

# **Opaque and Inaccessible: International Donor Aid Funding to Palestine, 2017-2021**

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**Abstract:** Over \$45 billions of international donor aid has been spent in the Occupied Palestinian Territory since 1993. This funding is disbursed with limited oversight or control by Palestinians, despite having tremendous influence over their governing structures and daily lives, in a fractured and aid dependent economy under Israeli military rule. Fundamentally, Palestinians need to understand where that funding is coming from, how much is being spent, and what it is being spent on, to exercise control over their own systems of governance, sovereign interests, and general well-being. As such, this study was commissioned to provide an overview of international donor funding in the Occupied Palestinian Territory for the years 2017-2021, focusing on 41 notable donor actors, either countries or multilateral organisations, who shape Palestinian aid and account for a vast majority of the spending. What we discovered was a distinct lack of aid transparency, which was noticeably worse compared to similar past surveys carried out by the researchers on this study. The clear lack of aid transparency and donor unreadiness, inability, or unwillingness to provide the researchers with the necessary data to understand what is being funded in Palestine is concerning. It raises questions about any donor commitment to aid effectiveness and reflects a deeper structural deficiency in the modality of Palestinian aid that needs to be urgently revisited and reinvented.

## **Executive Summary**

In an aid-reliant economy like that of the Occupied Palestine Territory (OPT) where external funding has an outsize influence on determining institutional priorities and what aspects of society get funding, it is vital for Palestinians to understand *who* is funding *what*, and how this affects their daily lives through programming, services, and governance. Knowing these basic facts is the starting point for effective development aid. It is only through access to this information that Palestinians can understand the funding patterns that shape their lives, their government, and the services they receive, and determine how their economy is structured and who benefits from it. It is only through access to this information that they can claim ownership over their own needs and actual priorities, and eventual governance over their own society.

This is particularly acute in light of the failure of over \$45 billion in donor funding that has been spent in the OPT since 1993, to support a peace process with Israel, but has instead coincided with and seemingly contributed to a precipitous decline in Palestinian well-being, territorial integrity, economic independence, and prospects for peace with and autonomy from Israel. Against this backdrop, this research study investigated what funding has been disbursed by international donors in the OPT from 2017 to 2021, to then analyse how it is being spent and get a sense of whether it is meeting actual Palestinian needs.

The study's objectives included compiling how much money donors are spending on OPT foreign aid, noting what type of programming the funding is being directed toward, analysing if that programming matches Palestinian priorities, and assessing to what extent Palestinians are exercising ownership over their funding. The study focused in its analysis on 41 donor actors, either countries or multilateral organisations, that we estimated, based on past donor funding analysis, would represent a vast majority of funding directed to OPT Palestinians in the 2017-2021 period.

As such, the study approached data collection in three ways:

- A. Approaching the donors and their missions directly for information about their aid funding, through signed and stamped official letters sent by email from the Palestinian NGO Network;
- B. Reviewing donor websites and cataloguing online reports of their Palestine funding details;
- C. Carrying out an extrapolation of data sets from the OECD QWIDS (Query Wizard for International Development Statistics) database, looking for an assessment of the 41 donor actors' overall official development aid for 2017 to 2021.

Fundamentally, this study was testing to what extent aid data was readily available in a highly complicated aid environment, with foreign actors operating in the OPT from around the world without any central oversight or coordination by Palestinians. We were attempting to put some order to that chaos by creating a single updated map of foreign aid funding patterns, through analysis of the 41 donor actors, for the years 2017-2021. This information is intrinsic to Palestinians having control over their own budgets, in order for them to be able to engage in good governance, develop their own institutions, manage their own affairs, and build their own state.

For this data collection and analysis to take place, we would need to be able to access information by donors about what they are funding in the OPT. Four key observations emerged:

1. Only a small minority of the 41 donor actors were ready, able, or willing to provide us (the Researchers and PNGO network) with the data necessary to understand what they, and the international community, are funding in Palestine.
2. The data available on the donor actor websites could be quite challenging to locate, took an incredible amount of time to navigate, and did not meet our needs for transparency and ease of access in creating a map of donor funding in the OPT.
3. Despite its limitations, the QWIDS database is helpful as a way to triangulate other data and understand at a higher level what donors are spending in the OPT. Still, a lack of depth of details does mean it is a limited tool to understanding Palestine aid, offering little sense of how money is being spent and to what ends. We further found many of the donor actors were not listed in the database.
4. It would take a substantial amount of time and much expanded research survey to collect the data we need for a complete overview of international donor aid in the OPT for the 2017-21 period. This means that the aid information is very inaccessible to the Palestinians, who need to understand it to maintain control over it, for that aid to be effective.

Across the three different methods of data collection we employed, we only found limited, easily accessible information for each. The aid data was in fact so difficult to find and collect that it impeded our ability to carry out the analysis we initially planned to do and reshaped this study itself. That is, we initially anticipated being able to mostly develop an overall map of OPT Palestinian aid just through use of the QWIDS database and outreach to the donors, with limited time spent researching their online presence. We assumed this based on our past research mapping OPT Palestinian aid, and the fact that nearly all, if not all, the 41 donor actors have committed to principles of aid effectiveness in the OPT,<sup>1</sup> and principles of supporting the development of Palestinian institutions, sovereign leadership, and systems of good governance. We expected then to carry out an analysis of donor spending, after developing that initial map. Instead, we had to carry-out a large-scale scoping of the 41 donor actors' web presence in search of data, which we found still only offered limited results.

This reflects a lack of donor actor transparency and represents a noticeable degradation compared to past data collection and analysis carried out by the lead researchers on this survey, as recently as 2017/18. The lack of donor actor transparency and their unreadiness, inability, or unwillingness to provide us (the

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<sup>1</sup> OECD, 'The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action', 2008, <http://www.oecd.org/dac/effectiveness/34428351.pdf>.

researchers and PNGO network) with substantive data necessary to understand what they are funding in Palestine, meant we were unable to meet our initial research objectives.

This is concerning and raises questions about the credibility of donor commitment to aid effectiveness in Palestine and the future of Palestinian governance and well-being. This reflects a deeper structural deficiency in the modality of aid to Palestine that needs to be urgently revisited and reinvented. Meanwhile, donors should respond to Palestinian civil society requests for information about their aid; this is vital to proper financial transparency, and important for supporting Palestine civil society and good governance practices. While donors may feel they are doing Palestinians a favour, it is their inaction on solving the politics of Palestine-Israel peace and protecting Palestinian human rights that contributes to the violent status quo, with Palestinians left aid-reliant and regional stability constantly at threat. They have responsibilities they are clearly not meeting toward Palestinians in the OPT.

## **Recommendations**

Foreign donor influence on Palestinian state and society is substantial. In the spirit of aid effectiveness, it is important for their aid to be accurately measured so that Palestinians can have the information to understand and to take ownership over their own governance, and make sure that aid serves their actual needs.

Donor actors should allocate the resources necessary to track and make information about their aid spending in the OPT easily accessible. Currently, that is not happening and there is no system to make sure they are doing this.

All information about donor aid should be available in Arabic and English, and especially in Arabic, for maximum access by the broader Palestinian public, civil society, government, and specialists.

Donors should respond to Palestinian civil society requests for information about their aid tranches, such as when they are contacted by email by PNGO. This is vital to proper financial transparency, but also important for supporting Palestinian civil society and good governance practices.

Geographical information about aid spending is as important as information about sectoral allocations, and donors should make this information available. For instance, if there is less funding going to sensitive areas most affected by Israeli settlement building or military activities, such as in East Jerusalem or Area C of the West Bank, Palestinians should know these differentiations to react to them. Places like Area C are in acute need of aid to sustain local Palestinian communities and resist the growth of illegal Israeli settlements.

Overall, a lack of donor actor transparency for 2017-2021 represents a noticeable degradation in recent years, compared to past reports conducted by the lead researchers as recently as 2017/18. This is concerning and raises questions about any donor commitment to aid effectiveness in Palestine.

Stakeholders always have a right to sovereignty over their own aid processes even if that funding is coming from an external source. A lack of aid transparency is concerning from the perspective of Palestinians having ownership over their own programming, which is fundamental to self-government, particularly in an aid dependent economy. It is our recommendation to significantly expand the scope of this research to map out what aid is being sent to Palestine, how it is being structured, and what its impacts are. This is vital as a check on the activities of donors in the OPT to make sure foreign aid is meeting Palestinian needs and to help make sure it does no harm by funding activities that make Palestinian life and self-government worse.

While donors may feel they are helping Palestinians, it is their inaction on solving the political element of Palestine-Israel peace and protecting Palestinian human rights that contributes to the violent status quo, which leaves Palestinians aid reliant and regional stability constantly at threat. Many of these donors sponsored the now failed Middle East Peace Process and convinced Palestinians to participate in it. Some like Canada, the United State, and United Kingdom played key roles in the creation of Israel and Palestinian Nakba in 1947-49, while most Western donors have donated substantial funds to Israel without requiring Israel recognise basic Palestinian rights. Donor aid has even been structured in such a way that it now helps Israel offset the costs of occupation and colonisation of Palestine.

Donors could be considered to have an obligation to provide effective aid funding to Palestinians after decades of failure to deliver on Palestinian self-governance, despite decades of Palestinian participation in the aid process. That includes the erosion of Palestinian territorial integrity during the Oslo Peace Process. An allocation of Palestinian aid funding that meets their actual needs, would also contribute to arresting those destructive processes.

It would be worthwhile to create a matrix with an overview of the focus and priorities of the different donors, including grouping them together thematically.

This research should be expanded to include more than 41 donor actors.

Palestinian civil society organizations (CSOs) provide humanitarian and development services in health, agriculture, and education to vulnerable communities.<sup>2</sup> CSOs provide a necessary check on government power and input on how governing institutions should meet Palestinian real-time needs. They also play an important role in monitoring and reporting on human rights violations, consolidating their role in the national struggle and the process of Palestinian democratization, based on principles of social justice and rule of law, as well as respect for international law, international humanitarian law and human rights law. Palestinian CSOs also rely heavily on international donor funding. In recent years, alongside ongoing crises like COVID-19 and conflicts like Ukraine, funding to Palestinian CSOs has declined with sever implications on civil society.<sup>3</sup> Funding for CSOs should be increased and maintained at a robust level until Palestinians are free to have their own state on their own autonomous land.

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<sup>2</sup> Benoît Challand (2009) *Palestinian Civil Society: Foreign Donors and the Power to Promote and Exclude*, Routledge, London; Alaa Tartir and Benoît Challand (2023) *Palestine*, 15th edition of “The Middle East” edited by Ellen Lust, CQ Press.

<sup>3</sup> Al-Shabaka (2019) *Focus On: International Aid to Palestine*, Al-Shabaka: The Palestinian Policy Network. Available at <https://al-shabaka.org/focuses/focus-on-international-aid-to-palestine/>