

Legitimacy and Governance II

Transformation of Societies and Political Systems in the Middle East and North Africa - The Political Economy of Aid

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Decentralised Cooperation - Compliment or Substitute to State-State Cooperation

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Introduction

NGOs are the driving forces behind the efforts at presenting identities, aspirations and positions, and promoting socio-economic and cultural development in various communities throughout Middle East societies. Due to the lack of effective state initiatives that support the interests and address the basic needs of certain social groups, NGOs from all kinds of backgrounds (religious, educational, women, labor, charitable, cultural) have taken up such a role in an attempt to fill the vacuum and meet the needs. In the past two decades, NGOs have evidently become a crucial component of Middle Eastern civil societies, especially as the governments are still reluctant to establish real democratic structures and are increasingly unable to allocate resources to a variety of problem areas, such as education, housing, health care, day care, productivity and unemployment.

In recent years, NGOs in the region have been extended enormous responsibility for socio-economic development. The international donor community has affirmed that responsibility with increased material aid and other assistance, realising that NGOs are often the more efficient agencies through which to channel aid aimed at easing the social costs caused by economic and structural adjustment programmes adopted in these countries.

Civil society organizations provide a buffer between the state, its bureaucracy and policies on the one hand, and the individuals on the other. Their (increasing) existence illustrates that the citizens and the various groups in which they are organised are willing to play a role in (re)shaping their society, including the policies that govern them. Although there are different opinions on to which extent they are determined and/or able to bring about political changes, it is generally agreed that NGOs serve as a catalyst for creating a climate of tolerance and pluralism and help establishing democratic structures. As such, their role is often discussed as competitive to that of

state institutions at the local level, while the support they receive from external sources is commonly interpreted as a substitute to inter-governmental cooperation. The following chapters will discuss the general situation of civil societies in the Middle East, their relations to the state, their cooperation with donors, and the new emphasis of decentralised cooperation that donors have put on the region reflected in their support and willingness to strengthen local NGOs.

1. Civil Society in the Middle East

There is a natural difference if not contradiction, found in every society, between any governing authority and the interests of the society over which it rules, or of various groups and factions within it. This prevalent difference is one of the elementary reasons for the need *per se* of NGOs as well as an explanatory factor for the expansion of the NGO sector worldwide, and along with it, for the increasing importance of NGOs' roles.

Generally spoken, civil society organisations form the link between the public sphere (state) and the private sphere (individuals) within a society. Within the private-public sphere in which they are operating, they ought to enjoy relative autonomy and independence from the state. In Middle Eastern countries, however, the governments all too often fear the NGO sector as an potential political competitor, since NGOs gain legitimacy as they represent the pulse of people's aspirations and due to their role as vital suppliers of services such as health and education. NGOs as broad community-based and issue-oriented organisations, that often provide forums for free discussion and expression, are feared by the states as danger undermining their rather kin-based and patriarchal structures.

Therefore, NGOs in the Middle East are often suppressed by their governments. Especially in times of political unrest and deteriorating socio-economic conditions, governments tend to restrict the activities of civic organisations - mainly targeting at non-governmental media and human rights agencies - by cutting off funds, introducing harsher regulations and even banning of publications and events. This is evident throughout the Middle East. Liberalisation of civil society in the region has its limits. A good indicator for this is the recent debate in Israel, which is often cited as the most advanced civil society in the region, over whether the government should regulate speech and assembling of civil society organisations as a means to prevent political violence. Another, very poor example is the total absence of a visible and credible NGO sector in Syria.

Although most states in the region suffer from crisis of legitimacy as pressure for democratic transparency and accountability increase on the part of both, citizenry and international donors, civil society still remains constrained. The legal and regulatory frames within which NGOs operate are an indicator for governmental performance vis-a-vis society in general (e.g. freedom of expression and assembly, human rights). In Egypt, most NGOs are subject to

Law 32 of 1964 requiring NGOs to refrain from 'political' activities and empowering the Ministry of Social Affairs to interfere in their elected councils, thus keeping governmental control over their activities. As the Palestinian National Authority (PNA) works to regulate its NGO community, there is great concern among the NGO and international donor communities about the way in which the PNA will establish its mechanism to govern, coordinate and share responsibilities with the NGOs under its auspices. In Jordan, a common tool for undermining the NGOs' influence is to establish substitute organisations that are to compete with those already existing. This has led to a huge number of "NGOs" that are *de facto* run under the auspices of the Royal Palace. In some cases, such as Sudan and Iraq, the NGO sector is completely repressed if not co-opted. In Yemen, cases were reported in which state authorities went as far as "advising" members of syndicates on how to vote in the syndicate elections.

In recent years, however, increasing education, the spread of liberal thoughts, and a growing skepticism regarding traditional values and structures in the communities of the Middle East have brought about a change in those societies to the end that they do no longer take the state's activities for granted but have begun questioning their policy making and priority setting. We can see people throughout the Middle Eastern countries calling for more democratization, more accountability from their respective governments, and more participation in the decision-making process. Such appeals, are often initiated by or through NGOs and other civil society organisations and have put some pressure on the governments which traditionally tend to limit their freedom of expression and association through rigid regulations.

Although most Middle Eastern governments are extremely reluctant to relinquish control, they are often forced to do so, realizing that neither the government nor the market alone is fully capable to address society's needs and meet the challenges of development. Furthermore, they have come to grasp that for the sake of economic growth and of avoiding civil unrests, more decentralisation is inevitable.

Still, despite the uncertainties of the legal/regulatory environment within which NGOs must operate, and despite the strict regulations of NGOs in Middle Eastern countries, local activists as well as donor officials understand that NGOs remain the self-reliant organs that mirror society's needs and the "key" to development in these countries.

2. NGO-State Relations in the Middle East

Civil society organisations link the private sphere (citizenry) with the public sector. They serve as a channel for information from the citizens to the public sector on their needs and aspirations, providing feedback on government performance. On the other hand, they are also the channel from the public sector to the people in terms of what the former is doing and plans to do in the future. In taking up such a role, NGOs appear as forums that promote

dialogue between the people and the various institutions of the government. NGOs' current role is to give civil society direction, create infrastructure and promote democratic values, pluralism and development.

The relationship between the state and the NGOs in the Middle East is determined by the fact that the states consider the NGOs as opponents if not potential rivals for political hegemony and legitimacy, although NGO leaders are usually not interested in nor working to undermine their governments. The state and the NGO sector ideally should work complementary and should not view their respective activities as competing. This is especially true as NGOs are increasingly moving away from their traditional relief work and welfare services to become development agencies, and have been making significant contributions to development for years. As many of the services provided by NGOs are usually not the focus of attention of governments and their policy priorities, they should enter into a "contract" to govern their relationship, on the basis of which they then should work out a development approach that addresses society's needs, based on a common vision and awareness of society's patterns of thinking, behaviour and perception. As governments are expected to be "melting pots" for all segments of society, NGOs, by definition sector-affiliated organisations, are *de facto* ideal complements to the state.

There is a common understanding that NGOs should be registered, operate under law, and be monitored by the government as the case in other countries. But the provisions of the restrictive NGO laws prevailing in the Middle East are of major concern not only for local NGOs but also for the international donors (e.g. World Bank, EU, international NGOs), that are questioning how NGOs could function properly to promote development if the governments inhibit their activism.

Governments can coordinate and cooperate with NGOs in certain fields and projects as the latter are more experienced and less bureaucratic and have a closer link to the communities they represent and serve. NGOs can, for example, eliminate mistrust vis-a-vis government policies, as people prefer to work with and listen to members of their community who know what community needs are and who can mobilize support and cooperation from a target population. In times of demographic growth, deteriorating economy, increasing unemployment, and the marginalisation of a growing number of social groups, governments need some form of decentralization, i.e. division of labour between them and NGOs. Even more as the latter are by nature more flexible, innovative and capable to confront with changing conditions. Such division of labour could, for example, take the form of the state running major infrastructural projects while NGOs would focus on development strategies for specific areas, such as poverty alleviation, and, at the same time, lobby for the interests of their respective constituencies. NGOs could guide governments in their fields of specialization, and where NGOs prove successful, their model could be adopted by the government to be applied on a wider scale. Such arrangements on divided labour and decentralisation are particularly important in view of the worldwide trend towards privatization.

A framework or contract for appropriate state-NGO relations should take into consideration the following:

- A guarantee of the independence and liberty of NGOs regarding their establishment and existence
- Regulating laws that are non-arbitrary and democratic in nature. For example, politically affiliated NGOs that perform professional work should not be discriminated. The quality of their work should be more important than any affiliation, bearing also in mind that political diversity is part of pluralism.
- Formal registration procedures should be based on a clear system and be in accordance with a generally accepted legal framework
- If state projects compete or conflict with NGOs' activities, possibilities of cooperation - in an equal partnership - should be discussed. For the benefit of the society, professionalism should be a main criteria.
- Transparency: NGOs should report their activities to their constituencies, the general public and the authorities. They should prepare financial reports and audit their accounts to establish accountability. This principle should be equally extended to the state and its institutions.
- Finances: both NGOs and the state have financial problems. In this regard, trust funds for NGOs should be established in order to maintain the continuity of NGOs and to cover their deficits. The proposed World Bank NGO Trust Fund to be established in Palestine could serve as a model.
- NGOs should be permitted own bank accounts with full control and discretion of the expenditures of their funds.
- NGOs should have the right to publicize their activities and communicate with the public freely.
- NGOs should have the right to engage in legal transactions, including purchasing property, employing staff, signing contracts etc.
- NGOs and the public are informed and aware of governments' development plans.
- NGOs should enjoy the freedom to comment on the state's performance.

3. Decentralised vs. State-State Cooperation

NGOs are a key to socio-economic and political development, i.e. strong and stable civic institutions provide for societies the means to properly define and realize people's interests. In other words, development, which is intended to improve the people's quality of life, requires not only visions and material aid but a healthy environment and effective institutions that strengthen the capacity of civil society.

International aid donors (multilateral aid agencies, bilateral donors, individual governments) acknowledge this role and the importance of NGOs in the development of Middle Eastern society. They often favor NGOs when it comes to allocation of funds, recognising the benefits provided by such organizations. Increased funding in Egypt, Lebanon, Palestine and Israel is

evidence enough of this new emphasis, that is also an indicator for donors' anticipation that NGOs are more efficient and less corrupt as opposed to state-funded projects. Of World Bank-financed projects approved in the fiscal year of 1995, 41% involved NGOs, compared with an average of 6% for those approved between 1973-1988.

Another factor is more pragmatic in nature: donors support NGOs' small-scale projects targeted at specific segments of a community because they often lead to more substantial results than do larger projects that are less calculable and measurable. If funded projects achieve their goals, the donor - be it a governmental agency or an international NGO - gains reputation two-fold: within the respective NGO community it will be recognised as a successful contributor to development, while, at the same time, it gains legitimacy and respect vis-a-vis its own constituency and superior funding and political authorities. On the other hand, while local NGOs compete for donor money, donors - who mostly secure funding from their own governments - rather compete for certain projects, regardless whether run by NGOs or the government. A main criteria for them is the prestige that is anticipated from a certain project, for example, the possibility to raise one's flag at the close of such a project.

The relationship between donors and NGOs is usually built on mutual interest: the input of NGOs has been proven particularly valuable for donors in creative thinking ("visions"), identifying and designing projects, conducting consultations with affected communities, carrying out field studies, surveys, feasibility and assessment studies, designing development approaches, disseminating information, acting as financial intermediaries (channeling project resources to target groups), improving services, and providing training. Donors, on the other hand, are important to NGOs by providing opportunities for cooperation and dialogue with their own governments, ensuring enhanced resources for "scaling up" NGO approaches, providing information on development strategies, exchanging expertise, encouraging local governments to provide a more enabling environment for civil society (sometimes even functioning as "eyewitnesses"), and providing international acknowledgement which helps legitimising the NGOs work.

International NGOs and other private endowments such as the Carnegie Endowment, Ford Foundation, Friedrich Ebert Stiftung, Care, NOVIB, terre des hommes, Caritas, Save the Children - to name only few - were pioneers in establishing their organisations beyond their national boundaries to emphasise human values and promote development and institution-building efforts in underdeveloped communities. The godfathers of these organisations were not interested in being governmental tools nor followers of government policies or official schools of thoughts but had their own visions on how to help building the basis for a better future in their partner countries.

In the absence of a political culture, that advocates democracy, pluralism and tolerance of others, the governing authority has a free hand to monopolise, thus control, all spheres of economic and social life under its own umbrella.

This is not in the sense of donors, especially western donors, who in most cases aim at fostering democratic values and structures in their partner countries, including the application of the rule of law, respect of human rights, exercise of freedom of opinion, speech and assembly, and participation in public life. Democracy is seen as a value in itself that is visible within any entity or state by the mere existence of civil society and its institutions - collective organisations that have been established out of a free will to act in a certain sphere in order to achieve the interest of a certain constituency. Thus, these organisations, representing various views and groups, are the cornerstone for pluralism and acknowledgement of the right to differ - basic democratic values. Donors have realised that many NGOs serve as interest groups, committed to advocate and protect their visions and interests from rivals and competitors within the society and vis-a-vis the state. As most Middle Eastern regimes are not committed to democracy and pluralism, NGOs are seen as a first address to provide the appropriate environment for the gradual establishment of a democratic system, starting at a grassroots level: NGOs represent pluralistic views, practice democratic values at least to some extent, and can educate the people about the hegemony of a political class that may suppress civil society establishments to serve its own purposes.

The increasing strength and influence of civil society is a powerful global trend of importance for many other reasons: today, local and regional organisations are considered as key actors for international cooperation. NGOs often have the experience, skills and contacts that are relevant to the donor's mission, and belong to networks, coordinate their programmes and policies with various sectors of the society. Their alternative approaches and analyses of development issues and strategies can be very useful. They also may have influence among decision-makers and the communities as they represent the public's interest at the local level, not acting in the name of a national authority.

Another element is sustainability. Simply put, NGOs survive governments: as structures that are not linked to government, NGOs can be a factor of continuity where governments are weak and subject to rapid change. As specialised agencies, they more effectively serve their target groups than a government could afford to do as its directive are rather to address the society as a whole. Thus, decentralisation vs. state-state cooperation should not be discussed as substitute strategies but as two different development approaches that complement each other.

4. The Palestinian Case

Pluralism has been a feature of Palestinian political life for almost three decades in which the absence of a national government and the Israeli occupation resulted in the establishment of more than 1,000 NGOs active in a variety of fields (e.g. labour and student unions, professional, charitable and health associations, women organisations, think tanks etc.) and has enabled a high degree of social and political mobility. This includes the many NGOs

established by political factions not last in order to extend their influence in society by providing services. Organisations working within the NGO sector were common in Palestinian society throughout the decades without a Palestinian authority governing them.

Following the Declaration of Principles and the subsequent agreements signed between the PLO and Israel the Palestinians have acquired a new status. Palestinians must perform many of the functions of a state, even though they have not attained formal statehood. Yet, the Palestinian side has not been able to develop its capacity to best handle the tasks and challenges ahead, with many deficiencies in local civil society organizations, administrative structures, dissemination of information, citizens' awareness and participation in Palestinian state-building efforts.

In 1995, a first exercise for future state-society relations in Palestine occurred with a major debate between PNA and Palestinian NGOs (PNGOs) that arose over the proposed NGO law. The draft law resembled much of the 1964 Egyptian Law of Associations that is rather disreputed among NGOs, regionally and internationally, as it limits freedom of movement and gives the government extensive powers to involve in NGO activities. The PNGOs mobilised and lobbied against this specific law, not questioning whether there should be regulations regarding their sector but demanding that the law be based on principles how to *govern* them, not control. They wrote papers, put ads in newspapers, distributed a newsletter describing the proposed law and its meaning for the NGOs, urged the international community to complain, and succeeded in having the decision on the law postponed and in having a committee set up by the PNA to coordinate NGOs concerns. In October 1995, a second draft was issued that had improved due to the inclusion of the right of appeal by NGOs against the Minister of Social Affairs and the right of a general assembly to decide on combining their boards, rather than keeping the right in the hands of the Minister of Social Affairs. Although these changes were considered a first success, the battle between the PNA and the PNGO network is still unfolding. What adds to the special case of Palestine in terms of which method of rule the regime will assume, is the fact that throughout the years of occupation Palestinians in the territories have not only exercised democracy through various unions, councils and other bodies, but have resisted the occupying authority.

Apart from this internal "struggle" over rights and responsibilities, PNGOs face another threat to their sustainability: the question of financial survival. Since the occupation, it was only PNGOs that promoted development, and this tremendous responsibility was met by millions of dollars in financial and technical assistance from international donors. After Oslo, however, the international donor community diverted much of the funds that used to support NGOs to the PNA to set up its administrative structures and rebuild Palestine's infrastructure. NGOs currently face not only socio-economic constraints and deterioration, but also a stagnant peace process that reflects negatively onto the domestic dialogue towards establishing a democratic and pluralistic system.

With the establishment of the PNA it also became inevitable that the NGO-community would witness major changes from within as some of NGOs would be “absorbed” within the authority's structure, while others would be less affected - depending on their respective type of activity. Some, mainly those established by or affiliated with the PLO got incorporated into the PNA structure as a natural consequence of the political events. Some others will be involved or incorporated into the newly established governmental departments, mainly those focusing on issues such as housing, education or health. This has caused problems as a number of these NGOs do not want to become part of the PNA, be it due to their opposition to the PNA and the "peace process" or because they want to remain independent and continue to work outside the government structure. Some other NGOs are not directly related or linked to the activities of the PNA and its ministries, such as think tanks, policy research institutes, human rights or women's organisations, but fear that the PNA will limit their autonomy and liberty to conduct and follow-up their projects. Moreover, there is a conflict between generations and cultures as the PNA is currently dominated by old PLO guards that were living in the Diaspora for decades and are now governing the people who have directly suffered from occupation which has socialized Palestinians in a way that the returnees cannot fully comprehend. In addition, there has been some evidence that the PNA is copying other regimes practices, regulations and by-laws rather than consulting with other forces from within the society and creating an own national agenda together. Nevertheless, many segments of the society have entered into a national dialogue, and both the PNA and the NGOs are in the progress of learning to share information and coordinate their efforts.

Neither the people nor the NGOs want interference in their affairs but need organisational stability, transparency and accountability of the PNA. The PNA has to recognise and respect the existence of different opinions and schools of thought within society. The relationship between the PNA and the PNGOs is determined by the fact that the PNA considers some NGOs as potential rivals, while at the same time, they are aware that they need the NGOs in implementing projects since NGOs often possess superior experience. The fact that the PNA has sought the assistance of NGOs, especially in the health field, shows that there is some degree of reliance on NGOs. On the other hand, the PNA is obsessed with the notion that, at least during the transitional phase, all external funding should be channeled through and be distributed by its own agencies, thus not leaving any room for independent NGO-donor relations. As this is not mutually in the interest of many funders, it is even more important for NGOs to work efficiently, serve society effectively, and be accountable to the people, in order to secure support and legitimacy.

5. NGO-Donors Cooperation: Reasons, Problems and Effects

An important aspect of Donor-NGO relations is the key role of the NGO community in maintaining a positive environment of public opinion and the

necessary international support for development assistance. NGOs interact with donors in a variety of ways: resources allocation, influencing government's policies and donors' policies, and sharing experiences. In the Middle East, and particularly the Maghreb region, for example, there has been an increase in human rights organisations as a result of strong support from international institutions and developing agencies.

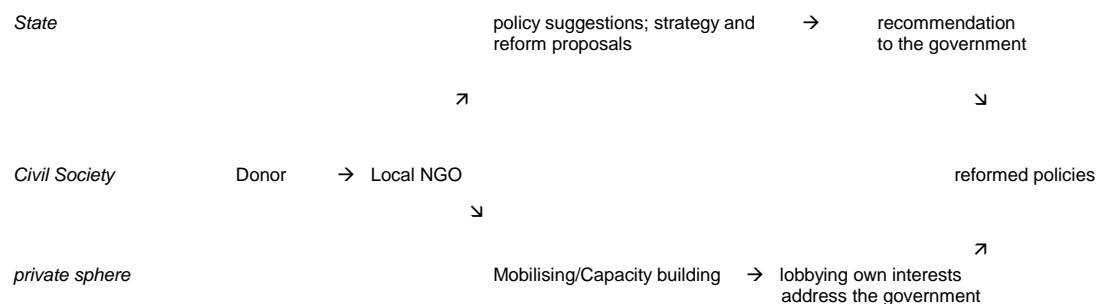
External sources and long term partnership programmes help strengthen the utility, legitimacy and sustainability of NGO work within the respective society. Donor-imposed political and managerial conditionality has in many cases brought about positive changes by demanding certain levels of planning, transparency, accountability, professionalism and cost-efficiency as well as focus on certain activities. Such requirements that have to be met by the funded institution often lead to internal reorganisation and strategic rethinking on the part of that institution. In the long-term, such needed upward accountability to donors can be seen as an adjustment process that contributes a great deal to the efficiency and sustainability of the respective NGOs. However, on the other hand it also bears the danger that NGO activities are skewed towards the interests and agendas of the donor rather than at local development priorities. Dependence on donors may lead to the NGOs' reprioritising their own agendas, i.e. in order to obtain the needed funding to run projects, they may tend to reformulate their self-stated goals and to adopt development approaches dictated by the donor's aid system.

Another peril of donor-NGO relations that is particular evident in the Middle East, is that donors may support well-functioning and well-performing civil society organisations that are *de facto* run by one dynamic, proficient and captivating personality. Thus, once such a personal contact and relationship has been established, funding may be secured over years though not due to the institution itself nor its particular programmes, but due to the name, respect and credibility of the one who runs it. Although many of such organisations accomplish a lot, funding does not necessarily contribute to their sustainability as they would fade with the retreat of the driving force. Regarding this phenomenon, donors should think of ways how to help institutionalise such organisations so that their continuation would be secured regardless of who is in charge.

NGO-Donor cooperation may also have an effect on NGO-state relations. As a frequently required prerequisite for funding and a central issue of concern for donors is a state's "good governance", donor support to NGOs can help achieve this end by fostering NGOs to contribute to:

- improving public sector management
- improving accountability of state agencies
- disseminating information on state's policy and performance
- working towards an equal application of the existing laws
- facilitating and encouraging public debates on policy formulation, proposed legislation and development strategies and priorities
- supplementing public services

By using their experiences, NGOs can encourage their governments to adopt certain approaches that they have pioneered with the help of donor assistance and offer their partnership in designing development strategies and in delivering services. NGOs can also raise awareness in certain areas where there is an urgent need, e.g. in fighting poverty, improving education etc. and “pressure” their governments to consider their advice on policy matters, future plans and to take action where needed. In this regard, donor cooperation with NGOs as a starting point may forge strategic links between a donor country and the local government. On the domestic level, the contribution of a donor can have effects in two directions as illustrated below:



NGOs also play an important role in lobbying internationally in favour of their society’s or constituency’s interest. In their lobbying and advocacy efforts, they often request the help of international NGOs and donors in order to give their demands more weight. Thus, international actors, donors in particular, become a source of pressure on governments, attempting to influence decisions. For example, the postponement of the Palestinian NGO draft legislation was not least a result of "international pressure" represented in particular by the PNA’s decision to suspend further consideration of the draft law on NGOs at the time of the October 1995 Donors Conference in Paris. There a numerous examples of NGOs’ seeking the help or intervention of donors in cases of internal friction (e.g. vis-a-vis the government). Although this may often be effective if the latter decides to take action, one should be aware that it also bears negative aspects:

- Donor-NGO cooperation on such matters may be counterproductive as NGOs shift away from mobilising their own constituencies
- Donor intervention, after all, will be opposed by many as interference in internal affairs, and concerned NGOs may be labelled as agencies for foreign interests
- Donor intervention in internal frictions is likely to contribute to a deterioration of NGO-State relations.

6. Suggestions for Donor-NGO cooperation: Strengthening civil society

Civil society organizations often need to reform their organizational structures and procedures, and learn how to use their resources wisely, to consider the long-term effects of their policies and to critically evaluate the long-term

feasibility of their own operations. They often lack a vision of the future and ideas about what can be done presently to attain future goals. Transparency and organizational accountability must be assured. Their activities should be set with an eye to the long-run in order to achieve sustainable institutional development, which is an integral part of a democratic society that encourages popular participation. The need to meet such organisational and institutional necessities should be added to the scope of donors' assistance programmes.

Recently, many interest groups and NGOs - local, regional and international - have initiated networks and other bodies in which they assemble in order to coordinate their work, avoid duplication, strengthen their own capacities, and raise their voices jointly. Donors can contribute to this trend by promoting and encouraging horizontal cross-national initiatives, also bearing in mind that joint projects and efforts are often easier to realise across-NGOs than across-states and along certain topics rather than by compromising on national politics. The EU-funded MeSCo initiative, that has meanwhile been expanded to Euro-MeSCo, is a good example for this. Coordination, cooperation and dialogue among regional NGOs in fields of mutual concerns contributes not only to a better understanding of each other but can also have a positive impact on development efforts, for example in terms of exchange of methods and experiences, joint fund-raising, and the common building of a base for future stability in the region.

While in general NGO-donor cooperation the role of NGOs is that of implementing activities, facilitating cooperation with local partners, and generating local support for their efforts, the donor's tasks should go beyond funding, technical assistance, and lobbying for international support and include:

- the creation of a strategic agenda - jointly with their NGO counterparts;
- mobilising other international NGOs/donors to become involved in the development of the NGO sector and contribute to its horizontal expansion;
- advocacy and lobbying both of their respective governments;
- development activities and supporting efforts directed at civil societies' self-development and empowerment.
- facilitating constructive dialogue between NGOs and the state.

The pre-requisites for an effective NGO-Donor partnership are twofold:

- structurally, the partnership should be clearly determined and donors should re-examine and redefine their objectives and the kinds of relationships regarding their partnership with NGOs.
- functionally, activities should be jointly determined and should recognise mutual needs, priorities and potentials.

Future donor-NGO cooperation should also take into consideration the following urgent areas of work:

- Coordination: better mechanisms to avoid duplication and to work efficiently.
- Building lasting partnerships between/among donors (international NGOs) and local NGOs;
- Involving the funded NGO throughout the whole course of a project, i.e. from the project development and design until its implementation.
- Focusing on specialisation of NGOs which should be a crucial community resource for development alternatives.
- Distinguishing between types of NGOs (religious, political, humanitarian, developmental) .
- Commitment to mobilise more local resources in order to achieve long-term sustainability.

Donors should be careful in their assessment of the NGOs' performance. Execution of activities should be determined and interpreted within the particular context of the NGO and standards demanded should derive from the given constituencies the NGO aims to serve.

To realise the full potential of partnerships with NGOs, the donors need to be careful and sensitive in their decision of which NGOs to cooperate with. In many projects, the donors need to involve governments with the aim of fostering dialogues between the government, the NGOs and the donor itself. Sufficient flexibility for involving NGOs and their scope of performance should be ensured in contracts and agreements. Prospects for effective partnership and cooperation among NGOs and between them and their foreign counterparts have to be seen in light of the changing regional, international political and economic environments that mark a turning point and require the drawing of lessons from past experience for future NGO cooperation. The respective agendas should be reconsidered, in order to establish principles for more solid and lasting cooperation. NGOs should work towards safeguarding, developing and enriching civil society with an emphasis on the democratic component of societal development.

Conclusion

The NGO sector in the Middle East has mushroomed over the past two decades and has become a key actor in development. The growing role of civil society organisation should be an emphasis in donors' operations.

Civil society must strengthen capacities so that it can best address the issues facing it and foster fruitful debate on important issues; to clarify their organisations' visions on important issues and to define their relationship to other actors (other civil society organisations, the state, international organisations etc.), which in turn will enable these organisations to more accurately evaluate the appropriateness of their policies. Furthermore, to be able to track the policy of the government so that civil society can take appropriate action to impede policies detrimental to its interests or encourage policies favorable to its objectives. Civil society can contribute to increase the

accountability of government, and thus, encourage the harmonizing of public policy with the needs of the community, which will enhance the trust of the people in the system and encourage involvement in public affairs.

As described above, NGOs and governments have competing visions of development: while the latter sees and designs development often as a staged process with focus on certain sectors (e.g. on health care, education or agriculture), NGOs see development as occurring *across* sectors simultaneously. Consequently, both sides run their programmes along different tracks, with different means and methods, and towards different objectives, which conceivably leads to different results. Additionally, it is a matter of fact that governments have neither the fiscal nor the organisational capacity to meet the increasing demand of the society for services, in particular regarding marginalised and poor groups within the society. Moreover, the presence or absence of NGOs makes a big difference when states face crisis and challenges. For example, during the civil war in Lebanon it was the some 600 NGOs that maintained the civil entity and kept serving it to a considerable extent. Even ethnic-based groups overcame their particular background and extended their services and assistance to all citizens within their domains. In Kuwait, during the turmoil that occurred following the Iraqi invasion, it was the cooperative societies that became the basic address for people when the state failed to provide food, education, housing, welfare, etc. And in Palestine, it was the NGOs that served the people in literally all areas of socio-economic, political and cultural life for decades, and that *de facto* replaced the non-existing state structures and laid the foundations on which to build the future state.

Conclusively, decentralised vs. state-state cooperation should not be seen and understood as an alternative option but their reciprocity and interdependence should be recognised and be reflected in donors' development strategies.

Fundamentalists issue
NGOs as tool to enter politics
NGOs as de facto GOs
USAID example
Larger context than PNA-PNGO --> Donor's reluctant to challenge Israel (gov't) to change issues on the ground.
Ngo coop more likely than govt

6220.

HAMAS forces within civil society that can act as counterweight against Islamic organisations. Donors shifted funds from NGOS to the PA it affected to a large extent secular organisation and their services, which in turn strengthened Hamas and other Islamic movements' social networks.

How do you rate the performance of donors along the following indicators:

Fullfilling their financial commitments
prioritization of projects
expediency in processing of proposals
efficiency in monitoring evaluation during implementation
level of coordination with concerned Palestinians sides
level of coordination with other donors

How do you rate the performance of PNA regarding:

Project identification and prioritization
Coordination with donors
Coordinatoin with other PNA bodies
Coordination with local NGOs
Proficiency in preparing project proposals
Management of funded projects
Financial transparency

Performance of Local NGOs regarding:

Project identification and prioritization
Coordination with donors
Coordinatoin with other PNA bodies
Coordination with local NGOs
Proficiency in preparing project proposals
Management of funded projects
Financial transparency

Impact of Donor Policies on aid management:

EU
US
General

Role of Israel regarding aid management

positive - no opinion

Overall performance of these institutions:

World Bank
UNDP
EU
USAID

Impact of aid on Palestinian society in the following areas

Training and Human resource development
Democracy and democratic institution-building
Studies, workshops and consultancies
Human rights
Legal system development
Physical infrastructure development
Economic development

Funding level in the following areas

Training and Human resource development
Democracy and democratic institution-building
Studies, workshops and consultancies
Human rights
Legal system development
Physical infrastructure development
Economic development

Future funding in the following areas

Training and Human resource development
Democracy and democratic institution-building
Studies, workshops and consultancies
Human rights
Legal system development
Physical infrastructure development
Economic development

Misuse of funds by:

Donors
International NGOs
Local NGOs
PNA