



**REFORM**

المؤسسة الفلسطينية للتمكين والتنمية المحلية  
The Palestinian Association for Empowerment and Local Development

# Conditional European Funding for Palestinian Non-Governmental Institutions

Civil Spaces and Their Future in The Light of  
European Conditions for Fund



## Executive Summary

Amongst several challenges encountered by the Palestinian civil society, which are intensified by the violent colonization as well as the essential imbalance in the Palestinian political system after long years of political, legislative and institutional split, the issuance of several laws which respond to the civil work environment are hindered. This allowed the issuance of other laws that restrict civil space within continuous attempts to control the general space, in addition to the unstable relationship with the official frameworks due to the variance in dealing with civil organizations in accordance with the governmental changes and the personality of those who hold a public office. Due to the dilemmas at the level of applications and practices associated with law enforcement agencies, the problem of funding, poor financial resources and politically conditional funding has emerged as a significant obstacle. This constituted a dangerous threat for the work of Palestinian civil organizations; particularly as this challenge intersects with several other challenges, especially colonialist challenges.

The European Union, which is considered as the main funder of Palestinian civil organizations, exacerbates that problem by imposing a new group of restrictive conditions on funding the non-governmental Palestinian civil organizations. This has been viewed as an attempt to place organizations in a zero equation between their society and public incubator, as well as their national principles and struggle, for having access to Palestinian human rights, or proceeding in their work and providing their services for male and female citizens. Thus, this problem is intertwined with the cumulative and vigorous official and non-governmental Israeli colonialist attempts that strive for besieging and isolating the Palestinian civil society and distorting its image, as well as inciting against it for political goals associated with the Palestinian civil society's work in the law field.

December 2019 has made a difference for the Palestinian civil space, as the European Union, which is considered to be the largest donor for the Palestinian National Authority and non-governmental organizations sector as well, provided 70% of total funding for organizations and added new clauses for annex (2). This annex is associated with the general conditions applied to donations funded by the European Union. Article (1)/clause (1.5), in accordance with the new modifications, stipulated: "beneficiaries from donations shall guarantee that subcontractors will not benefit or be involved in such donations; including participants in workshops or training courses, as well as beneficiaries from financial support; whose names appear in EU lists of restrictive measures."

The European Union clarified that these conditions are general and they are not only limited to the Palestinians; however, the violent colonial reality and the privacy of the liberal Palestinian space have resulted in imposing these conditions, in accordance with monitors, as more than a restriction of the liberty of Palestinian civil organizations. It is more accurately considered as “criminalization of the Palestinian resistance even in its more peaceful and civil image.” For several Palestinians, the Israeli occupation, using its most prominent tool, “NGO MONITOR,” in cooperation with the Ministry of Strategic Affairs, has played an effective role in besieging the Palestinian CSOs and distorting their image in front of donors in a systemic and periodic manner. It has also played a role in driving towards this decision as a type of retaliation to the effective role played by the Palestinian organizations in monitoring, following-up, documenting, disseminating and exposing the violent colonial practices as well as the violations of the Palestinian human rights.

Many Palestinian reactions towards the new restrictive European step emerged. The civil position was based on a general principle, which is represented in rejecting any politically conditional funding. However, the common position of civil society organizations has not lasted for a long time, as disputes emerged early resulting in two main positions. The first position is represented in the fact that accepting funding in accordance with these conditions is a sort of criminalization of the national struggle and is considered as a detraction from the Palestinian people’s rights, particularly political rights, as well as its right in resisting the Israeli occupation using all means and methods approved by international law and the international legitimacy resolutions; particularly the UN General Assembly Resolution No. (3236). The other position considered that dealing with these conditions with absolute rejection will lead to the failure of organizations in proceeding their work and will directly affect the services provided for the Palestinian people as well as their steadfastness and defending their human rights. Whereas, a third broad group of civil society organizations remained in a “grey” silent or neutral zone.

This exploratory study, which is considered as an appropriate basis to build on and expand the examination of this study’s subject, equally highlighted all civil positions in an objective manner and addresses the problems created by the new European funding conditions from two main inputs. The first input is represented in the impact of conditions and their direct reflection on the Palestinian civil space. The second input is the condition’s reflections on the civil unit within the public space that is characterized by fragmentation and division, at least at the political level.

This study aimed to assist in placing perceptions for the prospects of a solution and dealing with the crisis on the basis of the European conditional funding, in accordance

with national principles standard, as well as the necessity of continuity of civil work at the same time. It also strived to develop mechanisms for addressing the malfunctions in the structure and funding of civil society organizations. Moreover, it highlighted the special nature of the Palestinian civil society within the colonial context, as well as highlighting the conflict with the Israeli right-wing organizations on existence and narration. It also aimed to address the narration of European funding after Oslo Accords from different views and compare the question of European funding with disintegrating the factors of politicization and restriction factors against the hypothesis of disseminating European liberal and democratic values, which are associated with international human rights. It also seeks to address the problem of European conditional funding and its role in restricting the liberal Palestinian civil work, exploring the state of fragmentation and split, as well as the types of alignments within the Palestinian civil society on the basis of European conditional funding. It further highlights the role of new EU conditions in confusing the common civil position as well as drying-up the fundamental funding sources.

The importance of this study stems from a group of factors including the fact the study constitutes as a first common civil attempt to deeply examine the crisis of European conditional funding. This study has a certain temporal specificity which is represented in the emergence of existential threats encountering the Palestinian issue at all levels. This is in addition to the unity of isolation and besieging levels at both official and civil levels. The importance of this study also stems from the special threatening colonial context under which the Palestinian civil society operates, as well as the effective role of organizations in monitoring the violations against the intertwined Palestinian human rights. The continuity of the problem addressed by the study and the possibility of being intensified in the future is particular in terms of the fragmentation caused by this problem to civil organizations. In addition, it is possible to benefit from the study concluded results, perceptions and recommendations for approaching a solution and dealing with the crisis.

The study relied on the historical, descriptive and analytical approach as a main research tool. It also used research tools based on this approach including reference to the different historical stages from the age of the Palestinian civil society; particularly the Israeli colonization age through critical dismantlement visions. The study presented these phases in terms of the European funding by reference to the primary and secondary sources including literary books, journals, periodicals, brochures, documents and conferences. Additionally, there were interviews with actors from the Palestinian civil organizations and actors from the law field who represent all trends. The analytical approach was used for analyzing the Palestinian civil inputs and

outputs and reaching conclusions which aim to assist in coming out perceptions and recommendations concerning what should be done. The research tools are unified for enriching the study and for applying its main hypothesis and achieving its goals. The study is based on a main question: what is the impact of new European funding conditions on the effectiveness of the performance of Palestinian civil organizations and their sustainability? This question has several minor questions which the study attempted to answer, including: Does the organizations and/or the Palestinian civil work have a special nature by virtue of the colonial reality?, What is the truth of the struggle between the Palestinian civil organizations and Israeli right-wing organizations and what is their role in lobbying for drying-up the sources of funding for Palestinian organizations?, How the European funding after Oslo Accords is viewed? Is it a part of the settlement process or is it considered as a sort of restriction and politicization in favor of a special agenda? Or is it a reflection of Europe's role in disseminating the liberal and democratic values as well as fostering human rights worldwide? Another question is: what is the nature of alignments within the Palestinian civil society, as a result of the position towards European funding conditions? And what is the role and impact of this crisis on confusing the common civil position and drying-up financial resources? The most significant topic is the possible perceptions and prospects for a solution in accordance with very sensitive and complicated standards: national principles and continuity of common and national civil work.

**The study content and main topics it addressed:**

- The story of the Palestinian civil society: beginnings and origin within the colonial context
- The narration of the European funding in the political space: before and after Oslo Accords
- The Israeli occupation and its organizations' distortion of the Palestinian civil society organizations
- Question of European Union: Politicization and restriction or expansion of the dissemination of Europe's liberal and democratic values as well as fostering international human rights?
- The dilemma of European conditional funding: restricting liberal civil work
- Split and fragmentation in the Palestinian civil position: alignment spaces
- The impact of European conditions on the sustainability of civil organizations: confusing the common position and drying up the financial resources.

- Prospects for a solution and dealing with the crisis: Moving between the national principles standard and continuation of the work requirement.

In an attempt to reach for solution prospects, the study adopted a group of stepping stones which were divided in phases as a road map. The first phase begins with maintaining civil unity, the second phase begins with prompting the civil-national dialogue, the third phase begins with reducing the operational costs and providing sustainable alternatives which are based on shared ownership, and the fourth phase begins with providing self-financing and an alternative funding.

The study concluded several main results: the Palestinian civil sector suffers from a real problem with regards to funding and stability of financial resources. The new European funding conditions have contributed in increasing fragmentation and split in the civil sector. They also threatened with additional alignment positions. Furthermore, new European funding conditions cannot be separated from the Israeli pressures and following the American position. The new European funding conditions have also not taken into account the colonial/liberal context within which the Palestinian civil sector operates. They also contradict with the Palestinian legislative system; particularly with Article (32) of Law of Charitable Associations and Community Organizations, which criminalize obtaining conditional funding. Thus, this results in a serious and high potential that the new European funding conditions will lead to reduce civil space; contributing to extending the colonialism and violation of human rights. This particularly occurs as the emergence of the new conditions at the time of the occurrence of various economic crises resulting from Coronavirus epidemic has made them more dangerous.

The study has not ignored one of the main results which is represented in the fact that a part of responsibility rests with the civil sector which has not created a solid and coherent alternative for conditional funding despite of several previous indicators for potential restriction. Simultaneously, the Palestinian government and political factions have not borne a serious responsibility for defending the Palestinian civil society before donors and the new funding conditions.

The study was concluded with a group of recommendations which have been divided in accordance with the frameworks toward which they were directed. At the level of civil society: avoiding using supremacist or suspecting language in dealing with other civil societies, ceasing invitations for boycotting and isolation, and launching a wide internal civil dialogue for examining all the crises encountered by the Palestinian civil work which is the funding dilemma.

It is necessary to commence a strategic dialogue between the European Union and

civil organizations as well as the Palestinian Liberation Organization. All of the controversial topics must be discussed in order to reach obvious and common results. It is also significant to reconsider the high operational and logistic costs incurred, rationalize expenditures, and provide sustainable civil alternatives which are based on shared ownership such as an integrated hall, transportation vehicles and printing house. Also, regulating benefits from them in a transparent and impartial manner. In the longer-term, it is important to make investments which lead to sufficiency, foster democratic structures and internal transparency within the civil organizations work environment, and also allow devolution of power in a greater manner.

On the official level, it is necessary that the Palestinian government should bear the responsibility for addressing the crisis of new European funding conditions by presenting its position against these conditions. It is also important to foster official coordination and partnership with civil organizations, and liberate from the official view that is based on competitiveness and apprehension. It is crucial to institutionalize the relation between official and civil sectors as this relationship should not be affected by the replacement of people at the official level. They must provide financial facilitations for civil organizations such as tax exemptions in order to assist them to proceed in providing services for Palestinian male and female citizens, and modify the legislative framework which regulates the civil work environment through the issuance of a law with regards to the right to have access to information.

Legislations must be considered which restrict the civil space such as Trade Unions Act No. 22013/ in Gaza Strip, and the decision of the Council of Ministers on the system of non-for-profit companies 82015/ in the West Bank to reduce the gap between Charitable Associations and Civil Society Organizations Law for 2000 with its implementing regulations under the best international practices and standards. In addition, it is important to address the dilemmas at the level of implementation, as well as the practices and the inactive role of the Ministry of Interior and the security services in hindering licensing and registering associations, as well as the greater role played by the Palestinian diplomacy and the Ministry of Foreign Affairs in highlighting the suffering of civil organizations; particularly law organizations operating in Palestine from the restrictive colonial practices.

At the level of European Union, it is necessary to launch a strategic dialogue with the Palestinian civil organizations in order to address all dilemmas and clarify the vague matters with regards to the relation between both parties. It is also significant to take into consideration the privacy of the colonial/liberal context within which the Palestinian civil sector operates, as well as promoting the values and principles of human rights, democracy and liberalism in which Europe believes away from the

political pressures in the Palestinian space, in addition to considering the international law and international legitimacy as the basis of dealings, as well as other significant recommendations at the following levels: national factions, private sector and media sector.

In conclusion, the study has warned that envisioning the future strongly indicates that if the Palestinian civil society does not deal with the new European funding conditions crisis in a different manner based on dialogue and solidarity, it will be expected that the crisis and its consequences which include split and fragmentation within the civil space will intensify; which will therefore be directly reflected on human rights as well as private and public liberties within the complicated Palestinian reality.