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Factors Affecting the Effectiveness of Conditionally
Foreign Funded Projects in Palestinian National Authority
Territories
Case Study: The Local NGOs in the Gaza Strip

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MBA**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

(وَقُلْ اَعْمَلُوا فَسَيَرَى اللَّهُ عَمَلَكُمْ وَرَسُولُهُ وَالْمُؤْمِنُونَ وَسَتُرَدُّونَ
إِلَىٰ عَالَمِ الْغَيْبِ وَ الشَّهَادَةِ فَيُنَبِّئُكُمْ بِمَا كُنْتُمْ تَعْمَلُونَ)

صدق الله العظيم
سورة التوبة آية 105

Dedications

I would like to dedicate this research to:

- The soul of my mother; Allah bless her soul, and to my lovely father who played a very vital role in my life all the time.
- My beloved wife Taghreed, and my beloved kids: Zuhair, Jumana and Mo'tasem.
- My brothers and sisters.

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ABSTRACT

The purpose of this research is to investigate to what extent the internal and external factors affect the effectiveness of foreign funded projects for the local NGOs under conditionality. The researcher followed the qualitative-quantitative methodology where he targeted some of the local Palestinian NGOs with questionnaire in addition to deep literature review of previous studies.

The results show that the donors funding policy affects with more than 57% of power the effectiveness of the foreign funded projects under conditionality with only about 13% for the internal management structure. The donors usually fund the groups that match their vision and mission in particular with weak interest in making real development. Accepting such funding, force to accept the conditions that work on modifying the local NGO cultures.

The researcher recommends doing extra investigations and deep digging in all areas for foreign funding under conditionality. It is clear that, accepting conditional funded money leads to violating the Palestinian law.

ملخص الرسالة

إن الهدف الرئيس من إجراء البحث هو دراسة بعض العوامل الداخلية والخارجية المؤثرة في كفاءة وفعالية التمويل الدولي للمؤسسات الأهلية المحلية وذلك بوجود اشتراطات الممول الأجنبي. اتبع الباحث المنهج الوصفي والكمي في إجراء البحث حيث استهدف بعضاً من عينة عشوائية من المؤسسات الأهلية المحلية في المجتمع الفلسطيني والتي تتلقى تمويلاً دولياً وذلك باستخدام استمارة تعباً من قبل المؤسسات بالإضافة لدراسة معمقة للأدبيات السابقة في هذا الإطار.

لقد أوضحت النتائج مقدار الأثر الذي تحدثه سياسة الممول في كفاءة وفعالية التمويل المشروط في هذه المؤسسات حيث أوجدت نظرية الانحدار ما مقداره 57% من الأثر ينحصر في هذا المتغير مقارنة بالمتغيرات الأخرى، في حين أن وجود هيكلية إدارية أثرت بما مقداره 13% فقط. ويقوم الممول عادة بتمويل المجموعات والمؤسسات التي تتوافق معه في الرؤية والرسالة والأهداف مع اهتمام ضعيف بتحقيق تنمية فعلية، وإن قبول التمويل تحت الاشتراط يساهم في تغيير وتعديل ثقافة المؤسسة العامة. وأخيراً يوصي الباحث بإجراء دراسات معمقة ومستفيضة في جميع المجالات المتعلقة بالتمويل الأجنبي المشروط، حيث أن قبول التمويل الأجنبي المشروط يتعارض مع القانون الفلسطيني.

List of Abbreviations

BINGO	Business-friendly International NGO or Big International NGO
CSO	Civil Society Organization
DONGO	Donor Organized NGO
ENGO	Environmental NGO
EU	European Union
GDP	Gross Domestic Product
GONGOs	Government-Operated NGOs
GSO	Grassroots Support Organization
IDCIs	International Development Cooperation Institutions
IFI	International Funding Institution
INGO	International Non-Governmental Organization
ISO	International Organization for Standardization
MANGO	Market Advocacy NGO
M&E	Monitoring and Evaluation
NGDO	Non-Governmental Development Organization
NGO	Non-Governmental Organization
NNGO	Northern non-governmental organization
PA	Palestinian Authority
PNA	Palestinian National Authority
PATA	Palestinian Anti-Terrorism Act
PLC	Palestinian Legislative Council
PLO	Palestinian Liberation Organization
PNA	Palestinian National Authority
PNGO	Palestinian Non-Governmental Organizations Network
QUANGOs	QUasi-Autonomous Non-Governmental Organizations
SCOS	Social Change Organizations
SNGOs	Southern nongovernmental organizations
TANGO	Technical Assistance NGO
TNGO	Transnational NGO
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
UNSCO	United Nations Special Coordinator Office for the Middle East Peace Process
USAID	United States Agency for International Development
WB	World Bank
WBGS	West Bank & Gaza Strip

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CHAPTER ONE

The Research General Framework

1.1 Introduction

1.2 Problem Statement

1.3 Research Objectives

1.4 Research Importance

1.5 Research Variables

1.6 Conceptual Map

1.7 Hypotheses

1.8 Methodology

1.9 Parameters

1.1 Introduction

Since 1994, the Palestinian Authority (PA) was announced and start receiving donation from other countries and international agencies. The U.S. Government has provided \$3.4 billion through USAID to implement development programs in the West Bank and Gaza (USAID/WBG, 2011). To date, the U.S. government is the leading provider of bilateral economic and development aid to the Palestinians. USAID has funded programs that support the 3.8 million Palestinians in the West Bank and Gaza by creating jobs, strengthening the role of the private sector, providing technical assistance to PA ministries in various areas, and meeting basic human needs. In addition to the USAID, there is the European Union (EU) represented by the United Kingdom, Norway, Italy, Sweden, Germany, and other countries such as Canada, Japan and the Arab World.

Most of the donation goes directly to the PA ministries and a small part of the donation is dedicated to the local Palestinian NGOs through funded projects and technical assistance. At 2008 PA received about 1.9 billion US that included 1.8 billion US to support the PA budget for 2008 and the reminded 1 billion to cover the budget deficit for 2007 (UNCTAD, 2009). Where at 2006 the local Palestinian NGOs received more than 223 million USD (Ladawdeh, 2007).

Each donor has its own regulations and conditions for funding projects. The donor usually guides and directs which sectors to be funded and the funding behavior. Each donor has its own criteria for disbursements and regulations (Sharaf, 2005). For example, the USAID funded programs demand to procure any US brands with US source of origin (USAID, 2011), the same for EU countries (Environment, 2010). Such behavior influences the project implementations, project's efficiencies, and effectiveness. Such policies of funding create backdoors to overcome such regulations. All of local NGOs are fully aware that violating the funder's rules mean losing the funding opportunities.

Aid effectiveness is a very important topic especially for poverty reduction. As presented the literature review section a lot of studies handled and talked about the principal-agent relationship between donors- the principal-and governments- the agent-who have different

and sometimes contradicting preferences and interests about poverty reduction and development. In addition to that, the international financial institutions and other donors' organizations have tried to force conditionality for trading off aid for policy customization and formulation to solve the main problem of donor-recipient ownership (Azam & Laffont, 2003).

1.2 Problem Statement

Aid effectiveness could be measured in several ways. Some are using the relation between aid and the growth, while others are using the improvement of national policies toward utilizing the received funds, where others measure aid effectiveness as share of gross domestic product – GDP (Fielding & Knowles, 2007).

The empirical literature on aid effectiveness has resulted vague results. Due to heterogeneity of aid preferences, the weaknesses of used tools of analysis and the mixture of causality chain linking external aid to outcomes (Martens, 2005). This leads to let the relationship between aid and development has been handled mostly as a kind of “black box” and the relationship appears as to be small, positive but insignificant impact of aid on growth (Bourguignon & Sundberg, 2007).

A valid question raised: “Is putting conditions on aid improves funded programs' outcomes especially in reduction of poverty and becoming effective in promoting for growth?” (Hefeker & Michaelowa, 2005)

The research investigates the relation of the following proposed variables: NGO experience, NGO internal management structure and hierarchy, donor's funding policy, the monitoring and evaluation systems (internally and externally), and the NGO culture with the effectiveness of the foreign funded programs under conditionality.

Based to the above the research question is “To what extent do the internal and external factors affect the effectiveness of foreign funded projects for the local NGOs under conditionality?”

1.3 Research Objectives

The research pursues to achieve the following objectives:

- a) Identify, highlight, and characterize some of the factors affecting the foreign funded projects of the local NGOs under conditionality.
- b) Create awareness of the importance of those proposed factors on funded projects under conditionality.
- c) Investigate those factors and the proposed relations with aid effectiveness.
- d) Trace the effects of those factors on aid effectiveness under conditionality.
- e) Suggest some recommendations to increase the effectiveness of aid for the foreign funded projects under conditionality.

1.4 Research Importance

The research importance comes from the fact that it will serve and guide stakeholders in the local community such as local NGOs and donors in particular to explore new opportunities to think about conditional funding and factors affecting the effectiveness of the funded projects. It should enlighten the donors working through Gaza Strip about new aspects in considering new variables and factors in formulating and imposing conditions of the local funded projects. Generally, there are lot of international studies handling the aid conditionality, but it lacks such studies for the Gaza Strip context. The research will pave the road to other researchers to more investigations and exploring new aspects.

1.5 Research Variables

The research handles the effectiveness of the conditionally foreign funded projects in response to donors' funding policies, the local NGO experience, culture, the internal management structure, and finally the internal and external monitoring and evaluation systems that are imposed on the foreign funded projects.

Dependent Variables

The proposed variable is the effectiveness of foreign funded projects under conditionality for the local NGOs.

Independent Variables

The proposed independent variables of the research are the following:

- a) Donors' Funding Policy
- b) NGO experience
- c) NGO internal management structure
- d) NGO culture.
- e) Monitoring and Evaluation (internal and external)

1.6 Conceptual Map

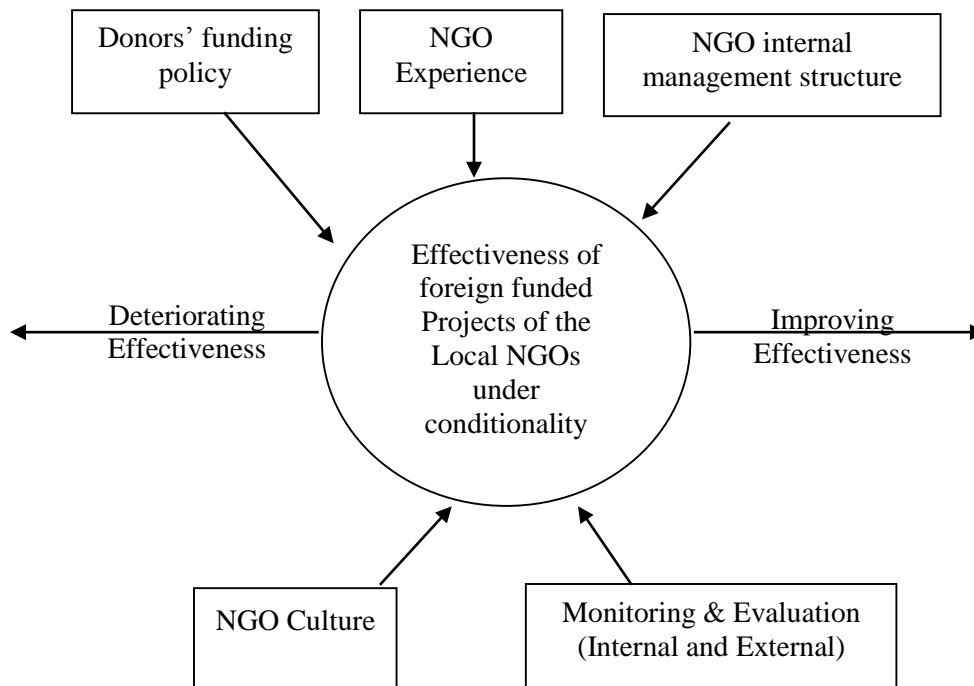


Figure 1 Conceptual Map (Articulated by Researcher 2013)

1.7 Hypotheses

The researcher proposes the following hypotheses:

- a) There is a relationship between the donors' funding policy and the local NGOs' effectiveness in implementing the conditional foreign funded projects with the significance level of $\alpha = 5\%$.
- b) There is a relationship between the NGO experience and the effectiveness of the NGO in implementing the conditional foreign funded projects with significance level of $\alpha = 5\%$.
- c) There is a relationship between the NGO internal management structure and the effectiveness of the NGO in implementing the conditional foreign funded projects with significance level of $\alpha = 5\%$.
- d) There is a relationship between the NGO culture and the effectiveness of the NGO in implementing the conditional foreign funded project with significance level of $\alpha = 5\%$.
- e) There is a relationship between the NGO internal/external monitoring and evaluation systems and the effectiveness of the NGO in implementing the conditional foreign funded project with significance level of $\alpha = 5\%$.

1.8 Methodology

Where the analytical descriptive technique compares, explains and evaluates in order to generalize meaningful results to enrich knowledge, the research propose the analytical descriptive technique to sustain quantitative and qualitative measurement and analysis.

Population: The research covers the local NGOs specialized in health, agriculture, youth, women and children, environmental and other sectors in Gaza Strip. 30 – 50 local registered NGOs who received funds yearly cumulated to be around US\$150,000 from external international foreign sources. Those NGOs should be registered and member of the Palestinian Non-Governmental Organization Network (PNGO).

Sample: To target up to 3 employees and/or board of directors of middle to senior staff who run the NGO and considered as decision makers such as: director, accountants,

financial managers, fundraising officers, project managers and others related staff assigned to execute the foreign funded projects at those NGOs.

The data collection is based on distributing questionnaire among the target sample selected.

1.9 Parameters

The proposed time to handle this research is through year 2012/2013 that covers selected local NGOs working in Gaza strip and are registered officially at interior ministry. The research focuses on medium to high level management as target groups who can match the needs of doing it.

Period: year 2012/2013

Place: The research focuses on the local NGOs at Gaza strip that usually receive foreign funds to implement projects.

Subject: the research is investigating the effectiveness of the conditionally foreign funded projects of the local NGOs under testing the relations of independent variables: donors' funding policy, local NGO experience, internal management structure, the local NGO culture, and internal/external M&E systems.

CHAPTER 2

Literature Review

2.1 Introduction

2.1.1 Foreign Aid Effectiveness (dependent variable)

2.1.2 NGO Experience

2.1.3 NGO Internal Management Structure

2.1.4 NGO Culture

2.1.5 Monitoring and Evaluation (M&E)

2.1.6 Donors Funding Policy

2.1.7 Conditional Aid

2.2 Non-Governmental Organizations - NGOs

2.2.1 NGO definition

2.2.2 INGO definition

2.2.3 NGOs history

2.2.4 Types of NGOs

2.2.5 The Importance and Role of the NGOs at the Palestinian local communities

2.3 Reality of Foreign Donation: Problems of Foreign Funded Projects under Conditionality in Palestine

2.1 Introduction

This section handles the basic definitions independent and dependent variables. The dependent variable is the aid effectiveness while the independent ones are classified as internal factors and external factors. The internal independent variables are the NGO experience, the internal management structure, the NGO culture, and the internal monitoring and evaluation (M&E) systems. While the external factors include the donors' funding policy, and the external M&E systems. The research is focusing on foreign funded projects under donors' conditionality.

2.1.1 Foreign Aid Effectiveness (dependent variable)

It not easy to find direct definition of aid effectiveness but generally most definitions measure aid effectiveness in response to economic growth or indicators of achieving the goals and objectives. The terminology "Foreign Aid Effectiveness" consists of two words "Foreign Aid" and "Effectiveness".

The former USAID official ,Carol Lancaster, in her book "Foreign Aid (2007)" defines foreign aid as "a voluntary transfer of public resources, from a government to another independent government, to an NGO, or to an international organization (such as the WB or the UNDP) with at least a 25 percent grant element one goal of which is to better the human condition in the country receiving the aid" (Lancaster, 2007).

Aid effectiveness would be defined as: "Arrangement for the planning, management and deployment of aid that is efficient, reduces transaction costs and is targeted towards development outcomes including poverty reduction" (Stern et al., 2008).

Roodman defines aid effectiveness as achieving goals such as building schools. Did children come to schools? Did they learn? Did economic status go up? Did poverty or inequality fall? (Roodman, 2007). While aid effectiveness is measured by tracking countries growth and poverty reduction ratios (McGillivray, 2003).

"Aid effectiveness is about ensuring maximum impact of development aid to improve lives, cut poverty and help achieve the Millennium Development Goals" (HLF, 2011).

The researcher agrees with all definitions mentioned above. To generalize the definition of aid effectiveness: aid effectiveness is the extent of achieving the preset goals and objectives of the foreign funded projects where most of goals and objectives focus on reducing

poverty and increasing the GDP of any country receiving foreign aid, generally the community welfare. It is a quantitative-qualitative variable that can be measured using description with positive and negative indicators.

2.1.1.2 NGO Experience

The non-governmental organization (NGO) is a legally constituted organization created by natural or legal persons that operates independently from any government. It consists of seven members at least. Normally used to refer to organizations that do not form part of the government and are not conventional for-profit business. The term is usually applied only to organizations that pursue some wider social aim that has political aspects, but that are not openly political organizations such as political parties (PLC, 2000). In addition, the term of Civil Society Organization (CSO) applied too.

The “Experience” is defined as: “the thing you have done; the knowledge or skill that you get from seeing or doing something” (*Oxford wordpower = Qāmūs Uksfūrd al-ḥadīth li-dārisī al-lughah al-Inkilīzīyah : Inkilīzī-Inkilīzī-‘Arab.* , 2006) where it is clear that two main things should be clarified and measured: the knowledge and the skills. The dictionary defines the knowledge as information or facts that you have in your mind about something. While the skill is defined as the ability to do something well, especially because of training, practice, etc. Another definition: the skill is an ability that is required in order to do a job, an activity, etc. well.

Spender defines the organizational knowledge as the organization ability to memorize through its bureaucratic and standard procedures. Where staff learn from the institution itself and from their own experience. This definition emphasizes on organizational knowledge as individual knowledge and experience, which means the organizational knowledge, is the individual knowledge. Each hired employee should absorb the organizational knowledge at the beginning and start to add to it (Spender, 1994).

From the previous definitions, the researcher defines the NGO experience as the level of knowledge and skill acquired by the organization that clearly seen through the existence of the guides, manuals and bylaws of the institutions. Such manuals and bylaws are used to control and guide the institute activities on their daily works and reports. The knowledge is measured through the ability to retrieve data and information acquired through

questioning knowledge questions. While the skills could be measured through testing the ability of achieving tasks correctly and in short period of time.

2.1.3 NGO Internal Management Structure

The internal management structure is considered one of the management functions where they are: planning, organizing, directing and monitoring. The organizing of human resources lead to the concept of internal institution structure and hierarchy. This structure is a way to organize the human resources to implement the plans with the lowest cost, high efficiency and high flexibility to achieve the goals and objectives (ElFarra, Ashour, Bahar, Wadi, & Abu Moamar, 2010).

The internal management structure is the frame that is organizing the human resources to achieve the goals and the objective of the institution. This could be achieved by:

- a) Identifying the tasks,
- b) Responsibilities,
- c) Identifying and allocating resources, and
- d) Identifying the type of relations. There are two main types of organization structures: formal and informal. The internal management structure is the formal one (Makhamrah, SheikhSalem, Ramadan, & Dahhan, 1995).

The purpose of organizing is to achieve coordinated efforts by defining task and authority relationships. Organizing means specifying who does what and who reports to whom. Some of well-organized organizations successfully competing against-and in some cases defeating-much stronger but less-organized firms, a well-organized firm generally has motivated managers and employees who are committed to seeing the organization succeed. Resources are allocated more effectively and used more efficiently in a well-organized firm than in a disorganized firm (David, 2008).

Management structure can influence knowledge management processes through forming models and iterations of communication among organizational staff, stipulating locations of decision-making, and affecting efficiency and effectiveness in implementing new ideas. Knowledge management can carry over the structural impact onto organizational effectiveness, because the way knowledge is organized, knowledge management activities are coordinated, and the extent to which knowledge management practices are embedded in the daily work process influence the effectiveness and efficiency of organizational

performance. At the same time, structure influences organizational effectiveness through channels other than knowledge management. It influences organizational effectiveness through non-knowledge related functions, especially through normal and regular process, tasks, and systems, because of their minimal involvement of active knowledge management (Zheng, Yang, & McLean, 2010).

The existence of the internal management structure is presented through clear hierarchy structure, well-identified roles, responsibilities and the type of official relations among the team. Finally, the human resource manuals are good indicators of the structure and hierarchy, which identifies the level size of the institution. Wheelen identifies the organizational structure as the formal arrangement of the institution's chain components in terms of workflow, communication channels, and hierarchy. The organizational structure supports usually the strategic objectives of the organization (Wheelen, 2008).

2.1.4 NGO Culture

Culture is what a group learns over a period of time as that group solves its problems of survival in an external environment and its problems of internal integration (Schein, 1990). The organizational culture is the guide of the organizational behaviors that has been developed by the organization as it learns to handle the problems of external adaptation and internal integration, and that has worked well enough to be considered valid and to be taught to new members as the correct way to see, identify, think, and feel. This definition emphasize on matching external with internal factors in making strategic decisions. Organizational culture captures the subtle, elusive, and largely unseen forces that shape a workplace environment and behaviors (David, 2008).

The organizational culture is defined as the ability to establish a set of shared values of organization members regarding the functioning and existence of their organization to enhance the probability of organizational sustainability (Certo & Certo, 2011).

The organizational culture is the key for the organizational effectiveness. There are four dimensions of organizational culture that are leading to organizational effectiveness: adaptability, consistency, involvement, and mission. Adaptability refers to the degree to which an organization has the ability to alter behavior, structures, and systems in order to

survive in response to environmental changes. Consistency refers to the extent to which beliefs, values, and expectations are held consistently by members. Involvement refers to the level of participation by organization's members in decision-making. Mission refers to the existence of a shared definition of the organization's purpose. The organizational culture exerts its influence through shaping the behavior of organizational members (Zheng et al., 2010). Schein refers the organizational culture to shared assumptions, values, and norms (Schein, 1992).

The researcher agrees with the above definitions and summarizes the NGO culture as the guidelines of the organizational behavior that enables the institution to survive through having the ability of adaptation with difference circumstances in addition to consistency, involvement and clear mission where all are affecting the organizational effectiveness toward achieving the assigned tasks and duties.

2.1.5 Monitoring and Evaluation (M&E)

Awartani and Hashweh define the Monitoring and Evaluation (M&E) as the degree to which an organization has effective mechanism for

- a) adapting and changing program activities in response to information received (monitoring),
- b) assessing the outcomes and overall impact of its program activities and integrating the results into future improvements in those activities (evaluations) (Awartani & Hashweh, 2002).

Based to Wheelen, the evaluation and control process ensures that an institution is achieving what is set out to accomplish. It evaluate the achieved performance with planned results and offers the proper feedback necessary for management to evaluate results and take corrective actions. The process is five-steps feedback points (Wheelen, 2008):

- a) Decide tasks to be measured: top managers and operational managers need to specify what implementation processes and results will be monitored and evaluated. The processes and results must be capable of being measured in a reasonably objective and consistent manner. Evaluations must be found for all important areas, regardless of difficulty.

- b) Construct standards of performance: standards used to evaluate performance are detailed expressions of strategic objectives. They are measures of acceptable performance results. Each standard usually includes a tolerance range that defines acceptable deviations. Standards can be set not only for final output but also for intermediate stages of production output.
- c) Evaluate actual performance: measurements must be made at preset times.
- d) Evaluate actual performance with the standard: if actual performance results are within the desired tolerance range, the measurement process then it is fine.
- e) Implement corrective actions: if actual results fall outside the desired tolerance range, action must be taken to correct the deviation.

The monitoring and evaluation systems are part of the control mechanism where Henry Fayol (1949) defines control process as ensuring that everything is running as planned according to principals and instructions. The process aims at diagnosing the weakness points and mistakes to correct then to stop doing them again in the future and it is imposed on things, human resources and regulations (Fayol, 1949). Certo defines control as the ability to use collected data, information and technology to ensure that a task happens as it was planned to happen. Another definition for the controlling that it might be defined as: a systematic effort by management to evaluate performance to preset standards and most likely to take any corrective action necessary to ensure that the corporate resources are being utilized in the most effective and efficient way possible to achieve the institution goals (Certo & Certo, 2011). Ghalibi and Amri (2008), define control as systematic organized activities aims at achieving planned results as expected and according to predefined standards. While controlling process is defined as: continues operations to measure the institution performance based to standard procedures to achieve planned results (Ghalibi & Amri, 2008).

The researcher agrees with all previous definitions that the M&E as part of the control where it is defined as all organized processes that ensure achieving all planed objectives and targeted results in addition to improve all related systems to ensure high performance and the best utilization of available resources. The existence of M&E systems are strong tool to evaluate this variable.

2.1.6 Donors Funding Policy

Policies are the general guidance of thinking that leads to efficient works. The policy is a directing tool that direct the activities to achieve the preset goals and objectives. There are three main categories of policies: master or basic policies, which are written and imposed by the highest level of management in the organization such as board of directors, board of trustees, or the steering committees. The master policies specify the nature of organization and its business in general, and usually are defined as general policies and match main goals and objectives. The second category is top policies, which are written and implemented by the middle management in any organization. They are more detailed policies than the master ones. While the third category is the operational policies that govern specific activities and tasks such as procurement, recruitment, etc. Those policies are deeply detailed (ElFarra et al., 2010).

The political considerations play a very important role in donor funding allocation decisions. While in some cases, poverty reduction still the main objective in donors' funding policies. For political reasons, donors generally want to influence as many countries as possible, which tends to lead to a disproportionate amount of aid going to small countries (Radelet, 2006).

The research focus on the master and operation policies that are imposed by the donor over the recipients. If the donors' policy is to reward recipient with good policy, then it is clear that the margin good policies are rewarded by higher aid. That could be used as mean of growth rate increment of the recipients (Burnside & Dollar, 1997).

Many donors "tie" portions of their aid by requiring that certain goods and services to be purchased from firms in their home country. All kind of services consulting services financed by US foreign aid is most cases must be purchased from US firms. For instance, USAID requires that food subsidies to be procured from the US and shipped by US carriers to recipient countries, which can be much more expensive and take much longer than if food was purchased in a neighboring country. *It is found that tying aid added 15-20 percent to its cost, thus significantly reducing its impact on recipient countries* (Radelet, 2006).

Donors influence local policymakers by providing financial resources, their influence on policy debate and formulation, and technical assistance. They also try to impose policies through aid conditionality, but operate imperfect knowledge of the local environment, and

more importantly, imperfect control of the implementation of these policies (Bourguignon & Sundberg, 2007).

According to the above definitions the researcher can define the way to measure this variable through the existence of both type of policies: if the donor is imposing financing certain sectors or offering technical assistance, and if the donor is imposing policy over the recipient specially on the operational tasks and activities such procurement issues.

2.1.7 Conditional Aid

Aid is designed at least partially to help support the economic interests of certain firms or sectors in the donor country. Putting conditionality on aid is a mean of aligning preferences of both donors and recipients to force achieving development and growth, but it is found that tying aid with conditionality makes it more expensive and less effective (Radelet, 2006).

Conditionality has been part of the international aid system. Often the technical assistance component of an aid program has been a conduit or the channel of conditionalities that may, however, remain hidden. The technical assistance experts, almost always expatriate, have exercised a big influence in the past on how the aid monies were to be used. They also had a big say on the choice of technology. Incidentally, in developing countries it is “technology” that is frequently at the front of supply-driven “grand-corruption.” Every signed agreement between a donor and recipient contains mutual obligations and sharing responsibilities that have bearing on the outcome of cooperation program. No recipient country has ever received aid unconditionally (Panday, 2000). Processing conditionality is a useful tool to enhance the aid effectiveness only if donors gets all required information about the recipients to select the trustworthy groups or institutions through participatory approach (Hefeker & Michaelowa, 2005).

Donors can use aid as a lever to encourage policy reform, i.e. conditions are attached to the aid. The effectiveness of conditionality, the extent to which the reform advocated by donors are in fact implemented, is mediated by recipient government’s willingness to accept the conditions and its ability to implement them (Morrissey, 2004).

2.2 Non-Governmental Organizations – NGOs

The Palestinian society includes two types of social institutions. The first is the traditional social institutions, which includes tribes, clans, extended families, urban, rural, familial and sectarian networks and religious groups. The second type is the modern institution, such as political parties, charitable societies, trade unions, professional associations, women's associations, NGOs, media and advocacy groups and other service-providing organizations. Both types of social constructions are present and active in Palestinian society and represent different perspectives, whether related to Palestinian cultural heritage, modern, western or traditional patriarchal values (UN, 2004).

2.2.1 NGO definition

The NGO is a legally constituted organization created by natural or legal persons that operates independently from any government. It establishes with seven members at least. Normally used to refer to organizations that do not form part of the government and are not conventional for-profit business. The term is usually applied only to organizations that pursue some wider social aim that has political aspects, but that are not openly political organizations such as political parties (PLC, 2000). The definition of Palestinian NGOs by the World Bank is "private organizations that pursue activities to relieve suffering, promote the interests of the poor, provide basic social services, or undertake community development"(Bisan-Center, 2006). The Palestine Economic Policy Research Institute (MAS) defines the NGOs as "these organizations that have an officially recognized legal existence; they must be: independent organizations, non-profit organizations and it must contain a level of voluntary participation; and it must not be an inheritable, representative, or factional"(Ladawdeh, 2007). USAID refers to NGOs as private voluntary organizations. However, many scholars have argued that this definition is highly problematic as many NGOs are in fact state and corporate funded and managed projects with professional staff (USAID, 2012).

2.2.2 INGO definition

The Palestinian law defines the INGO (foreign organization) as any society or foreign body that has its headquarters located outside Palestinian Territories or most its members are foreigners (PLC, 2000). The international organizations are neither profit making nor instruments of governments, well as internationally orientated national non-governmental organizations. A distinction is often made between international non-governmental organizations that exist simply to provide services to their members and issue-oriented international non-governmental organizations (Salamon & Anheier, 1997).

2.2.3 Palestinian NGOs history

The Palestinian NGOs started almost one hundred years ago in the time of the British Command and even the Othman Empire. The beginnings were in the arrangements of public societies, labor unions, and in the start of political activities. The distinguishing factor in the development process of the Palestinian civil society structures is exemplified in the absence of freedom and abnormal social, economic and political situations. Whether it was the British Command, the Jordanian rule of the West Bank and the Egyptian rule of the Gaza Strip, the establishment of the state of Israel, the displacement and forced immigration of most Palestinians to refugee camps inside and outside Palestine, or the Israeli occupation of the West Bank and the Gaza Strip in 1967 (Bisan, 2007).

The Palestinian NGOs are affected by economic, value-driven and behavioral structures. The Palestinian society remains almost out of date, although it was largely affected in 1948 and again in 1967 by the culture of forced displacement and establishment of refugees camps, as well as other external influences. A hybridization of Palestinian cultural values occurred when returnees and refugees brought with them their own unique relationships, values and social structures. Some of these dated back to their communities of origin, those from which they were expelled in 1948 or 1967, others were reflection of the refugees “communities of exile, from which they returned in 1994. The traditional, homogeneous Palestinian culture continued to exert significant influence in spite of transformations and assimilations inflicted on refugee and native structures, values and cultures. Palestinian civil society is made up of charitable organizations, service-provision associations,

"development "organizations, human rights and democracy organizations, research organizations, lobbying and advocacy organizations, cultural organizations and sports clubs and associations (Ladawdeh, 2007).

The historical development of the Palestinian NGOs can be categorized into the following stages:

a) The Ottoman and British Mandate periods: a kinship-based phase

In the early 1900s, social organization had developed along tribal lines, favoring clans rich in land and livestock and the providers of trade and services that addressed the basic needs of that society. Over the centuries, the tribal system of social organization had evolved into a complete set of social, economic, and cultural rules and norms complete with its own justice system and methods of enforcement. It was a native system of social organization that was capable of maintaining social and economic cohesiveness and the unique characteristics of Palestinian society. During the Mandate period, the British understood the importance of kinship and clan power, worked to empower some families or clans, and neglected others in order to help facilitate their own colonial policies. They pitted powerful families against each other and created a new class of elites through promotion and empowerment in the mandatory civil service system (Abu-Dayyeh, 2008).

b) Nakba 1948 period

Family and tribal ties proved to be resilient enough in Palestine in spite of the massive destruction of the economic, political, and social base that had sustained these social networks as a result of the Nakba in 1948. These power centers were able to reorganize and take a lead in the newly reshuffled Palestinian political life within the Hashemite Kingdom of Jordan. Following its predecessors, the Hashemite Kingdom of Jordan also took measures to control, and undermine the Palestinian family tribal system in order to establish its political dominance. Modern forms of association based on voluntary membership, as opposed to kinship ties, are what we have come to identify as “Palestinian civil society” (Abu-Dayyeh, 2008).

c) Between Nakba and Naksa 1948 – 1965 period

By the occupation for the Palestinian territories in 1948, the Palestinian society was branded by the geographical separation. During this period, groupings of Palestinians were founded in the Arab Countries governed by non-Palestinian authority like: Syria, Lebanon and Iraq (Abrash, 2001).

d) Between 1965 – 1994 PNA establishment

This period was the start of the Palestinian revolution and the Palestinian movements. In addition, it had the Naksa 1967 war where the completely Palestinian territories were occupied by Israel in addition to Sinai of Egypt and Golan of Syria. This period was full of formulated political groups and parties in addition to syndicates and NGOs. Those institutions were led by the Palestinian Liberation Organization (PLO) to establish solid complete revolution against the Israeli occupation. The most important period for the Palestinian NGOs was at the first Intifada (1987 – 1994), where most the Palestinian people involved in the voluntary works with NGOs. Small groups played new roles among the Palestinian communities and led them. At the end of this period, new forms started where the previous revolutionary leaders are moving to be civil community leaders (Abrash, 2001).

e) After Oslo agreement 1993 till the beginning of the second Intifada

After signing Oslo agreement, the Palestinian National Authority started in Jericho and Gaza Strip. The Palestinian community has radically transformed, from revolutionary actions to peaceful state. Thus to end the state of the Intifada against Israel, with the consequence that the change in the post of civil and political institutions that emerged in a revolution. The transfer of power mobility status of Palestinian society from outside to inside Palestine. However, the most significant transformation was the beginning of the emergence of differentiation between civil society and political society, as the Palestinian National Authority, which runs the self-ruled areas have become a "political power" or a State, and therefore have their accounts, policies and transactions. The links do not necessarily agree with the position of all the Palestinian people and institutions of civil and political rights. Some Palestinian NGOs decided to merge their activities into the PNA body, but most preferred to stay in the non-profit sector. The NGOs

guided themselves to do complement work with the new public sector by serving sectors and communities not reached by PNA ministries. Much of the health and education services offered by the PNA are natural transferred from the Israeli Civil Administration. The result, the PNA received a largely ineffective and handicapped service delivery schemes. This left PNGOs with significant existing capacity in the delivery of the public services (Abrash, 2001).

f) The second Intifada (2000) period

The Palestinian NGOs have once again returned to offer the essential services, much as in the first Intifada. They returned to their pre-Oslo roles. NGOs have also been used by donors to channel in –kind and cash assistance to the poor and to families of those killed, injured or imprisoned by Israeli military action (Abdelkarim, 2002).

2.2.4 Types of NGOs

According to (Willetts, 2006) the NGO types could be classified as orientation and level of co-operation.

A. NGO type by orientation

- i. Charitable orientation;
- ii. Service orientation;
- iii. Participatory
- iv. Empowering orientation;

B. NGO type by level of co-operation

- i. Community- Based Organization;
- ii. City Wide Organization;
- iii. National NGOs;
- iv. International NGOs;

A long list of acronyms has developed around the term "NGO" that includes (Wikipedia, 2010):

- ❖ BINGO, short for Business-friendly International NGO or Big International NGO;

- ❖ National NGO: A non-governmental organization that exists only in one country. This term is usually rare due to the globalization of Non-governmental organizations, which causes an NGO to exist in more than one country.
- ❖ CSO, short for civil society organization;
- ❖ DONGO: Donor Organized NGO;
- ❖ ENGO: short for environmental NGO, such as Greenpeace and WWF
- ❖ NNGO, short for Northern non-governmental organization.
- ❖ IDCIs, short for international development cooperation institutions.
- ❖ SNGOs, short for Southern nongovernmental organizations
- ❖ SCOS, also known as social change organizations
- ❖ GONGOs are government-operated NGOs, which may have been set up by governments to look like NGOs in order to qualify for outside aid or promote the interests of the government in question;
- ❖ INGO stands for international NGO;
- ❖ QUANGOs are quasi-autonomous non-governmental organizations, such as the International Organization for Standardization (ISO).
- ❖ TANGO: short for technical assistance NGO;
- ❖ TNGO: short for transnational NGO; the term emerged during the 1970s due to the increase of environmental and economic issues in the global community. TNGO includes non-governmental organizations that are not limited to only one country, but exist in two or more countries.
- ❖ GSO: Grassroots Support Organization
- ❖ MANGO: short for market advocacy NGO
- ❖ NGDO: non-governmental development organization

2.2.5 The Importance and Role of the NGOs at the Palestinian local communities

The Palestinian NGOs play a very important role in the Palestinian context. Where, the NGOs formulated number of intervention strategies such as (Hadi, 2004):

- Advocacy strategy through lobbying to change laws and legislations, regulations, procedures, and general policies. Gaining support of regional and international

public opinions for the Palestinian rights. In addition to influencing the process of reforming the PNA institutions

- Awareness building strategy
- Service provision strategy
- Institutional, organizational and human resource development strategy
- Networking, coordination, consultation and cooperation strategy.

The increase number of NGOs at the Palestinian context is strong indicator of the important role they play. For example, and based to the statistical report issued by MAS 2007 (Ladawdeh, 2007) the number of local registered NGOs was 1495 where Gaza has 32% of this number. At 2000, the number was 926 organizations, which means an increase of 61.5%. It is clear that most of the organizations was established beyond 1994. The NGOs supports the following sectors childhood, charity, elders, family, cultural, research and development, relief, water and environment, health services, human rights, governance, disability, vocational training, women, religious, and youth.

2.3 Reality of Foreign Donation: Problems of Foreign Funded Projects under Conditionality in Palestine

In the Palestinian context, as published report for Bisan Center for Research and Development (2011), Bisan Center studied the size of foreign aid in the period between 1998 – 2008 where it increased of about 200%. The report shows although this doubled assistance, the general debt and poverty increased and no indicators are seen regarding the growth as other dependent countries in the world. It is clear that those amounts of foreign aid is not reflected on public treasury budget where each month the Palestinian Authority is facing great challenges in securing the payroll bill. Therefore, the general conclusion that those aid are not participating in poverty reduction at all. In 2006, the share of citizen in the aid was \$391.8 USD, while in 2007 it reached \$488.6 USD where in 2008 it became \$685.5 USD. The general debt became 100%, where it was 1 billion USD and reached to 2 billion USD in addition to higher unemployment rates. The poverty rates reached to 26% at 2008. From the report, about 30-40% of aid are paid to cover security issues, while about 13-20% of any foreign funded project are used to cover the international organizations management expenses not to forget hiring external international consultants with high costs

paid from those aid. Recently, the international organizations tend to implement its funded project directly by themselves without hiring local organizations or partners which normally lead to leak of any kind of control over spending the fund. (Bisan, 2011)

In an article for Ziad Abu Amro “The Palestinian NGOs and Corruption”, he explored the context of the Palestinian local NGOs. The local Palestinian NGOs in addition to employing thousands of Palestinians, they offer for the local communities’ services that cover about 100% of pre-school education, 85% of people with disability rehabilitation, 60% of primary health care, and about 100% of literacy. From those figures, the role of the local Palestinian NGOs cannot be neglected. The local NGOs are filling the gaps for their local communities that the local government should fill, so they are playing a vital role in the Palestinian context. The services should be financially covered through the community, the government and the international donors. Matching the preferences between the local NGOs and the donors should facilitate receiving funds easily. Usually, the international NGOs get their funds directly from their general assembly and any local institutions at their countries that have the same vision. While in the Palestinian situation, the local governments should offer the required funding which is not applicable at all, that forces the local NGOs to seek for international funding from INGOs and other funding organizations. The nature of funding should not undergo to any kind of conditions. However, due to the fact of the absence of any local solid control and monitoring institutions, the doors are open to disburse the received funds in improper ways away from standards of transparency and good governance that usually leads to what is known as “corruption”. Abu Amro identifies the corruption as “misuse of the power that acquired by the position itself in the organization to achieve personal or family or social or even political interests in financial or other ways”. This definition leads to three main types of corruption: political, managerial and financial corruption.

He indicates that many weakness points for the local NGOs taking in consideration the type of business and local business environment, where the most important points that interest us here are:

- The weaknesses or lack of internal control procedures and system in the local NGOs.

- Limiting the executive management powers and decision-making in small group of executives without intensive supervision.
- Corrupted public sector
- Donors practices where many international donors are using backdoors to achieve their own agenda in the Palestinian communities. It is clear through funding special groups or people with special imposed conditions that force high competition among local small NGOs in the sake of getting the fund. In addition, those international organizations are lacking the transparency standards and ignoring the local Palestinian laws.
- Distort values, principles, and ethics of some groups and people in achieving the international funds that create misunderstanding of what is accepted and not in their practices to achieve personal interests. Corrupted people and groups are not recognizing their practices as immoral behaviors.

The nature and the spread of the corruption and its size is correlated with the NGO size and management structure where the NGOs that have a big general assembly members and all of its board of directors are working as volunteers, and most of its funds is generated from the general assembly subscriptions are considered the minimum corrupted organization. This scenario changes when the local NGOs get international funds where the rate of corruption may increase.

A group of corruption symptoms at the local Palestinian NGOs could be summarized as the following:

- 1- Corruption in recruitment through recruiting people that in the same preferences of the executive management of board or directors, eliminating the chance of equity in employment for the applicants.
- 2- Misusing the NGOs local resources for sake of personal interests or to enhance the acquired power of the management or board of directors.
- 3- Using the NGOs resources for the special interests of decision-makers.
- 4- Inequity of using unified salary scale through the organization.
- 5- Doing fund raising for the sake of the organization without any kind of control over the collected funds and the disbursement ways.

- 6- Sexual harassment by some decision-makers and people with power in the organization over females in need for work
- 7- Lack of financial transparency among those organizations.
- 8- Offering politically affiliated support and subsidies for certain groups in the local communities to keep the loyalty and support.

All of the above of corruption symptoms lead to inefficient and ineffective aid programs and no real economic growth or development could happen (Amro, 2005).

Iyad Riyahi indicates clearly - in his article of “foreign funding and political conditions imposed over the Palestinian people” - that the foreign conditional funding is a tough tool imposed over the Palestinian people to achieve political foreign vision where or solution for Palestinian-Israeli conflict. The Anti-Terrorism Certificate (ATC) that was imposed by the USAID for any local NGOs or public institutions should sign before receiving any kind of funds or technical assistance. Such tools are being used to force the Palestinian to change their needs in creating Palestinian State and accept the donors and the Israeli vision and resolution.

According to Jamil Hilal in the same article: “it was clear since the beginning of the PNA that all offered foreign funds are tied to political conditions to keep Oslo agreement and keep the peace process up despite what is happening on the ground by Israeli Occupation. Where all imposed actions by Israel are killing the opportunity to establish an independent State of Palestine. The same thing happens with the local Palestinian NGOs, where most of them depends more and more on the foreign conditional funding which force them to accept and follow the donors agenda over the Palestinian communities under the cover of poverty reduction and helping the Palestinian people. Not to forget that the type of funding is very short usually between 1 to 3 years maximum to keep these organization very busy and dying to get fund and obliged to follow the donors’ agendas.

Khalida Jarra, Palestinian Legislative Council Member, also indicated that Oslo Agreement and Paris Declaration trapped the Palestinian people with foreign agendas to get the required fund to survive as authority and people. Such scenario keeps the real social and economic development away from existence.

According to Sami Khader, the head of Ma’an Development Center in Ramallah, “The foreign fund received by the Palestinian is Political fund, where since 1994 the PNA

received over \$8 billion US dollars with 9% of the total went to the local NGOs. This amount represents about \$720 million dollars. The foreign fund is conditioned always to accept the conditions of the donors”. By the PLC election (2006) and the winning of Hamas as political group the majority, the international funding institutions and donors stopped funding directly the elected Palestinian Government and directed the money through the local Palestinian NGOs, such behavior by the donors opened the doors widely to achieve the donors agenda by compromising on the people for living. Where, on April 17, 2006 the Palestinian Non-Governmental Organizations (PNGO), the National Action Forum and the Palestinian General Union of Charitable Societies issued a statement: “Tying the foreign fund with conditions and political agenda is conflicting with the international law.” (Riyahi, 2006)

Nora Murad in her paper presented in a conference at Hiroshima University, promoted that, most international donors direct funds to those Palestinian groups and projects that further their nations’ political objectives for the region. In fact, the stopping aid to the Palestinian National Authority (PNA) since the Hamas win demonstrates donors’ resolve to use conditional aid for their own political purposes at the expense of Palestinians’ interests as they themselves define them. So based to Nora, it is clear that international aid has kept millions alive, it has become very clear that Palestinians’ near-total dependence distorts, if not replaces, the indigenous Palestinian agenda. How? Dependence on international aid makes recipients (the PNA, Palestinian NGOs, and international NGOs) accountable to the donors, not the communities they should assist. The local NGOs respond to the donors’ priorities using the donors’ preferred strategies, and both the PNA’s and NGO’s credibility with the Palestinian community has been severely compromised as a result. How ironic that in the midst of a global movement to reduce third world debt, Palestinians are increasing dependent on international aid—a strategy that history shows will lead only to hell (Murad, 2007).

CHAPTER THREE

Previous Studies

3.1 Foreign Studies

3.2 Arabic Studies

3.3 Summery

3.1 Foreign Studies

1. Aid Effectiveness, Governance and Public Investment (Kasuga & Morita, 2012).

Kasuga and Morita attempted to find a policy that enhances aid effectiveness. A simple growth model is used that recipient countries are aid-dependent in the early phase of their development but ultimately become independent. Main results are summarized as follows:

- a. If a recipient has severer poverty problems and a lower level of public capital, donors should choose a higher target rate of growth.
- b. In reality, the level of infrastructure investment is so low that it makes aid ineffective. The developed model suggests that governance affect aid effectiveness. In addition, it suggests that donors should allocate more to economic infrastructure in low-growth countries and focus on governance only after recipients achieve a relatively high growth rate. As long as aid for economic infrastructure can enhance growth, this allocation rule shortens the period during which aid is required for many recipients, and hence, with total aid fixed, this rule gives earlier financial independence to more recipients.

2. Conditional Aid Effectiveness –A Meta Study (Doucouliagos & Paldam, 2010).

Doucouliagos and Paldam argued that the effect of aid is conditional. One group argued that aid is effective conditional on good policy; another that aid is effective conditional on the level of aid. The success of the Burnside and Dollar and World Bank reports was based on the evidence available at that time, but subsequent analysis has shown that their conclusions were premature. Aid works as medicine, which has an optimal dose. It is a more robust connection, but until now it has proved too unstable for independent replication, so more research is needed.

3. U.S. Foreign Aid to the Palestinians (Zanotti, 2010).

Since June 2007, the U.S. policy priorities have crystallized around the factional and geographical split between the Fatah-led Palestinian Authority (PA) in the West Bank and

Hamas in the Gaza Strip. U.S. aid to the Palestinians is intended to promote at least three major U.S. policy priorities of interest to Congress:

- a) Combating, neutralizing, and preventing terrorism against Israel from the Islamist group Hamas and other militant organizations.
- b) Creating a virtuous cycle of stability and prosperity in the West Bank that inclines Palestinians—including those in the Hamas-controlled Gaza Strip toward peaceful coexistence with Israel and prepares them for self-governance.
- c) Meeting humanitarian needs and preventing further destabilization, particularly in Gaza Strip.

Annual appropriations legislation routinely contains the following conditions, limitations, and restrictions on U.S. aid to Palestinians:

- Hamas: No aid is permitted for Hamas or Hamas-controlled entities.
- Power-Sharing PA Government: No aid is permitted for a power-sharing PA government that includes Hamas as a member, or that results from an agreement with Hamas and over which Hamas exercises “undue influence,” unless the President certifies that the PA government, including all ministers, has accepted the following two principles embodied in Section 620K of the Palestinian Anti-Terrorism Act of 2006 (PATA), P.L. 109-446:
 - Recognition of “the Jewish state of Israel’s right to exist” and
 - Acceptance of previous Israeli-Palestinian agreements (the “Section 620K principles”). If the PA government is “Hamas-controlled,” PATA applies additional conditions, limitations, and restrictions on aid. Under PATA, in the event Hamas participation in a PA government precludes ministries from receiving aid, the PA president and judiciary (if not Hamas-controlled) may under certain conditions receive aid pursuant to a presidential waiver for national security purposes.
- PLO and Palestinian Broadcasting Corporation (PBC): No aid is permitted for the PLO or for the PBC.
- Palestinian State: No aid is permitted for a future Palestinian state unless the Secretary of State certifies that the governing entity of the state has demonstrated a firm commitment to peaceful coexistence with the State of Israel.

4. Foreign Aid and the Molding of the Palestinian Space (Hamdan, 2010).

Hamdan used the concepts of space and place as theoretical basis through which it explains the changes in the Palestinian society as products of international funders and donors' development aid. The conditioned funding is not an unavoidable fate that cannot be escaped. There are many alternatives that could replace it, mainly Arab and solidarity funding (such as the funding of some leftist groups in Europe and Latin America). Arab funding is very important in the Palestinian context, on both the qualitative and quantitative levels because of its unconditioned nature, which makes it independent of any political prices, in contrast to Western funding. In addition, it does not have the transformative nature in the Palestinian space. The only problem with Arab funding is the absence of real policies to employ it in the Palestinian context whether on the level of the PA or NGOs. But in all cases the experience of the Welfare Association is considered pioneering and one of the most significant and successful experiences outside the Western funding context.

5. Role of Palestinian NGOS in Utilizing the International Fund to Promote Entrepreneurs and Create Sustainable Job Opportunities, Case Study Gaza Strip (Abu-Nahla, 2008).

The main goal is to investigate the important role of the NGOs in achievement the international fund to support the entrepreneurs and create jobs. She found that NGOs are not in most cases responsible to their beneficiaries' needs and requirements. NGOs do not design their interventions according to needs assessment of their target groups and beneficiaries and this was clear in the type of services that PNGO provide for their beneficiaries; 50 % of PNGOs projects focus on training programs and only 16 % concentrate on supporting entrepreneurs and create sustainable job opportunities. The political changes happened in 2006 affected negatively on the fund amounts towards PNGOs. The decrease in fund amounts decreased the financial capabilities for PNGOs, which restrict their role in creating sustainable job opportunities. She showed that 40 % of the PNGOs are working in both relief and development sectors at the same time, due to the difficult situations in Gaza Strip facing most of donors' fund to focus towards relief and emergency projects.

6. Paris Declaration, Aid Effectiveness and Development Effectiveness, Evaluation of the Paris Declaration (Elliot Stern, 2008).

Paris Declaration highlights the importance of undertaking an independent joint cross-country evaluation to provide a more comprehensive understanding of how increased aid effectiveness contributes to meeting development objectives. The purpose of the thematic study is to assess the relationship between the recommendations of Paris Declaration and aid effectiveness and development effectiveness. Capacity Development covers many things: individual skills, organizational capabilities and ‘outward-looking’ capacities such as coordination, networking, involving and consulting. In relation to aid effectiveness and development some of these capacities mainly concern governments – e.g. the skills of civil servants, country-based budgetary and procurement procedures, the ability to involve civil society, including poor citizens and the private sector. However, capacities for aid and development effectiveness are not confined to governments. Some propositions about donor harmonization and alignment the extent to which donors are willing to harmonize among themselves will depend on the extent that they share development objectives which are not overshadowed by other commercial or political objectives incompatible with development needs.

7. Aid to Palestinians That Would Really Help An Indigenous Call to Implement International Rhetoric (Murad, 2007).

Nora draws on hundreds of interviews with members of Palestinian civil society, activists and professionals to explore how dependence on international aid has had unintended negative consequences on Palestinian civil society and on its ability to advance social change and sustainable development.

She states that in the occupied Palestinian territories, international aid deserves credit for protecting the PA for many years from certain collapse under the weight of its unrealistic obligations, and clearly, international aid is responsible for providing food, services and jobs for millions. On the other hand, the cumulative role of international aid (and especially dependence on international aid) may be undermining democracy, independence, social change and sustainable development.

In addition, she mentioned that most of the international aid is unreliable. After democratic elections in January 2006 resulted in a Hamas majority in the Palestinian Legislative Council, nearly all-international aid was withdrawn, restricted, or redirected. The impressive aid infrastructure built by the development community in the occupied territories has been left to waste away; coordination between donors and the PA and among donors is almost completely lacking.

8. Aid Effectiveness: Opening the Black Box (Bourguignon & Sundberg, 2007).

Bourguignon and Sundberg through their article examined the causality chain that links aid flows to development outcomes. In addition, they examined what is known about aid effectiveness taking in consideration all links presented in the causality chain. They used comparative analytical methodology then reviewed results and recommendations from previous literatures. They did not use specific sample and instead reviewed literatures of similar research studies.

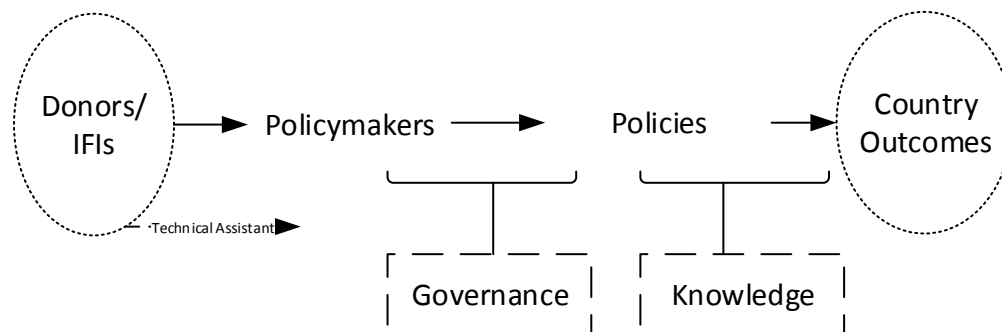


Figure 2 Causality Chain: the black box

They concluded that the available evidences on aid effectiveness are frail, but that do not mean that all aid is not effective. They presented three relationships among the black box: link from donors to policymakers, from policymakers to policies, then from policies to outcomes as shown in the figure (2). They summarized to increase the effectiveness of any aid; there is a need to improve the understanding of the three stated relationships.

9. Accountability in International Development Aid (Wenar, 2006).

Wenar focused on the accountability of international development aid: where range of efforts sponsored by the world's rich aimed at permanently bettering the conditions of the

world's poor. There are currently more than 80,000 development projects under way. He stated that the evaluation is therefore the major mechanism through which it could be known which development agencies are being effective in alleviating poverty, and which types of projects work in different settings. Aid agencies have an interest in positive evaluations, since these positive reviews will confirm their image of effectiveness and possibly help with fund raising. He found that in some cases, as with USAID, the accountability mechanisms in place do not work to reduce poverty. In these cases, there is a strong argument for institutional reform. In other cases, as with aid NGOs, accountability for effective poverty relief is almost entirely absent.

10. "A primer on foreign aid" (Radelet, 2006).

Radelet tried to answer the following questions, what are the aid trends? What are the motivations for aid? What are the motivation impacts on aid? What are the types of relationship between aid and growth? Finally, he discussed the new ways of aid reforming to increase the effectiveness. He employed comparative analytical method in which he depended on reviewing results and recommendations of previous research and tracked the different results. He did not use specific sample and instead reviewed literatures of similar research studies.

He concluded that there is an empirical evidence on the existence of relationship between aid and growth could be positive. Furthermore, to let aid more effective specially on solving the principal-agent problem, found the conditionality as a tool to improve aid effectiveness and a way to solve the problem of principal-agent. The aid trend is growing and going to continue growing. Furthermore, aid has been less effective in spurring development than is often expected. One of the most important finding is that aid can sustain bad governments in power for too long. He explored the newest ways of reform efforts. Aimed to solve some of the weaknesses of aid and the principal-agent problem through greater donor selectivity in choosing aid beneficiaries, increased beneficiaries participation in setting priorities and building funded programs, reformation of aid bureaucracies, growing donor coordination role, and setting clearer goals for aid and stronger monitoring and evaluation of aid-finances activities. Finally, concluded that there are no systematic evidences to what extent that these ways will increase aid effectiveness.

11. Donor Coordination and the Uses of Aid (Bigsten, 2006).

Bigsten discussed donor coordination and its implications for the uses of aid. So could donor coordination improve the situation? Although donors have a common interest in development, they often have separate goals. Donor coordination on goals would make it easier for them to impose policy conditions that are unwelcome to the recipient government. If the recipient country has a reasonable plan of its own, this could of course be unfortunate. However, it can also be that the recipient faces a domestic constituency seeking policies in line with their stakes. If so, the government might be helped by having an agreement with a multilateral agency that forces them to stay the course, or change the policy against those interests. The implications of greater donor coordination for ownership and independence in policy formation are harder to judge. Poor coordination makes it easier for recipient governments to play off donors against each other to achieve the aid allocation they desire, to extract better terms or escape conditionality. Lack of donor coordination also increases uncertainty about government policies, which tends to have a negative effect on investment.

12. Why do Aid Agencies Exist? (Martens, 2005).

Marten through his article is focusing on getting answer for: why do aid agencies exist? Why are there many aid organizations and not just one? Why is foreign aid not transferred directly from a single donor to a single beneficiary? To answer these questions, he used comparative analytical methodology, and reviewed results and recommendations of previous literatures. He did not use specific sample and instead reviewed literatures of similar research studies.

He concluded that the main cause of aid agencies existence is to solve the principal-agent ownership problem where both have different preferences and interests. Such agencies are to reduce the cost of financial transactions and work to align preferences between both parties where these agencies are working as mediators. He added that the existence of many aid organizations and not just one is due to the fact different preferences and objectives cannot ease handling the huge amount of aid by single organization. Therefore, different aid institutions exist to serve different agendas. Finally, the conditionality is a tool to

manage the financial transaction from donor country to recipients. Through conditionality, donors can sponsor their preferred recipients, lobby groups and policies in developing countries receiving aid.

13. Conditionality Revisited Concepts, Experiences, and Lessons (Koeberle, 2005).

Under the chapter called “Conditionality: under what conditions?” Koeberle raised the question of “under what conditions is conditionality still useful? Moreover, what are the types of conditionality that remains useful and relevant? He reviewed the experiences with conditionality in the World Bank’s policy-based lending in light of the ongoing debate between the traditional approach to conditionality based on ex-ante commitments to perform and recent calls for a results-oriented approach stemming from the literature on aid effectiveness.

He concluded that conditionality has a major role to play when customized to country conditions. Country-specific conditionality requires a cautious mix of usual ex-ante elements and new approaches. This type offers potential ways to resolve tensions between country ownership and obligation to donors.

14. Conditionality and Aid Effectiveness Re-evaluated (Morrissey, 2004).

Morrissey presented a concise review of the evidence on whether aid – and specifically the economic policy reform conditions attached to aid – has had a constructive influence on policy reform. He concluded that conditionality has been a core component of aid agreements for almost two decades. The conventional view is that conditionality does not work. This is true in the sense that attaching conditions to aid will not ensure that governments will undertake reforms they would not have chosen willingly. The one point on which there is agreement is that rarely, if ever, are all conditions fully implemented within the period of the aid agreement. In this sense conditionality does not work. Donors may also feel entitled to attach some restrictions on the ways in which aid can be used. Such support for the policy process does not require conditionality.

15. Effect of Foreign Aid on Development: Does More Money Bring More Development? (Lohani, 2004).

Lohani examined whether foreign aid has a positive impact on development. Development is measured using the human development index that incorporates a knowledge index, health index, and standard of living index. The important finding of this paper is that foreign direct investment, domestic investment, and GDP per capita positively impact human development, while social aid and military expenditure have a negative effect. Although social aid apparently reduces the human development index (HDI) according to the regression results, the negative sign could be due to statistical biases. Developing countries should create a favorable environment to attract foreign direct investment because multinational companies play a crucial role in bringing technical expertise and providing jobs to these countries. These countries should also promote domestic investment. In conclusion, human development should be a priority for governments and donors alike. Instead of just implementing programs that help increase or decrease the rate of economic growth, they should stress the importance of educating people and fulfilling their basic human needs. Governments and donors should realize that the national income may rise or fall; but if citizens in a country are healthy, educated, and happy, they can have a lasting influence in the future of the country.

16. Contracting for Aid (Azam & Laffont, 2003).

They raised one main question and an issue through his article, the first one is “how difficult is to write effective contracts for aid given informational and political difficulties?”, while the issue discussed is “the credibility of the contract and the various ways (selectivity) by which one tries to make these contract credible.”

They employed the empirical analytical methodology where to produces analytical models based on results from empirical literature. The country welfare is the variable used to achieve the study taking in consideration two major types of people, the elite powerful people and normal ones without power. Then, the problem raised is whether aid and conditionality can be used to reduce the transfers that the ruling elite can take to its own benefit from the rest of the population. Such topic led to formulating conditions while

preparing contracting issues. Based to the researcher, the conditionality imposing is a tool the donor use to force to help people without power in the recipient country to benefit from aid. Following to the previous the “aid-effectiveness diagnosis is based on the ability of aid, with or without conditionality, to reduce the level of misrepresentation of taxation, and thus leave more income to the normal people”. They showed that using conditions, the aid can impose a larger impact. They concluded that donor will optimally condition its aid flow to redirect an unbalanced allocation of support among the poor, in case of the recipient government is employing favoritism, the donor will improve, without compensating entirely, the effects of special treatment.

17. Why Conditional Aid Does Not Work and What Can be Done About It? (Svensson, 2003).

Svensson studied a simple reform that introduces ex-post incentives for the donor to reward good policies — contrary to existing practices. Instead of committing aid to each recipient ex-ante and making aid conditional on reform, the donor centralizes the disbursement decision by committing aid to a group of countries. The actual amount disbursed to each individual country would depend on its relative performance. If the donor has access to a commitment technology, and given that aid is conditional on reform, it is important to note countries, failing to implement promised reforms should receive less committed funds. However, if the donor cannot commit to a policy rule ex-ante, the disbursement decision will be independent of the conditioning set (i.e., the reform implementation). Explicitly linking the allocation and disbursement decisions has two important advantages as compared to the present practices. First, by creating a conflict of interest between the beneficiaries of foreign assistance, the opportunity cost of aid is internalized, thereby giving the donor (or country department) stronger incentives ex-post to reward good policies. Second, competition among recipients allows the donor to make inferences about common shocks, which otherwise conceal the recipients’ choice of action. This enables the donor to give aid more efficiently. Four objections against linking the allocation and disbursement decisions are worth stressing. First, it could be argued that competition between recipients introduces uncertainty about financial flows. Second, it could be argued that the degree of reform implementation depends on domestic political economy forces,

rather than on conditional aid. Third, the time-inconsistency problem analyzed above could be dampened in a dynamic setting. If the donor–recipient game is repeated an indefinite number of times, this might provide incentives for the manager not to pay out all funds if he observes a negative signal, in order to build a reputation and give the proper incentives for countries to undertake reform. Finally, collusion among recipients undermines the equilibria. An important assumption is thus that the recipients act non-cooperatively.

18. The Determinants of Aid Allocation by Regional Multilateral Development Banks and United Nations Agencies (Neumayer, 2003).

Neumayer examined which factors can explain the allocation of aid by four regional development banks as well as three United Nations agencies. The results of analyzing the determinants of aid allocation by various multilateral donors can be summarized as follows: many multilateral donors have a bias toward less populous countries in giving more aid to them, at least initially. All multilateral donors looked at here with the possible exception of UNDP take the economic needs of potential recipient countries into account and tend to allocate more aid to countries with lower per capita incomes. The results suggest the following: most donors examined also exhibit a bias apparent in bilateral aid allocation in favor of less populous countries. Some of them also share another bias of bilateral donors who give more aid to their former colonies. Some tentative evidence is found that respect for political freedom is rewarded with higher aid receipts at the aggregate multilateral level and by the Inter-American Development Bank as well as perhaps, in a few estimations, two of the three United Nations agencies.

19. Good Governance and Aid Effectiveness: The World Bank and Conditionality (Santiso, 2001).

Santiso assessed the World Bank’s approach for promoting good governance in developing countries. He argued that the quality of governance is ultimately attributable to its democratic content. Further argues that aid conditionality is not the most appropriate approach to strengthen good governance in developing countries. What is needed is a more radical approach in which donors cede control to the recipient country, within the

framework of agreed-upon objectives. He concluded that conditionality is not the appropriate approach to strengthening good governance in developing countries. What is needed is a more radical approach in which they cede developing countries greater control over the use of aid, within the framework of agreed-upon objectives. Reforming the oversight of aid should lead to radically new approaches to development assistance that are based on reciprocal obligation in the form of development compacts in which donors would cede greater control over the use of aid. It has to be recognized that in particularly adverse circumstances aid is likely to be ineffective and diverted from its intended purposes. In such situations, a democratic conditionality should be applied. Official aid to the government should be suspended, in order to prevent autocrats from holding on to power and mercilessly exploiting their citizens.

20. Who Gives Foreign Aid to Whom and Why? (Alesina & Dollar, 2000).

Based to Alesina & Dollar, large part of foreign aid flowing from developed to developing countries is washed out and only increases unproductive consumption of recipient people. Weak institutional development, corruption, inefficiencies led to failing of using aid in achieving development.

Based to previous concerns, they raised the following questions: do the developed countries have a role in failing achieving the assigned objectives of aid in recipient countries? Do developed countries respond to the circumstances that make aid effective in reducing poverty? Is the aid flow tight to political and strategic consideration of the donor preferences? The used methodology is comparative analytical one based on previous literatures and statistical comparison of collected data that connects donors to recipients' countries.

They concluded that there are obvious evidences that the direction of foreign aid is tight by political and strategic considerations, as by the economic needs and policy performance of the recipients. The colonial past and political alliances are also guidance of foreign aid. Not to forget that, countries that democratize receive more aid.

21. When is Foreign Aid Policy Credible? Aid Dependence and Conditionality (Svensson, 2000).

Svensson argued that once start looking at the incentive effects of aid some of these conclusions need to be rethought. The model suggests that one reason for the poor aggregate record of past aid disbursements is a moral hazard problem adversely affecting the aid recipients' incentives to undertake structural reforms. In principle, conditionality could partly solve the problem, but this requires a strong commitment ability by the donor. In many developing countries, foreign assistance is an important source of revenue. The poor macroeconomic impact of aid raises questions of the efficiency of foreign aid and aid policy. The model's basic prediction is a two-way relation: foreign aid is partly disbursed according to the needs of the poor and the anticipation of this adversely affects the recipients' incentives to carry out policies that would reduce poverty. The paper concluded that one reason for the poor aggregate record of foreign aid may be a moral hazard problem that adversely affects the aid recipients' incentives to undertake structural reforms. In principle, conditionality could partly solve the problem, but this requires a strong commitment ability by the altruistic donor. Contrary to conventional wisdom in the aid literature, he showed that without such a commitment technology, delegation of part of the aid budget to an international agency with less aversion to poverty as well as tied project aid might improve welfare for all parties.

22. What is Gained by Selectively Withholding Foreign Aid? (Drazen, 1999).

Drazen investigated the political economy of "blunt instruments" and argues that they while they generally cannot be justified by economic arguments, they may be justified by political arguments given the nature of aid appropriation in recipient countries. The reasons for aid failure (and the implications for conditionality) leads to the main argument of the paper, namely a role for selectivity, taken to mean denying aid based on the nature of the regime (or on repeated past failures which signal an underlying political problem), rather than on failure to fulfill specific policy conditions. The importance of conditionality may be seen by considering the case where a donor gives (or lends at concessional terms) simply on the basis of need, measured on the basis of average consumption or some other social

indicator. There is no reason to believe that aid based simply on good intentions will achieve its aims. The notion of selectivity for which concerned economists argued so strongly had the concern to improve the welfare of individuals in poor countries, tempered with the realization that this may require strong medicine if the failure of previous aid programs reflects socially adverse behavior on the part of recipients.

23. Voluntary Agencies as Development Organizations: Theorizing the Problem of Efficiency and Accountability (Brett, 1993).

Brett attempted to consider some of the theoretical and practical implications of the growing role of the voluntary agencies by treating NGOs as ‘value-driven’ organizations, and asking how this differentiates them, in terms of efficiency and accountability, from public or private agencies.

He concluded that the relationship between institutional reform and adjustment policy has been treated as a process involving choices between three different kinds of agency - public, private and voluntary - which tend to be put into separate categories by theorists and where one type is preferred to the others on ideological grounds. For policy-makers - whether national states or external donors - the existence of a strong voluntary sector adds a significant element to their organizational inventory. It makes it possible to provide services in a manner, which avoids the potentially repressive implications of a system based on state monopoly, and the problems of exclusion and instability associated with the dominance of unregulated capitalist competition.

24. Development Aid (Bauer, 1992).

Bauer in his published article at the occasional papers number 43 believes that the root of the development aid problem is that the subsidies go to governments whose policies retard growth and create poverty for large groups of the population. Not only is there no credible conditionality, as the aid flow goes on even if these governments pursue “barbarous policies”, but there is an implicit reward for bad policies, as the government eventually gets more aid, the more damaged is its economy.

3.2 Arabic Studies

1. The Reality of the Local NGOs/INGO Working in Palestine (Rayyes, 2010).

Rayyes investigated the reality of the locally working NGOs/INGOs in Palestine through examining those organizations with respect to the internal working environment based to the standards of accountability and transparency where the report focused on: “To what extent those organizations are following the official Palestinian rules and procedures in registrations and being officially permitted to work through Palestine”. “To what extent those organizations are following the accountability and transparency standards”.

Finally, he explored to what point those organizations are respecting and obliged to follow the Palestinian rules, procedures and legislations in the local Palestinian areas.

He examined 117 international locally working NGOs in Palestine that varies between being US, Europe, Arabic, Asian, Canadian and Australian ones. He found more than 50% of those organizations are working without being officially registered local INGOs by official Palestinian ministries. The most important finding that the USAID and companies belong to it are not officially registered at all and they don't obliged to the Palestinian rules and legislations are all due to clear declarations by the head of the Palestinian National Authority that the USAID is allowed to work without being officially registered neither the companies belong to it. The USAID got special permission by the late Yasser Arafat and prime minister at 2005. Moreover, it is not allowed to any local authority to intervene or question this organization and its ongoing projects about any kind of programmatic, financial, and managerial inquiries or questioning. Based to that, the USAID and its projects do not provide and financial or managerial statements to the local authorities. Based to the USAID signed contracts with local partners or employees, the ruling and governing rules are the US ones not the Palestinian.

He picked random sample of 15 INGOs out of 117. The questions seek to get answer are whether those organizations deliver periodic financial and managerial reports to the local authorities? Do any are obliged to follow the local official rules? What are the standards that those organizations follow in doing recruitment? What are the conditions that govern funding local projects?

The results are only 30% of those organizations are delivering periodic reports to local authorities. All participants notified that none of the local authorities contacted them as official regulation bodies to monitor the activities and the funded projects. In recruiting all organizations have their own system to achieve this. Finally, funding local projects is governed mainly by the donors' visions and conditions in addition those organizations perspectives and procedures.

2. Mapping Palestinian Non-Governmental Organizations in the West Bank and the Gaza Strip (Ladawdeh, 2007).

The PNGOs have played a vital in the fabric of Palestinian society since before the Israeli occupation of the WBGS, and no one can dispute the significance of these organizations in strengthening the steadfastness Palestinians in their own land since 1967. They played major roles in building the national infrastructure of sectors such as, healthcare, education, agriculture, and cultural and intellectual life. This has been achieved through: (a) the active participation of these organizations in drawing development plans despite the restrictions imposed by the Israeli military occupation, (b) the performance of relief programs and activities, and (c) through their active participation in political struggle and resistance. Regarding the number of beneficiaries, the study found that the number of beneficiaries rose from 4.5 million people in 2000 to 11 million in this survey. In terms of the revenues, the amount has doubled during the same period. The sources of these revenues are varied but it is noted that external sources are at the top of the list of donors. The percentage of their financial contribution to the total revenues of the 710 PNGOs rose from 46.8% in 2000 to 71% in 2007. It is believed that the reason behind this increase is the recent surge in basic needs leading to a rise in relief programs. Consequently, the volume of external aid increased to cover these needs.

3. The Impact of Financial Control over the Continuation of Funding for Civil Society Organization: A Case Study – The Civil Society Institutions in the Gaza Strip (Sharaf, 2005).

Sharaf examined the relation between the financial auditing systems and the continuity of external funding of the local working NGOs. In addition to examine the internal auditing rules and procedures on the financial situation of those NGOs. In addition, he tracked the degree of the local NGOs being following the standards and rules based on scientific criteria.

He used qualitative and quantitative studying methodology. Where, he did comparative analytical study on previous literatures and construct a questionnaire to track the quantitative results for his study. The sample of the working NGOs is picked from the guide of the local working NGOs in Gaza strip published by UNSCO 2003, where the number of employees is the main criterion on selecting the sample. Any organization listed at the UNSCO guide with number of employees over 5 is picked to participate in answering the questionnaire. The total number of received questionnaire is 115 filled by employees working on the financial department at those organizations.

He concluded that there is a relation cannot be undermined between existence of financial auditing systems and following the procedure and receiving foreign funds from INGOs. He also concluded such funding continue even the NGOs are not fully committed to those rules.

3.3 Summery

The research focuses on investigating factors affecting the foreign aid under conditionality for the local Palestinian NGOs in Gaza Strip as case study. It is very important to investigate the factors that influence positively or negatively the effectiveness of those funded projects. Previous literatures talk a lot about the conditionality and aid effectiveness with focusing on the factors of donors funding policy as the strongest affecting component,

with limited studies about other factors. The topic of conditionality is very important to focus on.

Some of the previous researchers argued that the conditionality is as a tool to improve the effectiveness in general. It is used to reduce corruption that affects the aid effectiveness (Radelet, 2006). In addition to that, the donors use the conditionality to help people without power in the recipient countries to benefit from aid where it force aid to be more effective (Azam & Laffont, 2003). The conditionality plays a major role when customized to country conditions (Koeberle, 2005). Some argues that the foreign aid is un effective because it increases unproductive consumption of the recipient people (Alesina & Dollar, 2000). Some researchers argued about the coordination among the donors where poor coordination makes it easier for recipient governments to play off donors against each other to achieve the aid allocation they desire, to extract better terms or escape conditionality (Bigsten, 2006). The donors entitled to attach some restrictions on the ways in which aid can be used (Morrissey, 2004). Conditionality is not the appropriate approach to strengthen good governance in developing countries. It has to be recognized that in particularly adverse circumstances aid is likely to be ineffective and diverted from its intended purposes. (Santiso, 2001). As studying the local NGOs in Gaza strip, most of the donations are tight to conditions which intersect with the research goals of testing the conditioned aid and the factors affecting it.

One of the most important factors of the research is the donors funding policy. It plays a very important role on project funding (Radelet, 2006). The donors funding policy is set to serve the donors agendas, where the donors can sponsor their preferred recipients, lobby groups and policies in developing countries receiving aid (Martens, 2005). The funding policy affects the economy badly when it is given to countries with bad policies (Bauer, 1992). Some researchers argue that the direction of foreign aid is tight by political and strategic consideration, where the colonial past and political alliances are also guiding the foreign aid (Alesina & Dollar, 2000). Several attempts to find a policy that enhances aid effectiveness. In reality, the level of infrastructure investment is so low that it makes aid ineffective (Kasuga & Morita, 2012). Each donor has his own agenda in funding that serves his own goals (Bigsten, 2006). Many donors have a bias toward less populous countries in giving more aid to them, at least initially. Some of them also share another bias of donors

who give more aid to their former colonies (Neumayer, 2003). It is very important to examine this factor at the Palestinian context especially the local NGOs. It is clear the donors funding policy plays the strongest role in aid effectiveness.

The factor of monitoring and evaluation (M&E) systems on the activity level increases the aid effectiveness (Radelet, 2006). The M&E systems should affect poverty alleviation, which is the major indicator of aid effectiveness. Aid agencies have an interest in positive evaluations, since these positive indicators will confirm their image of effectiveness. The positive M&E results help the NGO in getting external funds (Wenar, 2006). Studying this factor at the local NGOs very important especially when examining the internal and external M&E for projects under funding.

The number of research studying the effects of the internal management systems over the funded project is rarely. It is important to attract some attention over this factor and investigate it deeply if possible. The NGO management structure is one of the factors under studying, where it is clear that weak institutional development affects the aid effectiveness and may lead to fail having real development (Alesina & Dollar, 2000).

Many studies talked about the NGO culture and its influence on the aid effectiveness, where the corruption generally lead to failing of using aid in achieving development (Alesina & Dollar, 2000). Treating the NGOs as “value-driven” organizations is very important and it is related to the NGO culture where it affects the effectiveness of the NGO and the aid. The existence of strong voluntary sector adds a significant element to their organizational inventory (Brett, 1993). Focusing on this factor may open new windows for further studies on this aspect.

The NGO experience is rarely studied as factor affecting the foreign funded projects under conditionality. The individual skills, organizational capabilities and other capacities such as coordination, involving and consulting influence the funded projects (Elliot Stern, 2008). It is good to add new knowledge and to enrich the knowledge field about this factor and its effects on the aid effectiveness.

The effectiveness of aid is not clear but that does not mean it is not effective (Bourguignon & Sundberg, 2007). At the Palestinian context, the effect of the international aid is undermining democracy, independence, social change and sustainable development. Most of the international aid is unreliable (Murad, 2007). Trying to investigate those factors and

power on aid effectiveness may pave to the road to consider new factors and to start exploring other factors not mentioned at the research.

CHAPTER FOUR

Research Methodology

4.1 Introduction

4.2 Research Design

4.3 Data Collection Methodology

4.4 Population and sample size

4.5 Pilot Study

4.6 Data Measurement

4.7 Test of Normality

4.8 Statistical analysis tools

4.9 Validity of Questionnaire

a. Internal Validity

b. Structure Validity of the Questionnaire

4.10 Reliability of the research

a. Cronbach's Coefficient Alpha

4.1 Introduction

This chapter describes the methodology that was used in this research. The adopted methodology to accomplish this research uses the following techniques: the information about the research design, research population, questionnaire design, statistical data analysis, content validity and pilot study.

4.2 Research Design

The research design consists of the following phases:

The first phase of the research thesis proposal included identifying and defining the problems and establishment objective of the research and development of research plan.

The second phase of the research included a summary of the comprehensive literature review about the effectiveness of foreign funded projects under conditionality.

The third phase of the research included a field survey, which was conducted with the supervisor and figures working with NGOs and have strong experience in the field. The researcher consulted 8 Ph.D. holder experts to judge the questionnaire. Minor comments were received and the proper adjustments were handled.

The fourth phase of the research focused on the modification of the questionnaire design, through distributing the questionnaire to pilot study, The purpose of the pilot study was to test and prove that the questionnaire questions are clear to be answered in a way that help to achieve the target of the research. The questionnaire was modified based on the results of the pilot study.

The fifth phase of the research focused on distributing questionnaire. The questionnaire was used to collect the required data in order to achieve the research objective. About **130** questionnaires were distributed to the research population and **102** questionnaires were received. The actual needed size is about **60** questionnaires.

The sixth phase of the research was conducting data analysis and discussion. Statistical Package for the Social Sciences, (SPSS) was used to perform the required analysis. The final phase includes the conclusions and recommendations.

Figure (3) shows the methodology flowchart, which leads to achieve the research objective.



Figure 3 illustrates the methodology flow chart (Ajjour, 2012)

4.3 Data Collection Methodology

In order to collect the needed data for the research, the researcher uses the secondary resources in collecting data such as books, journals, statistics and web pages. In addition to preliminary resources that are not available in secondary resources through distribute questionnaires on study population in order to get their opinions about aid effectiveness of the foreign funded projects under conditionality taking in consideration five proposed factors what may affect it. Research methodology depends on the analysis of data on the use of descriptive analysis, which depends on the poll and use the main program (SPSS).

4.4 Population and sample size

The population includes employees of the local NGOs who works as executive directors, fundraising officers, accountants, financial managers, project managers and chairpersons or any who are in positions of decision making towards funding. Each NGO should fill up to 3 questionnaires by the people mentioned per each NGO. To target the 63 NGOs, and to have 2 persons to fill the questionnaire, so the total target collected questionnaire is at least 95 questionnaires. The following illustrates how to reach the sample size.

Here are the formulas used to determine the Sample Size (Moore, 2003):

Sample Size:

$$n = \left(\frac{Z}{2m} \right)^2 \quad (1)$$

Where:

Z = Z value (e.g. 1.96 for 95% confidence level)

m = confidence interval (margin of error), expressed as decimal (e.g., .05 = ±5)

Correction for finite population:

$$n_{\text{corrected}} = \frac{nN}{N + n - 1} \quad (2)$$

Where: N = population size

Using equation (1), the sample size is:

$$n = \left(\frac{1.96}{2 \times 0.05} \right)^2 \cong 384$$

Suppose that the population size is 126, the corrected sample size using equation (2) is:

$$n_{\text{corrected}} = \frac{384 \times 126}{126 + 384 - 1} \cong 95$$

Therefore, the minimum sample size required is at least 95

4.5 Pilot Study

A pilot study for the questionnaire was conducted before collecting the results of the sample. 30 questionnaires were distributed and collected. A trial run for the questionnaire, which involves testing the wordings of question, identifying ambiguous questions, testing the techniques that used to collect data, and measuring the effectiveness of standard invitation to respondents. The modifications applied on the questionnaire were minor and mostly editing. The collected 30 questionnaires were considered as part of the sample size

4.6 Data Measurement

In order to be able to select the appropriate method of analysis, the level of measurement must be understood. For each type of measurement, there is/are an appropriate method/s that can be applied and not others. In this research, ordinal scales were used. Ordinal scale is a ranking or a rating data that normally uses integers in ascending or descending order. The numbers assigned to the important (1, 2, 3, 4, 5) do not indicate that the interval between scales are equal, nor do they indicate absolute quantities. They are merely numerical labels. Based on Likert scale the following is:

Item	<i>Strongly agree</i>	<i>Agree</i>	<i>Do not Know</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
Scale	5	4	3	2	1

4.7 Test of Normality for each field

Table (1) shows the results for Kolmogorov-Smirnov test of normality. From Table (1), the p-value for each field is greater than 0.05 level of significance, and then the distribution for each field is normally distributed. Consequently, parametric tests will be used to perform the statistical data analysis.

Table 1 Kolmogorov-Smirnov Test

Field	Kolmogorov-Smirnov	
	Statistic	P-value
NGO Experience	1.075	0.198
Internal Structure & Hierarchy	0.858	0.453
NGO culture	1.070	0.202
Monitoring and Evaluation	1.182	0.122
Donor's Funding Policy	1.145	0.145
Effectiveness of foreign donation under conditionality	0.884	0.415
All paragraphs of the questionnaire	0.992	0.278

4.8 Statistical Analysis Tools

The researcher would use data analysis both qualitative and quantitative data analysis methods. The Data analysis will be made utilizing (SPSS 20). The researcher would utilize the following statistical tools:

- 1) Kolmogorov-Smirnov test of Normality.
- 2) Pearson correlation coefficient for Validity.
- 3) Cronbach's Alpha for Reliability Statistics.
- 4) Frequency and Descriptive analysis.
- 5) Parametric Tests (One-sample T test)
- 6) Stepwise regression.

T-test is used to determine if the mean of a paragraph is significantly different from a hypothesized value 3 (Middle value of Likert scale, which is the NULL hypothesis). If the P-value (Sig.) is smaller than or equal to the level of significance $\alpha = 0.05$, then the mean of a paragraph is significantly different from a hypothesized value 3. The sign of the Test value indicates whether the mean is significantly greater or smaller than hypothesized value 3. On the other hand, if the P-value (Sig.) is greater than the level of significance $\alpha = 0.05$ then the mean a paragraph is insignificantly different from a hypothesized value 3.

4.9 Validity of Questionnaire

Validity refers to the degree to which an instrument measures what it is supposed to be measuring. Validity has a number of different aspects and assessment approaches. Statistical validity is used to evaluate instrument validity, which includes internal validity and structure validity.

a. Internal Validity

Internal validity of the questionnaire is the first statistical test that used to test the validity of the questionnaire. It is measured by a scouting sample, which consisted of 30 questionnaires through measuring the correlation coefficients between each paragraphs in one field and the whole field.

Table 2 Correlation coefficient of each paragraph of "NGO Experience" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The NGO has its own experience in formulating the manuals and the internal regulations	.610	0.000*
2.	The NGO use the collected data and information to serve its goals	.547	0.000*
3.	The deployed NGO internal systems offer the ability to retrieve the required data and information	.667	0.000*
4.	The NGO experience helps in properly using the available human and other resources to achieve the requested tasks.	.731	0.000*
5.	The NGO experience governs the process of using the human and other NGO resources in serving its goals only.	.532	0.000*
6.	The NGO experience helps to achieve different tasks to reach its goals quickly and accurate.	.605	0.000*
7.	The NGO experience governs the acceptance process of the conditioned financial and other subsidies from the foreign funder.	.422	0.000*
8.	The NGO that has experience rejects the financial aid under conditions from the foreign funder.	.424	0.000*
9.	The NGO experience influences positively the effectiveness and efficiency for the foreign funded projects under conditionality.	.488	0.000*
10.	The NGO employs the manuals and internal regulations in achieving its tasks and goals.	.636	0.000*
11.	The NGO has the proper experience to put its internal regulations that govern implementing its activities.	.597	0.000*

* Correlation is significant at the 0.05 level

Table (2) clarifies the correlation coefficient for each paragraph of the "NGO Experience" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation

coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 3 Correlation coefficient of each paragraph of "Internal management structure" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	An internal management and operation hierarchy exists at the NGO	.770	0.000*
2.	The internal managerial structure at the NGO helps in achieving its goals	.762	0.000*
3.	The internal management structure states the responsibilities, functions and relations that should be handled by each employee among different management levels.	.832	0.000*
4.	The internal management structure offers the required human and other resources to achieve the requested tasks.	.707	0.000*
5.	The internal management structure is considered flexible in attracting and deploying new ideas and suggestions.	.744	0.000*
6.	The way of organizing the bylaws and rules of the NGO influences positively on its performance efficiency	.585	0.000*
7.	The NGO recruits its staff based on transparent standards	.754	0.000*
8.	The internal structure and hierarchy governs the process of rejecting or accepting the foreign conditioned funds	.670	0.000*
9.	The existence of internal structure influences positively on the funded projects	.690	0.000*
10.	A flexible internal structure helps in achieving goals.	.756	0.000*
11.	The NGO recruits the staff based on its needs or the funded project needs.	.714	0.000*

* Correlation is significant at the 0.05 level

Table (3) clarifies the correlation coefficient for each paragraph of the "Internal Management Structure" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 4 Correlation coefficient of each paragraph of "NGO culture" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The NGO culture influence positively in writing the values and customs	.655	0.000*
2.	The NGO values and customs influence positively in the ability of adaptation with the different environmental variables	.743	0.000*
3.	The NGO culture influences on it activities sustainability	.637	0.000*
4.	The NGO culture urges the decision makers to involve related people to the topic in participating	.567	0.000*
5.	The employees of the NGO adopt its values, principles and beliefs that come from its culture	.653	0.000*
6.	The NGO culture leads to the existence of clear message that governs its activities and adopted by the employees.	.644	0.000*
7.	The existence of general NGO culture helps in limiting benefiting directly from the foreign funds for the people working in fundraising.	.510	0.000*
8.	The NGO culture limits personal benefiting from the its resources	.536	0.000*
9.	The NGO culture has influence in accepting to rejecting the foreign funded project under conditionality for development projects	.647	0.000*
10.	The NGO cultures influence positively in the efficiency and effectiveness of projects under the funder's conditions.	.568	0.000*
11.	The NGO culture influence on the NGO interaction with different variables.	.316	0.001*

* Correlation is significant at the 0.05 level

Table (4) clarifies the correlation coefficient for each paragraph of the "NGO culture" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 5 Correlation coefficient of each paragraph of "Monitoring and Evaluation- Internal" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	Tools of M&E exist at the NGO to monitor the different activities.	.652	0.000*
2.	The approved M&E tools at the NGO states the activities that should be followed clearly.	.741	0.000*
3.	The M&E tools at the NGO offers the needed standards to compare with	.776	0.000*
4.	The NGO execute the M&E systems to evaluate the actual activities.	.697	0.000*
5.	The M&E tools compare between the actual activities and the standards related to.	.743	0.000*
6.	The M&E tools show the deviations between the actual performance and the related standards.	.698	0.000*
7.	The M&E systems are implemented only on the foreign funded projects	.334	0.000*
8.	The internal M&E tools influence positively in the efficiency and effectiveness of the conditionally funded projects.	.420	0.000*
9.	The NGO send transparent reports about the nature of the funded projects and achieved tasks.	.338	0.000*

* Correlation is significant at the 0.05 level

Table (5) clarifies the correlation coefficient for each paragraph of the "Monitoring and Evaluation-Internal" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 6 Correlation coefficient of each paragraph of "Monitoring and Evaluation-External" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The funder organizations condition following their M&E tools for their funded projects at the NGO	.285	0.002*
2.	The foreign M&E tools are considered more precisely than the local ones.	.636	0.000*
3.	The foreign donor conditions his/her presence before implementing the funded task to deploy his/her M&E system	.550	0.000*
4.	The donor sends the M&E report to the NGO to fix the deviations at their funded projects	.714	0.000*
5.	The US M&E systems are considered from strictly than other international organizations.	.762	0.000*
6.	The external M&E tools influence positively in the effectiveness and efficiency of the conditionally funded projects.	.285	0.002*

* Correlation is significant at the 0.05 level

Table (6) clarifies the correlation coefficient for each paragraph of the "Monitoring and Evaluation-External" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 7 Correlation coefficient of each paragraph of "Donors Funding Policy" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The foreign donors follow special funding policy for developmental projects.	.431	0.000*
2.	The foreign donors adopt their own development standards.	.367	0.000*
3.	The donor's funding policy directs the local NGOs in implementing their funded projects based to the donor's own vision	.586	0.000*
4.	The followed looking for fund policy at the NGO influence positively in attracting foreign donors	.362	0.000*
5.	The nature of implemented activities by the local NGO influence positively on the donors funding policy.	.276	0.003*
6.	The donors funding policy is a considered as condition in funding process.	.657	0.000*
7.	The foreign donor force his operation policy for his funded projects at the local NGO	.677	0.000*
8.	The donors funding policy force the local NGO implementing the activities to follow precise percentages at their funded budgets.	.652	0.000*
9.	The donors funding policy enforce hiring staff from his/her side in executing their projects at the local NGO	.582	0.000*
10.	The foreign donor based to funding policy enforce following its own procurement procedures.	.660	0.000*
11.	Based to the donors funding policy, it is prohibited from owing operational assets that are needed in implementing funded activities at the NGO	.657	0.000*
12.	The donors funding policy differs from donor to another based to political and economic aspects.	.375	0.000*
13.	The donor's funding policy takes in consideration at the first level the developmental projects.	.330	0.000*
14.	The donor's funding policy is tight to specific groups who are obliged to follow the donor's agenda	.481	0.000*
15.	The NGO working sector influence positively on the donors funding policy.	.395	0.000*

* Correlation is significant at the 0.05 level

Table (7) clarifies the correlation coefficient for each paragraph of the "Donors Funding Policy" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table 8 Correlation coefficient of each paragraph of “Effectiveness of foreign donation under conditionality” and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The donor conditions at the developmental projects affect at formulation of the NGO experience	.455	0.000*
2.	The donor condition through the funded project to modify the NGO internal rules and bylaw	.684	0.000*
3.	The conditions of the donor influence positively in the management and operation hierarchy while executing their funded projects	.668	0.000*
4.	The donors’ conditions are important factors affecting the process of hiring operation staff at the funded projects.	.559	0.000*
5.	The donors’ conditions influence positively the group of values and beliefs of the employees at the NGO.	.595	0.000*
6.	The donors’ conditions influence positively in the NGO mission	.407	0.000*
7.	The donors’ conditions influence positively in the implementation process of the developmental funded projects.	.332	0.000*
8.	The donor enforce using his own M&E tools in funded projects	.613	0.000*
9.	The M&E tools of the donor are considered as funding conditions	.525	0.000*
10.	The conditions of the donor influence negatively on the effectiveness and efficiency of the funded projects.	.569	0.000*
11.	The funding policy of the foreign organizations determines the development standards for funding	.479	0.000*
12.	The donor condition the compliance of the local NGO rules and bylaw with its own vision.	.533	0.000*
13.	The donors’ condition influence positively with the ability of adaptation at the NOG with different internal and external conditions.	.198	0.023*

* Correlation is significant at the 0.05 level

Table (8) clarifies the correlation coefficient for each paragraph of the “Effectiveness of foreign donation under conditionality” and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

b. Structure Validity of the Questionnaire

Structure validity is the second statistical test that is used to test the validity of the questionnaire structure by testing the validity of each field and the validity of the whole questionnaire. It measures the correlation coefficient between one field and all the fields of the questionnaire that have the same level of Likert scale.

Table 9 Correlation coefficient of each field and the whole of questionnaire

No.	Field	Pearson Correlation Coefficient	P-Value (Sig.)
1.	NGO Experience	.711	0.000*
2.	Internal Structure & Hierarchy	.699	0.000*
3.	NGO culture	.701	0.000*
4.	Monitoring and Evaluation	.669	0.000*
4.1	Monitoring and Evaluation" Internal"	.792	0.000*
4.2	Monitoring and Evaluation" External "	.555	0.000*
5.	Donors' Funding Policy	.771	0.000*
6.	Effectiveness of foreign donation under conditionality	.545	0.000*

* Correlation is significant at the 0.05 level

Table (9) clarifies the correlation coefficient for each field and the whole questionnaire. The p-values (Sig.) are less than 0.05, so the correlation coefficients of all the fields are significant at $\alpha = 0.05$, so it can be said that the fields are valid to be measured what it was set for to achieve the main aim of the research.

4.10 Reliability of the research

The reliability of an instrument is the degree of consistency, which measures the attribute; it is supposed to be measuring. The less variation an instrument produces in repeated measurements of an attribute, the higher its reliability. Reliability can be equated with the stability, consistency, or dependability of a measuring tool. The test is repeated to the same sample of people on two occasions and then compares the scores obtained by computing a reliability coefficient (Polit & Hungler, 1985).

a. Cronbach's Coefficient Alpha

This method is used to measure the reliability of the questionnaire between each field and the mean of the whole fields of the questionnaire. The normal range of Cronbach's coefficient alpha value between 0.0 and + 1.0, and the higher values reflects a higher degree of internal consistency. The Cronbach's coefficient alpha was calculated for each field of the questionnaire.

Table 10 Cronbach's Alpha for each field of the questionnaire

No.	Field	Cronbach's Alpha
1.	NGO Experience	0.754
2.	Internal Structure & Hierarchy	0.905
3.	NGO culture	0.792
4.	Monitoring and Evaluation	0.357
5.	Donors Funding Policy	0.796
6.	Effectiveness of foreign donation under conditionality	0.428
	All paragraphs of the questionnaire	0.897

Table (10) shows the values of Cronbach's Alpha for each field of the questionnaire and the entire questionnaire. For the fields, values of Cronbach's Alpha were in the range from 0.357 and 0.905. This range is considered high; the result ensures the reliability of each field of the questionnaire. Cronbach's Alpha equals 0.897 for the entire questionnaire which indicates an very good reliability of the entire questionnaire.

The variable of #4 and #6 are very sensitive fields, where they handles attitudes of the respondents, so they show moderate results of Cronbach's alpha compared the rest. The general reliability test shows 90% that the questionnaire is reliable to be used. Another important cause of the moderate result that the questionnaire is targeting NGOs in different sectors such as health, agriculture, culture, youth, women and children, etc. The diversity is reflected on the answers on those dimensions.

Thereby, it can be said that the researcher proved that the questionnaire was valid, reliable, and ready for distribution for the population sample.

CHAPTER FIVE

Analysis and Discussion

5.1 Introduction

5.2 Analysis for Each Field

- 1. NGO Experience**
- 2. Internal Management Structure**
- 3. NGO Culture**
- 4. Monitoring and Evaluation-General**
- 5. Donors Funding Policy**
- 6. Effectiveness of Foreign Donation under Conditionality**

5.3 Research Hypothesis

5.4 Regression Test

5.1 Introduction

In this chapter the analysis and the interpretations of the data collected by the questionnaire, in addition to the hypotheses testing results.

5.2 Analysis for Each Field

1. NGO Experience.

Table 11 Means and Test values for “NGO Experience”

	Item	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	The NGO has its own experience in formulating the manuals and the internal regulations	4.24	84.71	18.83	0.000*	2
2.	The NGO use the collected data and information to serve its goals	4.15	82.94	17.40	0.000*	6
3.	The deployed NGO internal systems offer the ability to retrieve the required data and information	4.22	84.31	20.22	0.000*	4
4.	The NGO experience helps in properly using the available human and other resources to achieve the requested tasks.	4.23	84.55	21.89	0.000*	3
5.	The NGO experience governs the process of using the human and other NGO resources in serving its goals only.	3.75	75.10	8.22	0.000*	10
6.	The NGO experience helps to achieve different tasks to reach its goals quickly and accurate.	4.22	84.31	19.69	0.000*	4
7.	The NGO experience governs the acceptance process of the conditioned financial and other subsidies from the foreign funder.	3.75	74.90	7.10	0.000*	11
8.	The NGO that has experience rejects the financial aid under conditions from the foreign funder.	3.76	75.25	6.61	0.000*	9
9.	The NGO experience influences positively the effectiveness and efficiency for the foreign funded projects under conditionality.	3.78	75.67	8.13	0.000*	8
10.	The NGO employs the manuals and internal regulations in achieving its tasks and goals.	4.12	82.35	18.75	0.000*	7
11.	The NGO has the proper experience to put its internal regulations that govern implementing its activities.	4.25	84.90	20.81	0.000*	1
	All paragraphs of the field	4.04	80.85	25.23	0.000*	

* The mean is significantly different from 3.

Table (11) shows the following results:

- The mean of paragraph #11 “The NGO has the proper experience to put its internal regulations that govern implementing its activities” equals 4.25 (84.90%), Test-value = 20.81, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.

- The mean of paragraph #7 “The NGO experience governs the acceptance process of the conditioned financial and other subsidies from the foreign funder” equals 3.75 (74.90%), Test-value = 7.10, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.

- The mean of the field “**NGO Experience**” equals 4.04 (80.85%), Test-value = 25.23, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to field of “**NGO Experience**”.

The organization ability to memorize through its bureaucratic and standard procedures is part of the NGO experience. (Spender, 1994). The researcher supports the results of the statistical analysis, where each NGO builds its own experience that helps in formulating the manuals and procedures to serve its own vision and mission. The researcher returns that to hundreds of training hours that offered by the donors in doing planning, and building financial and administration manuals. However, the researcher disagree with the results regarding that the NGO experience influencing the personal usage of local resources of the NGO facilities. Moreover, the acceptance and rejection of the financial aid under conditionality from the foreign donor is not affected by the NGO experience generally due to the nature of the local NGO as funds seekers and more dependency.

The results show a common understanding about the NGO experience importance among the local NGOs and its effects on the NGO performance, efficiency and effectiveness.

2. Internal Management Structure

Table 12 Means and Test values for "Internal Management Structure"

	Item	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	An internal management and operation hierarchy exists at the NGO	4.18	83.53	17.45	0.000*	5
2.	The internal managerial structure at the NGO helps in achieving its goals	4.18	83.53	17.84	0.000*	5
3.	The internal management structure states the responsibilities, functions and relations that should be handled by each employee among different management levels.	4.17	83.33	16.72	0.000*	7
4.	The internal management structure offers the required human and other resources to achieve the requested tasks.	4.02	80.39	18.31	0.000*	9
5.	The internal management structure is considered flexible in attracting and deploying new ideas and suggestions.	3.95	79.02	11.48	0.000*	10
6.	The way of organizing the bylaws and rules of the NGO influences positively on its performance efficiency	4.19	83.73	17.48	0.000*	3
7.	The NGO recruits its staff based on transparent standards	4.18	83.56	14.07	0.000*	4
8.	The internal structure and hierarchy governs the process of rejecting or accepting the foreign conditioned funds	3.92	78.43	9.38	0.000*	11
9.	The existence of internal structure influences positively on the funded projects	4.04	80.78	13.87	0.000*	8
10.	A flexible internal structure helps in achieving goals.	4.33	86.67	20.72	0.000*	1
11.	The NGO recruits the staff based on its needs or the funded project needs.	4.20	83.92	15.41	0.000*	2
	All paragraphs of the field	4.12	82.44	21.09	0.000*	

* The mean is significantly different from 3.

Table (12) shows the following results:

- The mean of paragraph #10 "A flexible internal structure helps in achieving goals" equals 4.33 (86.67%), Test-value = 20.72 and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It concluded that the respondents agreed to this paragraph.

- The mean of paragraph #11 “The internal structure and hierarchy governs the process of rejecting or accepting the foreign conditioned funds” equals 3.92 (78.43%), Test-value = 9.38, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.

- The mean of the field “Internal Management Structure” equals 4.12 (82.44%), Test-value = 21.09, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to field of “Internal Management Structure”.

The researcher agrees on the statistical results and supports the general trend of the respondents. The NGO experience helps to establish systems to execute tasks based on internal management structures. The researcher on paragraph #7 does not agree with the respondents, where many local NGOs recruit based on personal interests away from following transparent standards. The researcher supports the result of paragraph #6, where the rules and bylaws influence the performance efficiency. The respondents weakly goes with paragraph #8 stating that the influence of an existing management structure do affect weakly the dealing with funds under conditionality. The respondents also agree on paragraph #9 where the researcher supports it too. The researcher does not support fully what resulted at paragraph #11 where the result should be lower due to the fact of many foreign funded projects under conditionality recruit based on donors’ orders or previous recruitment experiences of the board of directors or the executive board.

The general trends goes positively that the local NGOs have well established internal structures and hierarchy that support the NGO operations that is reflected on its effectiveness. The results match Zheng and others study where the internal management structure influence the effectiveness and efficiency of organizational performance. At the same time, structure influences organizational effectiveness through channels other than knowledge management. (Zheng et al., 2010).

3. NGO Culture

Table 13 Means and Test values for “NGO culture”

	Item	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	The NGO culture influence positively in writing the values and customs	4.25	85.10	22.05	0.000*	1
2.	The NGO values and customs influence positively in the ability of adaptation with the different environmental variables	4.22	84.36	21.24	0.000*	2
3.	The NGO culture influences on it activities sustainability	4.16	83.14	22.40	0.000*	5
4.	The NGO culture urges the decision makers to involve related people to the topic in participating	4.18	83.56	19.52	0.000*	4
5.	The employees of the NGO adopt its values, principles and beliefs that come from its culture	4.10	81.98	15.46	0.000*	6
6.	The NGO culture leads to the existence of clear message that governs its activities and adopted by the employees.	4.19	83.73	20.82	0.000*	3
7.	The existence of general NGO culture helps in limiting benefiting directly from the foreign funds for the people working in fundraising.	3.60	72.08	6.46	0.000*	11
8.	The NGO culture limits personal benefiting from the its resources	3.74	74.71	7.62	0.000*	10
9.	The NGO culture has influence in accepting to rejecting the foreign funded project under conditionality for development projects	3.83	76.67	8.54	0.000*	9
10.	The NGO cultures influence positively in the efficiency and effectiveness of projects under the funder’s conditions.	3.84	76.77	10.37	0.000*	8
11.	The NGO culture influence on the NGO interaction with different variables.	3.92	78.42	14.75	0.000*	7
	All paragraphs of the field	4.00	80.04	24.15	0.000*	

* The mean is significantly different from 3.

Table (13) shows the following results:

- The mean of paragraph #1 “The NGO culture influence positively in writing the values and customs” equals 4.25 (85.10%), Test-value = 22.05, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.

- The mean of paragraph #7 “The existence of general NGO culture helps in limiting benefiting directly from the foreign funds for the people working in fundraising” equals 3.60 (72.08%), Test-value = 6.46, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.

- The mean of the field “NGO culture” equals 4.00 (80.04%), Test-value = 24.15, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to field of “NGO culture ”.

The researcher supports the idea raised at paragraphs #1 while it is not easy to find those values and customs written at many of the local NGOs. The researcher does not support the result of paragraph #4 where usually the decision making process concentrated at the senior levels only and many times at the chairman.

The results of this field supports what was raised at the literature review about the importance of existing NGO culture at the organization and its influence on the NGO effectiveness and its implemented projects generally. The organizational culture is the key for the organizational effectiveness. It exerts its influence through shaping the behavior of organizational members, where the mission –component of the NGO culture- refers to the existence of a shared definition of the organization’s purpose (Zheng et al., 2010). It is shared assumptions, values, and norms (Schein, 1992). Research on the link between organizational culture and effectiveness is also limited by lack of agreement about the appropriate measures of effectiveness. (Fey & Denison, 2003)

4. Monitoring and Evaluation-General

Table 14 Means and Test values for "Monitoring and Evaluation"

	Mean	Proportional mean (%)	Test value	P-value (Sig.)
Monitoring and Evaluation	3.42	68.34	15.78	0.000*

* The mean is significantly different from 3

Table (14) shows that the mean of "Monitoring and Evaluation-General" equals 3.42 (68.34%), Test-value =15.78, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to field of "Monitoring and Evaluation-General".

The results show general positive attitude toward the importance of the M&E. it measures the degree to which an organization has effective mechanism for: 1) adapting and changing program activities in response to information received (monitoring), 2) assessing the outcomes and overall impact of its program activities and integrating the results into future improvements in those activities (evaluations) (Awartani & Hashweh, 2002).

The moderate responses due to the fact of taking different sectors with different attitudes, but the general positive result means the common understanding goes to be with the importance of this dimension on the effectiveness on funded projects under conditionality.

4.1 Monitoring and Evaluation–Internal

Table 15 Means and Test values for “Monitoring and Evaluation-Internal”

	Item	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	Tools of M&E exist at the NGO to monitor the different activities.	4.17	83.33	18.68	0.000*	1
2.	The approved M&E tools at the NGO states the activities that should be followed clearly.	4.15	82.94	16.67	0.000*	2
3.	The M&E tools at the NGO offers the needed standards to compare with	4.13	82.57	17.23	0.000*	3
4.	The NGO execute the M&E systems to evaluate the actual activities.	4.11	82.18	19.17	0.000*	4
5.	The M&E tools compare between the actual activities and the standards related to.	3.96	79.22	14.40	0.000*	5
6.	The M&E tools show the deviations between the actual performance and the related standards.	3.90	78.04	12.82	0.000*	6
7.	The M&E systems are implemented only on the foreign funded projects	2.84	56.86	-1.39	0.084	8
8.	The internal M&E tools influence positively in the efficiency and effectiveness of the conditionally funded projects.	3.83	76.60	11.44	0.000*	7
9.	The NGO send transparent reports about the nature of the funded projects and achieved tasks.	1.83	36.67	-19.17	0.000*	9
	All paragraphs of the field	3.66	73.12	17.98	0.000*	

* The mean is significantly different from 3

Table (15) shows the following results:

- The mean of paragraph #1 “Tools of M&E exist at the NGO to monitor the different activities” equals 4.17 (83.33%), Test-value = 18.68, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.

- The mean of paragraph #9 “The NGO send transparent reports about the nature of the funded projects and achieved tasks” equals 1.83 (36.67%), Test-value = -19.17, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test

is negative, so the mean of this paragraph is significantly smaller than the hypothesized value 3. It is concluded that the respondents disagree to this paragraph.

- The mean of the field “Monitoring and Evaluation-Internal” equals 3.66 (73.12%), Test-value = 17.98, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to field of “Monitoring and Evaluation-Internal”.

As noted from the results on the answers, all paragraphs do have positive responses while paragraph #7 and paragraph #9 have negative responses, which means rejecting the paragraphs by the respondents. Paragraph #7 states:” The M&E systems are implemented only on the foreign funded projects”, the respondents argue that the M&E is not only used for funded projects but only other projects. The researcher accepts the majority response because having internal M&E systems helps in attracting donations, so the local NGOs considers having such systems as requirements for the donors (Crawford & Bryce, 2003). It is important to note paragraph #9, where the majority disagree with it, which means the local NGOs are not transparent in sending M&E reports to the donors. The researcher returns that to the fair of losing the funds if the M&E are not ok with donors’ mission. In addition, paragraph #8 shows the importance and influence of the internal M&E system on the effectiveness and efficiency of the funded projects.

4.2 Monitoring and Evaluation–External

Table 16 Means and Test values for “Monitoring and Evaluation-External”

	Item	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	The funder organizations condition following their M&E tools for their funded projects at the NGO	2.55	50.98	-4.69	0.000*	5
2.	The foreign M&E tools are considered more precisely than the local ones.	3.04	60.78	0.35	0.362	4
3.	The foreign donor conditions his/her presence before implementing the funded task to deploy his/her M&E system	3.48	69.60	4.66	0.000*	1
4.	The donor sends the M&E report to the NGO to fix the deviations at their funded projects	3.47	69.31	4.61	0.000*	2
5.	The US M&E systems are considered from strictly than other international organizations.	3.36	67.20	3.60	0.000*	3
6.	The external M&E tools influence positively in the effectiveness and efficiency of the conditionally funded projects.	2.47	49.31	-5.57	0.000*	6
	All paragraphs of the field	3.05	60.99	1.18	0.120	

* The mean is significantly different from 3

Table (16) shows the following results:

- The mean of paragraph #3 “The foreign donor conditions his/her presence before implementing the funded task to deploy his/her M&E system” equals 3.48 (69.60%), Test-value = 4.66, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.

- The mean of paragraph #6 “The external M&E tools influence positively in the effectiveness and efficiency of the conditionally funded projects” equals 2.47 (49.31%), Test-value = -5.57, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph is significantly smaller than the hypothesized value 3. It is concluded that the respondents disagree to this paragraph.

- The mean of the field “Monitoring and Evaluation-External” equals 3.05 (60.99%), Test-value = 1.18, and P-value=0.120 which is greater than the level of significance $\alpha = 0.05$. The mean of this field is insignificantly different from the hypothesized value 3. It is concluded that the respondents (Do not know, neutral) to field of “Monitoring and Evaluation-External”.

The responses on paragraph #6 shows the beliefs of the respondents on the negative affect of the external M&E on the effectiveness of the funded projects, the researcher believes that too, where the negative results of the M&E would affect badly on the NGO funding opportunities. Therefore, the NGOs are not with having external monitoring on their activities. This matches the finding with research of Lisa Bornstein (Bornstein, 2006).

5. Donors Funding Policy

Table 17 Means and Test values for "Donors Funding Policy"

	Item	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	The foreign donors follow special funding policy for developmental projects.	4.08	81.57	16.25	0.000*	1
2.	The foreign donors adopt their own development standards.	4.01	80.20	14.95	0.000*	2
3.	The donors' funding policy directs the local NGOs in implementing their funded projects based to the donor's own vision	3.64	72.87	7.01	0.000*	8
4.	The followed looking for fund policy at the NGO influence positively in attracting foreign donors	3.86	77.25	11.30	0.000*	5
5.	The nature of implemented activities by the local NGO influence positively on the donors funding policy.	3.97	79.41	13.41	0.000*	3
6.	The donors funding policy is a considered as condition in funding process.	3.79	75.84	9.61	0.000*	6
7.	The foreign donor force his operation policy for his funded projects at the local NGO	3.27	65.49	2.73	0.004*	11
8.	The donors funding policy force the local NGO implementing the activities to follow precise percentages at their funded budgets.	3.64	72.75	7.75	0.000*	9
9.	The donors funding policy enforce hiring staff from his/her side in executing their projects at the local NGO	2.96	59.22	-0.35	0.362	14
10.	The foreign donor based to funding policy enforce following its own procurement procedures.	3.19	63.73	1.86	0.033*	13
11.	Based to the donors funding policy, it is prohibited from owing operational assets that are needed in implementing funded activities at the NGO	2.84	56.83	-1.43	0.078	15
12.	The donors funding policy differs from donor to another based to political and economic aspects.	3.89	77.84	10.69	0.000*	4
13.	The donors funding policy takes in consideration at the first level the developmental projects.	3.23	64.51	2.11	0.019*	12
14.	The donors funding policy is tight to specific groups who are obliged to follow the donor's agenda	3.37	67.33	4.48	0.000*	10
15.	The NGO working sector influence positively on the donors funding policy.	3.75	75.05	10.03	0.000*	7
	All paragraphs of the field	3.57	71.31	12.71	0.000*	

* The mean is significantly different from 3.

Table (17) shows the following results:

- The mean of paragraph #1 “The foreign donors follow special funding policy for developmental projects” equals 4.08 (81.57%), Test-value = 16.25, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.
- The mean of paragraph #11 “Based to the donors funding policy, it is prohibited from owing operational assets that are needed in implementing funded activities at the NGO” equals 2.84 (56.83%), Test-value = -1.43, and P-value = 0.078 which is greater than the level of significance $\alpha = 0.05$. Then the mean of this paragraph is insignificantly different from the hypothesized value 3. It is concluded that the respondents (Do not know, neutral) to this paragraph.
- The mean of the field “Donors’ Funding Policy” equals 3.57 (71.31%), Test-value = 12.71, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to field of “Donors’ Funding Policy ”.

The responses show the importance and effects of the donors funding policy, where the respondents at paragraph #1 believes that each donor is following his own funding policy that reflects his vision and mission. The donor usually gives fund to people, NGOs and groups that match the donors’ vision. That matches Radelet study where for political reasons, donors generally want to influence as many countries as possible, which tends to lead to a disproportionate amount of aid going to small countries. It is found that tying aid added 15-20 percent to its cost, thus significantly reducing its impact on recipient countries (Radelet, 2006). This supports the finding of Alesina and Dollar in their research (Alesina & Dollar, 2000). The donors funding policy is clear at the Palestinian context where after the election of 2006, the US stopped funding the PA due to changing the donors’ policy priorities (Zanotti, 2010).

6. Effectiveness of foreign donation under conditionality

Table 18 Means and Test values for “Effectiveness of foreign aid under conditionality

	Item	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	The donor conditions at the developmental projects affect at formulation of the NGO experience	3.46	69.11	4.69	0.000*	3
2.	The donor condition through the funded project to modify the NGO internal rules and bylaw	2.70	53.92	-2.73	0.004*	12
3.	The conditions of the donor influence positively in the management and operation hierarchy while executing their funded projects	3.00	60.00	0.00	0.500	9
4.	The donor’s conditions are important factors affecting the process of hiring operation staff at the funded projects.	3.19	63.73	1.76	0.041*	7
5.	The donor’s conditions influence positively the group of values and beliefs of the employees at the NGO.	2.89	57.82	-1.01	0.158	11
6.	The donor’s conditions influence positively in the NGO mission	3.08	61.58	0.68	0.249	8
7.	The donor’s conditions influence positively in the implementation process of the developmental funded projects.	2.90	58.02	-0.90	0.184	10
8.	The donor enforce using his own M&E tools in funded projects	3.40	67.92	3.90	0.000*	4
9.	The M&E tools of the donor are considered as funding conditions	3.57	71.49	6.51	0.000*	2
10.	The conditions of the donor influence negatively on the effectiveness and efficiency of the funded projects.	3.27	65.35	2.32	0.011*	6
11.	The funding policy of the foreign organizations determines the development standards for funding	3.60	72.08	7.35	0.000*	1
12.	The donor condition the compliance of the local NGO rules and bylaw with its own vision.	3.38	67.52	3.52	0.000*	5
13.	The donor’s condition influence positively with the ability of adaptation at the NGO with different internal and external conditions.	2.60	52.08	-3.98	0.000*	13
	All paragraphs of the field	3.16	63.14	4.27	0.000*	

* The mean is significantly different from 3.

Table (18) shows the following results:

- The mean of paragraph #11 “The funding policy of the foreign organizations determines the development standards for funding” equals 3.60 (72.08%), Test-value =

7.35, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.

- The mean of paragraph #13 “The donor’s condition influence positively with the ability of adaptation at the NOG with different internal and external conditions” equals 2.60 (52.08%), Test-value = -3.98, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph is significantly smaller than the hypothesized value 3. It is concluded that the respondents disagree to this paragraph.

- The mean of the field “Effectiveness of foreign donation under conditionality” equals 3.16 (63.14%), Test-value = 4.27, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to field of “Effectiveness of foreign donation under conditionality ”.

It is clear that the responses are scattered about this field due to the fact the respondents present different working sectors, but generally the field result is positive that the majority attitude goes with influence and importance of the field and its effect on the effectiveness on the funded projects. Donors can use aid as a lever to encourage policy reform that was clear per Radelet study (Radelet, 2006).

Paragraph #2: The donor condition through the funded project to modify the NGO internal rules and bylaw, the result is negative that the respondents are not with the point. It means the conditionality does not affect the internal bylaws and rules. This means the relation between the NGO experience the aid conditionality has negative trends.

Paragraph #5: The donors’ conditions influence positively the group of values and beliefs of the employees at the NGO. The result is negative that the respondents are not with the point. It means the conditionality does not affect the values and beliefs of the NGO. Which means the relation between the NGO culture and the aid conditionality has negative trends that contradict with the finding of Brett study (Brett, 1993).

Paragraph #7: The donor’s conditions influence positively in the implementation process of the developmental funded projects. The response is negative that means the respondents

disagree with the paragraph and the donors' condition negatively affect the process and implementation of the funded projects.

Paragraph #13: The donors condition influence positively with the ability of adaptation at the NGO with different internal and external conditions. The result of paragraph #2 that the aid conditionality negatively affect the NGO culture that also contradict with the findings of Brett study (Brett, 1993).

5.3 Research Hypothesis

- 1. There is a relationship between the NGO experience and the effectiveness of the NGO in implementing the conditional funded projects with significance level of alpha = 5%.**

Table 19 Correlation coefficient between the NGO experience and the effectiveness of the NGO in implementing the conditional funded projects

Hypothesis	Pearson Correlation Coefficient	P-Value (Sig.)
There is a relationship between the NGO experience and the effectiveness of the NGO in implementing the conditional funded projects with significance level of alpha = 5%	0.154	0.061

Table (19) shows that the correlation coefficient between the NGO experience and the effectiveness of the NGO in implementing the conditional funded projects equals 0.154 and the p-value (Sig.) equals 0.061. The p-value (Sig.) is greater than 0.05. It is concluded that is insignificant relationship between the NGO experience and the effectiveness of the NGO in implementing the conditional funded projects.

The result is expected due to the type of answers and responses received. The respondents believe that the NGO experience does not affecting the NGO effectiveness in running projects under conditionality.

2. There is a relationship between the NGO internal management structure and the effectiveness of the NGO in implementing the conditional funded projects with significance level of alpha = 5%.

Table 20 Correlation coefficient between the NGO internal management structure and the effectiveness of the NGO in implementing the conditional funded projects

Hypothesis	Pearson Correlation Coefficient	P-Value (Sig.)
There is a relationship between the NGO internal management structure and the effectiveness of the NGO in implementing the conditional funded projects with significance level of alpha = 5%.	-0.004	0.484

Table (20) shows that the correlation coefficient between the NGO internal management structure and the effectiveness of the NGO in implementing the conditional funded projects equals -0.004 and the p-value (Sig.) equals 0.484. The p-value (Sig.) is greater than 0.05. It is concluded that is insignificant relationship between the NGO internal management structure and the effectiveness of the NGO in implementing the conditional funded projects.

The result is expected due to the type of answers and responses received. The respondents believe that the NGO internal management structure does not affecting the NGO effectiveness in running projects under conditionality.

3. There is a relationship between the NGO culture and the effectiveness of the NGO in implementing the conditional funded project with significance level of alpha = 5%.

Table 21 Correlation coefficient between the NGO culture and the effectiveness of the NGO in implementing the conditional funded project

Hypothesis	Pearson Correlation Coefficient	P-Value (Sig.)
There is a relationship between the NGO culture and the effectiveness of the NGO in implementing the conditional funded project with significance level of alpha = 5%	0.163	0.051

Table (21) shows that the correlation coefficient between the NGO culture and the effectiveness of the NGO in implementing the conditional funded project equals 0.163 and the p-value (Sig.) equals 0.051. The p-value (Sig.) is greater than 0.05. It is concluded that is insignificant relationship between the NGO culture and the effectiveness of the NGO in implementing the conditional funded project.

The result is expected due to the type of answers and responses received. The respondents believe that the NGO culture does not affecting the NGO effectiveness in running projects under conditionality.

4. There is a relationship between the NGO internal monitoring and evaluation systems and the effectiveness of the NGO in implementing the conditional funded project with significance level of alpha = 5%.

Table 22 Correlation coefficient between the NGO internal monitoring and evaluation systems and the effectiveness of the NGO in implementing the conditional funded project

Hypothesis	Pearson Correlation Coefficient	P-Value (Sig.)
There is a relationship between the NGO internal monitoring and evaluation systems and the effectiveness of the NGO in implementing the conditional funded project with significance level of alpha = 5%	0.155	0.060

Table (22) shows that the correlation coefficient between the NGO internal monitoring and evaluation systems and the effectiveness of the NGO in implementing the conditional funded project equals 0.155 and the p-value (Sig.) equals 0.060. The p-value (Sig.) is greater than 0.05. It is concluded that is insignificant relationship between the NGO internal monitoring and evaluation systems and the effectiveness of the NGO in implementing the The result is expected due to the type of answers and responses received. The respondents believe that the NGO internal M&E does not affecting the NGO effectiveness in running projects under conditionality.

5. There is a relationship between the external monitoring and evaluation systems and the effectiveness of the NGO in implementing the conditional funded projects with significance level of alpha = 5%.

Table 23 Correlation coefficient between the external monitoring and evaluation systems and the effectiveness of the NGO in implementing the conditional funded projects

Hypothesis	Pearson Correlation Coefficient	P-Value (Sig.)
There is a relationship between the external monitoring and evaluation systems and the effectiveness of the NGO in implementing the conditional funded projects with significance level of alpha = 5%	0.148	0.069

Table (23) shows that the correlation coefficient between the external monitoring and evaluation systems and the effectiveness of the NGO in implementing the conditional funded projects equals 0.148 and the p-value (Sig.) equals 0.069. The p-value (Sig.) is greater than 0.05. It is concluded that is insignificant relationship between the external monitoring and evaluation systems and the effectiveness of the NGO in implementing the conditional funded projects.

The result is expected due to the type of answers and responses received. The respondents believe that the NGO external M&E does not affecting the NGO effectiveness in running projects under conditionality.

6. There is a relationship between the donors funding policies and the local NGOs' effectiveness in implementing the conditional funded projects with the significance level of alpha = 5%.

Table 24 Correlation coefficient between the donors funding policies and the local NGOs' effectiveness in implementing the conditional funded projects

Hypothesis	Pearson Correlation Coefficient	P-Value (Sig.)
There is a relationship between the donor's funding policies and the local NGOs' effectiveness in implementing the conditional funded projects with the significance level of alpha = 5%	.642	0.000*

* Correlation is statistically significant at 0.05 level

Table (24) shows that the correlation coefficient between the donors' funding policies and the local NGOs' effectiveness in implementing the conditional funded projects equals .642 and the p-value (Sig.) equals 0.000. The p-value (Sig.) is less than 0.05, so the correlation coefficient is statistically significant at $\alpha = 0.05$. It is concluded that there exists a significant relationship between the donor's funding policies and the local NGOs' effectiveness in implementing the conditional funded projects.

The result is expected due to the type of answers and responses received. The respondents believe that the donors funding policies does affecting the NGO effectiveness in running projects under conditionality.

5.4 Regression test

The independent variables handled at the hypotheses of the researcher affect on the dependent variable the effectiveness of foreign aid under conditionality that can be tested using the regression test. The researcher uses **Stepwise regression and obtain the following results:**

R Square = 0.445, this means 44.5% of the variation in the Effectiveness of foreign donation is explained by "Donors Funding Policy and Internal Management Structure".

Table 25 ANOVA for Regression

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	6.212	2	3.106	39.736	0.000
Residual	7.739	99	0.078		
Total	13.951	101			

Table (25) shows the Analysis of Variance for the regression model. Sig. = 0.000, so there is a significant relationship between the dependent variable "Effectiveness of foreign donation" and independent variables "Donor's Funding Policy and Internal Management Structure".

Table 26 the Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.655	0.274		6.037	0.000
Donors Funding Policy	0.573	0.064	0.693	8.915	0.000
Internal Management Structure	0.131	0.054	0.189	2.437	0.017

Table (26) shows the regression coefficients and their P-values (Sig.). Based on the Standardized Coefficients, the significant independent variable is "Donors Funding Policy and Internal Management Structure".

The regression equation is:

Effectiveness of foreign donation under conditionality = 1.655+ 0.573 (Donor's Funding Policy) + 0.131* (Internal Management Structure).*

It is quite clear that the donors funding policy affects with 57.3% of the effectiveness of foreign aid under conditionality, while the internal management structure affects with 13.1% on the dependent variable. The total both independent variables hold of more than 70% of the power and influence compared to the reminded variables.

The organizational internal management structure influences its effectiveness through non-knowledge related functions, especially through normal and regular process, tasks, and systems, because of their minimal involvement of active knowledge management (Zheng et al., 2010)

The results of having about 57% of power in affecting the effectiveness of the funded projects under conditionality matches the fact of the donors' policy is to reward recipient with good policy, then it is clear that the margin good policies are rewarded by higher aid. That could be used as mean of growth rate increment of the recipients (Burnside & Dollar, 1997).

Finally, two factors are affecting the NGO implementing funded projects under conditionality, they are the donors funding policy and the internal management structures of total power reach 70% while the reminded factors do not have power on influencing the dependent variable here. There are other factors not mentioned should be considered and tested.

CHAPTER SIX

Conclusion and Recommendations

6.1 Conclusion

6.2 Recommendations

6.3 Further Research

6.1 Conclusion

The main goal of this research is to investigate to what extent the internal and external factors affect the effectiveness of foreign funded projects for the local NGOs under conditionality.

The factors studied under this research are the NGO experience, the NGO culture, the existence of internal management structure, the existence of the internal and external M&E systems and the donors' funding policies on the dependent variable the effectiveness of the funded projects under conditionality.

- The analyzed results for the factor “NGO experience” show that there is a general acceptance of the importance of the NGO experience in influencing the NGO performance. This is expected but from the analysis, this factor is not affecting the funded projects under conditionality where the relation between this factor and the effectiveness of the foreign funded project is insignificant. This contradicts with literature review and the expectations. The researcher returns that to the type of the factor where it is considered an internal factor. The respondents try to show a perfect internal factor.
- The analyzed results for the factor “NGO culture” show that there is a general acceptance of the importance of the NGO culture in influencing the NGO performance. This is expected but from the analysis, this factor is not affecting the funded projects under conditionality where the relation between this factor and the effectiveness of the foreign funded project is insignificant. This contradicts with literature review and the expectations. The researcher returns that to the type of the factor where it is considered an internal factor. The respondents try to show a perfect internal factor.
- The analyzed results for the factor “NGO internal management structure” show that there is a general acceptance of the importance of having internal management structure that influencing the NGO performance. This is expected but from the analysis, this factor has a very weak influence on the funded projects under conditionality where the relation between this factor and the effectiveness of the foreign funded project is insignificant and the power of influencing is about 13% of the other factors. This

contradicts with literature review and the expectations. The researcher returns that to the type of the factor where it is considered an internal factor. The respondents try to show a perfect internal factor.

- The factor of the M&E is analyzed on two levels, the existence of internal M&E, and the existence of external M&E. The results of analyzing the importance of having internal and external M&E systems, there are a common understanding of the importance of having M&E in attracting external funding, that also matches the literature review on this factor, but the results show that the correlation between this factor and the effectiveness of foreign funded projects under conditionality. The results of this factor were ambiguous and needs deep study.
- The analyzed results for the factor “donors’ funding policy” show that there is a general acceptance of the importance of the donors’ funding policy in influencing the NGO performance. This is expected but from the analysis, this factor is strongly affecting the funded projects under conditionality where the relation between this factor and the effectiveness of the foreign funded project is significant. This matches with literature review and the expectations. The researcher returns that to the type of the factor where it is considered an external factor. The respondents try to show a reality about this factor.

In this research, results of the analysis supported partially the hypothesis of the research; that the donors funding policy factors affects the effectiveness of the foreign funded projects under conditionality. The other factors: NGO culture, NGO experience, M&E system (internally and externally) and the internal management structure do not have relation to affect the effectiveness of the foreign funded projects under conditionality.

Through the regression analysis, it is clear that, the donors funding policy affect with more than 57% of power affecting the effectiveness of the foreign funded projects under conditionality with about 13% for the internal management structure.

Some of the scattered results of the responses are due to the sample group is targeting all sectors working at Gaza, but there are general and common understanding about the roles of each proposed factor.

The researcher concludes that the component of the internal management structure and donors' funding policy affect the effectiveness of the funded projects.

6.2 Recommendations

The NGOs field is very comprehensive for research, where investigating their role in achieving development at the local communities is very important too. Utilizing any kind of funds is very important to achieve the required growth especially at the Palestinian context where conditionality is the main key the donors rely on. The researcher recommends the following:

1. Recommendations for the local authorities

- The local Palestinian authorities should keep close tracking for any signed projects with international donors to follow if any kind of conditions are imposed.
- The local authorities should request periodical progress reports to ensure the well implementations of the projects on the ground.
- The local authorities should work hard with media to illustrate the risks of accepting conditional funding on the local community.
- Continues series of awareness workshops should be applied on monthly or yearly basis with the local NGOs to discuss the finding of sign contracts with foreign donors who apply conditionality.
- The local authority should work hard with the local general assembly of the local NGOs to impose strong and follow up on the sign projects, and to empower those assemblies on putting strategic goals within the Palestinian laws.
- The local authority should work on networking with international Arabic and Islamic donors to guide the national funding goals to achieve real development.
- The Palestinian Legislative Council should enrich the Palestinian law with more laws that handles the funding from foreigners.
- The local authority should ban any donor from working who offer conditional funding for the local NGOs that violating the Palestinian law.

2. Recommendations for Palestinian Non-Governmental Organization Network (PNGO)

- PNGO should have a periodical revision of the signed programs and projects with its members to ensure avoiding violating the Palestinian law especially with conditional funding.
- PNGO should hold a monthly awareness sessions for its members about the disadvantages of accepting conditional funding on the NGOs and the local communities.
- PNGO should monitor and mentor the small NGOs and help them in getting unconditional funding for their activities.
- PNGO should work hard on networking with the Arabic and Islamic Development banks to create the required funding networks for the local NGOs.
- PNGO should work closely with the local authorities in handling any local NGOs violating the Palestinian law.
- PNGO should start and keep awareness workshops about the importance of transparency among the local NGOs.

3- Recommendations for the local NGOs

- The NGO should have an internal bylaw to reject any conditional funding.
- The NGO should build strong local management structure before accepting any funding.
- The NGO should build its own culture and ensure that all employees believe and follow the NGO culture
- The NGO should report the local authorities and the PNGO about any donor who tries to impose conditional funding
- The NGO should create solid M&E system to track the implementation of the funded projects and the general operations of the institution.
- The general assembly of the NGO should monitor closely the implementation of the funded project and at the first level accepting funds from foreign donors.

4- Recommendations for donors

- Donors should follow the Palestinian law when funding any tasks or projects.
- Donors should review their internal regulations to not violating the Palestinian law.
- Donors should hold regular meetings and workshops with PNGO and local authority to state the development priorities of the Palestinians.

6.3 Further Research

The research recommends the following research:

- 1- The challenges facing the local NGO in accepting foreign funding under conditionality.
- 2- How do the conditional funding violating the Palestinian law?
- 3- The role of the local authorities in directing the international funding under conditionality.
- 4- Towards a more efficient aid use for foreign conditional funded projects.
- 5- The role of the international donor in shaping the local NGOs
- 6- The common characteristics of the local NGOs which accept foreign funds under conditionality

APPENDIXES

Appendix I. Questionnaire – Arabic Version

Appendix II. Questionnaire – English version

Appendix I. Questionnaire – Arabic Version

بسم الله الرحمن الرحيم



الجامعة الإسلامية – غزة
عمادة الدراسات العليا
كلية التجارة
قسم إدارة الأعمال

حضرة الأخ/ الأخت.....

السلام عليكم ورحمة الله وبركاته،

الموضوع: تعبئة استبانة لرسالة ماجستير

يقوم الباحث بدراسة العوامل المؤثرة في فعالية التمويل الأجنبي المشروط لمناطق السلطة الوطنية الفلسطينية مركزا في الدراسة على حالة منظمات المجتمع المدني في غزة، وذلك استكمالاً لمتطلبات الحصول على درجة الماجستير في إدارة الأعمال من الجامعة الإسلامية بغزة.

ولإيماننا العميق بأنكم الأكثر معرفة بالوضع القائم، وأنكم خير مصدر للوصول إلى المعلومات المطلوبة، كونكم أهل خبرة واختصاص، توجهنا إليكم لتعبئة هذه الاستبانة وكلنا أمل أن نجد التعاون المطلق من قبلكم. يرجى قراءة فقرات الاستبانة المرفقة واختيار الإجابة التي تعكس الواقع الفعلي. علما أن المعلومات التي ستعبأ من قبلكم ستعامل بسرية تامة، ولن تستخدم إلا لأغراض البحث العلمي.

وتقبلوا فائق الاحترام والتقدير،

الباحث

م. عماد المصري

الرجاء وضع علامة (X) على المربع المناسب وإجابة جميع الأسئلة
البيانات الديموغرافية

أولاً: البيانات الشخصية والوظيفية

1.1. المسمى الوظيفي				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
رئيس مجلس إدارة	أمين صندوق	مدير تنفيذي	محاسب	أخرى (حدد)-----
1.2. المؤهل العلمي				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ثانوية عامة فأقل	دبلوم متوسط	بكالوريوس	ماجستير	دكتوراه فأعلى
ثانياً: بيانات المنظمة				
2.1. سنة التأسيس:				
2.2. حجم التمويل السنوي (بالدولار الأمريكي):				
2008:-----	2009:-----	2010:-----	2011:-----	2012:-----
2.3. القطاع الذي تنشط فيه المنظمة (من الممكن أكثر من خيار)				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
التنمية الاقتصادية	التعليم والشباب	المياه والبيئة	الصحة	الديمقراطية والحكم
2.4. الفئات المستهدفة (من الممكن أكثر من خيار)				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
الشباب	الأطفال	النساء	كبار السن	أخرى_____
2.5. المناطق الجغرافية التي تنشط فيها المنظمة (من الممكن أكثر من خيار)				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
شمال قطاع غزة	مدينة غزة	المنطقة الوسطى	خانيونس	رفح
2.6. مصادر التمويل (من الممكن اختيار أكثر من خيار)				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
محلي	عربي أو إسلامي	أوروبي	أمريكي أو كندي	مؤسسات الأمم

محاور الدراسة

1. خبرة المنظمة

1. تمتلك المنظمة الخبرة اللازمة لصياغة الأدلة والقوانين الداخلية.

موافق بشدة موافق لا أدري أعترض أعترض بشدة

2. توظف المنظمة البيانات والمعلومات المسترجعة في خدمة أهدافها

موافق بشدة موافق لا أدري أعترض أعترض بشدة

3. توفر الأنظمة المعمول بها في المنظمة القدرة على استرجاع البيانات والمعلومات المطلوبة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

4. تساعد خبرة المنظمة في توظيف المصادر المادية والبشرية المتوفرة لإتمام المهام المطلوبة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

5. تحكّم خبرة المنظمة عملية توظيف المصادر المادية والبشرية للمؤسسة في خدمة أهدافها بشكل مباشر فقط

موافق بشدة موافق لا أدري أعترض أعترض بشدة

6. تساعد خبرة المنظمة في إنجاز مهامها وأنشطتها المختلفة وبالتالي تحقيق أهدافها بسرعة ودقة عالية

موافق بشدة موافق لا أدري أعترض أعترض بشدة

7. تحكّم خبرة المنظمة عملية قبول الأموال والمساعدات المشروطة من الممول الأجنبي

موافق بشدة موافق لا أدري أعترض أعترض بشدة

8. ترفض المنظمة ذات الخبرة قبول أموال ومساعدات مشروطة من الممول الأجنبي

موافق بشدة موافق لا أدري أعترض أعترض بشدة

9. تؤثر خبرة المنظمة إيجابيا في زيادة كفاءة وفعالية المشاريع ذات التمويل الأجنبي المشروط

موافق بشدة موافق لا أدري أعترض أعترض بشدة

10. تعمل المنظمة على توظيف الأدلة والقوانين الداخلية في مساعدتها على إنجاز الأهداف والمهام

موافق بشدة موافق لا أدري أعترض أعترض بشدة

11. يوجد لدى المنظمة الخبرة المناسبة لتضع قوانينها الداخلية لتحكم عملية تنفيذ أنشطتها المختلفة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

2. الهيكلية الداخلية

1. توجد هيكلية داخلية إدارية وتشغيلية واضحة في المنظمة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

2. تساهم الهيكلية الداخلية المعتمدة في المنظمة على تحقيق الأهداف المنوطة بها

موافق بشدة موافق لا أدري أعترض أعترض بشدة

3. تحدد الهيكلية الداخلية المعتمدة المسئوليات الوظيفية للأفراد والعلاقات بين المستويات الإدارية

موافق بشدة موافق لا أدري أعترض أعترض بشدة

4. توفر الهيكلية الداخلية المعتمدة المصادر المادية والبشرية اللازمة لإنجاز المهام المطلوبة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

5. تعتبر الهيكلية الداخلية المعتمدة مرنة في استقطاب وتطبيق الأفكار والمقترحات الجديدة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

6. تؤثر طريقة تنظيم اللوائح والقوانين للمؤسسة إيجابيا على فعالية وكفاءة أداء المنظمة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

7. تقوم المنظمة بتعيين الأشخاص حسب معايير تمتاز بالشفافية

موافق بشدة موافق لا أدري أعترض أعترض بشدة

8. تحكم الهيكلية الإدارية الداخلية عملية قبول أو رفض التمويل المشروط من الممول الأجنبي

موافق بشدة موافق لا أدري أعترض أعترض بشدة

9. يوجد تأثير إيجابي لوجود هيكلية داخلية معتمدة في المنظمة الأهلية على المشاريع الممولة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

10. تساعد الهيكلية المرنة في المنظمة على تحقيق الأهداف

موافق بشدة موافق لا أدري أعترض أعترض بشدة

11. تقوم المنظمة بتعيين الأشخاص بناء على احتياج المنظمة أو المشروع الممول

موافق بشدة موافق لا أدري أعترض أعترض بشدة

3. ثقافة المنظمة

1. تؤثر ثقافة المنظمة إيجابيا في صياغة مجموعة القيم والعادات السائدة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

2. تؤثر مجموعة القيم والعادات السائدة إيجابيا على قدرة المواءمة والتكيف مع المتغيرات البيئية المختلفة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

3. تؤثر ثقافة المنظمة على استمرارية أنشطتها المختلفة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

4. تحض ثقافة المنظمة في عملية اتخاذ القرار على مشاركة ذوي العلاقة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

5. يلتزم موظفو المنظمة بتبني المبادئ والقيم والمعتقدات الخاصة بثقافة المنظمة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

6. تؤدي ثقافة المنظمة إلى وجود رسالة واضحة للمؤسسة تحكم نشاطها وبتبناها الموظفين

موافق بشدة موافق لا أدري أعترض أعترض بشدة

7. يعمل وجود ثقافة عامة للمؤسسة في الحد من الاستفادة بشكل مباشر من التمويل الأجنبي وذلك للعاملين في تجنيد الأموال

موافق بشدة موافق لا أدري أعترض أعترض بشدة

8. تحد ثقافة المنظمة من الاستفادة الشخصية للموظفين من مقدرات المنظمة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

9. تؤثر ثقافة المنظمة في عملية قبول أو رفض التمويل الأجنبي المشروع للمشاريع التنموية

موافق بشدة موافق لا أدري أعترض أعترض بشدة

10. توجد ثقافة خاصة بالمنظمة تؤثر إيجابيا في كفاءة وفعالية المشاريع الممولة تحت اشتراطات الممول

موافق بشدة موافق لا أدري أعترض أعترض بشدة

11. تؤثر ثقافة المنظمة على طريقة تعاملها مع المتغيرات المختلفة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

4. الرقابة والتقييم

1. يوجد في المنظمة أدوات للرقابة والتقييم على الأنشطة المختلفة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

2. تحدد أدوات الرقابة والتقييم المعتمدة في المنظمة الأنشطة المراد متابعتها وتقييمها بشكل واضح

موافق بشدة موافق لا أدري أعترض أعترض بشدة

3. توفر أدوات الرقابة والتقييم المعتمدة في المنظمة المعايير اللازمة لذلك

موافق بشدة موافق لا أدري أعترض أعترض بشدة

4. تقوم المنظمة بتطبيق أنظمة الرقابة والتقييم بهدف تقييم النشاط الفعلي

موافق بشدة موافق لا أدري أعترض أعترض بشدة

5. تقارن الأدوات الرقابية والتقييمية المختلفة والمعتمدة في المنظمة بين النشاط الفعلي والمعايير المحددة لها

موافق بشدة موافق لا أدري أعترض أعترض بشدة

6. تبيّن الأدوات الرقابية والتقييمية نسبة الانحراف في الأداء الفعلي عن المعايير المحددة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

7. تطبق أنظمة الرقابة والتقويم المعتمدة في المنظمة على المشاريع الممولة أجنبيا فقط

موافق بشدة موافق لا أدري أعترض أعترض بشدة

8. تشترط الجهات الأجنبية الممولة اتباع مناهجها الخاصة في أنظمة الرقابة والتقويم لمشاريعها الممولة من قبلها

موافق بشدة موافق لا أدري أعترض أعترض بشدة

9. تعتبر أنظمة الرقابة والتقويم للممول الأجنبي على مشاريعها الممولة أدق من الأنظمة المعتمدة في المنظمة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

10. يشترط الممول الأجنبي في حال تنفيذ الأنشطة إعلامه مسبقا حتى يحضر ويقوم بالعملية الرقابية والتقييمية للنشاط

موافق بشدة موافق لا أدري أعترض أعترض بشدة

11. يقوم الممول بارسال تقارير الرقابة والتقويم للمؤسسة بهدف تعديل الانحرافات في المشاريع الممولة من قبله

موافق بشدة موافق لا أدري أعترض أعترض بشدة

12. تعتبر أنظمة الرقابة والتقويم للمنظمات الأمريكية الممولة صارمة مقارنة بالمنظمات الدولية الأخرى

موافق بشدة موافق لا أدري أعترض أعترض بشدة

13. تؤثر أدوات الرقابة والتقويم الخارجية إيجابيا في كفاءة وفعالية المشاريع الممول تحت شروط الممول

موافق بشدة موافق لا أدري أعترض أعترض بشدة

14. تؤثر أدوات الرقابة والتقويم الداخلية إيجابيا في كفاءة وفعالية المشاريع الممولة تحت شروط الممول

موافق بشدة موافق لا أدري أعترض أعترض بشدة

15. تقوم المنظمة بارسال تقارير للممول تتصف بالشفافية عن طبيعة المشاريع والمهام المنجزة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

5. سياسة الممول التمويلية

1. تتبنى الجهات الأجنبية الممولة للمشاريع سياسة تمويلية خاصة بها في تمويل مشاريعها التنموية

موافق بشدة موافق لا أدري أعترض أعترض بشدة

2. تتبنى الجهات الأجنبية الممولة للمشاريع معايير تنموية خاصة بها

موافق بشدة موافق لا أدري أعترض أعترض بشدة

3. تقوم السياسة التمويلية للممول الأجنبي على توجيه المنظمات الأهلية على تنفيذ المشاريع وفق رؤيتها الخاصة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

4. تؤثر السياسة المتبعة في تجنيد الأموال في المنظمة الأهلية إيجابيا على استقطاب التمويل الأجنبي

موافق بشدة موافق لا أدري أعترض أعترض بشدة

5. تؤثر طبيعة الأنشطة في المنظمة الأهلية إيجابيا على السياسة التمويلية للممول الأجنبي

موافق بشدة موافق لا أدري أعترض أعترض بشدة

6. تعتبر السياسة التمويلية للممول من شروط الممول في عملية التمويل

موافق بشدة موافق لا أدري أعترض أعترض بشدة

7. يفرض الممول الأجنبي السياسة التشغيلية للمشاريع الممولة من قبله على المنظمات الأهلية

موافق بشدة موافق لا أدري أعترض أعترض بشدة

8. تُنص السياسة التمويلية للممول الأجنبي على إلزام المنظمة الأهلية المنفذة للمشروع بإتباع نسب محددة لصرف الموازنة التشغيلية

موافق بشدة موافق لا أدري أعترض أعترض بشدة

9. تفرض السياسة التمويلية للممول الأجنبي على وجوب تعيين أشخاص من طرفه في تنفيذ المشاريع التنموية في المنظمات الأهلية

موافق بشدة موافق لا أدري أعترض أعترض بشدة

10. يلزم الممول الأجنبي وفق سياسته التمويلية المنظمة الأهلية بتنفيذ المشروع وفق آليات المشتريات الخاصة به

موافق بشدة موافق لا أدري أعترض أعترض بشدة

11. تمنع سياسة الممول التمويلية امتلاك الأصول التشغيلية اللازمة لإدارة وتنفيذ المشاريع الممولة من قبله للمؤسسة الأهلية

موافق بشدة موافق لا أدري أعترض أعترض بشدة

12. تختلف السياسة التمويلية للممول من جهة مموله إلى أخرى تبعا لمعايير سياسة واقتصادية خاصة به

موافق بشدة موافق لا أدري أعترض أعترض بشدة

13. تراعي السياسة التمويلية للمنظمات الممولة العمل التنموي بالدرجة الأولى

موافق بشدة موافق لا أدري أعترض أعترض بشدة

14. ترتبط السياسة التمويلية للممول بالفئات الممولة وموافقتها المسبقة على اتباع الأجندة الخاصة بالممول

موافق بشدة موافق لا أدري أعترض أعترض بشدة

15. يؤثر قطاع عمل المنظمة الأهلية إيجابيا في السياسة التمويلية للممول الأجنبي

6. فعالية التمويل الأجنبي تحت شروط الممول

1. تؤثر اشتراطات الممول في المشاريع التنموية في تشكيل وصياغة خبرة المنظمة الأهلية

موافق بشدة موافق لا أدري أعترض أعترض بشدة

2. يشترط الممول في المشاريع الممولة من قبله تعديل القوانين واللوائح الداخلية

موافق بشدة موافق لا أدري أعترض أعترض بشدة

3. تؤثر اشتراطات الممول إيجابيا في الهيكلية الإدارية والتشغيلية للمؤسسة في عملية تنفيذ المشاريع الممولة من قبله

موافق بشدة موافق لا أدري أعترض أعترض بشدة

4. تعتبر اشتراطات الممول من المؤثرات الهامة في عملية توظيف الكوادر التنفيذية في مشاريعه الممولة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

5. تؤثر اشتراطات الممول إيجابيا في مجموعة القيم والمعتقدات الخاصة بالموظفين في المنظمة الأهلية

موافق بشدة موافق لا أدري أعترض أعترض بشدة

6. تؤثر اشتراطات الممول إيجابيا في الرسالة الخاصة في المنظمة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

7. تؤثر اشتراطات الممول إيجابيا على عملية تنفيذ المشاريع التنموية الممولة من قبله

موافق بشدة موافق لا أدري أعترض أعترض بشدة

8. يشترط الممول استخدام أدواته الرقابية والتقويمية الخاصة عند تنفيذ المشاريع الممولة من قبله

موافق بشدة موافق لا أدري أعترض أعترض بشدة

9. تعتبر أدوات الرقابة والتقويم المعتمدة من قبل الممول من اشتراطات التمويل

موافق بشدة موافق لا أدري أعترض أعترض بشدة

10. تؤثر شروط التمويل من قبل الممول سلبا على كفاءة وفعالية المشاريع

موافق بشدة موافق لا أدري أعترض أعترض بشدة

11. تحدد السياسة التمويلية للمنظمات الأجنبية الممولة للمشاريع المعايير التنموية للتمويل

موافق بشدة موافق لا أدري أعترض أعترض بشدة

12. يشترط الممول في المشاريع الممولة من قبله أن تتوافق القوانين واللوائح الداخلية مع رؤيته الخاصة

موافق بشدة موافق لا أدري أعترض أعترض بشدة

13. تؤثر اشتراطات الممول إيجابيا على قدرة التكيف في المنظمة مع المتغيرات المختلفة الداخلية والخارجية

موافق بشدة موافق لا أدري أعترض أعترض بشدة

Appendix II. Questionnaire – English version

Islamic University - Gaza
Deanship of Higher Education
Commerce Faculty
Business Administration



Dear Sir/Madam;

Subject: Answering the Questionnaire

The researcher studies the factors affecting the effectiveness of the foreign funded projects under conditionality for the NGOs in the Palestinian National Authority to fulfill the requirements of having the MBA degree at the Islamic University of Gaza.

Because you are the best potential candidate to fill the questionnaire and through your long experience and being expert in the field, we hope to receive your full cooperation and answers that reflects reality taking in consideration, that all data will be handled in top confidentiality and only for scientific research purposes.

Thanks for your cooperation

Yours Sincerely;
Emad Al-Masri

(Please put X on the answer that reflects that fact)

1. Demographical Data

First: Personal and Position Data

1.1. Post Title

Chairman Treasury Executive Accountant Others:.....

1.2. Qualification

High School or below Diploma BA/BSc. Master PhD. Or Higher

Second: NGO DATA

2.1. Year of Establishment _____

2.2. Annual Funding (USD)

2008:----- 2009:----- 2010:----- 2011:----- 2012:-----

2.3. NGO Sector (you may choose more than one)

Economic Development Youth and Education Water and Environment Health and Subsidies Governance and Democracy

2.4. Target Groups (you may choose more than one)

Youth Children Women Elders Others:_____

2.5. Geographical Working Area (you may choose more than one)

Northern Gaza Gaza City Middle Area Khan Yunis Rafah

2.6. Funding Sources (you may choose more than one)

Local Arabic or Islamic Europe US or Canada UN Institutions

2. Study Fields

1. NGO Experience

1. The NGO has its own experience in formulating the manuals and the internal regulations

Strongly Agree Agree Don't know Disagree Strongly Disagree

2. The NGO use the collected data and information to serve its goals

Strongly Agree Agree Don't know Disagree Strongly Disagree

3. The deployed NGO internal systems offer the ability to retrieve the required data and information

Strongly Agree Agree Don't know Disagree Strongly Disagree

4. The NGO experience helps in properly using the available human and other resources to achieve the requested tasks.

Strongly Agree Agree Don't know Disagree Strongly Disagree

5. The NGO experience governs the process of using the human and other NGO resources in serving its goals only.

Strongly Agree Agree Don't know Disagree Strongly Disagree

6. The NGO experience helps to achieve different tasks to reach its goals quickly and accurate.

Strongly Agree Agree Don't know Disagree Strongly Disagree

7. The NGO experience governs the acceptance process of the conditioned financial and other subsidies from the foreign funder.

Strongly Agree Agree Don't know Disagree Strongly Disagree

8. The NGO that has experience rejects the financial aid under conditions from the foreign funder.

Strongly Agree Agree Don't know Disagree Strongly Disagree

9. The NGO experience influences positively the effectiveness and efficiency for the foreign funded projects under conditionality.

Strongly Agree Agree Don't know Disagree Strongly Disagree

10. The NGO employs the manuals and internal regulations in achieving its tasks and goals.

Strongly Agree Agree Don't know Disagree Strongly Disagree

11. The NGO has the proper experience to put its internal regulations that govern implementing its activities.

Strongly Agree Agree Don't know Disagree Strongly Disagree

2. Internal Management Structure

1. An internal management and operation hierarchy exists at the NGO

Strongly Agree Agree Don't know Disagree Strongly Disagree

2. The internal managerial structure at the NGO helps in achieving its goals

Strongly Agree Agree Don't know Disagree Strongly Disagree

3. The internal management structure states the responsibilities, functions and relations that should be handled by each employee among different management levels.

Strongly Agree Agree Don't know Disagree Strongly Disagree

4. The internal management structure offers the required human and other resources to achieve the requested tasks.

Strongly Agree Agree Don't know Disagree Strongly Disagree

5. The internal management structure is considered flexible in attracting and deploying new ideas and suggestions.

Strongly Agree Agree Don't know Disagree Strongly Disagree

6. The way of organizing the bylaws and rules of the NGO influences positively on its performance efficiency

Strongly Agree Agree Don't know Disagree Strongly Disagree

7. The NGO recruits its staff based on transparent standards

Strongly Agree Agree Don't know Disagree Strongly Disagree

8. The internal structure and hierarchy governs the process of rejecting or accepting the foreign conditioned funds

Strongly Agree Agree Don't know Disagree Strongly Disagree

9. The existence of internal structure influences positively on the funded projects

Strongly Agree Agree Don't know Disagree Strongly Disagree

10. A flexible internal structure helps in achieving goals.

Strongly Agree Agree Don't know Disagree Strongly Disagree

11. The NGO recruits the staff based on its needs or the funded project needs.

Strongly Agree Agree Don't know Disagree Strongly Disagree

3. NGO Culture

1. The NGO culture influence positively in writing the values and customs

Strongly Agree Agree Don't know Disagree Strongly Disagree

2. The NGO values and customs influence positively in the ability of adaptation with the different environmental variables

Strongly Agree Agree Don't know Disagree Strongly Disagree

3. The NGO culture influences on it activities sustainability

Strongly Agree Agree Don't know Disagree Strongly Disagree

4. The NGO culture urges the decision makers to involve related people to the topic in participating

Strongly Agree Agree Don't know Disagree Strongly Disagree

5. The employees of the NGO adopt its values, principles and beliefs that come from its culture

Strongly Agree Agree Don't know Disagree Strongly Disagree

6. The NGO culture leads to the existence of clear message that governs its activities and adopted by the employees.

Strongly Agree Agree Don't know Disagree Strongly Disagree

7. The existence of general NGO culture helps in limiting benefiting directly from the foreign funds for the people working in fundraising.

Strongly Agree Agree Don't know Disagree Strongly Disagree

8. The NGO culture limits personal benefiting from the its resources

Strongly Agree Agree Don't know Disagree Strongly Disagree

9. The NGO culture has influence in accepting to rejecting the foreign funded project under conditionality for development projects

Strongly Agree Agree Don't know Disagree Strongly Disagree

10. The NGO cultures influence positively in the efficiency and effectiveness of projects under the funders' conditions.

Strongly Agree Agree Don't know Disagree Strongly Disagree

11. The NGO culture influence on the NGO interaction with different variables.

Strongly Agree Agree Don't know Disagree Strongly Disagree

4. Monitoring and Evaluation (M&E)

1. Tools of M&E exist at the NGO to monitor the different activities.

Strongly Agree Agree Don't know Disagree Strongly Disagree

2. The approved M&E tools at the NGO states the activities that should be followed clearly.

Strongly Agree Agree Don't know Disagree Strongly Disagree

3. The M&E tools at the NGO offers the needed standards to compare with

Strongly Agree Agree Don't know Disagree Strongly Disagree

4. The NGO execute the M&E systems to evaluate the actual activities.

Strongly Agree Agree Don't know Disagree Strongly Disagree

5. The M&E tools compare between the actual activities and the standards related to.

Strongly Agree Agree Don't know Disagree Strongly Disagree

6. The M&E tools show the deviations between the actual performance and the related standards.

Strongly Agree Agree Don't know Disagree Strongly Disagree

7. The M&E systems are implemented only on the foreign funded projects

Strongly Agree Agree Don't know Disagree Strongly Disagree

8. The funder organizations condition following their M&E tools for their funded projects at the NGO

Strongly Agree Agree Don't know Disagree Strongly Disagree

9. The foreign M&E tools are considered more precisely than the local ones.

Strongly Agree Agree Don't know Disagree Strongly Disagree

10. The foreign donor conditions his/her presence before implementing the funded task to deploy his/her M&E system

Strongly Agree Agree Don't know Disagree Strongly Disagree

11. The donor sends the M&E report to the NGO to fix the deviations at their funded projects

Strongly Agree Agree Don't know Disagree Strongly Disagree

12. The US M&E systems are considered from strictly than other international organizations.

Strongly Agree Agree Don't know Disagree Strongly Disagree

13. The external M&E tools influence positively in the effectiveness and efficiency of the conditionally funded projects.

Strongly Agree Agree Don't know Disagree Strongly Disagree

14. The internal M&E tools influence positively in the efficiency and effectiveness of the conditionally funded projects.

Strongly Agree Agree Don't know Disagree Strongly Disagree

15. The NGO send transparent reports about the nature of the funded projects and achieved tasks.

Strongly Agree Agree Don't know Disagree Strongly Disagree

5. Donors Funding Policy

1. The foreign donors follow special funding policy for developmental projects.

Strongly Agree Agree Don't know Disagree Strongly Disagree

2. The foreign donors adopt their own development standards.

Strongly Agree Agree Don't know Disagree Strongly Disagree

3. The donors funding policy directs the local NGOs in implementing their funded projects based to the donor's own vision

Strongly Agree Agree Don't know Disagree Strongly Disagree

4. The followed looking for fund policy at the NGO influence positively in attracting foreign donors

Strongly Agree Agree Don't know Disagree Strongly Disagree

5. The nature of implemented activities by the local NGO influence positively on the donors funding policy.

Strongly Agree Agree Don't know Disagree Strongly Disagree

6. The donors funding policy is a considered as condition in funding process.

Strongly Agree Agree Don't know Disagree Strongly Disagree

7. The foreign donor force his operation policy for his funded projects at the local NGO

Strongly Agree Agree Don't know Disagree Strongly Disagree

8. The donors funding policy force the local NGO implementing the activities to follow precise percentages at their funded budgets.

Strongly Agree Agree Don't know Disagree Strongly Disagree

9. The donors funding policy enforce hiring staff from his/her side in executing their projects at the local NGO

Strongly Agree Agree Don't know Disagree Strongly Disagree

10. The foreign donor based to funding policy enforce following its own procurement procedures.

Strongly Agree Agree Don't know Disagree Strongly Disagree

11. Based to the donors funding policy, it is prohibited from owing operational assets that are needed in implementing funded activities at the NGO

Strongly Agree Agree Don't know Disagree Strongly Disagree

12. The donors funding policy differs from donor to another based to political and economical aspects.

Strongly Agree Agree Don't know Disagree Strongly Disagree

13. The donors funding policy takes in consideration at the first level the developmental projects.

Strongly Agree Agree Don't know Disagree Strongly Disagree

14. The donors funding policy is tight to specific groups who are obliged to follow the donor's agenda

Strongly Agree Agree Don't know Disagree Strongly Disagree

15. The NGO working sector influence positively on the donors funding policy.

Strongly Agree Agree Don't know Disagree Strongly Disagree

6. Effectiveness of Foreign Aid under Conditionality

1. The donor conditions at the developmental projects affect at formulation of the NGO experience

Strongly Agree Agree Don't know Disagree Strongly Disagree

2. The donor condition through the funded project to modify the NGO internal rules and bylaw

Strongly Agree Agree Don't know Disagree Strongly Disagree

3. The conditions of the donor influence positively in the management and operation hierarchy while executing their funded projects

Strongly Agree Agree Don't know Disagree Strongly Disagree

4. The donors' conditions are important factors affecting the process of hiring operation staff at the funded projects.

Strongly Agree Agree Don't know Disagree Strongly Disagree

5. The donors' conditions influence positively the group of values and beliefs of the employees at the NGO.

Strongly Agree Agree Don't know Disagree Strongly Disagree

6. The donors' conditions influence positively in the NGO mission

Strongly Agree Agree Don't know Disagree Strongly Disagree

7. The donors' conditions influence positively in the implementation process of the developmental funded projects.

Strongly Agree Agree Don't know Disagree Strongly Disagree

8. The donor enforce using his own M&E tools in funded projects

Strongly Agree Agree Don't know Disagree Strongly Disagree

9. The M&E tools of the donor are considered as funding conditions

Strongly Agree Agree Don't know Disagree Strongly Disagree

10. The conditions of the donor influence negatively on the effectiveness and efficiency of the funded projects.

Strongly Agree Agree Don't know Disagree Strongly Disagree

11. The funding policy of the foreign organizations determines the development standards for funding

Strongly Agree Agree Don't know Disagree Strongly Disagree

12. The donor condition the compliance of the local NGO rules and bylaw with its own vision.

Strongly Agree Agree Don't know Disagree Strongly Disagree

13. The donor's condition influence positively with the ability of adaptation at the NOG with different internal and external conditions.

Strongly Agree Agree Don't know Disagree Strongly Disagree

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