
The Atkin Paper Series

Under the Microscope:
Israeli and Bi-national
Peace NGOs

Yosef Kedmi

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About Yosef Kedmi

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Summary

The ongoing conflict in the Middle East has given rise to a myriad of conflict resolution and conflict management organisations that collectively invest enormous effort and funds into trying to improve relations between peoples and promote peace within their respective communities. These organisations – sponsored by individual donations as well as international governments and institutions – have encountered major problems, not least in trying to establish measurements of success.

Through analysis of the activities, audiences and self-assessment mechanisms of peace and conflict resolution organisations working in Israel or bi-nationally (that is, with Palestinians) this paper aims to provide a better understanding of the current status and activities of P/CROs in this region, as well as which areas are in need of more attention. This is achieved by evaluating four main comparative criteria of analysis – Finance, self evaluation, outreach and transparency.

The aim of this paper is not to undermine the important work of organisations, but rather to promote efficiency in working towards the aim of peace which they all share.

Under the Microscope: Israeli and Bi-national Peace NGOs

By Yosef Kedmi

Introduction

The ongoing conflict in the Middle East has given rise to a myriad of conflict resolution and conflict management organisations that collectively invest enormous effort and funds into trying to improve relations between peoples and promote peace within their respective communities. These organisations – sponsored by individual donations as well as international governments and institutions – have encountered major problems, not least in trying to establish measurements of success.

The ‘peace industry’, as it is often referred to, aims to promote unquestionably positive values, but spending is too often consumed by over-sized mechanisms that are based on self-sustainment and often are not as cost-effective or productive as they could and should be. Misunderstandings and cultural differences between funders and people working on the ground have exacerbated this problem. Real guidance, in other words, is required.

Grassroots support is needed now – more urgently than ever – for an agreement that can be accepted by all the peoples of the region based on the hope for a better tomorrow, regardless of the current animosity, mistrust and fundamental differences in religious background and narratives. To create such an atmosphere and generate real change, peace and conflict resolution organisations (P/CROs) need to be as productive as possible, given that funding is scarce and radical and violent positions are amplified by the media and attract more attention and support than ever before.

This paper analyses the activities, audiences and self-assessment mechanisms of peace and conflict resolution organisations working in Israel or bi-nationally (that is, with Palestinians). The aim is to evaluate their effectiveness and relevance, identifying strengths as well as weak points and failures. Four main criteria guide the analysis:

- **Finance** The paper aims to understand the financial situation of P/CROs, including recent changes and constraints. What are their budget priorities? How can their spending become more effective and focused?

- **Evaluation** The paper looks at the processes used by P/CROs to evaluate their own work. Do such mechanisms exist? What mechanisms can be used to make these evaluations more effective and available?
- **Outreach** The paper examines the target audiences of P/CROs. Are they relevant to the organisations' mission? Are there ways in which new and/or under-engaged audiences could be reached?
- **Transparency** The paper investigates how transparent P/CROs are. What are the consequences of a lack of transparency? How can the situation be improved?

These criteria were selected because they enable the comparison of different P/CROs, making it possible to establish quantitative as well as qualitative scales of measurement. The aim is to provide a better understanding of the current status and activities of P/CROs in this region, as well as which areas are in need of more attention.

Needless to say, this document does not intend to discourage those committed people who work in and support peace organisations. On the contrary, the goal is to promote efficiency in working towards the aim of peace which they all share.

Typology and Definition

Peace and conflict resolution organisations vary in nature, context, target audience and methodology, but are united in that they are all 'nongovernmental organisations advocating peace, reconciliation, and coexistence between Israel and Palestine on the basis of mutual recognition and/or the use of dispute-resolution strategies as a means of addressing the Palestinian-Israeli conflict'.¹ This paper examines organisations that are currently active or have been active in the context of the 1993 Oslo Accords, the 2000 Intifada and the 2008 Annapolis peace talks. Not all are based in Israel, but each operates in Israel and/or conducts activities aimed at Israeli people.

There are three levels of activity carried out by P/CROs: grassroots, professional and decision-making. An organization can appeal to one or more of these levels, each demanding a different approach and method.

Grassroots activities tend to be performed by the more traditional segments of the peace movement, which focus on person-to-person (P2P) activities. They achieve success by addressing people through the media and other visible actions like protests and large seminars. The main purpose of these organisations is to influence a large number of citizens to take a more active approach to matters that affect their lives, struggling against a sense of popular disappointment and

1 A modified definition of P/CROs based on a definition from: Manuel Hassassian, 'NGOs in the Context of National Struggle', in *Mobilizing for Peace – Conflict Resolution in Northern Ireland, Israel/Palestine and South Africa*, Benjamin Gidron, et al. (eds). New York: Oxford University Press (2002), p. 159.

alienation from the political leadership. Peace groups engaged in grassroots activity usually aim to create a sense of solidarity and understanding between Israelis and Palestinians, and hold bi-national meetings aimed at shattering myths and prejudice. One example is 'Peace Players', which works with Israeli and Palestinian children and brings them together by organising basketball games.

Another form of grassroots activity is carried out by conflict resolution organisations (CROs). These organisations usually practice a *realpolitik* approach that is more target-oriented. Whilst traditional peace groups try to educate people on a mutual and bi-national basis, CROs work on specific issues that might only be relevant to one population or vary tremendously between the two populations. Their efforts are easier in times of higher tensions, as they primarily work on 'internal' issues and narratives rather than encompassing the 'other side' and its hardships. In terms of targets, these organisations appeal to all three levels – grassroots, professional and decision-making. An example of such an organisation is the 'OneVoice Movement' that works in parallel in Tel Aviv, Ramallah and Gaza, supporting the two-state solution based on the local narratives of each place.²

Service provider organisations are oriented more toward conflict resolution than traditional peace movement activities. Their work is based around the idea of building the foundations for peace in each community separately. They focus on improving understanding within professional sectors, in particular the social, health and educational sectors, enabling them to be more professional as well as culturally and politically aware when dealing with the population and its internal diversity. These activities are usually done in consultation with the government or another relevant institution, and are conducted through seminars and educational programs. An example of this is the Israel Palestine Center for Research and Information (IPCRI), which organises teacher seminars that emphasise peace and democracy education in Israel and Palestine.

A different level of outreach applies to organisations that engage policymakers. These organisations aim to help decision-makers and opinion-shapers understand the obstacles to peace and ways of overcoming them. In many cases these organisations have a specific political affiliation and serve as lobbying groups pressing for political change. They produce large newspaper ads, position and research papers, annual reports, and conventions that are discussed in the media. In some cases such organisations try to prove that certain presumptions are wrong, and that a consensus could be reached through negotiation and understanding. Examples of such organisations are 'The National Census' (the Ayalon-Nusseibeh civil initiative) and the 'Geneva Accords', which aimed to prove to the Israeli and Palestinian administrations that their perception of stalemate was wrong and that a peace deal was achievable, and to force them to either adopt the proposed deal or negotiate one themselves.

2 Proper disclosure: the writer of this paper is a volunteer in the 'OneVoice' movement, and a former employee.

What these organisations do, and whether they are effective in what they are doing, will be investigated in the following chapter.

2. Research and Analysis

For the purposes of research, a questionnaire was sent to 13 organisations in Israel and abroad, asking them to describe their activities, funding sources, decision-making processes, evaluation methods, target audiences and political aspirations. The results were analysed and compared. The surveys, along with interviews within organisations and funding parties, were analysed across four comparative criteria that reveal more clearly organisational activities as well as necessary changes.

2.1 Finance

This section examines the financial situations of the organisations surveyed, including their economic environment, areas of hardship, and their program planning. It concludes that scrutinised planning and supervision is imperative for maintaining an organisation's effectiveness and relevance.

In the last few years there have been many attempts to re-energise the Israeli-Palestinian peace process. The collapse of the Oslo accords and the Roadmap mechanism; the political standstill of the Annapolis process; the militant coup of the Hamas movement in the Gaza Strip and the Israeli war waged against it (with a currently unknown aftermath); and the general and specific instabilities in the Israeli and Palestinian political systems have had a tremendous effect on investment and funding for peace organisations, as optimism and trust in the process have grown increasingly scarce. Global and regional changes have also prompted a dramatic decrease in the financial backing of regional peace-promoting organisations. The wars in Iraq and Afghanistan and the tsunami in Southeast Asia have diverted funds and investment away from the Israeli-Palestinian conflict to other areas of need.

According to the financial data within the European Commission's Results Oriented Monitoring (ROM) system, support for peace and conflict resolution programs in Israel and the Palestinian Territories is significantly lower. For example, ongoing Israeli and Palestinian projects supported by the European Commission (EC) averaged around €414,000, as opposed to an overall average of around €2,000,000 per project. Moreover, there are clear concerns regarding the impact of the global financial crisis on major donors such as the European Union and the United Nations, and individual donor countries like Great Britain, Norway, Sweden and the Netherlands. These circumstances are likely to decrease the support that these bodies provide.

As for personal donors, not only has the current crisis affected the general wealth of prominent philanthropists³, but the recent 'Madoff fraud' (causing global losses estimated at nearly \$50 billion) is expected to have a serious impact on support for peace in the region. Many of the fraud victims were Jewish philanthropists, the main private supporters of NGOs in Israel.

These concerns are heightened in light of the fact that according to the data collected in this research, about 78 percent of the budgets of organisations working in the region is based on foreign support, whether from governments, funders or individual donors. In addition, the relative strengthening of the Israeli shekel throughout the last year – going up by about 20 percent compared to the euro and US dollar and by about 30 percent against the British pound – has forced both Israeli and Palestinian organisations, whose everyday work is conducted with the shekel, to reduce activities (as donor money comes in foreign currencies). They also face either cutting back on positions or becoming a less appealing workplace due to the need to cut wages, thus harming employee recruitment.

These explanations for changes in priorities and funding do not sway the bottom line: investing in peace activities in the region is relatively low. Although peace activities in Israel and the Palestinian Authority are usually described as having poor performance and success rates due to the ongoing conflict, it is notable that Israeli and Palestinian projects got a higher than average grade in each category checked by ROM.

The decrease of financial support, the currency changes and the even grimmer prospects for the near political future necessitate better and more efficient financial conduct. With ever-shrinking budgets, peace organisations, as well as funders themselves, should devise streamlining, transparency and assessment mechanisms. In the realm of financial behaviour, a charity must conduct its work as transparently and professionally as any other public organisation, especially those that rely on non-governmental support.

The research shows that despite having varying forms of auditing, actual and contextual supervision from funding parties is lacking – an anomaly that facilitates the misuse of funds. The general approach of funders, such as the EU, is to support specific programs rather than the organisation itself. The rationale for this is to make sure that the financial support supplied goes to a strictly scrutinised program, pre-approved by a funder's project committee and adhering to funder policies and aims. This appears to be a good mechanism to make sure funds are allocated properly, but according to a study by NGO Watch⁴ it has not prevented the misuse of funds, in the form of embezzlement or worse – some organisations working under the banner of 'Democracy' and 'Tolerance' use the funds for incitement and the build-up of

3 Gabrielle Birkner and Anthony Weiss, 'Madoff Wall Street fraud threatens Jewish philanthropy', *Haaretz*, 14/12/2008 (<http://www.haaretz.com/hasen/spages/1046187.html>).

4 *Europe's Hidden Hand: EU Funding for Political NGOs in the Arab-Israeli Conflict: Analyzing Processes and Impact* (http://www.ngo-monitor.org/data/images/File/NGO_Monitor_EU_Funding_Europes_Hidden_Hand.pdf)

nationalistic and sometimes militant narratives, an agenda the funding parties are not likely to support.

The main loophole used by such organisations is based on the European Union's directive on the usage of funds, which allows up to 7 percent of given support to be claimed as indirect costs to cover administrative overhead incurred 'by the Beneficiary for the Action'.⁵ This allows organisations to use the money for their own needs – which are not filtered by the funding system – and to use the EU logo, thus bolstering their legitimacy and reputation. For example, the report states that some EU-funded groups that took part in the NGO Forum of the 2001 Durban Conference used their funds to campaign against Israel, referring to it as a 'colonial entity' and 'racist and apartheid state' and promoting boycotts, divestment and sanctions. Regardless of one's political views, there is no doubt that these actions contradict the European Union's policy towards Israel and the Palestinian Authority.⁶

Looking forward to the 2009 UN Durban Review Conference ('Durban II') in Geneva, the report recommends taking steps to improve the transparency and accountability of EU funding for NGOs. These include creating a searchable database of NGO recipients with a standard format for viewing detailed funding information. Another recommendation is to create measures to evaluate biases and external factors that affect decision-making on NGO funding requests, based on the assumption that in some cases funding decisions are determined by the personal political opinions of decision-makers rather than by a professional non-affiliated body.

With regard to these recommendations, many changes already have been made, specifically in the EU and generally within the 'aid industry'. The Development Gateway Foundation jointly with the World Bank, the Organisation of Economic Cooperation and Development (OECD) and the United Nations Development Programme (UNDP) have established a transparent online directory called AiDA⁷ (Accessible Information on Development Activities) that holds and publishes information on aid provided by various key donors for international development. This database, collected from various contributing countries, organisations, funds and unions, allows one to search and quantify projects according to different categories – such as type of aid, donor, and recipient country – as well as to export it to a datasheet, enabling scrutinized analysis of the aid. This system facilitates transparency and access to all relevant information, and seems to comply with NGO monitors' demands.

The spending of funds is an issue to be regarded carefully. Working in both developed and developing countries, where labour and living costs are fairly high, often creates a situation where large portions of the budget go to self-maintenance instead of programs. In the survey conducted here, P/CROs indicated an average

5 Guidelines for the European Initiative for Democracy and Human Rights (EIDHR) micro-projects program for 2006, implemented by European Commission Technical Assistance office (ECTAO WB/GS).

6 EU/ Palestinian Authority Action Plan (http://ec.europa.eu/world/enp/pdf/action_plans/pa_enp_ap_final_en.pdf)

7 <http://aida.developmentgateway.org/>

of 8 yearly programs, of which 61 percent are long-term. If this is indeed the situation, then it seems as if program-wise, organisations are on the right track. However, it is important to remember that the proper planning of programs and their goals is needed, as programs and their funding may become obsolete if the programs themselves are not effective.

Organisations have to keep their spending budgets modest, especially in light of the financial distress that peace organisations are experiencing. For example, criticism was drawn to the recent 10th anniversary celebrated by the Peres Center for Peace, which brought together many international dignitaries and performers and drew attention to the cost of its new building in the centre of Jaffa (the building price was assessed at around ₪4 million, but ended up costing around three times more⁸). Gershon Baskin, Co-CEO of IPCRI, stated that 'There is no justification for the Peres Center for Peace to celebrate its 10th anniversary in such an extravaganza or build itself an extremely high cost building when other peace organisations struggle for their mere existence'.⁹ Baskin boycotted the anniversary celebrations held on October 28th, 2008. A Peres Center representative was unwilling to comment on the matter.

The survey and the general economic situation of Israeli and bi-national NGOs show that in times of lower funding and political uncertainty, money should be directed to more strictly scrutinised programs that have a better potential of generating support for peace and organisations must cooperate more amongst themselves in order to save funds. This also requires better supervision from the funding bodies, as discussed in the following chapter.

2.2 Performance measurement

This chapter outlines the current performance measurement mechanisms employed by P/CROs and examines the alternative evaluation methods utilised by large-scale funders. It also offers a mechanism for an affordable, unified evaluation standard that could be used by funding bodies to assess the quality of their beneficiaries' activities.

NGOs in general and P/CROs specifically have to comply with some basic form of auditing and transparency standards. Being part of civil society is very different from being a private business. The fact that an organisation has positive aims does not remove the need for accountability. As mentioned in Martin Brooks' article, the mere fact that so much money is given to charity (directly from individuals and indirectly by tax relief) is enough to demand sufficient scrutiny.¹⁰

In many cases NGOs lack adequate supervision. This could be because as a society we regard charitable work as a means in itself, and hard enough as it is. Another factor is the relatively more difficult, costly and time-consuming process of a non-tangible evaluation process for goals like public opinion change and

8 Meron Benbenishti, 'Matzeva Lazman ve Latikvot sheavdu (a monument for time and lost hopes)', *Haaretz*, 30/10/2008.

9 Interview with Gershon Baskin, 30/10/2008.

10 Martin Brooks, 'Measures of success', *The Guardian*, 21/112007.

peacemaking. Working in an atmosphere of conflict, and not being able to predict what new hardships a new day will bring, are only a few of the difficulties of working in the region. The fact that there is not peace yet does not mean that the organisation's work is not productive, especially in light of the fact that no one knows or is able to measure what would have happened if the organisation had not been there. However, recognising the difficulties that charities and NGOs work under does not mean that they should not be assessed and held accountable.

The two most common ways to measure the success of an activity are qualitative and quantitative. The problem with these seemingly rational evaluative tools is that they can easily be manipulated and therefore prove misleading, a potential result of the internal conflict within every peace organisation.

The lack of a sufficient assessment tool also results in many organisations having very high hopes for major change. The inability to measure one's success in generating change, due to the endless number of factors influencing people's views, combined with the ambitious desires to implement positive and constructive agendas and ideas may lead organisations to get ahead of themselves. Not realising the limits of size and money, they may issue bombastic declarations of change that realistically cannot be delivered. When people's attention spans and free time are very limited, results are a key factor in trying to mobilise and maintain activists. Funders have to bear in mind that change takes time, and that reaching people is a lot more costly in promise-weary and extremely cynical societies, such as those of the Israelis and Palestinians.

According to the survey, most organisations conduct internal auditing and evaluations as required by funding parties, and external auditing is usually done once a year based on legal requirements. Another frequent method of supervision of projects and their effectiveness is based on periodical board meetings (on average once every 3 months) which reflect on current projects and plan for the future. Many organisations have an advisory board of professionals to monitor and guide the activities of the organisation in order to make sure they are relevant and fruitful. However, these mechanisms may not offer a true evaluation of the work, but rather a general assessment made by people with embedded interests in them. Very few organisations actually conduct external surveys or evaluations of their work, mainly due to the high cost of such processes.

Trying to learn from available mechanisms, this paper examines the system employed by the EU and tries to assess its relevance to the P/CRO arena, while also reviewing the relative results for the Israeli and Palestinian organisations examined by it.

The European Union is the world's major source of development aid, providing € 46.9 billion (56.67 percent) of total Official Development Assistance (ODA) as reported to the OECD for 2006. Over 160 countries benefit from this aid. As a major contributor and supporter of regional projects, it has a quality-assurance mechanism through which the European Commission improves the quality of development co-operation policies and practices.

The ROM system was designed to give the EC an overview of its operations and their progress through the use of Monitoring Reports (MRs), which are produced by external consultants (usually locally trained professionals) sent to the field once a year. The ROM mechanism consists of a systematic assessment of the progress achieved within a project according to five criteria:

- a. Quality of design of the project (and relevance)
- b. Efficiency of implementation
- c. Effectiveness
- d. Prospects for impact
- e. Potential sustainability

It also provides recommendations from the monitors to the Commission and to the agency implementing the project. The MRs provide a score of 'a, b, c or d' for each criterion.

The Annual Reports produced by ROM are divided amongst the seven regions of operation around the world, according to the spread of aid provided by the European Commission, and provide an overall view of the progress of supported projects. (They also identify specific areas that require focus.) Each project is graded 1-4 according to each of the five criteria monitored by the MR team. This form of analysis enables the identification of inter-related factors and the prioritization of specific areas, sectors of work (social, economic, humanitarian, etc.) and criteria. The usage of the same criteria and evaluation techniques in all of its reports enables the cross reference of data, and doing so on a yearly basis provides a view of the overall progress of the aid, specifically to a region or project.

One problem with respect to this monitoring system is its high cost. The average price of an evaluation delegation is about □10,000 per visit, usually examining two projects per visit.¹¹

The 2008 report for the Mediterranean and Near and Middle East region reveals 141 ongoing projects monitored in 2007.¹² Twenty were in Israel and Palestine, of which seven were involved in P/CRO, comprising 41 percent of all P/CRO projects monitored that year across the world. This is mainly due to the high funding threshold (□1 million) that was set for the evaluation process. (As noted above, the average support of a monitored project in Israel and the Palestinian Authority was about □415,000).

Though relatively less funded, the average score of Israeli-Palestinian P/CROs (3.03 out of a possible 4.0) was relatively better than the average score of P/CROs around the world (2.85). However, compared to all monitored projects in Israel and the Palestinian Authority (which scored an average of 3.14) P/CROs

11 Based on data provided by Mr. Fernando Cerutti, Quality Management Officer in AIDCO's ROM department.

12 Based on the annual 2007 ROM report of the Mediterranean and Near and Middle East region as well as cross-sectioning general conflict resolution and peace programs from the ROM database, provided by Mr. Fernando Cerutti, Quality Management Officer in AIDCO's ROM department.

are relatively behind, even though they operate in the same environment as the other projects.

Figure 1 (see Appendix) presents an overview of the Israeli and Palestinian projects monitored, compared to local Peace Projects. All Peace Projects and general regional projects were inspected by ROM in 2007.

The New Israel Fund (NIF), a large-scale donor to activities in the area (not only P/CRO oriented), utilises two separate mechanisms to monitor organisations seeking to be funded or re-funded. The first mechanism is an assessment team in Israel that evaluates the legal, accountancy and ethical standards of organisations. Upon receiving support, this work is later assessed by the organisations themselves and by a supervision team that monitors the accuracy of the reports. The second mechanism is more of a management tool that supports already funded organisations with efficiency and management training supplied by NIF's empowerment and training centre, 'Shatil', which focuses on creating and aiding self-maintaining organisations rather than funding them.

Another form of evaluation uses local companies to survey and assess the success of a local chapter or project. This approach has recently been adopted by the UJIA (United Jewish Israel Appeal) and there is still no data regarding the outcome of this process.¹³

The mechanisms outlined in this section, or others of comparable simplicity, should be adopted as a standard for evaluation. This could be done in cooperation with other large-scale organisations, such as the World Bank, the UN and USAID. Upon doing so, local evaluation companies or representatives should be certified and qualified in order to make sure the standard is locally/regionally adhered to, as well as to lower the costs of the evaluation process itself.

In that regard, the European Commission held a seminar in January 2009 that considered the creation of a Joint Monitoring System for Development Cooperation Interventions (JMS). Its first steps consist of coordination amongst donors and alignment and harmonisation with partner governments of the European Commission's aid agency (Europe-Aid). This is a necessary first step in order to examine the feasibility, both politically and technically, of such a standardized system. If this idea progresses, it would serve as a good base for the expansion of this mechanism to smaller actors, mainly organisations and private donors. If such a standard were created, it would allow local organisations seeking better and more professional evaluation to do so by hiring the services of a qualified, standard-approved evaluation contractor. Usage of these mechanisms could be a basic requirement for all financial support given.

Another option for engaging unsupported organisations is to partially or fully subsidise the standardised evaluation process in exchange for access to data for comparative studies. This would enable them to enlarge the database in specific fields where research is needed without necessarily having to fund the organisations

and projects. The usage of such a system could become a quality standard for all organisations seeking transparency and professional approval for their work.

One must remember, however, that quantitative evaluation based on a cost-benefit analysis is not sufficient and can yield results that disregard ethical and ideological values. For instance, the fact that a certain project dealing with a smaller group of people would not be as effective as another project does not mean it is not important. In such cases, there might be over-funding of certain types of activities, whereas less cost-effective projects aimed at peripheral groups might end up with no funding at all. Therefore, apart from the numerical evaluation process, ethical and ideological oversight should also be in place when deciding to fund a project or a movement, to capture factors that otherwise would not be clearly evident within quantitative reports.

2.3 Outreach

An organisation that seeks social change usually encounters an inherent dilemma – whether to approach its already existing base of support or to pursue change where it is harder to generate. In the context of the Arab-Israeli conflict, an organisation can convene a successful forum focusing on five key decision-makers or recruit a dozen committed young activists that support peace and are willing to invest a significant portion of their time in such activities. Alternatively, the organisation could hold a larger event for more peace-supporting participants that would change no one's opinions, because the 'choir' does not need 'preaching' to (though one must remember that the 'choir' still needs to practice and be motivated for action, as it lives in an extremely volatile society that needs support and reaffirmation for its actions and beliefs).

In many cases, a large volume of activity does not necessarily result in a significant and meaningful effect. Having a long list of activists, supporters or sympathisers does not indicate that the organisation has the weight to generate major changes on the ground. Activists and their quality are measured not only by their show of support or willingness to be affiliated with an organisation, but rather by their level of commitment and participation in activities. Having 10,000 activists that participate in an organisation's activities once carries a lot less weight than 1,000 or even 500 people that participate 10 times or more and are strongly committed to the cause. This of course also depends on the ability of an organisation to generate enough activities that are not only interesting but also challenging and satisfying for participants.

This dilemma with respect to the types of activity best invested in becomes even more complex when considering public relations and the constant need to appease the funding parties of an organisation. Technically, it is much easier to produce positive images of peace-supporting Jews and Arabs if the main targets of your activities are peace-supporting activists in the first place (referred to previously as the 'choir'). This makes it easier to gather international support, funds and recognition, as funding and support groups are often unfamiliar with

13 Based on a meeting with the UJIA's Research & Evaluation Director, Dr. Helena Miller, 14/11/2008.

local communities and activists. On the other hand, generating the same activity with seemingly more nationalistic and militant groups from both sides is less likely to succeed and would consume a lot more of an organisation's time and investment. This dilemma does not have a decisive answer; the allocation of investments by each organisation will vary. It is clear that all sectors of society need to be addressed and crowds that are harder to reach or engage cannot be neglected. However, when deciding to do so, one must also bear in mind that cost-effectiveness may be significantly lower.

Looking at the various Israeli communities and their potential, as well as the very small number of programs aimed at engaging them, we learn that ignoring large groups of people leads to losing popular support and in the end not promoting peace in the most effective way.

The Immigrant Community

According to the survey only 5 percent of the P/CROs operating in Israel have specific programs dealing with the Israeli immigrant community. Of Israel's 7.3 million inhabitants, about 24 percent were born outside of Israel; since the 1980s they have mainly arrived from the Former Soviet Union (FSU) and Ethiopia.¹⁴ The lack of P/CRO attention to the immigrant community is very problematic as it leaves them without a real alternative to the pseudo-patriotic rhetoric used by peace opponents, a tendency that is amplified by the immigrant community's general identification with a more militant and less conciliatory approach. However, these communities need to be assessed according to their unique characteristics and possible ways of engagement.

The immigrant community coming from the FSU, amounting to about 1 million since 1990, is generally characterized as relatively secular, hawkish and politically uninvolved.¹⁵ This community, however, is not bound by orthodox religious beliefs and in previous election campaigns has shifted its voting patterns as a result of engagement.¹⁶ Accordingly, though harder to reach, these immigrants are still relatively more approachable, especially in light of their general neglect in the political sphere (with the exception of Avigdor Liberman's right-wing, hawkish, immigrant-based party 'Israel Beytenu' (Our Home - Israel), whose activities are usually only visible during election periods).

The Ethiopian immigrant community should not be dismissed either. The second largest immigrant community in Israel, this community of traditionally observant Jews usually supports either the Likud party (due to its traditional appeal and as the party of former Prime Minister Yitzhak Shamir, who directed immigration operations from Ethiopia)¹⁷ or the ultra-orthodox Shas party (due to its religious nature). A major factor in their political behaviour is the participation and engagement of political

14 Israeli Central Bureau of Statistics (<http://www.cbs.gov.il>).

15 http://www.cbs.gov.il/shnaton59/st04_04.pdf

16 About 56 percent of Russian immigrants from the FSU voted for Ehud Barak in the 1999 elections. Katz Zeev, 'How did the immigrants from the Former Soviet Union voted, and why?' *Yahadut Hofshit*, 16/09/1999.

17 Interview with Mr. Moshe Shette.

figures from the Ethiopian community in political parties and movements. If P/CROs wish to engage this unique community, it should do so by involving young educated students, sponsoring debates, and tackling other major issues such as the reconciliation of religion and peace.

Organisations should create strong and focused activities, mainly at the grassroots level, to encourage the increased participation of immigrants and their involvement in decision-making. Although more costly to engage and reach, the benefit is a direct diversion of support from peace-opposing parties to more constructive activities that support peace.

The Settler Community

It is important that this community be considered not only part of the problem but also part of the solution. Though considered the hardest crowd to reach and the most opposed to peace, differences amongst settler groups serve as a base for activity.

The diverse settler community comprises settlements situated in the Palestinian heartland as well as those contiguous to Israeli territory. Its population includes ideologically and religiously motivated people as well as groups which focus on lifestyle and economic benefits. A major indicator of the political diversity in the settlements is the general election results from 2006, where about 18 percent of voters in West Bank settlements (excluding those around East Jerusalem) voted for center and left-wing parties (based mainly in the secular settlements).¹⁸ The left-wing Labor party received more votes in the West Bank than the extreme right-wing anti-peace party the National Jewish Front, which did not even reach the minimum required votes to be elected.

Activities in the settlements should help disperse 'secular-mainstream' activities (when examining the activity map of organisations in the survey, it became evident that most activities occurred in Jerusalem and Tel Aviv). No less important is the creation of special activities for the more religious communities, with necessary reference to their nationalistic perceptions. A lesson learnt from the 'Gaza disengagement' process, when Israel unilaterally destroyed its settlements in the Gaza Strip, is the importance of dialogue with the settlers, as the lack of it may not only make political processes harder but also alienate people and cause extreme violence. This arena, which serves both internal Israeli and regional interests (with respect to relations between the settlers and the Palestinians), should not be left to internal Israeli reconciliation organizations only; it should be addressed by Israeli and bi-national P/CROs as well.

Another notable factor is the very aggressive and demonising tone used by leftist leaders towards the settlers. Regardless of political disagreement, one must remember that most of the settlers were established by the Israeli government, and have been sustained and maintained by both left-wing and right-wing administrations. Marginalisation of this community only makes its members more

18 Based on an analysis of Peace Now (<http://www.peacenow.org.il/site/he/peace.asp?pi=62&docid=1763>).

radicalised and antagonistic towards left-wing leaders. From personal experience, I believe debate and interaction based on mutual respect and understanding can yield better results and ease (if not defuse) tensions between different political factions – an undeniable prerequisite for future peace.

The Religious Community

The survey showed that only 20 percent of the P/CROs have activities specifically designed for the religious community. Much like the settler community, this community has a general tendency to oppose land-based concessions for peace and is perceived as a very hard crowd to engage. Nevertheless, this very large population is far from monolithic. It is usually divided into three major groups: ultra-orthodox, national-religious and traditional. The religious community in Israel can be approached in many ways in order to try to reconcile peace and religion – in other words, to demonstrate how the prospects of peace not only do not contradict religion, but also serve its ideals.

The ultra-orthodox community is very organised and disciplined, and is known for its obedience to rabbinical directives. Therefore, some activities within this sub-sector should focus on religious policymakers.

The national-religious community should be approached via two routes. First, activities should coordinate with, and occur with the blessing of, local community leaders and rabbis. In addition, they should involve the same characteristics employed with the religious settler community. Within this, it is imperative that if they participate in mixed secular-religious activities, their specific needs are met (e.g., keeping Shabbat and kosher rules) for the mere reason that otherwise they will not be able to take part.

The traditional religious community should be engaged mainly by trying to make sure that they are incorporated in general secular or religious activities and not left out. However, this community is not defined enough to prompt specialised programming.

Israeli Arabs

The Israeli community of Palestinian Arabs has a very large role in creating and supporting peace in Israel. As this community is considered very left-wing and peace-supporting, the best approach is to include them within activities for the general population, where they can contribute their knowledge of and affiliation to the Palestinian narrative (especially when bi-national events are very limited). Their role as a community well aware of both side's sensitivities could also help mediate bi-national meetings, and their ability to bridge linguistic barriers allows activities among Israelis and Palestinians that do not speak English (the language usually employed in these kinds of events).

2.4 Transparency

A critical element in assessing the activities of politically involved organisations is the ability to know who supports their activities and how they choose to allocate their resources. Most P/CROs are funded by external donations rather than internal sources of funding: 50 percent of the organisations surveyed received at least 50 percent of their funding from international donations and 9 percent of the organisations received at least 50 percent of their funding directly from foreign governments. As important as P/CRO activities are, it is imperative that the public have a clear and honest view of the people, and more importantly the governments, subsidising their activities.

Transparency is necessary due to the problematic scenario of a foreign government intervening in the democratic process of another sovereign state by promoting its own agenda (through people sometimes perceived as 'mercenaries'). A well-known recent case is that of the 'Geneva Initiative' headed by Yossi Beilin, which was financed by foreign governments such as Switzerland and Japan. While one can genuinely argue that these interventions are intended to promote local societies in a progressive and well-meaning manner, the claim that such involvement is interventionist remains valid as long as decision-making and financing is based on the goodwill and interest of another government.

This debate, based on accusations pointed at activists on both sides of the conflict, has also had legal ramifications. In 2004, as a response to the Geneva Initiative, there was a notable attempt by MK Uri Ariel (from the former National Union Party) to ban foreign government contributions to political associations and companies (for more on the legal status of work in the region, please refer to the appendix). Although the measure has not yet fully passed, this attempt serves as a reminder of the problematic aspects of foreign intervention when it suggests motives that differ from local aims. In some cases, usually in the human rights arena, foreign funding intended to support seemingly good causes ends up being used to promote anti-Israel rhetoric and agendas (as mentioned in section 2.1), a situation that would understandably generate opposition in Israel.

Although transparency does not eliminate suspicion and mistrust of an externally funded organisation, a clear platform that is open and accepting of criticism creates a perception of having 'nothing to hide'. A lack of transparency, for whatever reason, may result in a backlash and questioning of the organisation's motives.

In assessing the transparency level of organizations, the following criteria were examined both in the websites of the organisations as well as in the survey:

- a. Information about recent activities
- b. Contact details in the website
- c. Information about the staff
- d. Information on the organisation's donors and supporters
- e. Financial reports

Unlike the general survey, this part of the research was conducted according to data voluntarily published by the organisations themselves, and thus included 44 organisations altogether (as opposed to the 13 that took part in the survey). Organisations that did not have the relevant information on their website but participated in the survey received partial credit for transparency, based on the fact that they responded to a personal inquiry on that matter when prompted.

The research shows that most organisations have a basic degree of transparency. All the organisations supplied basic information about themselves and about their activities. Most of them (85 percent) also named staff members and their positions, usually including a short bio. This is relevant information in understanding people's reputation and affiliations to other groups, data that is important for better understanding of the organisation.

The more 'intrusive' the information, the less voluntarily open organisations became. When data about donor support was searched, only 47 percent of the organisations had published the data on their websites. This is not only not transparent, it also does not comply with legal requirements demanding the internet publication of donations from foreign governments and their proxies.¹⁹ Only four organisations (IPCRI, Givat Haviva, Seeds of Peace and the Abraham Fund) were found to be fully transparent, as they voluntarily provided financial reports on their websites.

In addition to the survey of thirteen P/CROs, the broader transparency inquiry conducted in tandem (including most currently active P/CROs) supported the sense that many people working for P/CROs in the region tend to treat their organisations as if they were their own private business rather than part of civil society. This conclusion is based not only on the above-mentioned statistics but on the limited cooperation and generally suspicious response to requests for information. While feelings of personal association with the organisation are positive, the organisations themselves are meant to serve a public purpose; they are supposed to be a means to the end goal and not a goal in themselves. Employees of organisations should remember that donors do not usually support an organisation in order to personally support them, but rather to promote the general cause of peace and conflict resolution. It is not their choice, but rather their obligation to be as transparent and as professional as possible, just as would be demanded of them in the public sector.

As long as organisations do not do everything in their power to change this situation, those opposed to the goals of the organisation can continue to claim that they serve external interests or focus on self-maintenance above their stated aims. Such claims remain relevant as long as they are not proven wrong by the publication of annual financial reports. Unlike other information, collecting this data should not be overly time and resource-consuming, as auditing is a legal demand usually required by funders themselves and fundraising information is part of the basic accountability process conducted by most organisations.

19 The Israel Associations Act ('Hok Ha Amoutot'), 1980, §36A(B)

Conclusions

This paper examined the work of peace and conflict resolution organisations from various perspectives in order to assess their work and suggest efficiency and improvement mechanisms, as well as provide a better understanding of their working environment and constraints.

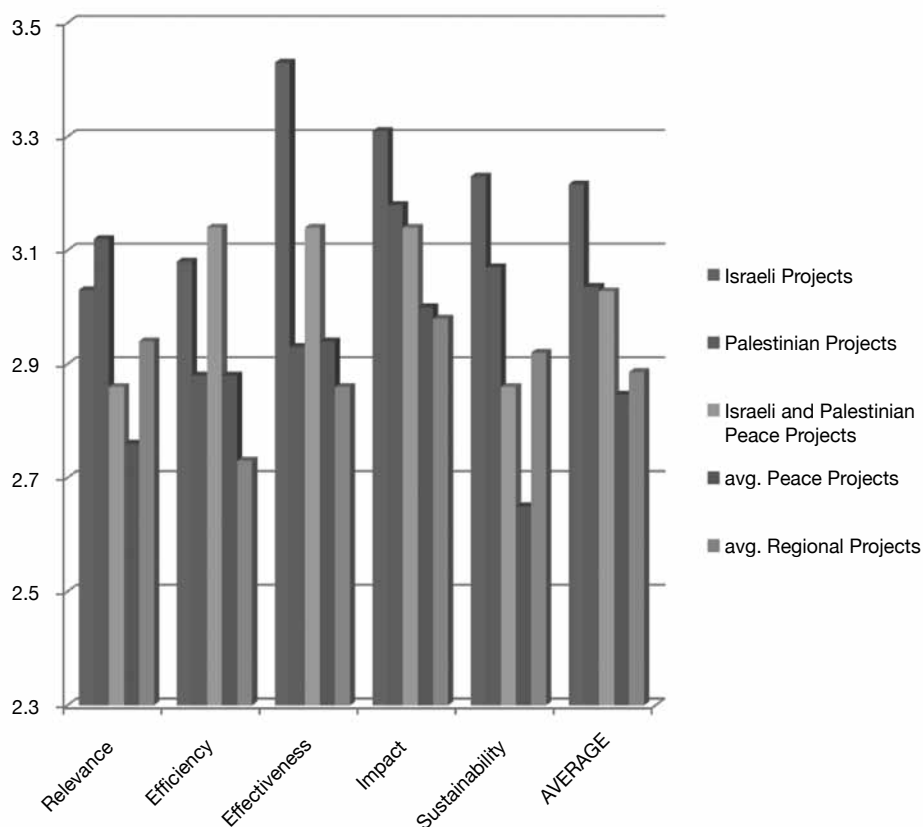
From the financial and performance perspectives, the effects of ongoing financial hardships suggest the need to implement more scrutiny and supervision of activities as well as the use of an external auditing and monitoring system. Money should be spent wisely and in the most effective way. The paper encourages funders to examine the plausibility of establishing a unified international monitoring standard, based on the European Commission's model, that would enrich research and make it more accessible to smaller and less-budgeted organisations, thus contributing to the overall efficiency and professionalism of regional NGOs.

With respect to outreach within Israeli society, in particular amongst the immigrant, religious and settler communities, the paper suggests putting more effort into engaging those currently neglected crowds that carry a decisive weight in determining the future prospects of peace in the region.

Finally, with respect to the transparency of P/CROs, this paper found that most organisations had substantial information available on their websites. However, it is imperative (and in some cases also a legal requirement) that organisations publish their donor lists and staff information. The paper also recommends publishing summaries of financial reports, or at least having them available on demand, in order to make organisations as transparent as possible and fulfil their duties as public actors, while also combating accusations of being foreign agents or profit-aimed companies.

Implementation of these recommendations would make the activities of peace organisations better and more productive. It may not guarantee peace on its own, but these are necessary reforms and mechanisms, without which the work of peace-driven organisations will be significantly more difficult.

Figure 1 Overview of Israeli and Palestinian Projects Monitored



Appendix: Legal Status

Intuitively, many funders and supporters of NGOs in the region feel more comfortable aiding organisations that are funded locally as well as internationally, and even better by local sources affiliated with both sides of the conflict (i.e., both Jewish and Arab donors). One of the main issues with respect to supporting an organisation in the Middle East are the legal constraints and national taxation policies of both the origin and target country.

Generally, non-profit organisations must comply with all of the same laws that apply to for-profit businesses, varying mainly in taxation exemption and deductibility statutes. These divergent policies are important to understand when trying to raise funds from a certain institution or private supporter, or when looking for an organisation to support. Usually, a registered financial entity can be listed either as a non profit association (or charity) or a company. Depending on the profile of the organisation and its financial prospects and revenues, one should define what sort of listing is preferable in order to make the most of these prospects.

Every country possesses a different legal system and limitations. Following are the main legal sources and the constraints arising from them for funders and fundraisers.

1.1 Israel

Since the legislation of the Companies Act²⁰, and specifically Article 38, the most important difference between the reporting requirements of non-profit ('Malkar') companies and associations (similar to charities) has been nullified. Organisations choose to associate differently based on the nature of their work. The more an organisation is involved with service providing, for instance, the more likely they will associate as a company due to regulatory differences in dealing with conflict of interests. Both, according to the Associations Law,²¹ have to report any foreign (international) contribution greater than 20,000 shekels (including its origins, sum, purpose and conditions). A contribution also has to be publicised on the organisation's website (in the absence of one, it would be done by the Ministry of Justice).

With respect to tax deductibility, the Israeli Tax Directive²² states that a private donor to an eligible organisation can deduct up to 35 percent of the donation and a company can deduct up to 30 percent of its yearly total tax debt (up to about 4 Million shekels).

The main problem with the law is that eligible organisations²³ are restricted to those that are for the 'public's cause', defined as those that serve causes such as religion, culture, education, science, health, aid, sports, voluntary work and proper administration – or those that are otherwise approved by the finance minister.

²⁰ The Companies Act (Hok Ha Havarot), 2003.)

²¹ The Associations Act ('Hok Ha Amoutot'), 1980, § 36A.

²² The Israeli Tax Directive, 1961 § 46.

²³ Eligible according to §9(B) of the Companies Act, 2003.

Although the statute seems positive, it effectively means that a contribution to an organisation that is political is not tax-deductible, as it does not fall into the definition of a 'public cause'.

1.2 The Palestinian Authority

According to the Palestinian Law,²⁴ it appears that organisations themselves are tax-exempt. Moreover, organisations are permitted to organize activities and establish income-generating projects provided the revenues are used for activities in the public interest.²⁵

1.3 The United Kingdom

According to the Charities Act,²⁶ a charity has to have a charitable purpose for the public benefit. In this case, a UK charity would be deemed to have a charitable purpose if it works for the advancement of human rights, conflict resolution/reconciliation, the promotion of religious or racial harmony, or equality and diversity. This enables organisations that deal with the Israeli-Arab conflict to be considered a charity.

As far as tax exemptions are concerned, there are two sorts of 'gift-aids' allowed to British charities – by individual/trust and by company – and they are governed by different acts²⁷ which allow varying types of exemptions. If a local charity sends money to a charity overseas, in order for the donation to stay tax-deductible the receiving charity has to maintain the same charitable purpose as the original UK-based charity.²⁸

Charities that wish to raise funds by trading and that maintain a tax-exempt status can do so, as long as what they are trading is defined as 'primary purpose trading',²⁹ which means selling things that are related to the purpose or existence of the charity (a church selling bibles, for instance). If the sold articles are not 'primary purpose' then they are exempt as long as the marginal profit of the fundraising charity is £5,000-50,000.

There are no known limitations on supporting NGOs in Israel or the Palestinian Authority, apart from the banned support for organisations affiliated with terrorism.

1.3 The United States

Non-profit organisations in the United States are mostly organised and operated under the laws of states rather than the federal government. In order for an organisation to qualify for federal tax exemption, the organisation's charter or articles of association must specify that no part of its assets shall benefit any members, directors, officers or agents, and must address a legal charitable purpose. In order

24 Law No.(1) for the Year 2000 AD On Charitable Associations and Civil Society Organisations, §14.

25 Ibid., §15.

26 The Charities Act, 2006, c. 50, §1-5.

27 Income Tax Act, 2007, c. 3, §414, 518.

28 Income and Corporation Taxes Act 1988, c. 1, § 505, 506 (3).

29 Income Tax Act, 2007, c. 3, §524-528, the Finance Act 2000, c. 17, §46.

to be exempt from taxation an organisation has to maintain, while working within its proclaimed purposes, an endowment or use any excess revenue to further develop its activities, as well as comply with the demands of §501(c)(3)³⁰ of the Internal Revenue Code.

In order for a donation made to an organisation complying with §501(c)(3) to be tax deductible, it must follow the requirements of the Internal Revenue Code §170. Accordingly, individuals giving to organisations recognized as non-profit charities that are either public charities or private operating foundations – and some private foundations – may deduct contributions representing up to 50 percent of the donor's adjusted gross income. Individuals supporting organisations can prospectively deduct about 30 percent and corporations about 10 percent.

As for political activity, these organisations are prohibited from conducting any form of political campaigning activities with respect to the electoral process for public positions (apart from lobbying exemptions in certain cases). As for activities overseas, there are no specific limitations other than the local limitations in Israel and Palestine, apart from restrictions on money transfers to 'blacklisted charities' that are considered illegal, mainly based on terror affiliation.

30 26 U.S.C §501(c)(3)



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ICSR is a unique partnership of King's College London, the University of Pennsylvania, the Interdisciplinary Center Herzliya (Israel), and the Regional Centre for Conflict Prevention Amman (Jordan). Its aim is to counter the growth of radicalisation and political violence by bringing together knowledge and leadership. For more information, see [**www.icsr.info**](http://www.icsr.info)

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