

PALESTINIAN CIVIL SOCIETY IS HURT BY NGO FUNDING SCANDAL

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Jerusalem: Palestinian civil society has been badly compromised by news that one of the largest and most prominent NGOs, named LAW, has misused an estimated 40% of the \$10 million dollars it has received from Western aid sources.

The funding scandal broke recently, when a consortium of Western aid donors publicly announced a suspension of aid to LAW. Many Western diplomats feel a deep sense of personal betrayal at LAW's dishonesty, and are warning that they plan a thorough investigation of NGO practices.

The scandal has called into question a cardinal principle of Western policy - that Palestinian nongovernmental organizations (NGOs) can create an independent "Third Way" between two implacable enemies and lay the basis for a Palestinian state based on the rule of law and human rights.

But a new commentary from the Advocacy Project argues that this was never realistic. In fact, says the commentary, it served as an excuse by donors to avoid addressing the root cause of the Israeli-Palestinian conflict – particularly Israel's policies of annexation and closure:

"Ever since the Palestinian uprising began in September 2000, Western governments have shrunk from confronting Israel over the strangulation of Palestinian civilian areas and the expansion of settlements. Many Western diplomats are convinced that Israel's violent response to Palestinian extremism has only encouraged the suicide bombers. But instead of taking Israel to task, their governments have chosen the soft option and poured money into the Palestinian territories. Palestinian NGOs have been one of the main beneficiaries. There now number well over a thousand, and their income from the West has increased from about \$35 million annually in 1994 to \$120 million in 2002."

Notwithstanding the LAW scandal, the AP commentary argues that Palestinian civil society will have a vital role to play in monitoring the reform of the Palestinian Authority over the months ahead, as the focus of international attention shifts from Iraq to the crisis in the Occupied Territories.

The AP commentary uses the example of an AP partner, the Democracy and Workers Rights Center, which has used an emergency job creation scheme to organise workers in Gaza and encourage democracy on the shop floor. This has gone some way towards breaking the grip of the two main labour federations, which are both controlled by the political apparatus of Yasser Arafat.

The commentary argues that Western donors should not let LAW's misdeeds weaken their commitment to such civic initiatives, which are strengthening Palestinian democracy from the bottom up and playing a critical role in supporting the peace process.

*To learn more about the DWRC visit info@dwrc.org