Improving the Internal Governance of the CSO Sector

The Case of Palestine

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Presentation Outline:

1. Introduction

2. The NGO Development Center.

3. Coordination with the Government on Social Service Delivery.

4. Self-Regulation - The Palestinian NGO Code of Conduct.

5. A Strategic Framework for the NGO Sector.

Palestine: Key Indicators

- *Population:* 4.42 million (West Bank: 2.72; Gaza Strip: 1.70)

- **Government system:** parliamentary democracy.

- *GDP per capita:* (US$) 1,691 Unemployment rate: 23%, (West Bank: 19.1% ; Gaza Strip: 32.5%)

- *Poverty rate:* 25.8% (West Bank: 17.8% ; Gaza Strip: 38.8%)

Source: the Palestinian Central Bureau of Statistics, 2013

General socio-economic-political environment

- Israeli occupation
- Fluctuation in the economic indicators and continuous economic uncertainty
- Poverty and unemployment
- Significant progress in governance reform
- Improvement in delivery of basic services
- Serious impact of Internal Political Division
- Drive for statehood

Source: A Strategic Framework to Strengthen the Palestinian NGO Sector 2013-2017, NDC, 2013

Evolution of the NGO sector in Palestine

- Since the beginnings of the last century, **NGOs/CSOs played an integral role in the Palestinian struggle for liberation** and development.
- **Prior to 1994** and in the absence of a government, NGOs took the lead in **providing social services** in many areas.
- However, drastic changes occurred following the establishment of the PA in 1994.
- Two different types of relationships formed between the NGO/CSO community and the PA.
  - The first was one of a ***competitive nature*** over donor funding.
  - The second consisted of ***coordination and partnership.***

The NGO Sector in Palestine

- **Regulation:** The Charitable Societies, Law No. 1, 2000.

- **Registration Body:** Ministry of Interior (MOI); mandatory.

- **No barriers** to speech, advocacy, international contact.

- **Barriers to activities**: MOI **may** scrutinize activities of NGOs to ascertain that funds have been spent for intended purposes.

- **Approximate Number:** 3,000 (2,100 West Bank & 900 Gaza).

- **A Code of Conduct for Palestinian NGOs** recognized and ratified in February 2008.

- A first draft of the Palestinian law on the **right of access to information**, February 2014.

. . . Palestinian NGOs and Social Service Delivery

- Palestinian NGOs play a major role in the socioeconomic development process;

- NGOs and CSOs provide services that are ***not provided*** by the public or private sectors in ***unserved*** and ***underserved*** areas; **complementary** to those provided by the government.

- Reach poor and marginalized communities;

- Work closely within their communities and have knowledge of communities' needs and hence can play a more active role.

. . . Palestinian NGOs
and Social Service Delivery

- 90% of Early Childhood Development

- Almost 100% of Specialized Heath Services (e.g., cancer treatment, neurology, ophthalmology, etc)

- 60% Agricultural Services

- Care for the Elderly

- Rehabilitation Services for people with special needs

- Mental Health

World Bank Support to NGOs since 1997

– PNGO I   1997 to 2001

– PNGO II   2001 to 2006

Project within

Welfare Association

– PNGO III   2007 to 2011

– PNGOIII-AF   2007 to 2011

– PNGOIV   2010 to 2013

– PNGOIV-AF   2013 to 2016

NDC established 2006

A Project within NDC

NGO Development Center
(NDC)

- NDC is a non-profit nongovernmental organization established in response to the need of having a **sustainable Palestinian mechanism** for providing **technical and financial** support to the NGO sector.

- NDC is governed by a policy board of directors, Its GA is composed of representatives from civil society, NGO networks, academia and the private sector.

Vision

"An *Effective NGO sector* contributing to building *Palestinian Civil Society*"

Mandate of NDC

- NDC is mandated to mobilizing funding (donors, private sector, foundations etc) to:

  - **provide direct grants** to strengthen NGO service delivery to reach vulnerable, poor & marginalized communities by establishing a transparent system for grant making;

  - **build capacities of NGOs/CSOs** to **contribute towards the institutional development of the NGO sector** by:

    - promoting a collaborative working relationship between NGO/CSO networks, unions and the government;

    - building capacities of NGOs to enhance their effectiveness, self-reliance , good governance and sustainability;

    - facilitating sharing and exchange of information and experience, by supporting research and policy development.

Coordination with the Government on Social Service Delivery

1. Only NGOs registered according to the NGO Law receive grants from NDC.
2. Applicant NGOs should provide an endorsement letter from the Line Ministry as part of their application.
3. Only services that are complementary to those provided by the Government will be supported; aligning with sectoral and national plans.
4. Coordination with the PCBS to identify high poverty areas.
5. Coordination with MOSA on its Cash Transfer Data to target poor families.

Coordination with the Government on Social Service Delivery

5. MOPAD is the focal Ministry for coordination purposes.

6. MOPAD has a right of objection to award grants to NGOs, based on the following:

    i.   Duplication of a Government service

    ii. Non-alignment with national priorities

7. In NDC board meetings in which decisions on grants are being made, MOPAD representative sits as a voting member - a real partnership between Government and the NGO Sector.

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Why Improve NGOs' Governance?

Weaknesses/criticism:

- Aid dependent and less focused on priorities
- Inefficiency
- Competition among NGOs and INGOs
- Inadequate transparency and accountability
- Lack of strategic vision
- Disconnected from the community/national priorities
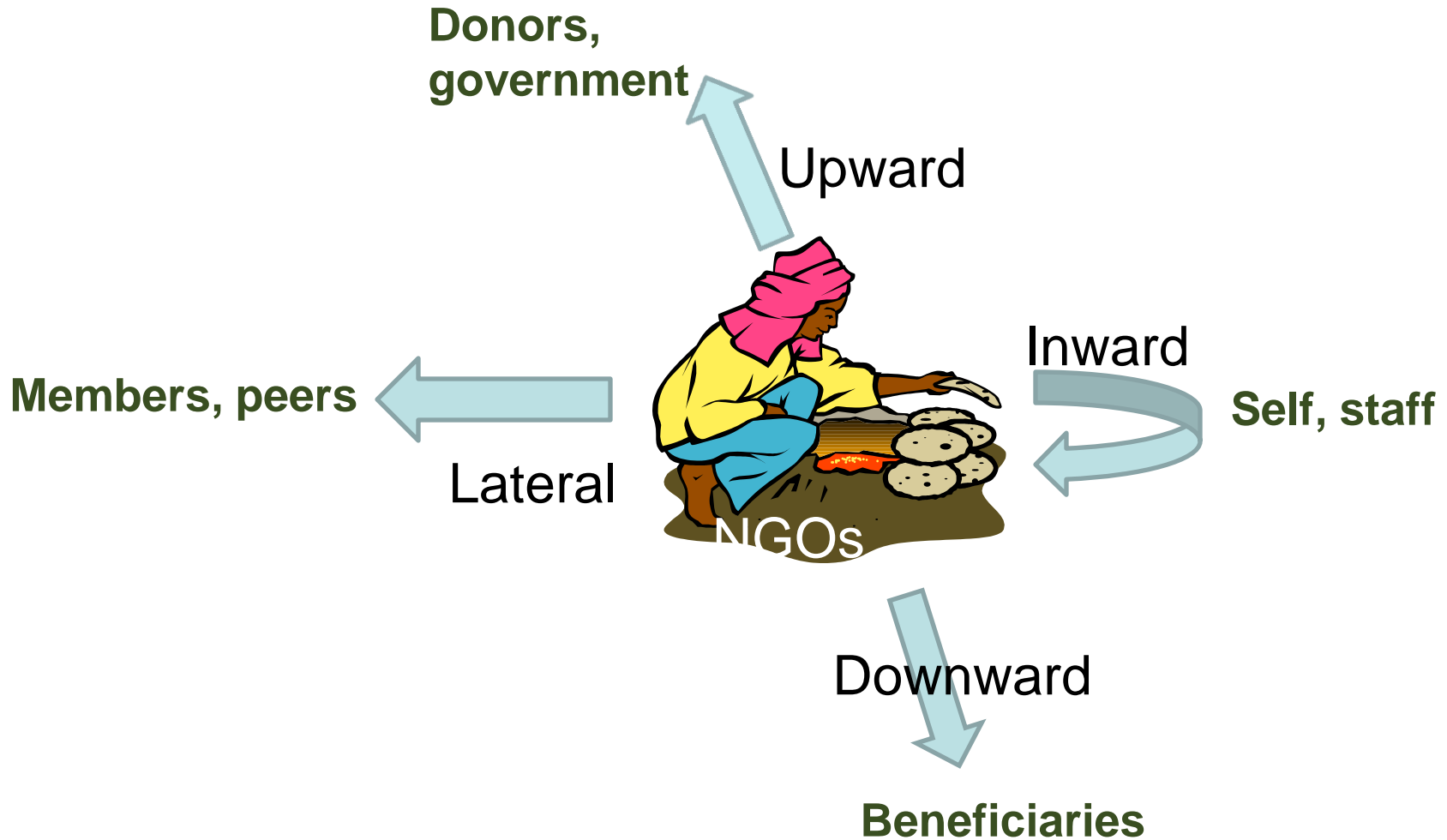- Leadership and sustainability issues

Why Improve NGOs' Governance?

Expectations:

- Asserting and advancing national sovereignty
- Strengthen civil society
- Deliver basic services
- Promoting dialogue and interaction with citizens and the government
- Champion people empowerment

Who are NGOs accountable for?

Enhancing Democratic Governance

Code of Ethics

- Following *a broad based consultation* with more than 250 NGOs, NDC completed the Code of Ethics for NGOs in **2006 (PNGOII)**.

- The code of ethics stated the ethical values and principles with which NGOs are willing to comply.

Enhancing Democratic Governance

Code of Conduct

- NDC in cooperation with the umbrella NGO networks worked with the NGO community to gain by-in for the code of ethics (***awareness raising***).

- Code of Conduct operationalized: manuals and guidelines were prepared – resource kit (2008).

1- Ratification and Promotion
(Completed + ongoing)

- Formation of the Code coalition (*4 NGO umbrella networks with NDC acting as secretariat*)
- Finalization of the Code in consultation with NGOs
- Formal ratification of the Code in **2008**

Major outputs

➢ **420** NGOs singed **voluntarily** to the Code on the same day, February 2008

➢ **625** NGOs have signed until today, comprising more than 30% of operating NGOs

➢ Code adopted by the Arab League as the model Code for NGOs in the Arab World in 2009

2- Capacity Building and TA (Ongoing)

To help NGOs be in better compliance with the Code"

- Prepared the **"Resource Kit"**: including manuals and guidelines.

- Provided coaching and TA to **110** NGOs (COCAT) over 24 months (PNGOIII).

- Program continues to include an additional **30** NGOs (PNGOIV and PMGOIV-AF).

3- Compliance Mechanism
(Piloted & Ongoing)

- The Code as an instrument for **self-regulation**
- Consultation on "compliance" with NGOs, NGO networks, the PA and donors:
  - Establish a rating system for NGO capacities that is commonly acceptable among NGOs, government and donor agencies;
  - Use the same system as a means for establishing specific CB needs.
  - MOI and MOSA would like to see the system part of the renewal of NGO registration and licensing.

3- Compliance Mechanism
(Piloted & Ongoing)

- Finalization of the system (procedures, tools, manuals, etc..) for self rating, validation and accreditation. **(2012)**
- COC Compliance Board established. **(2013)**
- System piloted with 30 NGOs; 7 NGOs accredited. **(2013)**
- Evaluation of the system; recommendations for improvement. **(ongoing)**

3- Compliance Mechanism
(Piloted & Ongoing)

Compliance mechanism include three main stages:

1. **Self-rating by NGOs**
2. **Validation by rating institutions/peer reviewers**
3. **Accreditation by the Compliance Board**

A database (*under preparation*) would be made available on a special portal to the public, government, donors, NGOs, etc..

Setting up the Rating Scheme

NGOs → **Voluntary self-rating of NGOs using the Organizational Capacity Assessment Tool (OCAT)**

Validation institutions/ peer reviewers → **Verification of the self-rating or give a new rating and identify areas for improvement to meet the indicators in the OCAT according to its size**

Every 1-3 Years

COC Compliance Board → **Issue the Certificate of Compliance**

- **NGOs with very strong organizational systems**
- **NGOs those with existing organizational systems but need improvement**
- **NGOs with week organizational systems**

COCCB's Responsibilities:

1) Establish the criteria for validating institutions,

2) accredit the validating institutions,

3) issue the certificate of compliance,

4) serve as arbiter in case of dispute between the NGO and the validating institution with regard to the result of the validation,

5) serve as the repository of all NGOs that we rated under the system.
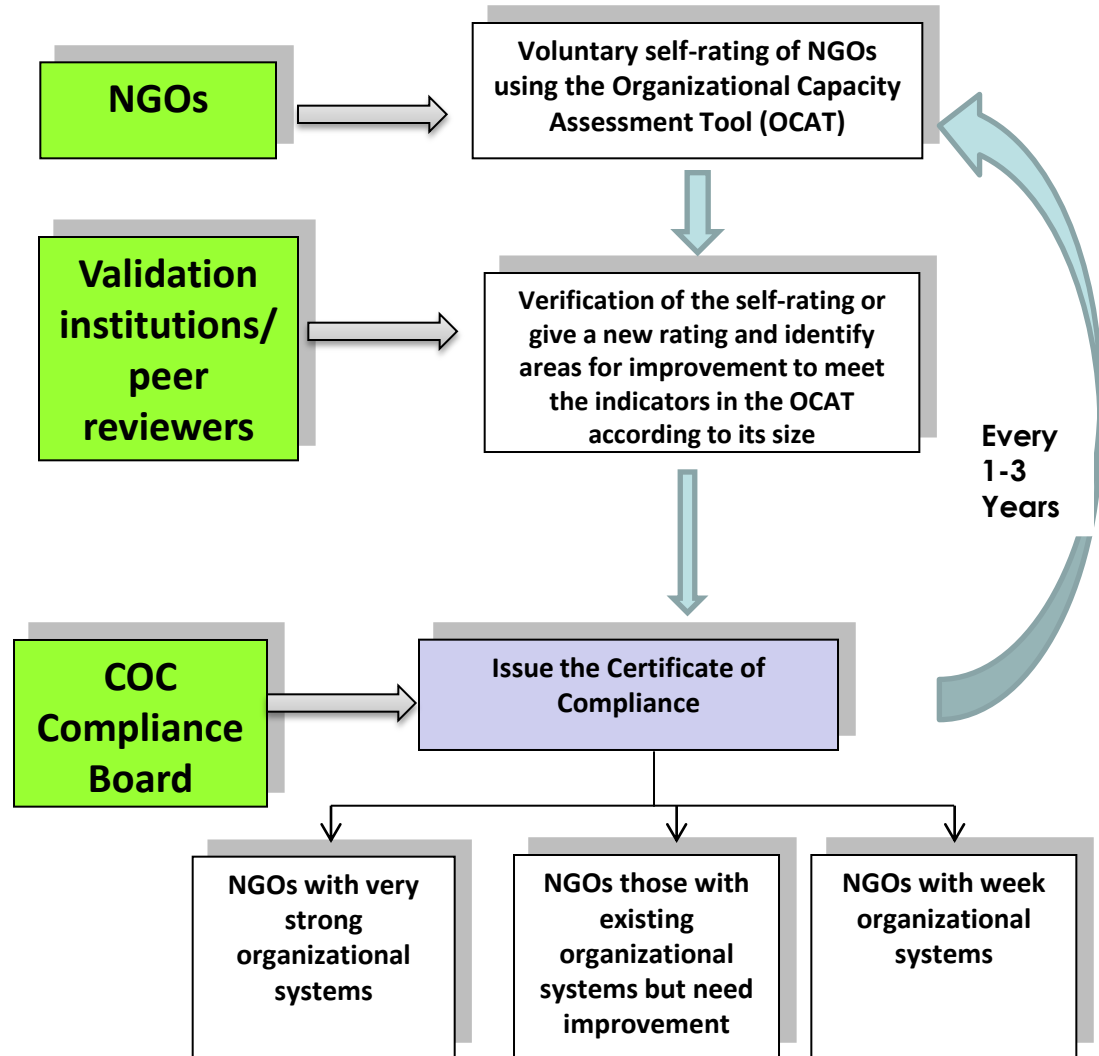
Potential Benefits

NGOS:

- to benchmark their capacities vis a vis other NGOs.

- self-rating is an educational process: enables NGOs to better understand the different aspects of their organization that they need to develop.

Donors:

- funders can become aware of a vast variety of partner NGOs that they can work with (sectors and geographic areas).

- to inject greater transparency in the field of development assistance.

Potential Benefits

Government:

- Information will help government to better select NGOs that can deliver complimentary services.
- The system could establish the comparative advantage of the NGO sector and of specific NGOs in delivering much-needed development assistance.
- This could lead to greater collaboration and diminish competition between government and NGOs.

Potential Benefits

Private Sector:

- The system could provide businesses with information of who they can partner with in their corporate social responsibility projects.

- This could open a new source of development funding for Palestine to help the economy grow.

- Provide incentive to the private sector on tax-exemptions.

Potential Benefits

Community

- Increased benefits through increased efficiencies in fund utilization promoted by the system.

- Better responsiveness to their needs since the Code OCAT highlights beneficiary participation in program and project development and management.

- Enhances credibility of NGOs on the principles of Good Governance.

Potential Benefits

Local Development

- This could unfold immense potentials for government – NGO – business partnerships in the future.

- NGOs are effective and efficient in social service delivery.

- NGOs become viable partners of the development of a Palestinian State.

Potential Risks/Mitigation

- NGOs will not get themselves rated if the benefits are not clear to them.

    Promotion and awareness raising

- The cost of getting rated could be the biggest stumbling block of this system.

    Attract funding to start a pilot/peer reviewers

- Small NGOs might use this system to aspire for bigger funding, rather than becoming more effective and responsible social institutions.

    Manage expectations; renewal of accreditation every 2-3 years

Potential Risks/Mitigation

- Further marginalization of small NGOs if they are not able to get themselves rated.

  NDC and Capacity building

- Big NGOs ignore the system because they are confident of their capacity and already have more than enough access to development funds.

  Credibility, renewal of registration (MOSA and MOI)

Strategic Framework to Strengthen the Palestinian NGO Sector (2013-2017)

- In 2006, the Palestinian NGO Project (PNGO) of the World Bank commissioned a five-year strategy for the development of the Palestinian NGO Sector.

- In 2006, the PNGO evolved into the NGO Development Center, to empower Palestinian NGOs to better provide vital services to Palestinians living in Palestine, especially the poor and marginalized

Introduction to the Strategic Framework

- An ***intensive consultative process*** involving a wide range of NGOs, the Government, donors and the private sector.

- The new strategic framework aims to provide ***a strategic direction*** to NGOs in addressing the key issues that the Palestinian society will face in the next five years within their area of competence.

- The strategy establishes a framework that ***encourages NGOs to align*** their current programs and projects as a way ***to achieve strategic objectives*** that will lead to a five-year goal.

Introduction to the Strategic Framework

- A *participatory implementation strategy* has also been developed to create a large support behind it.

- The *framework includes a monitoring and evaluation system* and identifies *specific indicators* by which the attainment of strategic objectives can be measured.

- One of the main features of the strategic framework *is an effort to build complementarity* in working with the government and other sectors of society in attaining their common goals for the Palestinian people.

The Strategic Framework Development Diagram

Mission and Goal

Launched in May 2013

Mission:

NGOs work with all other constituents of the society towards establishing an independent, sovereign, and democratic Palestinian state with Jerusalem as its capital, based on social justice and rule of law.

Goal:

A more viable and independent NGO sector that is more effectively engaged in advancing steadfastness, liberation, and sustainable economic and social development of Palestine and the empowerment of the Palestinian people.

Five Strategic Objectives

1. More effective engagement of NGOs in the process of national liberation and democratization based on internationally recognized legal framework.

2. Streamlined and effective relationships between the NGO Sector and Palestinian Development Partners.

3. Improved access to quality services that are responsive to the needs of the community provided by government and the NGOs.

4. More effective, accountable and transparent NGOs.

5. Secured and adequate financial resources for NGOs.

Strengthening the Capacities of the NGO Networks

1. Enhancing NGOs Participation in National Planning;
2. Strengthening the Palestinian NGO Sector Capacity and Involvement in Governance and the Democratic Process.

Thank you

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