program	-	Under 1	10 a year (in \$)
Gaza Strip	5.2	Under 1	10 a year (in \$)
West Bank	0.26	Under 1	10 a year (in \$)
The Solidarity Group lending Program	Under 1	0.5	2.2 a month (in NIS)

Source: Hamed, O. (1998). *Informal Finance and Lending NGOs in the West Bank and Gaza Strip*, MAS Centre, Palestine.



## **2.8 Major Relationships in the PNGOs' Environment**

The general environment governing the work of PNGOs in the West Bank and Gaza Strip had the effect of transforming grassroots organizations and political activists to institutional NGO work. This weakened many traditional NGOs while new PNGOs expanded as professional organizations with political perspectives.

In fact, concerning major relationships in the NGO environment, PNGOs struggle to secure financial support from donors and adjust to the PNA existence. At the same time they should react to the competitive relationships among PNGOs for the available resources. Therefore, major relationships in the PNGOs environment could be summarized as with PNA, donors and other NGOs.

### **2.8.1 Relationship with the Palestinian National Authority (PNA)**

As Ladadweh and others, (2001) demonstrate, “the creation of the PNA caused confuse on and conflict over the roles of NGOs. High PNA officials regarded the steps toward statehood as the occasion to make PNGOs operate within a framework established by national authorities” (Ladadweh et al, 2001). Leading NGO figures saw the creation of the PNA as the occasion instead to resume normal social and political life, with NGOs no longer obliged in all their actions to a nationalist agenda established by political leaders. The early bad communication between the PNA and leading NGOs should not ignore that some coordination was necessary. The PNA sought not to destroy NGOs but to bring them into line; the NGOs sought not total independence from the PNA but merely

autonomy and a willingness to use state authority to support their work without dictating it.

Since the formulation of the PNA in 1994, donors distributed large amounts of funds for the development of the Palestinian society with focus on certain issues, such as democracy and human rights. The common belief at that time was that the PWA was not playing a sufficient role in building a Palestinian civil society as it was expected. However other group of PNGOs criticized the NGO role as being insufficient when compared to the PNA role (World Bank, 2001).

Despite the stated criticism, the type of relation with the PNA didn't have a sole direction. The PNA relied on various kinds of associations, NGOs, and other bodies to provide services, links to the key constituencies, and external credibility. Official heavy-handedness often obscured the degree of this reliance. Even less expected was the way that Palestinian associations turned to the PNA for support, licensing, recognition, and legal protection. "Most associations learned fairly quickly that it was futile to turn to the PNA for funding. However, the interdependence was not unlimited: while each side needed the other, both also had strong sources of independent support (especially financial) that prevented it from being captured by the other" (Brown, 2003).

Fisher, (1994) stated that the relationship with local government could be considered a sensitive relation since many have argued that the NGOs can serve the society and meet public needs more than the local government. "NGOs have inherent advantages over governments in their ability to deliver certain services and may be more adaptable to local requirements, as well as more trustworthy in the eyes of their publics. Sensitive

issues such as preventive health care and family planning are particularly amenable to NGO administration” (Fisher, 2004).

During the years after the establishment of the PNA, the number of NGOs has almost doubled. These organizations thrived in the chaotic atmosphere of these years since Oslo, taking advantage of a situation in which there was no governmental supervision of the sources of financing or the expenditures of funds. Some of the donors refused to work with the NGOs unless they coordinated with the PNA, hoping in this way to ensure a certain degree of accountability. Other donors, wishing to decrease the authority of the PNA, did not require that the organizations they supported coordinate with the PNA.

However, although the supervisory role of the PNA has proved to be the main tie between PNGOs and the PNA, still there was a clear tension between NGOs and goal relating to public policies and the PNA. Ladadweh and others, (2001) reveal that there is inconsistency in this relationship despite its importance. The relationship with the Palestinian Legislative Counsel (PLC) tends to differ. While modern organizations coordinate with the PLC, at institutional and individual levels, traditional organizations tend to have inconsistent relationships with PLC members only.

### **2.8.2 Relationship with other NGOs**

There are various patterns of coordination amongst NGOs in the WBGS depending on the variety and scope of NGO work. These together with the internal structure and vision of each organization influence the form, substance and degree of coordination.

In general, “large and medium sized modern development organizations are more efficient in networking and in employing these networks to serve their goals. However, PNGOs are lacking the substance of networking, institutional capacity and sustainability” (Ladadweh et al, 2001).

Major relationships among PNGOs take the form of consultation and coordination, but Ladadweh and others, (2001) showed that consultation was the main link between these organizations, since it requires temporary agreements on immediate issues.

Concerning coordination, it comes at the domestic level despite the essential need for national coordination since it adds credibility to the proposed and implemented projects that are conducted with donors at the national levels. In fact, more attention to networking is needed in issues such as networking, institutional capacity and sustainability since these issues proved to be a reason of success for many large and medium sized developmental organizations. However, it should always be taken into consideration that coordination and links between NGOs in Palestine differ according to the size, structure, mission and structure of the NGO. Relationships can take many forms when societal development is the main focus of each.

### **2.8.3 Relationship with Donors**

Donors are the main financial source for the NGOs activities. Since the early 1920s they drew strategies and guidelines to the Palestinian infrastructure. Even major financing

areas are stated in their records and major amounts of funds are spent according to their directions.

In Palestine, NGOs enjoy a little influence the donors' strategies and requirements due to the lack of understandings and agreements on identifying Palestinian needs between PNGOs and the donors' community. Therefore most of the projects conducted are implementation of donors' goals by their financial funds.

Here, it should be noted that with recent political, social, economical and technological updates in the Palestinian society, new need areas have aroused in the recent five years that require consistent studies and funding but are not considered by many donors. They are still following their agendas and very few PNGOs can change their strategies accordingly.

Political direction of governments also has its influence since most funds are controlled if not determined by the related governments. In this area, again the role of associations and networks comes essential in determining and demonstrating arising Palestinian needs to contribute to the wanted goals of NGOs.

As it was shown in Bisan, (2002) from a sample of 207 NGOs in Palestine, the relationships between donors and NGOs have different natures. Table 2.3 shows the different relationship types as found in Bisan study.

**Table 2.3**  
**Relationship type between NGOs and donors as shown in Bisan study**

<b>Variable</b>	<b>Percentage</b>
Seasonal relationship	5.3%
Formal cooperation	12.1%
Participatory relation	65.2%
No clear relationship	1.5%
No fund from donors “ self funding”	15.9%
<b>Total</b>	<b>100%</b>

**Source: Bisan research center. Role of Non Governmental Organizations in Building Civil Society. Study within Muwatin Institute Collaboration, 2002.**

From the above table it can be noted that the participatory type is what mostly characterizes the relationship nature between donors and NGOs, therefore the NGO role of transferring local needs and arising matters to donors comes more essential.

PNGOs are more updated and aware of the societal needs than donors despite the participatory nature of their relationship. However, many NGOs proved to lack initiation perspectives for new ideas and suggestions to donors. They continue working at the same criteria obeying donors with no comments and making projects acquisition their sole goal.

## **2.9 The Formulation of the Palestinian Non Governmental Organizations Network (PNGON)**

The role of associations and networks comes essential in determining and demonstrating arising Palestinian needs to contribute to the wanted goals of NGOs. The Palestinian Non Governmental Organizations Network (PNGON) is known to be the major Palestinian body for tying PNGOs (Welfare, 2001).

The Palestinian NGO Network is a civil and democratic gathering, which seeks to support, consolidate and strengthen the Palestinian civil society on the basis of the principles of democracy, social justice and sustainable development. It strives for the attainment of the legitimate national rights of the Palestinian people. It is a Palestinian NGO umbrella organization comprising 92 member organizations working in different developmental fields. PNGO was established in September 1993, after the signing of the Oslo Accords, with the objective of enhancing coordination, consultation and cooperation among the different sectors of civil society. Since then PNGO has become an important component of Palestinian society and serves as an essential coordination mechanism for the NGO sector at the local, regional and international level.

### **2.10 The NGO law**

The Palestinian non-governmental sector and has been critical of the activities of foreign governments, especially during the period of the Israeli occupation. It could be argued that the Palestinian non-governmental sector has been central to the development of social and political networks within the Occupied Territories, and has been the more

acceptable face of opposition to these regimes, therefore the importance of having an NGO law in Palestine was important to direct and improve the work of these organizations.

Any law on NGOs should take account of the unique role these organizations have played. According to an article published by the Palestinian Center for Human Rights, the Draft Law under discussion does not do this. Instead it binds up NGOs with onerous obligations, rules and procedures (Palestinian Center for Human Rights, 1995).

President Arafat has signed the NGO Law delineating the relationship between the Palestinian Authority and Palestinian non-governmental organizations in January 20, 2000. This law determined various issues concerning the PNGOs performance and the relationship between PNGOs and the PNA. It has given the right for Palestinians to open and work in cooperatives and NGOs.

As Abdul Hadi (2005) states” the law adopted a broad definition for the activities of private organizations; it included all institutions, organizations or federations with "an artificial personality" that are established by an agreement between at least seven individuals to achieve legitimate objectives for the public interest, without the goal of achieving any kind of profit that can be divided among the members” (Abdul Hadi, 2005).



The law covered the following areas to guarantee efficient performance for NGOs and which can be showed clearly in the NGO draft law documents. .

- 1- NGO Registration
- 2- Merge between NGOs
- 3- Financial Auditing
- 4- Board of trustees
- 5- Rights and Regulations

In a series of interviews conducted between October and November in 1995, the law issue continuously rose to the top of the agenda for any meeting held with either the PNA (PECDAR, Ministry of Social Welfare, and Ministry of Justice) or with the Palestinian NGOs and other non-profit organizations (such as Cooperative Societies, not technically governed by NGO laws). Given that a significant part of the law concerns the rights and responsibilities of NGOs regarding the acceptance of international aid, the draft law also was very much on the minds of international donors, such as the World Bank, International NGOs (INGOs), and the European Union representatives.

According to the NGO law draft (1995), reasons behind the foundation of the NGO Law Draft were:

1. To differentiate regulations between public organizations and political parties.
2. There is a lack of criteria and openness when granting tax relieves and privileges.
3. Before the law issue, different institutions administer different taxes.

4. Transparency of organization activities and self-interested transactions are not guaranteed.
  5. Foundations activities are not being regulated.
  6. There is no differentiation between sponsoring and donations.
  7. Business activities should be encouraged.
  8. Organizations equality principle is to be guaranteed.

### ***Principles of NGO Law***

There are general principles behind forming any NGO when talking about the NGO concepts. These principles form a central point from which the NGO starts; these can be summarized as follows:

1. Equality of organizations.
2. Openness of state support grants.
3. Transparency of the organization activities.
4. Explicit criteria for granting tax relieves, selection of organizations acting for the public benefit from the members benefit organizations.
5. Strict separation of public organizations from political parties.
6. Exclude possibilities of self-interested transactions.
7. Barring the political parties to be financed from subsidies granted to the public organizations.
8. Possibilities to create local foundations, which up to now have not yet been regulated.
9. Possibilities for organizations to earn money from business activities.

10. Favorable conditions for contributors.

11. Improvement of the state administrative system by introduction of a public benefit status which will create a convenient mechanism for organizations to get a permit for donations.

The stated areas form critical efficiency aspects in this study and that can be seen in the draft law that was modified in the year 2000. In addition, the law implementation suffers from various problems such as:

- 1- Misunderstanding of the law content by various sides such as ministries, organizations in the WBGS.
- 2- Treating different units as one unit with no concentration on priority needs of different sides such as: universities, research centers, cooperatives, development institutions and hospitalities.
- 3- A major reason lies in lack of activation of law by the legislative counsel.
- 4- Lack of differentiation in treatment between a committee, and institution or between board of directors and board of trustees.

A legal environment must exist in which non-governmental organizations can continue their work towards the building of a strong Palestinian civil society, which can assist the integration and support the role of the Palestinian Authority. However the Draft Law

marginalizes these organizations and seeks to deny them of an effective role in society by not honoring, or utilizing the benefits of the role which they have played throughout the past difficult decades. The Draft Law didn't focus on the issue that the Palestinian National Authority should not regard Palestinian NGOs as the enemy, but rather as partners in the challenge of developing a strong Palestinian society (Palestinian Center for Human Rights, 1995).

## **2.11 Conclusion**

The first chapter has addressed the major headlines that are related to PNGOs performance by revising related literature. This section started by an overview of NGOs in history, then moved to the historical development of Palestinian NGOs, then addressed PNGOs sector major activities, NGOs common characteristics, efficiency related aspects and then moved to the context within which NGOs operate. Lending NGOs concept, major relationships in the PNGOs environment the formulation of PNGON and the NGO law – were also addressed in this section.

The following section will focus on the conducted survey of the study and its findings will be linked to the literature review findings from which conclusions and recommendations will be concluded and presented in chapter five.

# **CHAPTER THREE**

# **METHODOLOGY**

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### **METHODOLOGY**

#### **3.1 Introduction**

By studying the PNGOs internal and external environment aspects, the relationship between number of projects fulfilled and average funds obtained and by classifying major decisions according to their importance, the study aims to help existing and new coming PNGOs to operate more efficiently in the Palestinian market by overcoming the inefficiency aspects that were presented in the previous section and by considering the survey results that will be presented in the coming sections.

The main purpose of the study was to answer the study questions that were presented in chapter one.

#### **3.2 Study population**

“Until 2001, there were 881 active PNGOs in the West Bank and Gaza Strip distributed on various sectors” (Welfare, 2001). In Ramallah area, 89 PNGOs were registered in the Palestinian non governmental organizations (PNGON). These organizations which represented the general population of this study, varied according to their mission, the

targets that they serve, and the size of their organizations in terms of employees and number of projects that they fulfill.

### 3.3 Instrumentation

The study started by setting its needs and goals, forming its questions and defining major terms to set a clear picture of it. A review of literature was conducted to cover major areas related to the study such as historical development of NGOs, PNGO sector's activities, NGOs common characteristics, efficiency related aspects, context within which NGOs work, lending NGOs, major relationship in the PNGOs environment, PNGON effect, and the NGO law .

To answer the questions of the study the survey method was applied and a questionnaire was prepared under the direction of the supervisor of this study for covering the major areas of investigation. The questionnaire was divided into three major parts to answer the study questions as follows:

- **Part one:** Information on the organization characteristics, internal performance aspects. Including management type, organizational size in terms of staff no. and no of projects.
  
- **Part two:** Efficiency and donors relationships aspects. including commitment to organizational mission, reporting relationships, and management roles

- **Part three.** Decision making aspects. It aims to classify major decisions at PNGOs according to their importance to management, major decisions include: donors relationships, staffing, projects selection and expansion and spreading.

In addition to the questionnaire, other sources of data included literature review which was gathered through recent electronic journals, publications, papers and statistics of related centers and sites.

### 3.3.1 Pilot Study

Answering the previously stated study questions will have a positive impact in evaluating and directing the performance of existing PNGOs, in addition, it will help new comers in the PNGO sector to start and work efficiently.

In order to meet the study objectives, and to conduct the hypothesis testing process, one questionnaire was designed and was examined by the supervisor of the study and other members of the MBA program. Moreover, the questionnaire structure was statistically examined by an expert from the Palestinian Bureau of Statistics. Based on their comments the following was done:

- \* The major questions of the study were answered by having cross tabulation between the questionnaire parts.



\* Major parts were connected and for professional image, instead of five parts, only three parts were included in the questionnaire.

### **3.3.2 Data Source and Collection**

The questionnaires were distributed according to the geographical location in Ramallah area. Selected organizations were randomly chosen from the directory of the Palestinian Academic Society for the Study of International Affairs (PASSIA) and PNGON list of its members.

Questionnaires were distributed by email and fax in addition to having face to face contact with certain NGO representatives for filling the needed information.

As a random sample, 70 questionnaires were distributed to various PNGOs working in Ramallah area. 36 randomly selected PNGOs filled the needed information within the given time limit for the study which was one month for collecting the needed data. Since the NGO sector serves various fields in the Palestinian society, this study focused on certain areas that proved to have the strongest effect on the socio-economical Palestinian status. These include: democracy and human rights, and minorities and child care, water and environment and societal development. However, democracy and human rights in addition to minorities and child care turned out to represent 47% of the selected sample.

The selected organizations varied also in their size in terms of the number of staff in the last four years. Major criteria were: Below 10 employees, from 10 to 30 employees and more than 30 employees for indicating small, medium and large PNGO size.

Moreover, they varied in size in terms of number of projects that they fulfilled in the last four years. Major criteria in this area included less than 10 projects and more than 10 projects for indicating small and large PNGO size.

### **3.3.3 Statistical Analysis**

After receiving the survey responses from the random samples, data analysis was conducted based on the survey findings. Findings were demonstrated using the SPSS program version 12. Hypothesis testing was done by applying t-test for testing hypothesis 1 and the correlation coefficient for testing hypothesis 2, 3 and 4.

## **CHAPTER FOUR**

# **FINDINGS AND ANALYSIS**

## CHAPTER FOUR

### FINDINGS AND ANALYSIS

#### 4.1 Introduction

This section shows the findings of the questions that were included in the survey. In addition, it answers the questions of the study and tests the previously stated hypothesis.

The study covers several questions concerning the PNGOs internal and external aspects in addition to their impact on the civil society. Questions of the study again were focused on the following:

- What are the major organizational characteristics, internal performance aspects of PNGOs operating in Ramallah area?
- What is the effect of major relationships in the PNGOs environment?
- What are the major decisions that are taken at NGOs and what decision making aspects affect the PNGOs performance in Ramallah area?

The questions of the study were investigated by demonstrating the previously stated survey parts and the hypothesis analysis.

## 4.2 Major Findings and Analysis

### 4.2.1 Part 1

This part deals with: information on the organization characteristics, internal performance aspects including management type, organizational size in terms of staff no. and no of projects. Findings of this section are as follows:

1- The majority of PNGOs studied worked in the human rights, minorities and child care fields representing 47% of the studied sample. In fact this was also shown in the literature review section since these areas are of major interest for major international donors (Yearbook of International Organizations, 1990-91). However the sample also included PNGOs working in the water and environment and societal development areas but these areas didn't form a majority for this study and therefore they were represented in the others section as table 4.1 demonstrates.

**Table 4.1**  
**Organizational field in which selected PNGOs operate**

	Valid percent
Democracy , Human Rights and Minorities Care	47
Other NGOs	53
Total	100

- 2- Concerning the organizational size in terms of staff no., the average number of staff in the selected PNGOs ranked between 10- 30 members indicating a small-medium sized number in average.

**Table 4.2**  
**No. of staff as stated in selected PNGOs**

	Valid Percent
10 and below	35
10 -30	40
Above 30	25
Total	100

- 3- 40% of the studied NGOs were only able to generate less than 1 million USD, 40% were able to generate 1- 5 million USD in the last four years and only 20% were able to generate more than 5 million USD. However, large amounts of funds (more than 5 million USD) are obtained through international donors who are usually on the PNGO list. This indicates a possibility of generating higher funds by keeping a sustainable relationship with previous donors.
- 4- Expenditures on staff development didn't exceed 10 percent of the annual budget for the majority of studied NGOs showing a need for staff

development planning since major studies have shown that NGOs have been attracting skilled and highly qualified staff for higher wages in the recent 9 years.

5- 79% of selected NGOs showed that average percentage of the annual budget is determined for staff development is lower than 10% while 21% showed that it was between 10-20%. Again, from the researcher point of view, this contradicts with the current public view that employees at NGOs are supposed to enjoy extra opportunities than people working in other areas.

6- The majority of the selected sample (60%) didn't show that PNGON has effect on their performance. Only 40% showed that PNGON has significant effects on the project related decisions in relation to societal need. However, as shown in table 4.3, 73% of organizations that considered PNGON's effect, showed that PNGON role is mostly obvious in facilitating relationships among NGOs. In fact, as stated previously PNGON role has to be increased to be touched by a larger no. of PNGOs since PNGON major role comes important when formulating a common language among PNGOs that reduces the no. of duplicated projects and that makes it easier to address areas that need development.

**Table 4.3**

**No. of PNGOs that agreed that PNGON has effect on facilitating relationships among NGOs**

	Valid Percent
Yes	73
No	27
Total	100

7- Concerning the administration form for PNGOs, 85% of selected organizations have a board of trustees to govern the NGO. However, 15% don't have board of trustees to govern their organizations and still rely on cooperation committees. However, having an independent board of trustees that operates efficiently, turned out to be a better governing style for PNGOs performance.

8- Within staffing aspects, 70% of selected PNGOs hire foreign staff. In fact, this foreign staff is usually sent by donors and usually gets higher salaries for missions that could be done by local employees. However, there is some dispute as to whether expatriates should be sent to developing countries. Frequently this type of personnel is employed to satisfy a donor, who wants to see the supported project managed by someone from an industrialized country.



9- The majority of selected organizations have been leaders in joint projects 79%, which implies a higher possibility of selecting projects according to societal concern.

10- As an efficiency aspect. 85% of PNGOs apply project management techniques and procedures (team selection, evaluation techniques, and others) in implementing their projects, while 15% don't rely on such procedures.

#### **4.2.2 Part 2**

This part deals with efficiency and donors and relationships aspects including commitment to organizational mission, reporting relationships, and management roles

Mean values show the degree of agreement on the statements (ranks from 1-5) where 1 shows the strongly disagree statements while 5 indicates the strongly agree ones.

Findings include:

- In revising financial performance, lack of donors follow up didn't form a major problem for selected organizations (mean 2.97). However, donors follow up and evaluation procedures proved to be in many cases away from the actual societal needs since they tend to have evaluation standards according to ancient criteria that lack updates of recent socio-economical

needs as it was stated previously in the literature review section.

- Concerning political effects, there was no correlation between the political direction and the relationship with donors since the majority of selected organizations disagreed with this issue (mean 2.94). However, currently the political side is an important determinant for obtaining funds. For example, many international donors are adapting the anti terrorist activities that put various restrictions on people who have Islamic concerns and relationships.
- The majority of selected organizations have annual plans to which they conduct their activities accordingly (mean 4.39). In fact the type of plan depends on the NGO field, structure, size and goals. Some organizations tend to have predetermined plans that must be followed and others depend on contingency approach in their plans.
- As an efficiency aspect, availability of resources in the other areas was not a driver for organizations to work in fields other than those stated in your their statements since the majority of selected organizations disagreed with this issue (mean 2.39).

However, many studies like Welfare, (2001) have shown that there is a considerable no. of projects that are fulfilled by PNGOs in areas that are not of their specifications.

- Although higher salaries and financial benefits attracted staff to work in an NGO rather than other organization types but still there was low degree of agreement on this issue (mean 3.53).
- The majority of selected PNGOs have more than 10 fulfilled projects in Palestine in the last four years (mean 3.42).
- Concerning projects proposed, they are primarily prepared according to societal and economical need (mean 4.03).
- Critical internal decisions in selected PNGOs are taken by board of trustees (mean 3.58), which shows the importance of having systematic efficient meetings for these boards.
- Bureaucratic procedures tend to cause timing and conflict problems when dealing with proposed projects for the majority of selected NGOs although the degree of agreement is comparatively low (mean 3.11). However, the effect of bureaucratic procedures is usually shown when dealing with

projects that include a large number of partners which needs excessive reporting before any payment is made to the PNGO.

- Staffing decisions are revised by more than one managerial level in the selected organizations (mean 3.86), which shows a high degree of importance that is given to such decisions. However, from the researcher point of view, there is a considerable no. of staff that is recruited for personal concerns especially with the absence of serious meetings of committees that deal with important decisions at the organizations.
- The majority of the projects that are being dealt with are obtained through previous donors on the organizations list (mean 3.42). This shows the importance of coordination and follow up with donors. However, as stated in the literature review section there is a need for more transparency and commitment by PNGOs for having long term relationships with donors.
- Donors' requests proved (although with low degree of agreement) to reduce the possibility of fulfilling certain decisions concerning the conducted activities (mean 3.28). This can be shown in the funding process since many activities

cannot be conducted for delays in submitting reports and therefore in following payments for conducting the activities.

- Periodical reports (financial, activity, progress) turned out to form the main evaluation tool for organizational performance (mean 4.03). In fact, this was stated in the literature section since reporting is the major control tool for donors and PNGOs. However, in many cases there is lack of transparency in the content of such reports which creates problems in having sustainable relationships with donors.

Table 4.4 demonstrates the mean values for the second part of the survey taking into consideration that values range 1-5 where 5 represents the strongly agree statements and 1 represents the strongly disagree statements .

**Table 4.4**  
**Mean values for efficiency and donors and relationships aspects as found in part two of the survey**

	Mean
In revising financial performance, lack of donors follow up forms a major problem for your organization	2.97
Your political direction influence your relationship with donors	2.94
You have an annual plan to which you conduct activities accordingly	4.39
Availability of resources in the other areas drives you to work in fields other than those stated in your mission statement	2.39

Higher salaries and financial benefits attract Your staff to work in an NGO rather than other organization types	3.53
You have more than 10 fulfilled projects in Palestine in the last four years	3.42
Concerning projects proposed, they are primarily prepared according to societal and economical need	4.03
Critical Internal decisions in your organizations are taken by board of trustees	3.58
Bureaucratic procedures in your organization cause timing and conflict problems when dealing with proposed projects	3.11
Staffing decisions are revised by more than one managerial level in your organization	3.86
The majority of the projects that you work on are obtained through previous donors on your list	3.42
Donors` requests reduce the possibility of fulfilling certain decisions concerning your conducted activities	3.28
Periodical reports (financial, activity, progress.)Form the main evaluation tool for your performance	4.03

### 4.2.3 Part 3

This part deals with decision making aspects. It aims to classify major decisions at PNGOs according to their importance to management. When studying decisions at organization, there are various types of decisions that are taken at PNGOs. Among many decisions taken at PNGOs the major decisions include: donors' relationships, staffing, projects selection and expansion and spreading. Findings of this section are as follows:

45% of the selected organizations find the donors' relationships decisions the most important among the selected variables. Following, comes the staffing decisions the most important with percentage of 35%. 20% of the selected organizations find the projects

selection decisions the most important while 70% of the selected organizations find the expansion and spreading decisions the least important among the selected variables.

As stated in many studies, it can be noted here that donors' relationships are important for many reasons:

- The majority of PNGOs' projects are obtained through the same donors for previous projects which increases the possibility of having more projects with less effort.
- There is a no. of projects that are not completely fulfilled or funded as a result of bad or insufficient communication with donors.
- Many projects are obtained through personal relationships with donors' representatives in many areas.

Concerning staffing decisions, major areas that need concentration are:

- Recruiting and selection
- Training
- Appraisal and promotion

Concerning projects selection, major areas are:

- Conducting projects in specific areas
- Selection of partners in related projects
- Allocating resources in specific projects

Concerning expansion and spreading, major areas that need study include:

- Increasing the no. of projects regardless of the area of specification
- Expanding relationships with various donors
- Increasing the no. of staff (both permanent and voluntary)

Table 4.5 ranks the stated types of decisions according to their importance as found in the study survey.

**Table 4.5**  
**Ranking decisions type according to importance as found in this survey**

<b>Decision type</b>	<b>Most important percentage</b>	<b>Rank</b>
Donors relationships	45%	1
Staffing	35%	2
Projects selection	20%	3
Expansion and spreading decisions		4
<b>Total</b>	100%	



**\*Ranking decisions: 1 most important, 4 least important**

### 4.3 Hypothesis findings

#### 4.3.1 Hypothesis 1

The null hypothesis stated there is no difference in major characteristics of PNGOs with reference to the field in which the NGO operates.

For testing the hypothesis the t- test was done to section two of the questionnaire which tested the difference in common characteristics between PNGOs dealing with democracy, human rights, and minorities care NGOs and other types of NGOs. Test results are shown in table 4.6:

**Table 4.6**  
**Relationship between the type of NGO and common characteristics among NGOs**

	Significant difference		
	t-test value	No	Yes
In revising financial performance, lack of donors follow up forms a major problem for your organization	-0.382	√	
Your political direction influence your relationship with donors	1.021	√	
You have an annual plan to which you conduct activities accordingly	-0.923	√	
Availability of resources in the other areas drives you to work in fields other than those stated in your mission statement	1.586	√	
Higher salaries and financial benefits attract Your staff to work in an NGO rather than other organization types	0.674	√	
You have more than 10 fulfilled projects in Palestine in the last four years	0.652	√	
Concerning projects proposed, they are primarily prepared according to societal and economical need	1.268	√	
Critical Internal decisions in your organizations are taken by board of trustees	1.191	√	
Bureaucratic procedures in your organization cause timing and conflict problems when dealing with proposed projects	2.685		√

Staffing decisions are revised by more than one managerial level in your organization	-0.076	√	
The majority of the projects that you work on are obtained through previous donors on your list	-1.168	√	
Donors' requests reduce the possibility of fulfilling certain decisions concerning your conducted activities	2.535		√
Periodical reports (financial, activity, progress.)Form the main evaluation tool for your performance	1.044	√	

\* **Yes:** there is a significant difference between different types of NGOs regarding this issue; the stated null hypothesis has been rejected because the test value is bigger than the critical value that is 2.03 at (.05 level and df 36).

\* **No:** there is no significant difference between different types of NGOs regarding this issue; the stated null hypothesis has been accepted because the test value is smaller than the critical value that is 2.03 at (.05 level and df 36).

When comparing the t- test values to the critical t value which is 2.03 at degree of freedom 36 and significance level at 0 .05, null hypothesis is accepted for the majority of the mentioned statements since the t- test values are less than the critical value and therefore there is no significant difference in major characteristics among various types of NGOs except for two areas in which the t-test values are larger than the critical value. This can be demonstrated as follows:

- In revising financial performance, the effect of lack of donors follow up was not a major issue for most of the selected organization. There was no difference according to the NGO field since the t- test value 0.382 was less than the critical value 2.03. However, this contradicts with many studies that considered lack of donors' follow up a major inefficiency aspect.

- The political direction influence on the relationship with donors was not considered a major concern for this study for all types of NGOs, i.e. there was no

difference among different PNGOs with regard to this issue since the t- test value 2.021 was less than 2.03

- The majority of selected PNGOs have an annual plan to they conduct activities accordingly with no relationship with the NGO sector that the PNGO works in. The t-test value 0.923 less than the 2.03. As stated before the type of plan differs according to the type of plan that the organization prefers since some organizations deal with five year strategic planning, others with annual plans and others with other types of plans.
- Availability of resources in the other areas was not a driver for selected organizations to work in fields other than those stated in their mission statement with no relationship with the type of NGO since the t- test value 1.586 was less than 2.03.
- Higher salaries and financial benefits attract staff to work in an NGO rather than other organization types for all types of NGOs with no relationship with the NGO type since the t-test value 0.674 was less than 2.03.
- The majority of selected organizations have more than 10 fulfilled projects in Palestine in the last four years with no difference according to the NGO field since the t- test value 0.652 is less than the critical value 2.03.

- Concerning projects proposed, they are primarily prepared according to societal and economical need by all types of PNGOs with no relationship with the NGO type since the t-test value 1.268 is less than the critical value 2.03.
  
- Critical internal decisions in the majority of organizations are taken by board of trustees with no relationship with the NGO type since the t-test value 1.191 is less than the critical value 2.03.
  
- Bureaucratic procedures in the organization cause timing and conflict problems when dealing with proposed projects. the effect of bureaucratic procedures tends to differ according to the NGO sector since the t-test value 2.685 is more than the critical value 2.03 (alternate hypothesis accepted), i.e., they are regarded as inefficiency aspect for a no. of NGOs while it is a non significant variable for other NGOs.
  
- Staffing decisions are revised by more than one managerial level in most organizations with no difference according to the NGO type since the t- test value 0.076 is less than the critical value 2.03.
  
- The majority of the projects that NGOs work on are obtained through previous donors on their list with no relationship with the NGO sector since the t-test value 1.168 is less than the critical value 2.03.

- Donors' requests reduce the possibility of fulfilling certain decisions concerning the conducted activities. In this area, the donors' concern with human rights sector makes it an area of concentration that requires extra follow up and supervision. This area differs according to the NGO type since the t-test value 2.535 is more than the critical value 2.03.
- Periodical reports (financial, activity, progress) form the main evaluation tool for the PNGOs performance with no relationship with the NGO area since the t-test value (1.044) is less than the critical value 2.03.

### **4.3.2 Hypothesis 2**

The null hypothesis stated that availability of resources in the other areas drove NGOs that fulfilled 10 and more projects to work in fields other than those stated in their mission indicating less concentration and also weakness in the other areas that they enter and are not within their specializations. However, table 4.7 shows that the null hypothesis was rejected since the correlation coefficient is -0.083.

**Table 4.7**  
**Significance of the relationship between the availability of resources and no. of fulfilled projects**

			Availability of resources in the other areas drives you to work in fields other than those stated in your mission statement	You have more than 10 fulfilled projects in Palestine in the last four years
Spearman's rho	Availability of resources in the other areas drives you to work in fields other than those stated in your mission statement	Correlation Coefficient	1.000	-.083
		Sig. (2-tailed)	.	.632
		N	36	36
	You have more than 10 fulfilled projects in Palestine in the last four years	Correlation Coefficient	-.083	1.000
		Sig. (2-tailed)	.632	.
		N	36	36

**Relationship is significant when correlation coefficient  $\geq 0.5$**

### 4.3.3 Hypothesis 3

The null hypothesis stated that there is a significant relationship between being a leader and fulfilling projects related to societal need, the correlation coefficient is -0.072, and therefore the null hypothesis was rejected and there is no significant negative relationship between being a leader in projects and working on projects that are related to societal need

In fact, there is a considerable number of PNGOs that are leaders in many projects that fulfill projects that are related to previous performance rather than the societal need for these projects, i.e., the availability of resources and lack of donors' updates of the

Palestinian needs, force many PNGOs to work in areas that are previously address lacking creativity and leaving various areas that suffer without considerable attention.

Table 4.8 shows the relationship between being a leader in projects and fulfilling projects that are related to actual societal need as the study shows.

**Table 4.8**  
**Relationship between being a leader and fulfilling projects related to societal need**

			Concerning projects proposed, they are primarily prepared according to societal and economical need	If you have joint-venture projects with foreign donors, have you been leaders in any of these projects?
Spearman's rho	Concerning projects proposed, they are primarily prepared according to societal and economical need	Correlation Coefficient	1.000	-.072
		Sig. (2-tailed)	.	.696
		N	35	32
	If you have joint-venture projects with foreign donors, have you been leaders in any of these projects?	Correlation Coefficient	-.072	1.000
		Sig. (2-tailed)	.696	.
		N	32	33

**Relationship is significant when correlation coefficient  $\geq 0.5$**

#### 4.3.4 Hypothesis 4

The hypothesis suggested that bureaucratic procedures lead to consuming more effort, time and staff involvement in aspects that can be directed towards working on other proposals and projects when there is less bureaucratic regulations.

The analysis indicated that there is no significant negative relationship between the number of projects that were fulfilled in the last four years and having bureaucratic procedures that cause timing and conflict problems, since the correlation coefficient is -0.088. Therefore, the null hypothesis was rejected in this area.

**Table 4.9**  
**Relationship between bureaucratic procedures and no. of projects fulfilled**

			You have more than 10 fulfilled projects in Palestine in the last four years	Bureaucratic procedures in your organization cause timing and conflict problems when dealing with proposed projects
Spearman's rho	You have more than 10 fulfilled projects in Palestine in the last four years	Correlation Coefficient	1.000	-.088
		Sig. (2-tailed)	.	.610
		N	36	36
	Bureaucratic procedures in your organization cause timing and conflict problems when dealing with proposed projects	Correlation Coefficient	-.088	1.000
		Sig. (2-tailed)	.610	.
		N	36	36

**Relationship is significant when correlation coefficient  $\geq 0.5$**



#### **4.4 Conclusion**

The findings section has revealed the major efficiency and decision making aspects that were stated in the survey of the study. Within the results, it was obvious that there was no difference in general characteristics of NGOs working in Ramallah area except for two areas: the effect of bureaucratic procedures and donors relationships. Concerning the internal efficiency aspects, the majority of selected PNGOs have at least an annual plan measure for their performance. In addition, staffing decisions which were considered an efficiency indicator are dealt with by more than one managerial level. Concerning major decisions at PNGOs, this section has classified four decision areas according to their importance starting by donors relationships followed by staffing decisions then projects selection and finally expansion and diversification decisions..

However, the hypothesis analysis had rejected most of the stated hypothesis of the study although the hypothesis was formed based on the literature review and informal interviews findings. In this area, it should be taken into consideration that the hypothesis section findings are based on the selection of a random sample among the available PNGON members.

## **CHAPTER FIVE**

# **CONCLUSIONS AND RECOMMENDATIONS**

## CHAPTER FIVE

### CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Conclusions

From the previously stated analysis and literature review, it is shown that there are various common characteristics that NGOs share from which volunteerism, transparency; societal development and public concern are core issues. Concerning the internal performance aspects of these organizations, understanding the organizational size, staff and decision making aspects- helps in making understanding of the internal procedures in the NGO's atmosphere. Concerning the external environment including relationships, it helps in understanding the scope of the NGO effect on the civil society and the importance of the coordination among various players in the society. To sum up with key points in these areas, the followings are concluded:

- The effect of bureaucratic practices tends to differ according to the NGO sector, i.e., in some cases bureaucratic procedures tend to have a negative effect on the number of projects fulfilled. However, in other areas this effect is not significant. In all cases bureaucratic procedures should take

the positive side to ensure right reporting and to have efficient steps and they should aim to consume more time and effort.

- Donors' requests effect tends to differ according to the NGO sector that they serve, i.e., from the previously stated literature and survey findings, it was obvious that the human rights and minorities sectors tend to attract the major attention of major donors and supporters since it is believed that improving this sector helps in building a balanced Palestinian state that is based on democratic concepts and youth involvement. Therefore, donors' request and follow ups are more concentrated on these sectors than others.
  
- The NGO sector is funded primarily by international non-governmental organizations and joint donors. Large differences are found in size and funding across NGOs, with only a few NGOs attracting most of the funding. Most NGOs are small and under funded and focus on raising awareness and advocacy. Few NGOs are faith based. Most screening and monitoring is done by grant agencies. Some monitoring is also done internally by members and trustees (Barr and Marcel, 2005).
  
- In general, self-evaluation is seen to be a non-priority element for PNGOs. This can be due to three reasons: there is little performance pressure on [PNGOs](#) by law, the perspectives available for evaluation do not match the context in which [PNGOs](#) function, and the existing methodologies for

evaluation are not appropriate for the evaluation process to become institutionalized within the PNGOs ( Biswajit, 1987).

- When determining core decisions as according to importance for the majority of PNGOs, donors relationships come in the first place, staffing is the second, then projects selection and finally expansion and spreading, which indicates the importance of staffing aspects to be of major focus for following studies. However, concerning the expenditures on staff development, expenditures on staff development didn't exceed 10 percent of the annual budget for the majority of studied NGOs showing a need for staff development new techniques since NGOs have been attracting skilled and highly qualified staff for higher wages in the recent 9 years.
  
- Although there is a common measure for judging NGOs, there is no one ideal approach for managing and analyzing job nature among the various NGOs. However, analyzing job performance depends on the mission, strategy, objectives of each organization taking into consideration the type of societal sector that it serves and the needs that it is supposed to meet (Maksymenko, 2005).
  
- The NGO role has proven critical not only for improving various life aspects and offering services but also for facilitating improved international relations between countries.

- The contribution of the Palestinian non-governmental sector was relatively small when compared to the services of UNRWA, the municipalities and a range of other service providers. Its importance lay more in the fact that they were Palestinian service providers (Hamed, 1996).
  
- Issues of efficiency are not limited to project implementation, but to all levels of the policy/programme cycle, including policy formulation, planning, project implementation, and monitoring and evaluation. For example, at the policy and planning level, the facilitation of stakeholder participation is a critical area, and one of the comparative advantages the non-profit sector provides (Fizel and D'Itri, 1999) .

## **5.2 Recommendations**

Coming to an end, since the PNGOs role cannot be ignored due to their significant contribution to the Palestinian society, and especially with their increasing number in the recent years, the following points are recommended:

- 1- As for efficiency reasons, consultation and design in advance of the projects and more appropriate evaluation post project, will have positive results on the projects implementation and relationships with donors.

- 2- For more efficient relationships, information sharing - especially about projects' failures - is needed among NGOs to learn from past experience and avoid future mistakes. In this area, a focal point for information flow is needed and PNGON in our study can play this role more effectively with more coordination capabilities.
- 3- For evaluation efficiency, face to face meetings with donors involved are essential in addition to the written progress and financial reports. For long time projects that are more than one year, two meetings a year are suggested.
- 4- Boards of directors' meetings are required for discussing arising issues, changing financial policies and avoiding various kinds of corruption.
- 5- It is required that donors should show opposition towards the Israeli practices in the Palestinian territories. This opposition can take the form of asking for open permission to fulfill the missions of the NGOs activities in any area without interruption and allowing domestic and international staff to move without problems.
- 6- There is a need to ensure clarity and transparency in the running of these organizations, particularly in their financial affairs. This is not only in the interests of the Palestinian Authority, but also in the public interest.

- 7- At the PNA Level, the PNA as represented by the ministries must play an integral role in the development process including planning, programming, organization and implementation since it is the core center for mobilizing national resources and directing national development.
- 8- NGOs should be considered protectors of the political rights of individuals and should not be a subject to any balance of power between the NGOs and the PNA.
- 9- Since higher salaries when compared to other public and private sectors in the Palestinian society turned out to be a factor that attracts skilled staff to work in NGOs and leaving the other sectors, higher funds should be allocated for staff development since it will be considered a kind of investment in human assets.
- 10- PNGON role must be more effective in linking PNGOs the Palestinian society. Conducting continuous research for assessing needs, linking PNGOs activities and issuing regulations for PNGOs commitment are essential points in this area.
- 11- NGOs should get together in a consistent way to define and agree on criteria for the quality of their work. They should also carry out evaluations that identify and clearly describe the impact of their efforts.
- 12- To develop a data base that is updated on a regular basis on existing PNGOs to avoid the duplication of programs. This would comprise the following:



- Local NGO database:
  - o Database of foreign NGOs working in the WBGS (Programs and financial resources).
  - o Database reviewing literature, summaries and workshops of NGO activities.
  - o Database of Arab and international networks of PNGOs.

### **13- Suggested model for managing the PNGO Sector**

Taking into consideration the major areas investigated in previous sections and the recommendation points; the following model for managing the PNGO sector that incorporates the following major factors is suggested:

#### **1. Organizational capacity**

This includes measures of self-identification, legitimacy, responsibility, management structures, organizational culture, resources and leadership taking into consideration the followings:

##### **- Goals and mission**

- The main reasons for creating NGOs are: the opportunity to influence society, the desire to help others, self-realization, providing assistance to NGO members, and

the prospect of receiving funding. Here, NGOs must write missions that guide their work.

**- Strategic planning**

NGOs must write strategic plans, evaluate their ability to achieve their stated goals, use these evaluations in their decision-making strategy.

**2. External Relations and NGO Influence**

This includes:

**- Cooperation with other NGOs**

To be aware of other organizations' activities that deal with similar issues and problem areas at the international level. This awareness increases significantly on the national, regional and local levels. The most general form of cooperation is the exchange of information and experience.

**- Cooperation with business**

Most NGOs deal with business activities. However, this cooperation must be more sufficient and general since NGOs must be aware of business activities in the market.

- **Cooperation with donor organizations**

Most NGOs must form partnerships in hopes of obtaining financial and technical support. NGOs must try to work more closely with donor organizations, including taking an active role in forming donors` policy.

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# APPENDICES



The [International Red Cross and Red Crescent Movement](#) is the world's largest group of [humanitarian](#) NGO's.

## APPENDIX A

### Questionnaire of the study

This questionnaire is prepared by Nadine Sinokrot, an MBA student at Birzeit University, to complete the requirements of her MBA thesis. The thesis subject is concerned with the Palestinian NGO's efficiency and certain decision making aspects in Ramallah area

Your support is very essential and appreciated.

**Note:** filled information is kept confidential and for research purpose only.

#### Part 1

1- In what areas does your organization conduct its activities?

a- Democracy, human rights, minorities and child care

b- Others, specify-----

2- Number of your staff:

a- 10 and below

b- 11 -30

c- Above 30

3- Please identify the average fund category that your organization was able to generate during the last four years:

a- Below 1000000 USD

b- 1-5 million USD

c- Above 5 million USD

4- What average percentage of the annual budget is determined for staff development?

a- Less than 10%

b- 10-20%

c- Above 20%

5- Does PNGO affect your project related decisions in relation to societal need?

a- Yes

b- No

6- Does PNGON have significant effect on facilitating relationships among NGOs?

a- Yes

b- No

7- Does a board of trustees govern your organization?

a- Yes

b- No

8 -Do you hire foreign staff to work in your organization?

a- Yes

b- No

9-If you have joint-venture projects with foreign donors, were you leaders in any of these projects?

a- Yes

b- No

10- In implementing your projects, do you apply project management techniques and procedures?

a- Yes      b- No

## **Part 2**

Show the degree of your agreement on the following statements:

#	Question	Strongly Agree 5	Agree 4	No opinion 3	Disagree 2	Strongly disagree 1
1	Priority of the projects that you work on are obtained through previous donors on your list					
2	In revising financial performance, lack of donors follow up forms a major problem for your organization					
3	Donors requests reduce the possibility of fulfilling certain decisions concerning certain activities in the projects obtained.					
4	Your political direction influence your relationship with donors					
5	Periodical reports (financial, activity, progress) form the main evaluation tool for your performance					
6	You have an annual plan to which you conduct activities accordingly					
7	Availability of resources in the other areas drives you to work in fields other than those stated in your mission statement					
8	Higher salaries and financial benefits attract Your staff to work in an NGO rather than other organization types.					
9	You have more than 10 fulfilled projects in Palestine in the last four years					
10	Concerning projects proposed, they are primarily prepared according to societal and economical need.					
11	Critical internal decisions in your organizations are taken by board of trustees					
12	Bureaucratic procedures in your organization cause timing and conflict problems when dealing with proposed projects					
13	Staffing decisions are revised by more than one managerial level in your organization.					

### Part 3

Please rank the following decisions areas according to their importance in your organization: from 1 most important to 4 least important

a-Staffing

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b Donors relationships

c- Projects selection

d-Expansion and Spreading





## APPENDIX B

### **PNGON members who participated in the survey:**

- . Bisan
- . Culture and Free Thought Association (CFTA)
- . Defense for Children International
- . Democracy and Workers' Rights Center
- . Early childhood Resource Centre
- . Arab Thought Forum Centre
- . Ashtar for Theatre Production & Training
- . El Wafa Charitable Society
- . First Ramallah Group
- . Health, Development, Information and Policy Institute
- . Institute for Palestine Studies
- . MA'AN Development Center
- . Mashru' Al-Ri'ayya Society - Project Loving Care Saraya Centre
- . PNGO network
- . Addameer
- . ARIJ Applied Research Institute

- 
- . Muwatin
  - . Al Haq
  - . Palestinian Agricultural Relief Committees
  - . Palestinian Center for Human Rights
  - . Palestinian Centre for Peace and Democracy
  - . Palestinian Hydrology Group
  - . [Palestinian Working Woman Society](#)
  - . Panorama
  - . PASSIA (Palestinian Academic Society for the Study of International Affairs)
  - . Popular Arts Centre
  - . Rawdat Al-Zuhur Society
  - . Sakakini Cultural Center
  - . Women's Studies Centre
  - . YWCA
  - . Science And Cultural Center
  - . Tamer Institute
  - . Teacher Creativity (TCC)
  - . The Educational Network Center
  - . The Palestinian Counseling Center
  - . Women's Affairs Center



