

Chapter 7

Palestine: European Commission and U.S. Strategies to Work with Local Capacities— A Case Study

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Many evaluations of humanitarian operations after disasters have shown that local capacities are essential components of a timely and efficient response. Implementing this lesson is particularly important in conflict- and disaster-prone areas, which experience alternating periods of calm and violence. In the Palestinian context, for example, access to the affected population is often restricted and difficult. During military operations or enhanced closures, communities can be cut off for extended periods of time from any form of external assistance. While interventions of ambulances during military operations often remain possible (although extremely difficult and dangerous), the delivery of simple medical services in the cut-off communities is almost impossible, unless local health capacities have been developed in the area before the peak of the crisis.

In health, as in other sectors of humanitarian assistance, the quality of the process is thus intrinsically linked to the successful engagement with and strengthening of local capacities and communities. For example, the work that has been done to develop and train a network of health volunteers to deliver first aid and pre-hospital care by the OXFAM network has been able to boost the capacities of their local Palestinian NGO partners. Similarly, the effort of the International Committee of the Red Cross (ICRC) to strengthen the capacities of the Palestinian Red Crescent Society is paramount to the management of emergency situations. The current Gaza crisis shows again that the capacity of local health actors is crucial for efficient emergency response, not so much because of their technical capacities but simply because of the high level of danger related to the provision of health services in the combat zone. Palestinian volunteers and professional health workers demonstrated that in times of obscurity, when all other actors withdrew, they were the last able to keep alive the little flame that Henri Dunant ignited in the darkness of the battlefield of Solferino.¹

However, while the extremely resilient Palestinian society has until now been able to absorb the recurring shocks related to the protracted conflict with Israel, there are signs that it might soon meet its limits. The dwindling legitimacy of the Palestinian Authority, which opened the doors to extremism, the progressive disintegration of social relations, as well as the increasingly fragile psycho-social condition of many women, girls, boys, and men reflect the increasing vulnerability of the Palestinian society. This vulnerability furthered inter-Palestinian con-

¹ On the basis of his publication of *Souvenirs of Solferino* in 1959, Henry Dunant initiated a process which led to the elaboration of the modern bases of International Humanitarian Law, the Geneva Conventions, and the creation of the International Committee of the Red Cross (ICRC).

frontation finally leading to the split between Gaza and the rest of the occupied Palestinian territories.

At the same time, because of weak (quasi) governmental structures, the aid system, from needs assessment to aid delivery and reporting, depends more and more on the humanitarian services provided by Palestinian NGOs, community based organizations, or the Palestinian staff of international aid agencies. However, investments by international aid agencies in local capacities, which are increasingly the humanitarian lifeline of Palestine, remain marginal. Moreover, existing support to local capacities is currently based on bilateral funds from the United Kingdom, the Netherlands, Germany, France or Sweden, rather than from the U.S. or the European Commission.

However, some American and European NGOs have embarked in fascinating capacity strengthening efforts and both donors are accepting, under certain limits, that these efforts be financed by their humanitarian funds.

Given this apparent discrepancy between the needed support for local capacity and the current engagement of the transatlantic donors in this area, this case study examines the donors' willingness, capability, and approaches to support Palestinian civil society organizations involved in humanitarian assistance. It focuses particularly on the provision of emergency health services, because they are critical to the survival of the conflict-affected population and a symbol for the implementation of the humanitarian principles of humanity, impartiality, and independence.

The aim of this case study is to identify the factors that currently promote or hinder the U.S. and the European Commission to strategically strengthen the Palestinian capacities to respond efficiently and effectively to the health needs arising from recurring emergencies. The study also develops recommendations to better address the issue in the future.²

The case study is structured in five sections. Following this introduction, section two outlines briefly the Palestinian context and describes the main Palestinian stakeholders with respect to humanitarian assistance. Section three reviews the U.S. and EU humanitarian strategies and how they relate to capacity building in the context of the Palestinian crisis. Section four attempts to identify constraints and levers in the engagement of the two largest donors in capacity building. Finally, section five distils key points and recommendations.

² With the new peak of violence in Gaza and the Obama Administration taking office in Washington D.C. during the time of research, actors were not only too busy to give interviews, but parts of the information given in this study might soon become outdated. However, the need for strong local capacities, as well as the challenges for the transatlantic donors to appropriately support them, will most likely remain untouched by future developments. Furthermore, the conflict in the Middle East is a highly complex one and probably no person working on or in it can have an objective view on the current events. While the author is committed to a clear representation of facts, he has also lost friends and former students during the current crisis and will always be influenced by his own experiences and standpoints.

Palestinian Humanitarian Capacity

Definition of Local Capacity

In the case of the conflict in Palestine, the capacity of international actors to intervene is frequently hindered by either active and violent military operations or administrative blockades. Local actors are able to undertake the tasks that are needed for individuals, families, and communities to survive despite the conflict and the blockades. Thanks to local capacities, by and large basic services continue to run and essential activities, which are needed to ensure the survival of civilians in the midst of conflict, can still be implemented.

The Palestinian Authority, Local Politics and the Role of Donors

There are different levels of local capacity in any given context. Usually, one can distinguish between national capacity, capacity on the level of the civil society, and capacity at the individual level. However, since Palestine is not yet a nation state, the expression “national capacity” has to be used in the limits imposed by the current political situation.

However, what comes closest to national capacity in terms of mandate and structure is the Palestinian Authority (PA). It represents the institutional process towards the creation of a Palestinian State as per the Oslo Agreements of 1993 and is organized in the form of a series of ministries, with a cabinet around the President of the Palestinian Authority and its Prime Minister.

Due to many restrictions on its physical and economic means, the Palestinian Authority has only a limited capacity to deliver social services. Therefore, a large part of the services, including health, can only be provided through the activities of many NGOs and UN agencies. In Gaza for instance, the United Nations Relief and Work Agency (UNRWA) is the largest provider of social services. In the West Bank, international NGOs and their Palestinian partners are critical providers of social services, especially in areas where the political situation impedes the work and circulation of staff of the Palestinian Authority.

Formally, the Fatah-supported Palestinian Authority is in charge of providing social services, including health, as well as to ensure security and the rule of law, to the affected populations in their respective territories. The Palestinian Authority, made idle by its own corruption and by the systematic encroachment of Israel’s policies and operations on its legitimacy, has been unable to provide relevant services and therefore lost support within its own constituency.

The parliamentary elections in early 2006 were recognized by all observers as fair and free. Yet, they put the Hamas movement into the driving seat. As a result, U.S. and European direct support to the Palestinian Authority was discontinued, because Hamas, legitimizing violence and rejecting Israel’s right of existence, is on the U.S. and EU lists of terrorist organizations.

The tension between Fatah and Hamas deteriorated into an open conflict which resulted in a geographical split between Hamas-controlled Gaza and the West Bank under Fatah’s rule. This split makes it difficult for the Palestinian Authority to assert its quasi-governmental role building suitable and reliable political institutions and ensuring the security and well-being of its population.

Palestinian Civil Society

Given the weakness and the limited capacity of the Palestinian Authority to provide relevant emergency assistance, Palestinian civil society plays a critical role in service delivery, especially in humanitarian assistance. Different types of bodies, including religious social institutions and secular Palestinian NGOs are involved in humanitarian assistance. NGOs find themselves in charge not only of advocating certain policies, but partly of drafting and implementing them *in lieu* of the collapsing authorities.

Luckily, the Palestinian situation is one where local capacities are often not the limiting factor. There are plenty of educated people and despite all the difficulties encountered, Palestinian civil society has managed to stay active, dynamic, and committed. The Palestinian NGO sector is rooted in a generation of political activists who decided to set up civil society organizations since they saw little future in achieving social change via direct political engagement within the main political parties. The religious social institutions, some of them linked to political parties such as Hamas, also play a critical role in social security and social service delivery. They pursue clear objectives: Improving life of the most deprived Palestinians, demonstrating Islamic solidarity, and making political gains on this basis.

For many Palestinian NGOs, who intended to move fast towards development, the shift to “more humanitarian assistance” was seen as a regression. However, in the very difficult circumstances of recurring violent conflict, relief assistance is often the only option to alleviate further suffering. Therefore, the Palestinian humanitarian sector is strongly committed to its people and devoted to coordination within itself, with Palestinian quasi-state institutions and with international actors.

Yet, there are also significant downsides to the continuously increasing responsibilities taken over by Palestinian civil society: The vibrant civil society sector, being unable to sustain its activities without strong support from external financial sources, begins to further the development of a dependency syndrome, the installation of power relations that are not based on democratic principles, as well as corruption over relief distribution and beneficiary selection.

At the same time, the effectiveness of the humanitarian services provided by Palestinian civil society will remain limited, because humanitarian assistance programs can not succeed while serious and systematic breaches of International Humanitarian Law (IHL) continue to cause harm and distress that assistance seeks to relieve.

Europe, the U.S. and their Humanitarian Assistance for Palestine

U.S. Humanitarian Assistance for Palestine

The United States is an important donor providing assistance to the Palestinians. Bilateral programs implemented by USAID are estimated at around \$2.2 billion since 1993. Bilateral assistance has supported programs in the areas of water and sanitation, infrastructure, education, health, economic growth, and democracy. USAID also contributes significantly to the United Nations Relief and Works Agency’s global budget, which is critical to the implementation of the

organization's core mandate in health, education, and camp management. In addition, the United States is also funding humanitarian assistance in both the West Bank and Gaza, including emergency food, health care, and access to safe water through local and international NGOs.

However, OFDA funds few projects in Palestine since the majority of USAID funding comes from the USAID mission in Tel Aviv. The actions funded are considered humanitarian by the U.S. Government, but since the mission already works on-site, there is no further need for OFDA funding.

The U.S. is particularly active in the sector of health through its so-called humanitarian crisis response. This mechanism supports the delivery of pharmaceuticals and medical supplies, electric generators, etc. to health institutions amounting to a total value of \$955,544. These resources enable different NGOs, UN agencies and the ICRC in both West Bank and Gaza to provide and maintain health services.

In reaction to the dramatic events of 9/11, the “Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001”³ was enacted by the U.S. Senate and House of Representatives “to deter and punish terrorist acts in the United States and around the world, to enhance law enforcement investigatory tools, and for other purposes.”⁴ As a consequence, USAID imposed on all NGOs working with U.S. Government funding to verify lists of staff working with local NGO partners and to strictly control funds to avoid their transfer to suspected or blacklisted institutions. Since a large proportion of international NGOs and most Palestinian NGOs refused to abide by the U.S. Patriot Act, access to financial resources from the U.S. Government was significantly reduced in the post-9/11 era.

U.S. Humanitarian Assistance and Local Capacity

Although the USAID mission is the main player in the Occupied Palestinian Territories, OFDA contributes to some important humanitarian programs through international NGOs. For example, the Emergency Medical Assistance Program, implemented by CARE International, aims at supporting and strengthening the healthcare system in the West Bank and Gaza in order to maintain the health and well-being of Palestinians affected by the Israeli-Palestinian conflict.

The Emergency Medical Assistance Program is composed of three elements, one of which aims specifically at supporting local health actors. In the budget allocation phase of this specific sub-component, CARE International used the resources to support six Palestinian NGOs providing rehabilitative or emergency care services. In the second round of sub-grants of the program, CARE was awarded approximately \$1.3 million, transferred to 11 local NGOs which provide rehabilitative or emergency care services.

There are clear rationales behind the U.S. decision to support the Emergency Medical Assistance Program, for example that it offers an easy control mechanism over the delivery of health services. Additionally, the specific sub-component on capacity strengthening reflected

³ Public Law 107-56, 107th Congress, enacted October 24th, 2001. Henceforth called U.S. Patriot Act.

⁴ Ibid.

OFDA's awareness of human resources shortages, particularly in the lowest segment of the health chain. Indeed, there are a lot of Palestinian medical doctors and staff, but many of them either left the country or are more engaged in private practices than in public health service. CARE International is both one of the largest partners of USAID and an agency with a strong interest in working through national NGOs. OFDA's choice to work through CARE to reach Palestinian NGOs was therefore rather logical.

In OFDA-funded operations, there is theoretically a wide margin for capacity strengthening activities, reflecting the Office's wide experience with this type of activities in other countries. However, as described above, in the Palestinian context, one of the main constraints on human resource development and capacity strengthening is the U.S. Patriot Act, which impedes an efficient and effective strengthening of local capacity.

That is, the different branches of the U.S. Government involved in aid to the Palestinian people did not explicitly prevent support to local capacities, but are putting a lot of constraints on it related to the promulgation of the anti-terrorist acts.

EU Humanitarian Assistance for Palestine

The EU is involved in a number of ways in Palestine, including through the participation of the European Council in the Quartet, economic relations between the EU and the region, and assistance to the Palestinian Authority through various aid mechanisms. The main aid mechanisms are under the auspices of the Directorate-General for External Relations and the Directorate-General EuropeAid⁵ and are locally managed by the European Commission Office in Jerusalem. After the Paris Donors conference on Palestine in 2007, the European Commission launched a new aid mechanism in February 2008 in order to "*show a strong support to the Palestinian Authority which is fully engaged in a credible and legitimate peace initiative with Israel under the leadership of President Abbas and Prime Minister Fayyad.*"⁶ The mechanism funds the payment of Palestinian Authority salaries, but also other critical economic activities.

This approach is complemented by a strong involvement of DG ECHO in humanitarian assistance. DG ECHO has been present in Palestine for many years with international and national staff in Jerusalem, travelling extensively to the West Bank and Gaza. DG ECHO also has a strong Regional Office in Amman/Yemen and, since 2006, an office in Lebanon. DG ECHO's regional presence is critical for the donor to understand the evolution of the situation, monitor projects, and to ensure proper follow-up. With 30 to 50 million Euros spent annually for the Palestinian people, DG ECHO is a very significant humanitarian player in Palestine. DG ECHO's engagement takes several forms:

First, DG ECHO supports UN agencies, including the UN Office for the Coordination of Humanitarian Affairs, the Food and Agricultural Organization, the World Food Program, and the World Health Organization, which play critical roles in different aspects of the humanitarian response. Moreover, DG ECHO provides funds to the United Nations Works and Relief Agency for Palestinian refugees in the context of a special partnership, which was initiated in 2005.

⁵ EuropeAid is responsible for implementing external aid programs and projects.

⁶ Presentation by Koos Richelle, Working Together: ENPI Special, Support to Palestine, N°1, 02/2008.

Second, significant contributions to the ICRC allow the organization to implement assistance and protection activities in the West Bank and Gaza. DG ECHO also provides funds to several European Red Cross societies working in the region for their programs in health, including emergency surgical services.

Third, DG ECHO funds European NGOs. The 2007 global plan, for instance, provided approximately €20 million to more than 25 NGOs in order to cover needs in water and sanitation, health, food security and nutrition, and psychosocial assistance.

EC Humanitarian Assistance and Local Capacity

For DG ECHO field staff, there is no special approach to supporting local capacities. Additionally, as part of DG ECHO funding procedures, to ensure that the humanitarian principles of independence and impartiality will be upheld and to facilitate proper accountability and visibility to European tax payers, DG ECHO does not provide direct funding to local NGOs. Yet international NGOs who chose to work with Palestinian partners are not prevented from doing so. That is, local capacity is only indirectly covered by a special paragraph in the so-called Single Form.⁷ The paragraph, regulating the relations between the international NGO signatory of the contract and its possible local partners is not specific to Palestine and remains rather generic, asking simply for the name, legal status, and the role of the local implementing partner.

As with U.S. funding, institutions receiving European Commission funds are requested to limit their contacts with Hamas. However, in Hamas-dominated municipalities in West Bank and in the whole of Gaza, relief organizations need to deal, at least at the working and technical levels, with Hamas. Strict adherence to the rule of avoidance of all contacts with Hamas would drastically limit European NGOs' ability to efficiently work with local partners.

To conclude, there is no clear European policy towards strengthening local capacity for humanitarian assistance in the Palestinian context. DG ECHO is constrained by its regulations to channel funds only through European NGOs, but gives them formally a lot of freedom for subcontracting. Yet, in Palestine this freedom is limited by the European policy towards Hamas.

The Transatlantic Donors' Engagement for Supporting Local Capacities in Palestine

As described above, OFDA and DG ECHO allocate a significant level of resources to humanitarian assistance in Palestine. Yet, this assistance only has a limited focus on local NGOs. None of the donors has a policy guiding their humanitarian partners to support local capacity. On the one hand, both donors give their international partners significant leeway to work with local partners. That is, the initiative for the allocation of resources to strengthen local capacity remains with the international partners of OFDA and DG ECHO. On the other hand, anti-terrorist laws and policies towards Hamas put significant limits on the international NGOs' ability to work with local partners.

⁷ The Single Form is the format that is used in the project-related contractual relations between DG ECHO and its partners. It allows for the preparation of all funding requests and reporting documents in a single document.

While the U.S. and the European Commission suspended most budgetary aid to the Palestinian Authority to avoid resources being handled by Hamas ministries, humanitarian budgets were significantly increased. The idea was that NGOs could alleviate part of the Palestinian population's suffering and play a substitutive role by receiving large amounts of money to implement programs that the Palestinian Authority was no longer able to run.

However, many NGOs, especially those with a long presence in the region, refused to play that role and consequently did not profit from the increasing amount of available funds. In addition, several NGOs receiving U.S. funding decided to decline the financial support, because of the strings attached by the U.S. Patriot Act. By contrast, the few international NGOs working in Gaza and the West Bank, continued to receive significant financial support from DG ECHO, even if it was acknowledged that some of them, for instance OXFAM and Solidarity Belgium, were mainly working through Palestinian NGOs. DG ECHO funds can be partly used to strengthen local partners, albeit in a limited way. Of course, this situation degraded further when Hamas took full control of the Gaza strip.

Yet, the availability and use of funds to strengthen local capacity is not only determined by donor policies. There are also very different operational strategies among international NGOs. Many of them have developed training strategies in order to facilitate the activities of their Palestinian partner organizations in times of crisis. Other agencies, however, implement their programs themselves, without involving local partners. They work mostly through Palestinian staff members who are employees, rather than partners. This does not necessarily mean that these international NGOs do not make an effort to strengthen the capacities of their staff. It simply implies a different focus: Instead of increasing local ownership, they emphasize the improvement of individuals' technical skills.

Additionally, the relations between Palestinian NGOs and Western NGOs are uneven. The insistence of some international NGOs on the humanitarian principles is perceived by Palestinian NGOs as a lack of engagement, if not a protection of the internationals' turf and access to financial resources. Yet, international NGOs that get involved in advocacy are rapidly spotted by Israeli security services and risk to get expelled.

Of course, both international and national NGOs share certain elements of a common vision to minimize human suffering and to save lives. Additionally, both international and national actors, facing a protracted conflict with constantly deteriorating living conditions and recurring suffering for the civilian population, often feel urged to not only provide emergency assistance but to address the root causes of human suffering. However, for the NGOs to broaden their scope of activity to also include political and diplomatic lobbying entails an institutional engagement that is at odds with the humanitarian principles of neutrality and impartiality. Consequently, the enlarged scope becomes a question of mandate, institutional responsibility, and capacity to find the right balance between operational interventions and advocacy.

At the same time, UN agencies are dealing very differently with the constraints related to the U.S.' and European Commission's new aid strategies. Both donors are important sources of funds for the UN Relief and Works Agency. Even after Hamas' election success, OFDA remained the most generous donor for the organization's emergency operations, followed by DG ECHO. This engagement did not mention capacity strengthening for disaster manage-

ment and humanitarian assistance, but by mid-2008 the agency started nonetheless to develop a disaster preparedness program, which included both training of locals and a pre-stocking of relief items.

Impediments and Levers for the Transatlantic Donors to Build Local Capacity on the West Bank and in Gaza

The political complexity and the high volatility of the West Bank and Gaza in the post-9/11 context is the single most important factor that hinders the implementation of the lesson that local capacities are key to quality emergency response in Palestine.

However, there are also numerous other factors that hinder the implementation of this lesson. The Palestinian Authority is still weak, challenged internally by the split between Fatah and Hamas and contested due to past corruption. Internationally; it is challenged both by the Israeli government and by the fact that the conflict is directly related to the two donors' own security concerns and important foreign policy doctrines.

As a consequence, the transatlantic donors only have an ad-hoc strategy on how to address the question of local capacity in Palestine. Both donors can be described as passively positive towards engagement of their international partners in local capacity strengthening, as long as this engagement does not conflict with anti-terrorist policies. In this complex and sensitive context it matters enormously to whom funds are made available and through which channels. The corruption prevailing in part of the Palestinian Authority and the lack of political palatability of Hamas make UN agencies and reliable international NGOs the primary partners of the transatlantic donors. Yet, higher levels of control and better accountability to the donors do not lead to a strengthening of local capacities.

Nevertheless, there are positive opportunities that humanitarian actors could seize, particularly in the light of the vivid and qualified Palestinian civil society. Another key positive factor is that there are many European and American NGOs that have been working for a long time with Palestinian NGOs and have clear strategies on how to support their humanitarian response capacities. It is important to continue these activities because there are limited alternatives to local capacity involvement, given the regular blockades affecting international access and service delivery in many areas.

Conclusions and Recommendations

This case study shows that there is, in the current context of Palestine, a stark contrast between the need to use existing local humanitarian capacity and the effort to further strengthen it. This is particularly true for emergency health services, and the transatlantic donors' willingness and ability to do so.

The situation in early 2009 calls for new and innovative approaches to dealing with the Palestinian conflict. First and foremost, this includes the need to strengthen the capacities of Palestinian civil society to engage in humanitarian assistance. The main challenges are in essence political. The following key issues have to be kept in mind when addressing them:

- Which strategy the new Israeli Government will decide upon and implement with regard to the “two states option” and how much it will ease/block access to the affected areas and facilitate/hamper humanitarian assistance;
- What kind of engagement can be expected of the new U.S. Administration under President Barack Obama;
- Which strategy the European Union will adopt and defend at the political level in the Quartet, at the economic level in view of the need to ensure that Israel will respect its economic and fiscal engagements vis-à-vis the Palestinian economy, and at the level of assistance.

While the political challenges have to be dealt with by the appropriate institutions, there are also some important issues at stake on the operational level. Among them, three are particularly important:

- **Recognition of existing capacities and their limits:** After sixty years of crisis and a significant investment in training and social structuring, Palestinian civil society is a strong partner which requests both the U.S.’ and the European Commission’s recognition and support. The frameworks for deciding who can receive capacity building support need to be adjusted to the new situation.
- **Complementarity in supports to the different types of stakeholders:** How can the transatlantic partners ensure that a dynamic civil society involved in humanitarian assistance does not substitute for what should be a task of the government? How can donors ensure that their support of civil society capacity does not counteract efforts in state-building and private sector development?
- **Capacity appraisal and strengthening:** It is necessary to determine the level of existing competencies in order to build a strategy for capacity strengthening that builds on existing strengths and addresses gaps. Solidarity Belgium, for example, is engaged in a multi-year program identifying the needs for capacity strengthening and has been implementing corresponding activities. On behalf of this organization, Groupe URD conducted a SWOT analysis of existing capacities, which allowed for a clear identification of needs.⁸

Due to the high level of unpredictability in Palestine, appropriate programming tools that allow for flexibility and facilitate security management for expatriate and national NGO staff are essential. Without anchoring activities in the local society and engaging with local capacities, it would be utopian to try to reach the required level of understanding of the context. In addition, local capacities are often the only actor that is able to stay behind in acute crisis situations. Engaging with them and supporting them would go a long way to strengthen resilience of civil society, NGOs, communities, families, and individuals.

⁸ F. Grunewald Mission report in oPt; January/February 2007.