

Israel/Palestine Centre for Research and Information (IPCRI)

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Sida Evaluation 04/06

Department for Asia

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Abbreviations and Acronyms

CBI	Consensus Building Institute of Cambridge, Massachusetts, USA
DFID	Department For International Development (of the UK)
DGIS	Director General for Development Cooperation (of the Netherlands)
EU	European Union
€	Euro
IDRC	International Development Research Centre of Canada
IPCRI	The Israel/Palestine Center for Research and Information
JEMS	Joint Environmental Mediation Service
KUSD	Kilo US Dollar ('000 US dollars)
MERC	Middle East Regional Cooperation (USAID)
MSEK	Million Swedish Krona
NGO	Non Government Organisation
NSD	National Endowment for Democracy
OPT	Occupied Palestinian Territories
Sida	Swedish International Development Cooperation Agency
TA	Technical Assistance
USAID	US Agency for International Development
USD	US Dollar

Executive Summary

IPCRI is a joint Israel/Palestinian institution devoted to promoting dialogues between the conflicting parties in order to promote the development of relevant and sustainable policies on common issues. It was founded in 1988 and has since 199... received financial support from Sida. In view of the duration of Sida support an independent evaluation of IPCRI was commissioned by Sida in active consultation with IPCRI.

The evaluation was carried out in October–November 2003 by a team put together by Swedegroup international consultants AB. The evaluation focused on (a) the quality, effectiveness and impact of IPCRI's activities, and (b) the organizational and managerial framework of IPCRI as such. The assessment of IPCRI's activities was confined to the two areas presently supported by Sida – the 'Political Initiatives' and the 'Environment Programme'.

Main findings:

(a) Efficiency

Based on our assessment of IPCRI's outputs – the range, volume, and scope – we are convinced that IPCRI is, in *operational* terms, a remarkably efficient organisation. That such a small team with such a limited management capacity can engage in so many activities without any serious 'flops' is very impressive. It is also the one aspect of IPCRI on which virtually every person interviewed by us stressed as the 'hallmark of IPCRI'.

In *financial* terms, however, the situation is much less impressive. In particular we find that two factors account for this: (a) the fragmentation of the financial management into project cash accounts, and (b) the absence of periodisation of 'revenue and 'costs'. As a consequence it is virtually impossible for IPCRI to systematically promote cost-efficiency, over activities as well as over the organisation as a whole.

(b) Effectiveness

IPCRI has no doubt created for itself a reputation and image of being a credible bi-partisan platform. Inasmuch as this is also the overriding objective of the organisation it can, at a *general level*, be said to be an effective organisation.

However, the combined lack of an operational strategy, of an effective system of governance, and of a highly centralised and personalised executive management means that it is virtually impossible to discern how IPCRI sets its priorities – over activities as well as over issues and target groups. This leads not only to objectives being unclear ('an activity is needed because it is needed') but also to IPCRI not being able to identify, and work on, its comparative advantage or core competence..

(c) Relevance

Despite the fact that public opinion and their leadership are positioned in a stalemated/paralyzed situation, single NGOs or peace movements might provide an important forum. IPCRI has played a role, particularly, as a pioneering organization that has placed focus on the major obstacles of the conflict in order to see if alternative ways could be found. The mere fact that they have constituted themselves as an Israeli-Palestinian construct is unique in itself. During the heydays of the peace process, IPCRI became one of several reconciliation forums, aiming to bridge the gaps between the parties, as well as to create further momentum around the remaining issues. Currently, with the break-

down of the “peace industry” and the return to violence, IPCRI again stands as one of the few peace organizations that remain as a civil society institution that works for peace.

(d) Impact

IPCRI has developed a broad network with players at all levels of both the Israeli and the Palestinian societies. This gives them access as well as advocacy possibilities that can have a certain impact. However, several organizational questions need to be addressed in order to increase and develop the impact and reach out effect of the organization. Basically, the activities of IPCRI could be divided into the grassroots activities (peace education, reconciliation between conflicting parties), political initiatives (working groups with middle range leaders), and public opinion and advocacy activities (both at the leadership levels and the public opinion). IPCRI needs to develop a clearer strategy on whom they want to reach out to and how that should be done in a more systematic way.

(e) Sustainability

It would be very unrealistic to expect that IPCRI could ever become financially sustainable in the sense of being able to generate its own revenues. In financial terms the issue is more that of risk-spreading, i.e. to ensure that the organisation does not become critically dependent on one, or a few, outside funding agencies.

In this perspective we conclude that IPCRI has indeed managed to attract funds from a very large number of sources, and it is also clear that the management is very active on this issue. However, we also believe that the lack of a consolidated organisational budget and financial reporting makes it very difficult for IPCRI to arrive at real, demonstrable and realistic overheads. With this the organisation will remain a bundle of operational and external funded projects, with little or no organisational identity or financial viability of its own – or, for that matter, negotiate with any donor reasonable and necessary overheads. As it stands IPCRI is still critically dependent on Sida as the sole donor providing budget support (even if this has nominally been changed into programme support).

Recommendations

IPCRI

In overall terms IPCRI needs (cf section 6.1.)

(a) external support and an internal commitment to develop its potentials (rather than to expanding its activities or ongoing operations) – organizational and institutional development. This implies inter alia

as *programme manager* make a strategic review of both its main ‘programmes’ – Peace Education and Environment/JEMS

as *clearing house* to ensure cumulative process of working groups

as *contractor* to introduce quality control

as *advocate* to strengthen its reach capacity

More specifically IPCRI needs to

(b) Revise its governance structure, especially as regards the composition, role and mandate of the Board. This should include a transparent involvement of, and decision by, the Board with respect to the principles and levels of remuneration of the chief executives of IPCRI (cf section 6.5.1.)

(c) Re-focus and diminish the reliance of the current management duo by (i) introducing a second layer of organisational management, and (ii) evolving a medium term change-of-guard strategy as regards the present executive management (section 6.5.2.)

(d) Revise and develop a financial management system that corresponds to the need of the organisation and not only of its various projects (cf section 6.5.3.)

Sida

Sida should positively consider continued support to IPCRI based on the following provisos and conditions

(a) IPCRI having, through its Board, provided Sida with a management response to the evaluation, in particular as regards the organisational issues (section 6.5.).

(b) such support should move back from the current programme support to an organisational development support with the following explicit conditions

The support should specifically focus on organizational development in the fields of

- Management (incl. financial management)
- Quality assurance and follow-up
- Advocacy

It should include specified milestones and objectives with reference to all of the fields above. In addition it should embody as an integral part a time-bound technical assistance component to assist IPCRI developing the approach and action plan to the organisational development. This TA may be drawn from Sweden (e.g. through a twinning arrangement with an appropriate body), from local/regional expertise, or from one of the international NGO capacity building networks.

If these conditions, or the principle that underlies them, are not acceptable, we recommend a staggered and mechanical phasing out of Sida support over the next two years

1. Background

The Israel/Palestine Center for Research and Information (IPCRI) was launched in 1988 in order to promote the dialogue at various levels between the Israeli and Palestinian civil societies. IPCRI was founded on the principle that it should be a joint partnership between Israeli and Palestinian intellectuals, reflecting a conviction that peace-building must similarly be a joint and bi-partisan effort. Since 1995 it has received Sida financial assistance, initially in the form of budget support and since 2001 as programme support.

The origin of the Swedish assistance was basically rooted in Sweden's longstanding interest in supporting a political solution to the conflict, with the Foreign Office and politically defined institutions in the leading role. As such it does not fit easily into the traditional development cooperation policies of Sida or even into its programme of support to NGOs. Although the dialogue between Sida and IPCRI has been generally very good throughout the period of Sida support, it has nevertheless been effected by the different conceptual perspectives of the two parties – IPCRI's being rooted in the political tension and turbulence of the conflict on the ground, and Sida's in policies that stressed development rather than politics.

Given the longstanding Swedish support and the challenges faced by IPCRI both parties have for some years agreed on the need for an evaluation of the role and effectiveness of IPCRI as an organisation. This was further accentuated by a broader evaluation of Sida's support to conflict management and peace building carried out in 1999¹ in which a limited assessment of IPCRI was one of the case studies². The case study raised a number of issues that were deemed to require a more systematic evaluation. One of the consequences of the case study was a shift in Sida's assistance as of 2000 from budget support to programme support – i.e. from a general financial assistance to one earmarked for specific programmes.

Given the fact that IPCRI is to our knowledge the only NGO active on either side of the conflict that has been subjected to an evaluation of this kind it should be stressed that this assessment, although critical in some ways, should be seen as a proof of IPCRI's determination to move forward and strengthen itself. It also highlights the need for, and indeed failure of, a responsible and active involvement of the international donor community in the multitude of NGOs in the region.

2. Scope, approach and methodology

As per the ToR the evaluation should include two major aspects (see Annex 1 for the full Terms of Reference):

- An assessment of the quality and scope of its achievements, impact and legitimacy, within as well as between the two societies
- An assessment of IPCRI as an organisation, its efficiency and effectiveness

¹ Sida Evaluation 00/37: Assessment of Lessons Learned from Sida Support to Conflict Management and Peace Building”

² Sida Evaluation 00/37:2, Annex 2

The evaluation was in principle to be confined to the two areas or ‘programmes’ supported by Sida, namely the Political Initiatives and Environmental Cooperation³. The organisational assessment had by its very nature to include all units and structures of IPCRI, regardless of whether they fell outside the two Sida-assisted programmes or not.

In a similar vein, the assessment of the nature and quality of IPCRI’s publications had to include the entire range of IPCRI’s outputs. It was foreseen in the ToR that a peer review of its publications should form part of the evaluation⁴.

It was finally specified in the ToR that the report should be no longer than 30 pages, excluding annexes.

Achievements, impact and legitimacy

From the start it was made clear to the evaluation team that the objectives of the two programmes areas were too vague to provide much guidance for developing an approach and methodology to the evaluation⁵. This is in itself not an unknown situation, particularly in relation to programmes run by non-profit organizations/NGOs. In the case of IPCRI it is even less surprising, given its role and working modalities. But it does make an evaluation of achievements and impact rather challenging⁶.

At the same time it was clear that an assessment of one-off events, activities, or publications would not adequately account for IPCRI’s possible achievements, impact, or legitimacy. The evaluation team therefore adopted an approach of identifying and assessing the possible roles played by IPCRI, based on which their respective strengths (incl. impact) could be assessed. In doing so the important consideration was not so much what happened with activity x or y, but how they related to and weakened or strengthened the local/public image of IPCRI in that specific area or role. This could then lead to an identification of what IPCRI is best at and where its comparative advantage lies⁷.

Review of IPCRI publications

It was originally intended to have an independent peer review of selected key publications brought out by IPCRI. For this a distinguished group of internationally reputed scholars in relevant fields were contracted⁸, with the main evaluation team doing the selection in consultation with IPCRI management.

However, it was soon clear that such a peer review would be inappropriate – few of the publications were scholarly products and most were put out as policy sketches aimed at the local actors and decision-makers that IPCRI strives to influence.

It was therefore decided to drop the scholarly peer review⁹ and instead go for a comprehensive classification and review of IPCRI’s publications, based on a set of specific criteria. The purpose of this

³ The third main (and biggest) area in which IPCRI is engaged – Peace Education – was explicitly excluded from the Sida support package as of 2001.

⁴ This was based on the concerns raised by the case study of IPCRI in 1999 (see note 2)

⁵ Sida’s response to prospective tenderers dated August 19, 2003.

⁶ Faced with non-existent or vague objectives a normal approach (and one that is advocated by the evaluation units of DAC and most bilateral donor agencies) is for an evaluation team itself to define reasonable ‘would-be objectives’ and then proceed from there. In stable organizational and programmatic environments and/or when the theme or foci of the programmes are reasonably clear this is no doubt a justified approach. However, in the case of IPCRI and the Israel-Palestine context neither of these conditions prevails.

⁷ See section 6.1.

⁸ The group comprised Prof Arend Lijphart (political bridge-building and institutional development), Prof Björn Hettne (social and socio-economic development), and Prof Nils Butenschön (civil society and human rights)

⁹ The contract underlying the evaluation was subsequently revised to reflect this

review was to assess the reach, the foci/cohesiveness, and the consistency with which IPCRI used publications as a means to build bridges around issues and influence the peace-building efforts¹⁰.

Organisational assessment

The ToR outlines three areas to be analysed:

- the practice and effectiveness of the ‘joint partnership’ principle
- the linkage between financial sustainability and the diffusion of activities
- the systems and procedures for planning, implementation, follow-up and reporting

In essence this implied a review of the decision-making process within IPCRI, the division of responsibility and authority, as well as the nature, transparency and use of its planning and reporting systems.

Methodology

The main methodology employed in the evaluation was that of semi-structured interviews. The interviewees were selected both with the active assistance of IPCRI and on the basis of the team’s own contacts in the region. In addition to IPCRI management and staff a total of 49 people were interviewed, out of which 23 were Israeli citizens, 21 were Palestinians, and 6 from the donor community. With the exception of IPCRI staff all interviews were carried out outside of IPCRI’s offices, either in the place of work in Israel and Palestine (academic institution, office, Knesset, etc) or in places agreed upon due to convenience or transport/travel restrictions.

The people interviewed represented the following:

- Politicians – 6 from Israel and 5 from Palestine
- Officials – 5 and 3 respectively
- Academics/researchers: 7 and 5 respectively
- Donor agencies – 6
- NGOs – 2 and 4 respectively
- Media professionals/journalists – 2 and 1 respectively
- IPCRI – all staff & management,
- 3 Board members
- Consulate & Sida – all relevant officials

In addition a representative from The League of the Swedish Social Democrats (Broderskapsrörelsen) was interviewed in Stockholm prior to the team’s departure for Jerusalem.

The review of IPCRI publications covered in all 38 documents brought out by IPCRI between 1993 and 2003 and was carried out in Sweden.

The field investigations took place between October 8 and October 24, 2003. Before the departure of the team from Jerusalem a debriefing note was presented and discussed with the officials from the Swedish Consulate General and IPCRI management (see Annex 2)

¹⁰ It should be stressed, however, that IPCRI’s outputs cover much more than publications and include restricted or targeted notes, extensive e-mail circulars, and a continuous stream of articles in local journals and newspapers. These are for obvious reasons not included in this assessment

The evaluation was carried out by Swedegroup international consultants AB with the assistance of Padrigu Consultants of the Peace & Development Research Institute at Gothenburg University. The team comprised:

- Gordon Tamm, teamleader (Swedegroup international consultants AB)
- Michael Schulz, conflict resolution/peace building & regional expert (Padrigu consultants)
- Åke Nihleen, financial management (Swedegroup)
- Helena Lindholm Schulz, literature review & regional expert (Padrigu consultants)

3. The context: Israel-Palestine 1988–2003

On a general level, NGO activities in peace building could be one influential factor in preparing public readiness for peace. In the 1990s and early 2000s the belief in the importance of NGOs in peace processes has been widespread and the donor community has been keen to support civil society, and in the Palestinian-Israeli conflict several donors became deeply involved in NGO activities, in particular with Palestinian NGOs. IPCRI was established in 1988 and has until the present time acted within a context in which the Israeli-Palestinian conflict has changed in pattern, scope and content at several occasions. These changes have naturally implied challenges for the organization in how to focus at the appropriate issues, address the relevant players and solve the logistical problems on the ground. Basically, one could divide the years 1988 to 2003 in to three overarching periods;

- The first intifada 1988–1993 (12/9)
- The Oslo Peace Process 1993 (13/9—2000 (28/9)
- The second intifada 2000 (29/9)—2003 (present)

One of the similarities of all three periods has been the political obstacles to ‘normalization’ between Israelis and Palestinians. In the Israeli society, the establishment of ‘normal relations’ with Palestinians has been a cornerstone for future peace building. On the Palestinian side, a more critical viewpoint can be identified. One position in the Palestinian society that maintains relations that are built with the occupying power foster un-equal relations that further strengthen Israeli superiority vis-à-vis the subordinated Palestinian side. Hence, not until Israel has given up all occupied land and a Palestinian state is established can normal relations be built with Israelis. Particularly, during periods of confrontations between Israelis and Palestinians, the issue of normalization becomes a “taboo” question inside the Palestinian society. IPCRI is not a “normalizer” organisation but rather one that systematically allows and promotes an Israeli-Palestinian dialogue as a way to move the peace process forward. Even so it is sometimes subjected to criticism by hardliners on either side.

Many have argued that the first intifada, breaking out in December 1987, implied a breakthrough in the conflict. The media coverage of the Palestinian uprising implied a great political impact both on the domestic and international arenas.

In 1986, an Israeli law had been passed that prohibited any Israeli citizen to engage in talks with the PLO. In the Palestinian society, the first intifada was seen as support for the PLO, a public resistance against the Israeli occupation and a struggle to gain Palestinian national recognition. There were thus no discussions on official levels. There were however, a number of track-two initiatives. The intifada, a mass-based uprising, implied new self-esteem and political pride among the Palestinians. To the Israeli

Labour party, the uprising proved the impossibility of continued occupation, and there was a growing sentiment in Israeli society that status quo could not be maintained. After the Iraq-Kuwait in 1991, the first official negotiations between Israel and all its bordering Arab neighbours, including the Palestinians, took place at the Madrid-conference. Many of the Palestinians that participated in these official talks (although as members of a joint Jordanian-Palestinian delegation) had previously engaged in civil society meetings between Israelis and Palestinians. It also became clear that they had, contrary to the intentions of the Israeli government, direct links to the PLO leadership that was stationed in Tunis.

Civil society, as well as individuals began to discuss ways on how Israelis and Palestinians could meet and engage in discussions on future solutions. These unofficial (meaning associated people to the top-leaders) or citizen diplomacy (meaning grassroots initiatives between conflicting parties) efforts were relatively few but increased in number. IPCRI saw itself as an NGO that brought people that were associated with the leaderships of both societies together in semi-official/un-official meetings and round table discussions (IPCRI refers this as Track 1 1/2).

The signing of the Declaration of Principle—the result of secret negotiations in Oslo signified the starting point of a new era. The peace process implied a new role for civil society. A “peace industry” mushroomed. The Oslo peace process was seen, primarily by the donor community, as a post-conflict phase where social reconstruction of Palestinian society and Israeli-Palestinian relations should be emphasised. Political interests of the international community in participating in the Palestinian-Israeli peace process basically invaded the area and the local NGO sector. Among other initiatives, people-to-people programmes were an attempt to strengthen cooperation between Israeli and Palestinian organisations through international aid. Also, think-tank constructs became replicated and the NGOs that were involved with the major conflicting issues (Jerusalem, Palestinian refugees, final status, Israeli settlement etc.) produced similar output. In fact, donors developed a “politics of giving” while the NGOs focused on “politics of getting”¹¹. Hence, little attention was paid on coordination between donors and NGOs. Identifying the real need as well as follow up, evaluating and monitoring became of a less important priority.

Many NGO activities came to an abrupt end with the eruption of the al-Aqsa intifada. The collapse of NGO-initiatives for peace had to do with the impact of the overall conflict, the issue of normalization, the withdrawal of funding of many NGO activities, the in-capacities of the donor communities to find functional ways in the conflict zones, as well as the un-preparedness of the NGOs to cope with the changes on the ground. Due to the breakdown of peace initiatives, particularly in the Track 1 and Track 2, paradoxically, there was an even more acute need for citizen diplomacy and NGO-initiatives than before. However, the entire peace camp became paralyzed, on both sides, as well as marginalized making it thorny for the remaining NGOs that were working with peace issues. NGOs need to find ways to formulate a more sustainable multi-track strategy (Track 1, Track 2 and citizen diplomacy/activities) both in short-term peacemaking initiatives, as well as in long-term peace building efforts.

4. IPCRI

IPCRI was formed in 1988. As such it is one of the oldest of the bridge-building initiatives and also one of the very few to survive the onslaught of the two intifidas and the associated very harsh restrictions put on dialogues by both parties.

¹¹ This is not a characterisation of IPCRI but of the general culture of donor-NGO relations

The initiative to launch IPCRI was supported by a few prominent members of the Arab and Israeli leadership in Jerusalem, and was energetically carried into practice by Dr Gershon Baskin, a Jewish returnee from the USA where he had gained a PhD in International Politics. He was joined in 1991 by Zakaria al Qaq, a Palestinian with a professional background in journalism and holding a PhD in Political Science from the UK.

From the start it was based on what was then, and still is, a unique premise: IPCRI should be a truly joint organisation with its governance and management built on co-leadership. Consequently it was set up with a Board having two co-chairmen and a management with two co-directors. In spite of the obvious complications and possibilities for in-built conflict that such a system entails it has been maintained throughout IPCRI's existence.

In promoting its role and identity in the peace-building process IPCRI defined itself¹² as a “*think tank* ...aimed at engaging Israelis and Palestinians of significance in a public peace process ...” In that perspective it “aimed at [promoting] a high level *scholarly applied research* in a co-operative manner on issues of conflict and joint concern”. IPCRI did not see itself as a platform for creating a larger public awareness¹³ but was strategically aimed at involving four centres of influence:

- Those directly involved in the apparatus of government, members of the Knesset (including ministers), and senior civil servants
- The military and security apparatus
- Bankers, businessmen and manufacturers – the economic elite
- Intellectuals – academics, writers, and media professionals

With respect to the civil society and public at large IPCRI has throughout its existence maintained a somewhat cautious stand. On the one hand has a policy of “news black-out” with respect to the meetings and dialogues between ‘significant’ persons. On the other it has extensively published outcomes of these dialogues in IPCRI's name, either in the form of policy proposals or as findings of the ‘applied research’.

The legal standing of IPCRI has varied from being registered in Israel, through being a US-registered foundation and UK registered foundation – the Friends of IPCRI to being a legally recognised society in the Palestinian Authority. As a consequence its Board in Jerusalem has been a nominal one, even though it was regarded as the effective one both inside and outside of IPCRI. However, the purpose of the Board was primarily that of providing the role and activity of IPCRI with credibility and respectability, and it came gradually to include a large number of very respectable and well-known people on both sides.

The mainstay of IPCRI's activities was during the initial years divided into two inter-linked processes:

Round-table discussion forums that were intended to explore themes of mutual concern in order to search for common grounds. The themes were often attempts to draw up concrete implications of policy proposals from the official (track 1) dialogues whenever these were possible, or else proactive policy explorations pending resumption of an official peace process. Depending upon the larger political situations these were either held at some ‘extra-territorial’ place within Israel (e.g. The Notre Dame Centre, Jerusalem) or outside (e.g. Turkey or Cyprus), with IPCRI acting as the

¹² Taken from “Ten Questions Most Asked About IPCRI”, IPCRI n.d. (probably 1992); our italics

¹³ In fact IPCRI has throughout its existence maintained a policy of “news black-out” in order to ensure that the meetings and dialogues between the ‘significant’ persons are as free as possible.

convenor, facilitator, and administrative co-ordinator born out funds provided by external donors.

Research projects where IPCRI acted as the co-ordinator in out-sourcing thematic research to relevant experts and institutions. Again the principle was that such research should be joint Palestinian/Israeli undertakings and should focus on finding common ground (rather than partisan perspectives).

The main themes then (as now) were:

- The future of Jerusalem
- Water
- Economics

Although both of these remain as key activities they have expanded in scope over the years. The changing cycles of the political conflict has of course also meant that the content and form have changed correspondingly, but the themes have broadly remained and in some cases taken their own programmatic form, particularly as regards water (and with it, environment).

The main addition to IPCRI's activities has been the Peace Education Programme. With its beginnings in the mid-1990's it emerged as a result of an outside pull as well as an inside push. After an initial unsuccessful application to the MERC programme of USAID, IPCRI was later approached by the same body with a request to take up a school-based conflict-resolution project. The reason was less IPCRI's expertise in education (which was negligible) but its unique standing as bi-partisan organisation. On IPCRI's side it was also felt that a people-to-people activity was glaringly absent from IPCRI's agenda and the US proposal provided an opportunity to enter this field (although this was done with varying degrees of enthusiasm as it might dilute the core identity of IPCRI). By 2003 the Peace Education programme had emerged as the biggest ongoing activity of IPCRI, in terms of funds as well as personnel and public visibility.

At present the working modalities of IPCRI can broadly be grouped in three:

- (a) Seminars/workshops/working groups that are convened to pursue policy explorations or thematic issues that have been left hanging in the political deadlock. Participants in these are identified and invited by IPCRI (in active consultation with a working group leadership if there is one) and the meetings now take place outside the immediate region due to the present constraints of organising such meetings in Israel/Palestine. These meetings are normally closed but verbatim transcripts are most often taken and distributed to the participants. IPCRI pays for actual expenses (incl. travel costs), born out of funds from specific donors depending on the theme.
- (b) Studies, either commissioned by an outside donor or else initiated in support of the various peace initiatives emanating out of the workshops and working groups. In such cases IPCRI acts as a co-ordinating and onward funding platform and through its Director's takes a more or less direct part in the studies.
- (c) People-to-people activities, primarily through its Peace Education Programme, but also through the smaller component of promoting an interaction and dialogue between religious groups

5. External support

During the period from 1995 to 2002, excluding during 1997 for which year no data is available, IPCRI received in total USD 5.7 million.

As per the annual accounts for the years from 1995 to 2002, grants have been received as shown in summary in the table below, and in more detail in Annex 6.2:

Year	Total grants	of which from Sida
		KUSD
1995	227	0
1996	633	74
1997	N/A	0
1998	800	252
1999	690	238
2000	1,030	218
2001	891	192
2002	1,380	149
2003	n.a.	150
Total	5.569	1,273

During the period Sida's funding was approximately USD 1.27 million, all of which except for USD 250,000 was budget support. This is the only budget support received, except for minor amounts received from mainly private foundations.

The two main projects, the Peace Education and the Environmental projects, have largely been funded by grants from the USAID, the IDRC of Canada, and the V. Kann Rasmussen Foundation

The Peace Education project has since inception largely been funded with grants from US government sources. Total grants received for the project is in excess of USD 2 million. From 1996 to 2000, US-AID-MERC granted KUSD 760 in total, in 2001 USAID-Wye River granted KUSD 530, and in 1995 and during the years from 2000 to 2002 National Endowment for Democracy (NED) contributed KUSD 131 in total. The Govt of Denmark provided a grant of KUSD 170 in 1999. Currently IPCRI has no funds for the project, but for 2003/4 EU has in principle committed •500,000 for the project, and support from Finland and Japan are in the pipeline.

For the Environmental projects IPCRI has over the years received more than USD 850,000 in total. For the years from 1998 to 2000, it was mainly funded by International Development Research Centre of Canada (IDRC), with in total KUSD 170 received during the three years. In 2001 and 2002, the V. Kann Rasmussen Foundation through the Consensus Building Institute (CBI) of USA provided most of the funding, with KUSD 102 in 2001 and KUSD 127 in 2002. These donors have supported the project over several years, whereas other organisations have provided lesser amounts on a more ad hoc basis. Sida has for the last two years supported with USD 25,000 per year. Unilever, one of four private commercial companies that have supported IPCRI, gave USD 37,500 to finance a pilot wastewater treatment plant.

Total grants received for Political Initiatives are in excess of USD 1.1 million. The main donors are Ford Foundation (KUSD 225), Sida (KUSD 200), and Swiss Development Corporation (KUSD 191). These organisations have supported the project of several years, whereas others such as Gov. of Finland provided support only for one year (KUSD 205 in 2000). Funds have also been received from governments of Norway and UK, and from the Balance foundation based in the Netherlands.

In 2002, substantial grants were received for special projects; from the government of the UK KUSD 128 for YES PM and from the government of USA KUSD 100 for the Text book project.

The balance funds have been received from some 20 government organisations and private foundations. With the exception of KUSD 50 received from IIU-NOR AID, the individual amounts are less KUSD 25. With the exceptions of grants from the governments of the UK and the Netherlands, other donors have only given one grant for one year.

The main funding agencies, including various sources related to USAID, DfID, DGIS, Swiss development aid and Sida have all supported IPCRI over many years and have provided most of the grants, with more than USD 4.5 million total or almost 80% of total grants received. Almost all other donors have contributed with relatively small amounts and only for one or in a few cases over a few years.

6. Findings

In spite of being a very small organisation IPCRI is engaged in an amazing array of activities. At a conceptual level these have been grouped in three broad Focus Areas: 'Political Initiatives', 'Environmental Cooperation', and 'Peace Education'¹⁴.

With the exception of Peace Education it is very difficult to characterise any of these Focal Areas as being either focal or programmatic, even though some topics such as Jerusalem's future, economic relations between the two parties, water cooperation and joint management, and security related issues, have formed a standing agenda. Rather they constitute a bundle of activities the common denominator of which is the fact that they always imply an effort at dialogue between the two sides. Some of the activities are launched by IPCRI with the clear intention that they should continue over time – either as a continuous series of meetings around a broad theme (e.g. the economic working groups, the verification group, the Jerusalem dialogue), or else become a self-propelling programme (e.g. the Joint Environmental Mediation Service – JEMS).

6.1. IPCRI as an actor in peace building

IPCRI was formed during the pre-Oslo period in 1988 by one of the present co-directors Gershon Baskin. A prominent member of one of Jerusalem's leading families Hanna Siniora (editor at Jerusalem Times) and the former deputy Mayor of Jerusalem and former Likud member, Mr Moshe Amirav were asked by Baskin to join IPCRI after January 1990. One of the reasons for asking Siniora and Amirav to join IPCRI as joint Co-Chairman of the Board was that as members of IPCRI's Jerusalem Round Table Forum, Baskin discovered that the two were talking about opening an Israeli-Palestinian centre to focus on Jerusalem issues. Baskin invited them to conduct that work through IPCRI – an offer that they accepted.

¹⁴ Although outside the purview of this evaluation we have attached a brief note on the Peace Education as Annex 8.

This is based on the discussions with the Peace Education staff as well as a visit to one of the Teacher Training workshops

IPCRI immediately had to consider the issues of normalization. During the first intifada, collaboration was a dangerous activity in Palestinian society, as collaborators were brutally killed by military Palestinian organizations. The border between ‘collaborating’ with Israeli activities and engaging in peace-fostering activities was sometimes blurred. IPCRI had therefore to be sensitive and pre-cautious when starting a dialogue forum, built on the intention to form symmetric relations in its structure.

The aim of IPCRI is to be “devoted to developing practical solutions for the Israeli-Palestinian conflict. IPCRI deals with the cardinal issues in the Israeli-Arab conflict – issues where the two sides find themselves at loggerheads, and where cooperation is necessary.” (from IPCRI website).

The mere fact, that IPCRI has continued to exist, as a non-partisan Israeli-Palestinian organization, has generally been seen as an achievement in itself. Nearly, all actors that were approached during the task of this evaluation showed varying degrees of appreciation of IPCRI’s activities. Basically, all interviewed testified to IPCRI’s capacity to survive and believed that the organization can play a future role even if the role in question differed as between the interviewees. To find ways to survive, in particular since the al-Aqsa intifada broke out, in a context where nearly all people-to people programmes have broken down has been a challenge to IPCRI.

The task was to find out in what way IPCRI contributed to peace building activities as well as to identify the organizational demands that follow with the various roles it has sought to play.

The impact of IPCRI’s peace building efforts should be evaluated on the basis of how successfully they cope with these demands. The following findings are based on interviews with intellectuals, academics, politicians, donors, NGO representatives as well as readings from the IPCRI publications. It should also be noted that no clear-cut particular viewpoints stem from Israelis interviewed or Palestinians interviewed. Neither is there any clear-cut pattern related to the players. The few differences that exist are highlighted in the analysis below. But again, one conclusion that emerges is that IPCRI indeed plays multiple roles as outlined below:

- The *contractor*—this role implies that an organization is considered to have the capacity to execute and deliver tasks that contractors requests (such as donors, state agencies etc.).
- The *research platform*—This category is an organization that has the capacity to engage with academic researchers and that in turn are encouraged to produce peer reviewed outputs.
- The *programme manager*— The programme manager is a role when an organization takes the responsibility to launch and execute larger programmes, with many staff members and external personnel involved.
- The *advocacy group*—This is a group that has good access to and strong influence on top-decision-makers and/or public opinion.
- The *think-tank*—This role implies an organizational structure that is able to find the relevant players preferably with semi-officials representing the conflicting encounters top-leaders, or other middle range level leaders.
- The *clearing-house/ The facilitator*—This role implies an organizational structure that addresses both academic and reconciliation issues between the conflicting parties.
- The *net-worker*—A role that ensures that various groups that are usually not in contact with each other (in conflict zones) are brought together.

Below follows a description and analysis of IPCRI's capacity to live up to the roles mentioned above.

The contractor

The contractor role is related to activities where IPCRI is directly contacted by an agency (mostly donors) in order to execute a particular mission. IPCRI is occasionally engaged in such activities although it is not seen as the main activity. Two recent important reports that were produced as assignments are the evaluation of the people-to-people programmes (YES PM) and the textbook evaluation of the new Palestinian curriculum. The former contract was developed together with and assigned by the UK Consulate General in Jerusalem and the latter was a tender put out by the US Consulate in Jerusalem and which IPCRI won. Also a water project evaluation supported by the European Commission falls under this heading. Although they can differ in substance these outputs are very visible. An organization that has a contractor role must carefully consider its peer review capacity. However, the IPCRI peer review capacity that shall guarantee quality of the most visible outputs is questionable. Many of the involved researchers are closely linked to, or directly part of, IPCRI. Hence, the external peer review capacity becomes limited¹⁵. Also, the donors themselves are primarily interested to see the actual written output to fit with a particular agenda, rather than focusing at the peer review part of the reports. The question IPCRI must address is what consequences this might have for the organization in the long run? What competence in personnel exists? What market promotion strategy exists? Furthermore, what are the organizational costs for IPCRI? Another problematic issue is perhaps that IPCRI takes into consideration the financial beneficiary contributions from these assignments, which increases the risk to take contracts in areas they are not competent enough to handle.

The research platform

The research platform could be defined as an arena in which research shall be farmed out by IPCRI to various researchers. Topics relevant for the peace process should be academically approached and analyzed. Being a research platform requires that the organization is able to contract the relevant researchers for the research focus but also that the quality of the output is acceptable. To guarantee this, the publications by IPCRI themselves need to have gone through a peer review system, either by external readers or editorial group linked to IPCRI. Given the fact that IPCRI works with many different issues that relate to many disciplines it is most likely that an in-house peer review group cannot cover all required competence. How are these researchers funded and pursued to finalize a high-level academic output?

The current situation is that many of the publications that are forthcoming are firstly peer reviewed by the two already by work-overloaded co-directors. Also, the image of IPCRI as a research platform is problematic. First, most of the publications are not really academic publications but rather fall within the category of policy documents, conference proceedings, think-tank output etc. Secondly, the great variations of topics that come out from IPCRI raises the question on what focus or special competence the organization has developed during the 15 years of existence. In contrast to a clear focus, IPCRI has rather too many fields/issues thereby taking risks to undermine the research quality.¹⁶

¹⁵ As Prof Hillel Shuval, an international authority on water resource management and a close associate of IPCRI stressed: the publications put out by IPCRI are in the nature of 'grey literature' which means that they are not subjected to the kind of peer review and scientific scrutiny that goes with established research publications. This does not necessarily lessen their value but it does mean that the quality control is not systematic.

¹⁶ It may be true, as IPCRI has argued, that publishing has not been a main activity (except in the beginning when there was an obvious need to put IPCRI on the map). At the same time the list of publications is very extensive and for many people interviewed by us it was their only information about IPCRI. Publications are therefore strategically very important to IPCRI, whatever their number.

The programme manager

One example is the Peace education programme, which is the largest activity within IPCRI, and another is the environment/water projects (JEMS). In fact IPCRI often has, as a pioneer, enthusiastically brought up topics that become very relevant for the peace process. These programmes demand a clear management structure, an administrative capacity to follow up and monitor the projects.

This switch towards programme management has also demanded a lot from the IPCRI organization that has been time consuming as well as costly. In order to reassure the non-partisan image the Peace Education programme is headed by two particular programme directors, one Israeli and one Palestinian. This organizational structure therefore also risks to further increase the costs. It also risks the efficiency of the management capacity. Furthermore, the follow up capacity is very demanding for IPCRI. A clearer focus is needed in order to better being able to identify what profile IPCRI should have. Many of the interviewed lifted forward that the Peace Education programme is something much needed. However, this large-scale programme can only be temporary since the Educational Ministries in Israel and the PA sooner or later need to take over the responsibilities if it should have a more overall impact in the educational systems. Also, the programme demands much more funding and management/administration capacity than IPCRI currently has.¹⁷

The advocacy group

IPCRI has since its existence built up a number of networks constituting of politicians, officials, NGO representatives, donors, and academics as well as media representatives. This provides a tremendous opportunity to advocate issues, problems and viewpoints to various Israeli and Palestinian decision-makers. However, the direct impact on top-decision makers is limited. This is not due to a lack of capacity on behalf of IPCRI but merely stems from the fact that NGO representatives in general have a small direct impact on this category of leaders. With the current right-wing government in Israel and the increasingly isolated PA-leadership the advocacy impact has become even more limited, in spite of IPCRI's access to the top leadership. This was attested to by several interviewees on both sides, even if accompanied with assertions that IPCRI had obvious contacts with the powers that be and was able to facilitate a large number of exit/entry permits etc.

However, the impact is somewhat larger on the middle range level. Many officials and politicians from the levels below have taken part in workshops/seminars/conferences and receive regular IPCRI information, mainly via e-mails and telephone calls. In fact, several members from this category felt that they were overloaded with too many e-mails from IPCRI which made it difficult to judge where the relevant information could be found. Since IPCRI has a deliberate strategy to avoid media, its impact on the broader public is very limited or nearly non-existent.

This raises the more serious question on what strategy and modalities of dissemination IPCRI has. What should the balance be between printed output and media coverage in order to reach out more properly? Also, much of the lack of follow-up processes of results from working group outcomes and deliberations on either side makes the advocacy effectiveness less than it could have been. The most serious aspect with advocacy activities of IPCRI is that it sometimes is hard to see the difference between the personal initiatives of the dynamic Israeli co-director and the organization IPCRI. Many of the interviewed lifted forward the risk of loosing the Israeli-Palestinian balance in the external image of the organization.

¹⁷ There was a concern voiced by several donors about the direction, socio-economic context, and institutional framework of the Peace Education Project. This may in part be a result of weaknesses in IPCRI's reporting, particularly as regards analysis rather than accounts of performance. At the same time it was also recognised that IPCRI's project was the only such in the field.

Think-tank

IPCRI has since its beginning continuously organized workshops/seminars/conferences in which most of the major and relevant issues of the Israeli-Palestinian conflict have been brought up. These so-called political initiatives have historically sometimes played a pioneering role in bringing them up on the agenda. Hence, IPCRI can also be seen as having a role as a think-tank that has produced different policy documents and analyses on these issues, and that could influence the thinking of various decision-makers and officials.

However, the great diversity of the output often lacks a focus that makes it unclear on what kind of think-tank IPCRI really is and what its target audience is. In what way has IPCRI thought of marketing the output/publications? Who are the target groups that should read the publications? The top-politicians, officials and donor representatives most likely do not have the time. Particular the officials claim that they could have some usages of it but most interviewed confess that they have little time to read. Academic experts do not see the academic relevance of the output.

As a think-tank IPCRI puts lesser emphasis on the publications than on the effort to involve (or provide opportunities for) decision-makers in developing policies of mutual concern. Similarly it circulates sometimes provocative ideas in informal ways to key persons on both sides in an effort to stimulate discussion. It is very difficult to assess the effectiveness of such efforts and our interviews showed a varied picture. On some key issues such as Jerusalem and water management issues (and partly on economic issues) it was clear that most interviewees were of the opinion that IPCRI had indeed played an important role, particularly during the early 1990's. Since then several other NGOs and fora had included these topics on their agendas and IPCRI became one voice among several. On other issues such as environment, refugees, and security the responses varied from that of being interesting efforts to being of little importance.¹⁸

Also, given the different situation in contrast to the first intifada period, where a stronger support for peace talks with the other side among the public existed, a more public agenda needs to be considered. Else, the risk is that the issues become too invisible and risk fading out as too marginal and irrelevant. Hence, a more clear strategy for publication of think tank products is required.

The clearinghouse/facilitator

The most prominent role of IPCRI is the role of a clearinghouse. The political initiatives range from two-state solutions, Jerusalem, Palestinian refugee problem, final status discussion, regional cooperation, economic issues, environmental issues, water, and political and economic roadmaps. The pioneering role, bringing together Israelis and Palestinians in round table discussion, in particular in the pre-Oslo period, served among other things as role model for other NGOs and peace organizations. During the Oslo-peace process, IPCRI also played a role of reconciliation in a period when new relations were required for the peace process to progress. Hence, IPCRI not only played the role of forming intellectual and semi-academic fora for Israeli and Palestinian representatives from mainly the middle range levels, but also a bridge building. In recent years, IPCRI sees itself as an "intensive care" unit that is there to maintain or restore the much-needed relations that were broken. Many officials also claim that they have great use of these informal meeting platforms. One important function is to find out more about the thoughts and conceptions of the other side.

This role as bridge-builder also takes place with participants from the grassroot level. Religious Israeli Jews and Palestinians are given the chance to meet and know more about each other. This kind of

¹⁸ It should be noted that such assessments are of course critically dependent on the selection of interviewees, particularly as we did not gain access to any of the top-most decision-makers. On the other hand we did meet a fair cross-section of high to middle level decision-makers on both sides.

activity is so rare in the current violent phase and must be seen as an impressive effort of IPCRI. Again, IPCRI also need to consider what focus they should have with the clearinghouse, what function in relation to the overall peace process and in relation to what a single NGO can do. Not least in terms of serving as role models for others to follow.

The two co-directors of IPCRI are the ones who are organizing these meetings, and there is no doubt that they have been remarkably successful in getting relevant people to participate, particularly given the prevailing political turbulence. The work with the arrangements is time consuming, since the co-directors via personal visits or phone calls to the ones they intend to invite directly execute them. Also, arranging travel permits for Palestinian participants lie directly in the hands of the Israeli co-director. Many times, invitations are made on a more ad-hoc basis due to changes in the overall context (escalation in the conflict, closures etc.). This implies some question marks regarding the selection process IPCRI has for inviting guests, a question also brought up by several participants in IPCRI's workshops. When sudden changes occur, it can be questioned whether it is possible to stick to the agenda of the workshop/seminar/conference, or if there are more flexible solutions. Then the primary role with these workshops/seminars/conferences is rather the working modality itself. Too many changes from meeting to meeting risk to decrease the cumulative build-up of trust between the participants. Also team building as well as the establishment of shared knowledge is difficult to achieve when new participants constantly enter the working groups. Participants also underline the need of clear pre-meeting agendas as well as more structured and effective follow-up strategies for these activities.

The issues at stake concerns: How can team building be strengthened over time when people occasionally are changed? What capacities does IPCRI have to prepare and appropriately follow up the meetings given the volatile environment and constraints in communication/interaction?

The net-worker

IPCRI has also become a net-worker. IPCRI has received a trademark as being a conference fixer/manager that brings Israelis and Palestinians together. This role cuts across all previous mentioned roles. Mainly, these networks are individual networks rather than organizational ones. The issue is if these networks form any part of an overall facilitation process and in what way these networks should/could reach out in the Israeli and Palestinian societies? Also, a constant pressure from participants to organize new workshops and alike fosters great pressure on the two directors who are the actual net-workers.

The organizational demand on finding resources is also built up on individual networks with donor representatives. Since no viable organizational infrastructure for fund-raising exists, IPCRI is vulnerable in terms of its dependency on networks of the two directors. IPCRI also has become a net-worker, or rather informant, for many international organizations and individuals. Most of the questions and contacts are made via e-mail. Hence, the pressure to find time to be service minded increases and it is doubtful whether IPCRI should deliver this kind of service.

Conclusion

In sum, IPCRI has taken several roles upon themselves and each one of them is requiring a particular set-up of the organization. IPCRI is a small NGO and will face, and has faced, problems in coping with all these roles if not a more clearly organizational structure around one or some of these roles are done. The current management staff, as well as the number of administrative personnel, is too few to handle all the requirements placed upon IPCRI. Strategic choices on which way to pursue must be made as well as a blue-print for how to re-structure accordingly must be produced.

Below are the roles that were identified with IPCRI and related to how the interviewed felt about the quality of the particular roles as well as what role they should focus at and thought should be devel-

oped further by IPCRI.. It should be read in the context of the discussion above and is offered as an input to what we believe must constitute an ongoing internal assessment by the IPCRI management and Board.

Roles

Exist at IPCRI	Quality			Future requirements		
	Quality varying or doubtful	Quality medium	Quality acceptable	Should <i>not</i> develop the role	Certain aspects of it	Should develop the role
The contractor		X		X		
The research platform	X			X		
The programme manager	X				X	
The advocacy group	X				X	
The think-tank		X		X		
The clearinghouse/The facilitator			X		X	
The net-worker		X				X

Generally speaking, several general critical remarks come forward with many of the roles, such as the research platform, the programme manager, the advocacy group, as well as critical aspects with the role of contractor, the think-tank and the net-worker roles. The clearinghouse/facilitator role also received questions on how they could improve the structure but was more seen as one of the roles that should be further developed. The civil society approach of the peace education, however, is in our view justified if for no other reason than being the only one of its kind in the region. But the concerns voiced by several donors as to its socio-economic focus and relation to the public education system needs to be confronted and analysed by IPCRI, as also the organisational and management load in relation to other priorities. Also the advocacy role could further be developed without too many costly changes of the organization. The clearinghouse/ facilitator role is the one most highly appreciated by the interviews. Again, the civil society facilitation role is particularly the one aspect they could emphasise and develop further. It is both an important bridge building peace activity as well as a role model for others to take up.

6.2. The Environmental Programme

The environment programme is a carry on from the early initiatives that IPCRI took back in 1991 to explore a mutual and scientific basis for a joint Israeli and Palestinian management of the regional water resources. It has since evolved in two directions:

- the Joint Environmental Mediation Services (JEMS) which is a registered society created as a partnership between IPCRI and the Consensus Building Institute (CBI) of Cambridge, Massachusetts, USA. Although part of the 'IPCRI family' JEMS is an autonomous body that is separately funded and managed, aimed at providing mediation services in the area of environmental disputes.
- The IPCRI environmental programme, which is managed, and run from IPCRI. Its activities include organising workshops around environmental issues and actively suggesting/promoting research projects on issues felt to have a bearing on a sound environmental management beneficial to both sides of the conflict.

From having been a major area of outside funding and activities in the late 1980's and 1990's (then

including what was to become JEMS) the Environment programme has gradually found itself hard pressed to attract funds. With the outbreak of the second Intifada in 2000 environmental issues were pushed into the background, and the participation of officials on both sides was made very difficult. This, and the difficulty of finding professionally qualified researchers on the Palestinian side, also made it more difficult to develop viable research proposals that are truly joint.

As pointed out above the Environmental Programme constituted one of IPCRI's main area of activities, centered around conferences drawing attention to present and future critical issues as well as on publications. Some of the early publications such as the 'Proposal for the Development of a Regional Water Master Plan' (1993) and 'Our Shared Environment' (1994) were truly path-breaking and gave IPCRI's Environmental Programme a flying start. With the intention of providing for a for a for exploring and formulating joint research projects on environmental issues IPCRI has since then organised more than 10 regional/international conferences and workshops on issues ranging from water resources and waste water management, solid waste management, to micronutrient deficiencies and public environmental awareness.

It seems, however, that the Environmental Programme has been more dependent on a conducive surrounding atmosphere of peace talks than any of the other programmatic activities of IPCRI. As long as there were at least some parts of the process still active the fusion of environmental concerns (often technical and scientific in nature) with political concerns was possible and often provided for a dynamic even if problematic dialogue. With the second Intifada and the total breakdown of the peace process this fusion seemed no longer possible and the environmental issues were dealt with as purely technical and scientific, and the dialogue was carried mainly (if not exclusively) by academic researchers. In this process the imbalances between the academic strengths of the Israeli and Palestinian societies were quickly brought to the fore, as was IPCRI's own limited research capacity. The research projects proposed were dominated by Israeli scientific institutions and scholars, and had furthermore to be justified on pure scientific merits with little or no direct link with the political issues. Shorn of what has often been called the 'sex appeal' of the peace process traditional donors were reluctant to fund such proposals, and they were seldom scientifically mature enough to successfully compete for funds from international scientific bodies.

At present the Environmental Programme is in something of a limbo. It is severely understaffed with a full-time programme director as the only IPCRI staff¹⁹. Although plans are still on for a number research projects funding is very uncertain. The major new initiative which is hoped to resuscitate both the momentum and the scope of the programme is a 2nd Israel/Palestine International Conference on Water & Life tentatively set for June 2004 in Rome, a successor to the first and very successful one held in 1992. However, funding still remains very problematic and it is at the time of writing uncertain whether the conference can be held as planned.

6.3. IPCRI Publications

If the carrying rationale and working modality of IPCRI is to foster and maintain a dialogue between people of 'significance' on both sides, publications are no doubt one of the major means to do so. Although we could not get a complete list of all publications we were provided with a total of 38 printed documents intended to reach out to decision-makers on both sides.

The publications that were covered in this analysis mainly consist of books, booklets, PDF-files of a somewhat longer character. Papers and articles submitted to various newspapers or journals were not

¹⁹ The Environmental Programme Director is nominally a volunteer but receives a remuneration corresponding to a regular staff member. In addition JEMS has two joint directors.

included. Only somewhat longer publications, clearly published with the logo of IPCRI have been included.

The main conclusions of the analysis are given below, while a more detailed presentation of the analysis is given in Annex 5.

IPCRI produces material on a number of important themes and issues. The consistent and persistent emphasis on lifting forward different perspectives to difficult aspects of the negotiations has a clear value.

Although this review does not have the ambition to evaluate the reports, it could be said that the reports are descriptive, many times very informative and policy-oriented. As such, the publications function mostly in order to advocate, lift forward certain issues and to break taboos. In this regard, IPCRI was pioneering for a number of years.

Since the mid-1990s, the publication strategy of IPCRI seems to have become ritualised in the sense that there seems to be no real publication policy or strategy. At the same time, a number of think-tanks on both sides produce publications of a more focused and specialised nature. An impression is that IPCRI has either become conserved in its own early strategy, a strategy which seems out-dated, or is afraid to change its strategy. It appears as though IPCRI picks up the issues/topics to be addressed in their reports, as they appear in contemporary political processes.

Put differently, IPCRI has a reactive rather than active or proactive publication policy. As different issues are put high on the political agenda, IPCRI forms a working-group or decides to publish a volume on the topic. This is naturally how much publication occurs, but IPCRI needs to become more conscious of the choices to make. Further, the various roles of IPCRI imply that the nature of the publications is varied. One idea would be to streamline the focus of IPCRI on an annual or a biannual base and to create different publication styles for different types of issues. For example, conference proceedings could have their own logo in order to make clear statements of what kind of product a certain publication really is.

The different roles of IPCRI also mean different kind of publications and perhaps different policies concerning publications. Output from a strategic think-tank differs from that of an advocacy group, a clearing-house and a contractor.

The domination of co-authored or edited volumes should further be evaluated. What is the gain of this mode of procedure and what are the potential losses?

IPCRI would need to determine what, for example, IPCRI contributes with as regards publications on economic development? The market has, since the early-mid 1990s, been flooded with similar products and rather than continuing to contribute to this flooding, IPCRI would need to reassess and reconsider what is its main expertise and what IPCRI considers of most importance and highest priority. What is the particular value of IPCRI-publications in relation to other material? Who are the target groups? What is the potential impact of the publications? What is their relevance? What difference do they make? Is it enough to produce fairly simple policy reports or should IPCRI instead stress more focused, in-depth analyses around a few issues at a time? Further, the quality of the products must be evaluated and IPCRI would need to define a strategy in order to ensure a high quality.

In order to continue to play an important role as a publisher in the peace industry, IPCRI would need a more explicitly defined policy and a more focused strategy. From the publications included in this chart, the overall impression is one of fragmentation with a number of in themselves quite fragmented volumes on a number of themes, without in-depth analysis and without consideration of theoretical

perspectives, although it should be underlined that there also exists some highly valuable, interesting and quite unique volumes. There is however a risk that IPCRI-publications are too easily dismissed as not enough grounded in academic models of analysis nor in thorough research.

6.4. Working groups

Another category of outputs are those of the various *working groups* and workshops. Beyond the fact of maintaining a dialogue in an atmosphere of political conflict and mutual distrust, they are also intended to produce concrete proposals on various issues. These may not come in the form of published pamphlets or books but each workshop is expected to generate building blocks towards a peaceful co-existence.

The political initiatives that IPCRI is working with relate to all major issues of the conflict. Topics that are brought up in these working groups relate to the peace process, Jerusalem issue, environment & water, settlements, Palestinian affairs, Israeli affairs, Palestinian refugees and economy & trade. Within each one of these topics several sub-themes are approached. For instance, within the economic & trade working groups discussions on themes such as economic cooperation between PA and Israel, or the establishment of industrial zones, or economic roadmap can be brought up. Furthermore, each one of the themes can have a working group of its own, and can from meeting to meeting be constituted of different participants. Also, many of the invited participants take part in similar working groups arranged by other organizations.

Many of the working group meetings take place abroad (Turkey, Europe etc.) with the argument that it gives some more relaxed atmosphere where the participants more easily can reconcile, build trust, and have an improved focus on the topics. Each of the participants takes upon themselves different roles, although not always planned beforehand, this contributes to push the working group discussions forward. For instance, in cases where officials feel that they do not want to present ideas, with the pretext that this can be considered an official position in forthcoming negotiations, journalists and academics can provide the inputs for discussions. Sometimes, the politicians can instinctively say what proposals that may, or may not, have a chance to be brought up on the agenda etc. Hence, a well-developed strategy for choosing participants will most likely increase the possibilities to catalyze commonalities in the working groups.

The working groups are mostly hosted and led and chaired by the two co-directors. The discussions at the working groups are all stenographed and circulated afterwards, via e-mail, to each one of the participants. The participants are not employed by IPCRI nor are they short-term contracted, or rarely receiving any honoraria for participation in the working groups.

In most cases the working group come up with an agreed end result. This result is either a verbal agreement (usually as a consequence of the sensitive character of the issue that should not become public) or a written document. The working groups that discussed third party intervention, the Jerusalem road map, the Jerusalem ring-road, and the water issues are all examples that came up with part solutions/suggestions or broader end-results. This is an achievement in itself.

6.5. IPCRI – the organisation

6.5.1. Governance

IPCRI's system of governance resembles that of most established organisations: it has a Board and it has bye-laws and a constitution that provides a formal basis for responsible and responsive governance.

The Board is a nominated one with members being invited at the initiative of the two directors and with the endorsement of the other Board members. At present the Board comprises 6 members, 3 from Israel and Palestine respectively.

However, both the history of the organisation and the formal standing of the Board make the system of governance less effective. Initially, the role of the Board was seen primarily as one of lending prestige and acceptability to IPCRI – in itself no doubt necessary in order to establish credibility to the ice-breaking joint effort which IPCRI represented and which is still seen by many as politically faulty if not traitorous. At present, and with 15 years of publicly visible track-record in its kitty, the need for a Board lending only prestige and respectability is considerably less.

The actual role and significance of the present Board is not clear to us, in spite of having interviewed 3 of its members. Apart from being part of a historical legacy, the standing and accountability of the Board is no doubt further compounded by the vagueness surrounding IPCRI's formal location: the head office is still registered as being in Bethlehem although in actual fact it operates out of premises provided by a sympathetic non-partisan body across the border in Jerusalem. In addition IPCRI is still registered as a society in the US through the original 'Friends of IPCRI'. While this vagueness also provides IPCRI with considerable flexibility and allows for at least a tacit approval from authorities on both sides, the casualty is also that of an accountable and effective system of governance – in particular a Board that could effectively act as a strategic guide and counterpart to the executive management of IPCRI.

As it is the Board acts more in the individual capacity of its members who are variously called to support or otherwise contribute to the organisation whenever asked to do so. All the members are either very senior, with more respect than actual authority in their respective societies, or are else so busy that it is beyond their ability to devote but fleeting moments to IPCRI. The frequency of Board meetings appears very irregular, and we were unable to access any notes or minutes of its proceedings.

The weak, or non-determined, role of the Board has several consequences.

First, *IPCRI lacks a forum or platform on which strategic discussions can take place* – i.e. discussions that takes stock of its potential and constraints outside the immediate concerns of the executive management. One example of this is the apparent ad hoc manner in which the Peace Education project was taken onboard and allowed to grow into IPCRI's largest commitment, overshadowing the original focus of area of Political Initiatives on which IPCRI was founded. We are not saying that this decision was wrong or that Peace Education is not a viable and worthwhile project. But it has certainly tilted both IPCRI's organisational and administrative capacity as well as the attention span of both its directors away from other concerns and commitments.

Second, *the role and mandate of the executive management is at present virtually absolute with no checks and balances*. Apart from allowing for rather irregular conflict of interests (e.g. the directors determining their own salaries see below section 6.5.3) it also weakens the institutionalisation and sustainability of IPCRI itself. One important role for any Board is to ensure continuity and adequacy in an organisation's management and administration. However excellent the current management may be it needs a watchdog in order to force it to take sometimes awkward decisions, including devoting more resources and attention to the internal structure of the organisation. The danger of no such pressure is clearly illustrated by the deficiencies in the financial management of IPCRI as well as the need for ensuring that the bi-partisan and joint Israel/Palestine creed central to IPCRI is continuously ensured internally among its staff as well as externally through its projects.

Third, *IPCRI lacks a system of quality assurance*, of aligning its limited capacity with the need to ensure quality and follow-through of whatever it undertakes. One common observation emerging out of our interviews with people close to or else involved with IPCRI's activities in one or the other capacity was a concern that while IPCRI was amazingly effective in launching an activity or sorting out logistical/practical problems it was less effective in following up. This was particularly so as regards the various workshops, the proceedings from which were distributed verbatim with little or no effort at editorial summary that would enable them to be digestible and reader-friendly. As a consequence there was less continuity and accumulative momentum from one to the next workshop, forcing an unnecessary re-invention of wheels and revisiting of arguments each time.

6.5.2. Management and administration

The most marked quality of IPCRI's management is that it is very personalised, with the two directors between them virtually exhausting what organisational management there is. There is no second line of command, nor is there a separate function or person in charge of financial management (although there is an assistant to the Palestinian director who deals with the financial administration).

In some respects the management is truly joint, particularly as regards IPCRI's stand on the changing fortunes and prospects of the peace process. However, in other ways it is more one of division of responsibilities or influence, with the Palestinian Director reportedly in charge of internal administration and the Israeli Director being the more outwardly active through fund-raising, reporting, and project development. Staff relations have also led to the Palestinian Director taking little or no part in the supervision of the Peace Education programme, IPCRI's major undertaking in terms of staff as well as financial resources.

We believe that a more transparent and formally worked out division of responsibility should be pursued, a process which need not undermine the principle of joint management. On the contrary we believe that a truly joint management can only come about if it also embodies such a division of executive responsibility.

At the same time it is also obvious that the personalised and centralised management is less effective for hard decisions, including tough decisions on staff issues. There are at present few off-loading mechanisms of such issues away from the personal relation between the two senior directors, beyond that of the operational responsibilities devolved to the Project Directors in charge of specific projects.

The limited management capacity and the inability to delegate organisational responsibilities to a second line of command also mean that the two directors are severely overloaded. While IPCRI's capacity as a crisis manager is well testified to by our interviewees, it is similarly a widespread opinion that there is little or no capacity to follow through and follow up on all of the many initiatives launched. As a consequence IPCRI's history is littered with 'start-ups' – be it in publication series, research processes, or thematic workshops – that could not be pursued as intended. It also means that the quality assurance of IPCRI's activities is lacking, a point already mentioned in section 6.5.1. above. This does not automatically imply that IPCRI's performance is bad or deficient, but it does mean that the organisation lacks the capacity to assure itself as well as its constituencies that quality is uniformly good AND improving.

6.5.3 Financial Management

With most NGOs totally dependent on external support financial management is a weak point, and IPCRI is in this respect no exception. The responsibility for this lies not only with IPCRI but must be shared by donors who, in the rush to be associated with anything that purports to promote peace in the region have generally been very slack in their follow-up.

While a more detailed analysis is found in Annex 6 we summarise here the main findings. Before doing so we wish, however, to stress that we have found no evidence of any ‘innovative’ or questionable financial practice.

(a) Consolidated budgeting versus project budgeting

IPCRI prepares a “wish list” each year including all its prioritised projects and some of the establishment costs. This wish list appears to be mainly used for fundraising, and in particular in relation to Sida which is also the only donor that has requested it²⁰. No overall budget is prepared based on the projects actually funded. Nor is there a budget for IPCRI’s total establishment costs including the costs covered by different projects.

(b) Cash management

Cash flow budgets are not prepared, neither on a project nor on an accumulative basis.

In the absence of cash flow budgets, cash flow management is carried out by way of monitoring the different bank accounts. In order to bridge when funds are not available for a certain project’s costs, funds are “borrowed” from other project account(s) and “reimbursed” as and when a donor provides the next instalment for the deficient project.

It is doubtful that such a practice is formally permitted by the various donors, and in the case of Sida it violates standard conditions²¹. The net effect with respect to Sida’s programme support is also that it continues to be a budget support.

(c) Financial reporting and follow-up

The annual financial reports are done on a “strict” cash basis, which may be legally permitted in Israel (although it is illegal in Sweden). The effect is that the reports tend to communicate significantly wrong information of the actual result and the financial standing of the organisation. All funds received during a year are considered as revenue whether the corresponding expenses have occurred or not. Without revenue and costs being periodized it is virtually impossible for the management (or external funding agencies) to know the true financial standing of the organisation, to ensure project or activity specific cost-efficiency, or to identify ways to promote a sounder overall resource utilisation. This is somewhat surprising in an organisation that is more than 15 years old and means in effect that IPCRI does not have the basis of any financial management at all of the organisation, even if the financial administration of each project is performed satisfactorily. An example of this is the issue of the directors’ remuneration (see below), and indeed for the total salaries of the staff employed, that are split up over projects and therefore not amenable for a strategic review of priorities and/or liabilities.

(d) Discrepancies

It is unavoidable that minor discrepancies may appear in the financial statements, usually reflecting the zeal (or lack of it) displayed by the auditors. In IPCRI’s case there appears to be grounds to upgrade the auditing services provided, including the ability to submit financial statements within the time specified by donors.

(e) Directors’ salaries

Based on the figures available for 2002 the remuneration going to the two directors has been calculated at USD 252.000, representing two thirds of total expenditure for professional staff, or 20% of total expenditure. This is, by any comparison and even by the yardsticks of leading private sector companies, a very high cost for top management.

²⁰ IPCRI has developed corresponding workplans for each year. However, with the exception of Sida we did not come across any donor representative who had seen or read these.

²¹ IPCRI reports, however, that none of the bank accounts used for donor funds are bearing interest.

IPCRI and their auditor have in separate notes argued that (a) this level is comparable with (top level?) public servants in Israel, (b) the hours of work put in by the two directors go well beyond the 40 hour week of normal employment, (c) the directors spend many weekends away from their families, and (d) this is compensation for low salaries in earlier years²².

The issue here is twofold. First, the proportion of total resources available to IPCRI that goes to remuneration to the top management suggests a prioritisation that needs to be made clear to and discussed with outside donors, including any argument that present-day donors should compensate for deficiencies in past funding patterns²³.

Second, although all of the justifications put forward by IPCRI's management and the auditor may be valid the important issues is by whom and how the salaries for the senior-most management are set. Normally this is the responsibility of the Board and the yardstick for good practice is not only that it is transparent and reasonable, but also that it ensures that there is no conflict of interest involved (e.g. the directors' setting their own salaries or determining their own ceilings).

Conclusions

- In overall terms IPCRI lacks a financial management system. At present it operates a hand-to-mouth project-based cash management that does not allow for organisational needs or consolidation
- The lack of a separate financial management and accounting expertise within IPCRI, and the slack attention/pressure from donors (primarily Sida as being the only one having provided budget and programme support) have contributed to this. The result is not only a deficient financial management within IPCRI but also delayed reporting and consequent (risk of) delayed disbursements from donors
- While minor discrepancies in the financial reports suggest the need to upgrade the auditing and book-keeping services, the repeated inability of IPCRI to produce financial statements within the time specified in the agreements with Sida suggest obvious bottlenecks in the system of financial administration as well as financial management.
- The accumulated salaries to the two directors for 2002 further illustrate the need for a consolidated budget and financial follow up, coupled with an effective Board involvement to ensure that conflict of interest is avoided. That the funding is in parts uncertain at the beginning of a year does not make such a consolidated budget impossible, merely that it has to be periodically updated. Nor is it impossible to calculate overhead (or organisational expenses) as many of them are fixed.

²² It was also been argued that the directors' salaries should not form part of a publicly available report, a point on which we disagree – particularly as regards value-based NGO's relying on external funding

²³ In its programme support for 2002 & 2003 Sida provided for USD 120.000 towards the 'basic salary' of the two directors. It is not unlikely that this level would have been reconsidered given the fallout.

7. Conclusions

By way of summarising our conclusions we will do so with reference to the five standard evaluation criteria:

- *Efficiency* or the ability to ensure that resources employed lead to the highest ‘output’
- *Effectiveness* or the ability to ensure that objectives are fulfilled
- *Relevance* or the alignment of activities with given public needs or official policies
- *Impact* or the direct or indirect changes brought about by the activities
- *Sustainability* or the ability of an activity/organisation to continue on its own momentum – financially, organisationally, and/or institutionally

7.1. Efficiency

Based on our assessment of IPCRI’s outputs – the range, volume, and scope – we are convinced that IPCRI is, in *operational* terms, a remarkably efficient organisation. That such a small team with such a limited management capacity can engage in so many activities without any serious ‘flops’ is very impressive. It is also the one aspect of IPCRI on which virtually every person interviewed by us stressed as the ‘hallmark of IPCRI’.

In *financial* terms, however, the situation is much less impressive. In particular we find that two factors account for this: (a) the fragmentation of the financial management into project cash accounts, and (b) the absence of periodisation of ‘revenue and ‘costs’. As a consequence it is virtually impossible for IPCRI to systematically promote cost-efficiency, over activities as well as over the organisation as a whole.²⁴

7.2. Effectiveness

IPCRI has no doubt created for itself a reputation and image of being a credible bi-partisan platform. Inasmuch as this is also the overriding objective of the organisation it can, at a *general level*, be said to be an effective organisation.

However, the combined lack of an operational strategy, of an effective system of governance, and of a highly centralised and personalised executive management means that it is virtually impossible to discern how IPCRI sets its priorities – over activities as well as over issues and target groups. This leads not only to objectives being unclear (‘an activity is needed because it is needed’) but also to IPCRI not being able to identify, and work on, its comparative advantage or core competence. In the process follow-up suffers as does quality control, making IPCRI appear as a jack of all trades. It is our contention that the comparative advantage it once had – the uniqueness of joint partnership – has increasingly worn off and lost its justification as the main strength and uniqueness of IPCRI. We therefore believe that this joint partnership must be continuously rejuvenated and/or deepened, based on priorities arrived at by IPCRI itself.

²⁴ Cost efficiency may be low or unknown even if cost effectiveness may be satisfactory.

7.3. Relevance

Relevance: by relevance is normally meant an assessment of whether activities undertaken are in keeping with stated policies (government, donor/funder, collaborating partner, etc) and associated publicly endorsed priorities and needs. In a context such as the Israeli-Palestinian conflict and with an organization such as IPCRI this is, however, in itself an irrelevant way of approaching relevance as it is frequently the narrow base of public endorsement (political elites and corporate interests) and their rigid political agenda that makes it a priority to question them in the interest of the common long-term good. The issue relates to what extent the activities of IPCRI can be seen as relevant in relation to the overall peace process between Israelis and Palestinians. We have therefore tried to view relevance in terms of the extent to which the organization has consistently pursued issues that would give room for Israeli and Palestinian groups of the conflict as effective stakeholders in both public policy and peace building activities.

In a conflict such as the Israeli-Palestinian one, initiatives from civil society that try to break stalemate between the conflicting parties must be regarded as relevant. Despite the fact that public opinion and their leadership are positioned in a stalemated/paralyzed situation, single NGOs or peace movements might provide an important forum. IPCRI has played a role, particularly, as a pioneering organization that has placed focus on the major obstacles of the conflict in order to see if alternative ways could be found. The mere fact that they have constituted themselves as an Israeli-Palestinian construct is unique in itself. During the heydays of the peace process, IPCRI became one of several reconciliation forums, aiming to bridge the gaps between the parties, as well as to create further momentum around the remaining issues. Currently, with the breakdown of the “peace industry” and the return to violence, IPCRI again stands as one of the few peace organizations that remain as a civil society institution that works for peace. It could easily be argued that there are rather too few organizations that are involved in current peace building efforts, underlining the need and relevance of fostering organizations such as IPCRI.

Hence, the various roles that could be identified with IPCRI’s activities must all be seen as relevant in relation to the overall context. The more grass root oriented activities, such as the Peace Education programme, or the reconciliation meetings between Israelis and Palestinians are examples of much needed peace initiatives. The issues are rather how IPCRI could become role model for others and also how much one single organization actually can take upon them without losing focus and quality?

7.4 Impact

To evaluate the impact of IPCRI’s activities, one must relate it to each one of the activity roles one could identify. Impact is supposed to mean to what extent IPCRI reaches out towards the targeted players of the activities. In a broader sense, IPCRI has, as all peace NGOs, a role to play as bridge builder and reconciler (both in terms of peacemaking and peace building). IPCRI has developed a broad network with players in all levels of both the Israeli and the Palestinian societies. This gives them access as well as advocacy possibilities that can have a certain impact. However, several organizational questions need to be addressed in order to increase and develop the impact and reach out effect of the organization. Basically, the activities of IPCRI could be divided into the grassroots activities (peace education, reconciliation between conflicting parties), political initiatives (working groups with middle range leaders), and public opinion and advocacy activities (both at the leadership levels and the public opinion). IPCRI needs to develop a clearer strategy on whom they want to reach out to and how that should be done in a more systematic way. Also, given the political changes on the ground, how can IPCRI organize in a way that can cope with the political changes in the conflict?

Activity	Current impact	Potentials for IPCRI	Current target audience	Future target audience to consider
Grass-root programmes/projects	Limited on public opinion as well as top-leaders	Great	Public opinion	Public opinion
Working groups (middle range levels)	Medium	Great	Mid level policy makers and civil servants dealing with Israeli-Palestinian relations	Public opinion & top leaders
Advocacy	Limited on all levels	Medium	Top leaders	Public opinion

Again, IPCRI needs to consider in what way they are able to both have activities that are more short-term oriented (peacemaking activities) and long-term oriented (peace building). Perhaps, even a choice has to be made between these two activities? Quick fix solutions seemingly exist in multiple forms, the greater challenge, in relation to IPCRI's overarching mission statements, is to find out which strategy to adopt in order to launch a more long-term strategy that provide for sustainable and substantial inputs on public opinion. It does not imply a complete neglect of peacemaking focus, rather a reorientation of the focus.

7.5. Sustainability

It would be very unrealistic to expect that IPCRI could ever become financially sustainable in the sense of being able to generate its own revenues. In financial terms the issue is more that of risk-spreading, i.e. to ensure that the organisation does not become critically dependent on one, or a few, outside funding agencies.

In this perspective we conclude that IPCRI has indeed managed to attract funds from a very large number of sources, and it is also clear that the management is very active on this issue. However, we also believe that the lack of a consolidated organisational budget and financial reporting makes it very difficult for IPCRI to arrive at real, demonstrable and realistic overheads. With this the organisation will remain a bundle of operational and external funded projects, with little or no organisational identity or financial viability of its own – or, for that matter, negotiate with any donor reasonable and necessary overheads. As it stands IPCRI is still critically dependent on Sida as the sole donor providing budget support (even if this has nominally been changed into programme support).

8. Recommendations

Based on our analysis above we have the following recommendations.

8.1. IPCRI

In overall terms IPCRI needs (cf section 6.1.)

- (a) external support and an internal commitment to develop its potentials (rather than to expanding its activities or ongoing operations) – organizational and institutional development. This implies inter alia

- as *programme manager* make a strategic review of both its main ‘programmes’ – Peace Education and Environment/JEMS
- as *clearing house* to ensure cumulative process of working groups
- as *contractor* to introduce quality control
- as *advocate* to strengthen its reach capacity

More specifically IPCRI needs to

- (b) Revise its governance structure, especially as regards the composition, role and mandate of the Board. This should include a transparent involvement of, and decision by, the Board with respect to the principles and levels of remuneration of the chief executives of IPCRI (cf section 6.5.1.)
- (c) Re-focus and diminish the reliance of the current management duo by (i) introducing a second layer of organisational management, and (ii) evolving a medium term change-of-guard strategy as regards the present executive management (section 6.5.2.)
- (d) Revise and develop a financial management system that corresponds to the need of the organisation and not only of its various projects (cf section 6.5.3.)

8.2. Sida

Sida should positively consider continued support to IPCRI based on the following provisos and conditions

- (a) IPCRI having, through its Board, provided Sida with a management response to the evaluation, in particular as regards the organisational issues (section 6.5.).
- (b) such support should move back from the current programme support to an organisational development support with the following explicit conditions
 - The support should specifically focus on organizational development in the fields of
 - Management (incl. financial management)
 - Quality assurance and follow-up
 - Advocacy
 - It should include specified milestones and objectives with reference to all of the fields above
 - It should embody as an integral part a time-bound technical assistance component to assist IPCRI developing the approach and action plan to the organisational development. This TA may be drawn from Sweden (e.g. through a twinning arrangement with an appropriate body), from local/regional expertise, or from one of the international NGO capacity building networks.

If these conditions, or the principle that underlies them, are not acceptable, we recommend a staggered and mechanical phasing out of Sida support over the next two years

Annexes

- Annexe 1. Terms of references
- Annexe 2. Debriefing note
- Annexe 3. List of people interviewed
- Annexe 4. List of publications
- Annexe 5. Analysis of IPCRI's publications
- Annexe 5.1. Classification of IPCRI publications
- Annexe 6. Notes on the Financial Management of IPCRI
- Annex 6.1. Extracts of Financial Statement for 2002
- Annex 6.2. Grants received and distribution over projects
- Annex 6.3. Follow-up of budget for 2002
- Annexe 7. List of IPCRI employees
- Annex 8. A note on the Peace Education Programme

Annexe 1

Terms of Reference for an Evaluation of

Israel/Palestine Centre for Research and Information (IPCRI)

1 Background

1.1. Organisation

IPCRI is an independent research and information centre. It was established in August 1989 in Jerusalem by the two founding fathers, the Israeli Dr Gershon Baskin and the Palestinian Dr Zakaria al Qaq, who still run the organisation. IPCRI has a board of directors, which is comprised of an equal number of Israelis and Palestinians, with two chairmen; one Israeli and one Palestinian. IPCRI has eleven full-time staff with an additional pool of some 30 freelancers, researchers and volunteers.

The programmes within IPCRI have changed over the years. The themes of activities have, however, basically remained the same. The activities are today organized in three focus areas: Political Initiatives, Environment Cooperation and Peace Education.

Some of the programmes, for instance the Environment Cooperation and the Peace Education Programmes, have programme directors. Many of IPCRI's other staff is hired on a project-by-project basis. All projects undertaken by IPCRI are jointly managed and jointly staffed by Israelis and Palestinians.

1.2. IPCRI programmes and activities

According to the work plan and budget for 2002 the activities are:

a) Political Initiatives

This area of activities focuses on political initiatives aimed at rebuilding peace-making efforts. The activities primarily deal with issues related to the final status negotiations. Through meetings, seminars, workshops and round-table conferences, IPCRI aims to create the highest possible level of consensus. It tries to identify interests and search for political breakthroughs. IPCRI organizes working groups where the complicated questions relating to the negotiations between Israel and PLO are discussed, such as Jerusalem, the future of the Palestinian refugees and issues related to sovereignty and security.

The focus area Political Initiatives has the following activities:

- meetings of politicians and security officials,
- economics working group,
- verification, enforcement, compliance and dispute resolution of security and political arrangements in future Israeli-Palestinian agreements,
- years of experience in strategies for peace making.

b) Environmental Cooperation

The focus area Environmental Cooperation aims at saving the shared environment of Israel and Palestine and in creating and building cross-boundary environmental cooperation. The main activity today is the Joint Environmental Mediation Service (JEMS).

The JEMS include the following activities in 2002:

- training of Israeli and Palestinian environmentalists in mediation of public multi-stakeholder environmental disputes,
- mediation of two disputes,
- seminars, interactive website,
- training for Israeli and Palestinian water professionals.

c) Peace Education

The Peace Education programme has been going on for more than five years. It aims at expanding and deepening the scope of peace education opportunities to as many high school students and teachers as possible in Israel and the Occupied Palestinian Territories (OPT). Peace Education is the biggest project for IPCRI and constitutes approximately 1/3 of the budget in 2002. It involves up to 3000 Israeli, Palestinian and Jordanian high-school students and teachers per year. When Sida switched to programme support from budget support in 2002, Sida choose not to support the Peace Education project.

1.3. Sida support to IPCRI

Sida has supported IPCRI with an amount of MSEK 10,850 since 1991. The table shows disbursements 1991/92–2002:

1991/92	150,000
1992/93	350,000
1994/95	350,000
1995/96	500,000
1998	2,000,000
1999	2,000,000
2000	2,000,000
2001	2,000,000
2002	1,500,000
Total	10,850,000 SEK

Until 2001, the Sida grant was given as a budget support. The current two-year grant 2002–2003 is, however, a programme support for the two focus areas “Political Initiatives” and “Environmental Cooperation”.

1.4. Previous Assessments

In 2000, Sida undertook an assessment of lessons learned in the field of conflict management and peace building in which IPCRI was one of several case studies²⁵. The assessment made some observations, which, according to the assessment team, needs to be looked into in an extensive evaluation of IPCRI. Some of these observations were:

²⁵ Assessment of Lessons Learned from Sida Support to Conflict Management and Peace Building, Sida Evaluation 00/37, 00/37:1 and 00/37:2(www.sida.se/evaluation: Sida Evaluations/Evaluations 2000)

- a) The organisational structure of IPCRI is joint Israeli Palestinian, but does this function in reality as a joint partnership, where the two sides have equal influence and are equally heard, and what influence is exercised by the Board?
- b) The activities of IPCRI tend to be unfocused and diffuse reflecting a lack of concentration that is closely linked to its lack of economic sustainability and dependency on Sida support, but what are the potential core areas of competence?
- c) Is the quality and originality of the activities of IPCRI such that they have had an impact on the discussions connected to finding a peaceful solution?
- d) The relationship between Sida and IPCRI is characterized as satisfactory to both parties, but how much legitimacy and support does IPCRI have within its own local communities?
- e) There is undoubtedly formal competence and long-term working experience in IPCRI, but is this enough to decrease the risk of poor research products, political bias and insufficient legitimacy?

In addition, IPCRI has not delivered work plans and budgets, as well as yearly narrative reporting and financial reporting within stipulated time to Sida. The reason for this is not clear. IPCRI has expressed to Sida its interest in an external review of the internal administrative systems of IPCRI

2 Objective and purpose

The general objective of the evaluation is to, in further detail, analyse the findings concluded in the assessment from 2000 in relation to the developments both within IPCRI and in the political environment in the region, and give potential recommendations for the organisational structure and administrative systems, as well as the programmes and activities of the organisation.

The evaluation has the following specific purposes:

- a) to give IPCRI an independent response to the quality, originality and impact of its activities
- b) to give IPCRI an independent response to the efficiency of its internal organisation
- c) to give Sida a better basis for decision on future funding of IPCRI

3 SCOPE of the study

The evaluation shall focus on the two following areas: (a) quality, originality and impact of the programmes, and (b) the efficiency of the organisation. The evaluation shall include:

- a) *Programme Quality, Originality and Impact*
 - a peer review of a selection of IPCRI research reports within the focus area “Political initiatives”, and an analysis of its relevance, quality and originality
 - an analysis of achievement of objectives and the impact of the programmes “Political initiatives” and “Environmental program”
 - an analysis of the legitimacy of IPCRI within the Israeli and Palestinian societies
 - recommendations for potential improvements of programme quality, originality and impact
- b) *Organisational Efficiency*
 - an analysis of the joint partnership, the role of the board and the internal organisation of IPCRI

- an analysis of the linkages between the economic sustainability and the diffusion of activities of IPCRI
- an analysis of the administrative and financial systems for planning, implementation, follow-up and reporting of activities
- recommendations for potential improvements of organisational efficiency

4 Methodology

As stated in the Invitation to Tender, the submitted tenders must include an elaborate presentation of the intended methodology for the evaluation, where the suggested methodology for evaluation of *impact* is of particular importance.

Criteria and motives for the selection of research reports to be analysed in the peer review must be included.

In addition, it is recommended that the evaluation shall be based on:

- a) a review of existing documentation at IPCRI, Sida and the Consulate relevant to the objective and scope of the study
- b) interviews with IPCRI management and staff; with target groups and other stakeholders of IPCRI (such as politicians, decision makers, researchers, peace workers, NGOs, donors, etc.); and with relevant staff at Sida and the Consulate
- c) observation of at least one of the local dialogue sessions arranged by IPCRI within the framework of the programmes, preferably, but not necessarily, within “Political Initiatives”

5 Specific Requirements

In addition to the general qualifications from the tenderer and the tender stated in the Invitation to Tender, the evaluation team must have the following specific requirements:

- a) experience and knowledge of financial and organisational management in local based non-profit organisations
- b) experience and knowledge of conflict management, conflict resolution and peace building
- c) experience and knowledge of the political situation in Israel and the Occupied Palestinian Territories

6 Reporting and Timing

Before end of the field trip, the evaluation team shall organise a discussion seminar in Jerusalem to present the main findings and recommendations of the evaluation. Sida, the Consulate, IPCRI and other donors shall be invited to the seminar. The result of the seminar shall be accommodated or at least described in the final report.

A draft report shall be submitted to Sida, with copies to the Consulate and IPCRI, electronically no later than 15 November 2003.

Sida will give the Consultant comments on the draft report within two weeks of the receipt of the draft.

A final report shall be submitted to Sida, with copies to the Consulate and IPCRI, electronically and in hardcopies no later than 15 December 2003.

The evaluation report shall be written in English and should not exceed 30 pages, excluding annexes. The format of the final report shall follow guidelines in Sida *Evaluation Report – a Standardised Format*.

The evaluation report shall be presented in a way that enables publication without further editing.

Appendices to the Terms of Reference:

Appendix 1: Project Annual report 2002

Annexe 2

Evaluation of IPCRI

Debriefing note

Jerusalem 2003-10-22

A. Basic perspective of the evaluation

Core & programme support:

Underlying assumptions of such support:

- (a) organisation knows what it is doing
- (b) organisation's objectives in line with donor policies (& sometimes the donor strategy)

Leads to an assessment of

- The steering principles and practice
- The value added of the organisation
- The comparative advantage of the organisation

Purpose of core/programme support:

- (a) to enable responsiveness
- (b) to increase the capacity
- (c) to promote sustainability

Leads to an assessment of

- Management
- Organisational development
- Relevance over time

B. What is IPCRI?

- (a) Organisational expression of a value – “partnership for peace”
- (b) Result-oriented non-partisan dialogue platform

Key issues:

- Perception of IPCRI in the external environment
- Balancing values and professional/technical excellence
 - Capacity to facilitate dialogues as a cumulative process over time
 - Strategic competence (issues and role) in relation to context as well as to relevant other org/inst

C. Assessment of external perceptions

C.1. Objectives and purpose:

“To make an analysis of achievements of objectives and the impact of the programmes”, including an analysis of the legitimacy of IPCRI within the Israeli and Palestinian societies respectively.

C.2. Method:

We have interviewed some 40+ persons that stem from donors, NGOs, academic world, officials and politicians from Israel and Palestinian authorities respectively.

C.3. Findings:

General: all players show varying degrees of appreciation of IPCRI's activities and give various ideas and suggestions on how to improve IPCRI. Basically, all interviewed testify to IPCRI's long surviving capacities and believe that they can play a role.

We could trace six types of roles that IPCRI was related with. These are:

- Contractor
- Research platform
- Program manager
- Advocacy group
- Think tank
- Clearinghouse

(a) Contractor

- least important role for IPCRI but most visible (financially important?)
- role problematic

Issues: What peer review capacity does IPCRI have in order to guarantee quality of the most visible outputs?

(b) The research platform

- IPCRI image as a research platform is problematic

Issues: What focus should IPCRI have on their printed outputs? What responsibility and capacities does IPCRI have in order to ensure quality of the outputs?

(c) Program manager

- largest project, the peace education project, of IPCRI's activities. Environment/JEMS partly a programme
- the large scale and focus is problematic

Issues: What capability has IPCRI in order to switch its organisation towards programme management?

(d) Advocacy group

- Small impact on top-decision makers
- larger impact on middle range leaders
- Outputs problematic

Issues: What should the balance be between printed outputs (and in what form) and media coverage in order to better reach out? Strategy and modalities of dissemination.

(e) Think -tank

- has an important role in IPCRI's activities (also historically)
- lack of focus with the outputs

Issues: what kind of think-tank should IPCRI be and what is the target audience?

(f) Clearinghouse

- most prominent role of IPCRI
- middle range leaders believe this role is important
- relation building capacity important

Issues: How can team building be strengthened over time when people occasionally are changed?
What capacities does IPCRI have to prepare and appropriately follow up the meetings given the volatile environment and constraints in communication/interaction

Conclusions:

- IPCRI has played a role in the peace process but has spontaneously ended up in various roles that all require their specific organisational structure
- IPCRI has, as all peace NGOs, a role to play as bridge builder and reconciler (both peacemaking and peace building)
- Several organisational questions need to be addressed in order to increase and develop the impact and reach out effect of the organisation

D. Organisation and management

D.1. Governance

Governance structure reflects launching phase of IPCRI (“respectability”), increasingly irrelevant to the current situation

D.2. Management

Very personalized – no second line

Very good crisis/muddling through – “IPCRI hallmark”

The dual management less effective for hard decisions – no off-loading beyond the personal relation between the two ‘owners’ of IPCRI

Staff management weak

No quality assurance of IPCRI’s role

D.3. Capacity

Limited and static over time (management duo=capacity)

Little follow-through capacity

No quality assurance separate from management duo’s time and skills

E. Financial management

E.1. Budgeting

Project budgeting core principle – piecemeal management

Overall budget – weak to non-existent

“Wish list”.

No overall budget.

Cash flow budgets

IPCRI's total establishment costs

E.2. Cash management

Cash flow/cash handling – acceptable

Cash flow management – very poor

Disbursements – acceptable

E.3. Financial reporting/Follow-up

Donor adopted rather than to IPCRI's need

Bookkeeping and associated work is outsourced

Follow-up of projects

Follow-up of IPCRI Over all

Annual reports

Has as a rule been very late

To fulfil legal and donor requirements

Report for the year 1997 not available

Quality of auditors work questionable

Difficult to analyse over the years

The reports are done on a “strict” cash basis

E.4. Conclusions

Need to bridge the gap in the financial management

Low demands from donors

Need to look at the overall picture

F. Overall assessment

Efficiency – high (but not systematically ensured)

Effectiveness – sub-optimal

Relevance – moderate to high

Impact – moderate and under-exploited

Sustainability – doubtful

IPCRI needs support to develop its potentials (rather than to expanding its activities or ongoing operations) – organizational and institutional development

As *programme manager* IPCRI needs to make a strategic review of both its main ‘programmes’ – Peace Education and Environment/JEMS

As *clearing house* IPCRI needs to ensure cumulative process of working groups

As *contractor* IPCRI needs to introduce quality control

As *advocate* IPCRI needs to strengthen its reach capacity

G. Recommendations:

Sida:

1. Continued Sida support? Yes

2. Move back from programme to core support, BUT conditionalised:

Core support to focus on organizational development in the fields of

Management (incl. financial management)

Quality assurance and follow-up

Advocacy with specified milestones and objectives

IPCRI:

1. Revise governance structure (Board composition, role and mandate)

2. Revise accounting system (project accounts and consolidated accounts)

3. Develop a re-focusing and “phasing-out” strategy of current management duo

Sida/IPCRI agreement:

To specify respective responsibilities and actions.

If not acceptable, than staggered and mechanical phasing out of Sida support

Annexe 3

People interviewed

Name	Work Organization & Position
Mats Bengtsson	Sida, former MENA responsible
Magnus Cederkvist	Sida, MENA responsible
Tomas Brundin	Broderskapsrörelsen, Director
Ann Måwe	Sweden's General Consulate in Jerusalem, vice Consul
Zakaria Al-Qaq	IPCRI, co-Director
Ann Bruzelius	Sweden's General Consulate in Jerusalem, First Secretary
Rami Nasrallah,	IPCC, Director
Hanna Siniora	IPCRI, board member, editor of Jerusalem Times
Samir Hazboun	Bethlehem Data & Consultants, Director
Mehdi Abdel Hadi	PASSIA, Director
Adel Zagha	Economic Faculty, Birzeit University, Dean
Fathi Darwish	One Voice Palestine, Director
Alon Liel	Former General Director, Foreign Office, Israel
Shlomo Hasson	Hebrew University, Department of Geography, Professor
Huda Iman	Centre for Jerusalem Studies, Director
Simcha Bahiri	IPCRI, board member, Professor
Gershon Baskin	IPCRI, co-Director
Hassan Dweik	Al-Quds University
Rami Friedman	Former Director at Jerusalem Institute, Professor
Gideon Eshet	Yediot Ahronot, journalist
Akiva Eldar	Haaretz, journalist
Mamdoh Nofal	PA, Politician and Arafat advisor
Samih al-Abed	PA, Official at Ministry of Planning
Nader Al Khateeb	Water & Environmental Development Organization (WEDO), Director
Danny Seidemann	Lawyer, Jerusalem expert
Menachem Klein	Bar-Ilan University, Professor, Jerusalem expert
Sufian Abu Zayda	PA, Official at Ministry of Civil Affairs
Yohanan Tzoref	Bar-Ilan University, Former Colonel in Israeli Military Intelligence, Gaza
Gary Sussman	ECF, researcher
Neil Wigan	British Embassy, Tel Aviv, Consul
Ron Pundak	Peres Centre, Director, Oslo negotiator
Dan Catarivas	Ministry of Finance, Israel, Official
Oded Ben Haim	Ministry of Foreign Affairs, Israel, Official
Zeev Boim	Dep. Minister, Likud
Avshalom Vilan	MK Likud

Kobi Michael	Former Army officer, Conflict researcher
Abed Hafiz Nofal	Director general, Ministry of National Economy
Maher al Qurd	Deputy Minister of Ministry of National Economy
Hillel Shuval	Prof. Of Environmental Science, Hebrew University of Jerusalem
Salim Tamari	Prof. Of Sociolgy, Bir Zeit University
Ezra Sadan	Prof. Of Economics, National Secyrity College
USAID	
Finnish Repr Office	
Dutch Repr office	
Swiss Dev. Cooperation	

Annexe 4

List of Publications

Analysis and Evaluation of the New Palestinian Curriculum: Reviewing Palestinian Textbooks and Tolerance Education Program, Submitted to The Public Affairs Office US Consulate General, Jerusalem.

Assaf, Karen, Nader al Khatbi, Elisha Kally, Hillel Shuval, 1993, *A Proposal for the Development of a Regional Water Master Plan*.

Bahiri, Simcha & Samir Huleileh with Daniel Gavron, 1993, *Peace Pays: Palestinians, Israelis & the Regional Economy*

Bahiri, Simcha, Samir Hazboun, Muhsen Makhamreh & Nadav Halevi, 1997, *Israeli–Palestinian–Jordanian Trade Relations*, IPCRI and Konrad-Adenauer-Stiftung, Final Status Publications Series.

Bahu, Rana, Eric Melloul, William Walsh, 1995, *Banking Law Reform in the Palestinian Territories*, IPCRI, Law & Development Program, Commercial Law Report, Number 3.

Baskin, Gershon, ed., 1993, *Water: Conflict or Cooperation*, Vol. II, No. 2.

Baskin, Gershon, 1994, *Jerusalem of Peace*, IPCRI.

Baskin, Gershon ed., 1994, *New Thinking on the Future of Jerusalem: A Model for the Future of Jerusalem: Scattered Sovereignty*, Vol. III, No. 2.

Baskin, Gershon & Robin Twite eds., 1993, *The Future of Jerusalem: Proceedings of the First Israeli–Palestinian International Academic Seminar on the Future of Jerusalem*.

Baskin, Gershon & Zakaria al-Qaq, 1997, *The Future of the Israeli Settlements in Final Status Negotiations*, Final Status Publications Series, No. 3.

Baskin, Gershon & Zakaria al-Qaq, 1998, *A Re-evaluation of the Border Industrial Estates Concept*, Commercial Law Report Series.

Baskin, Gershon & Zakaria al-Qaq eds., 1998, *Israel–Palestinian–Jordanian Trade: Present Issues, Future Possibilities* Commercial Law Report Series.

Baskin, Gershon & Zakaria al-Qaq eds., 1999, *Creating a Culture of Peace*,

Beckerman, Chaia ed., 1996, *Negotiating the Future: Vision and Real politics in the Quest for a Jerusalem of Peace*, IPCRI: Seminar proceedings.

Chase, Anthony B. Tirado, 1997, *The Palestinian Authority Draft Constitution: Possibilities and realities in the Search for Alternative Models of State Formation*, Law & Development Program, Civil Society Publications.

Dajani, Mohammed, Hisham Awartani, Gidion Eshet & Stefano Schiavo, 2001, *The Strategy of Palestinian Monetary Policy: Introducing a New Currency*.

Demant, Peter, 1994, *Jewish Fundamentalism in Israel: Implications for the Mideast Conflict*, Vol. III, No. 3.

Dudinski, Natasha & Yasser Abu Khater, *The Palestinian Law on Freedom of the Press: A Comparative Survey with Western Democracies*, Law & Development Program, Civil Society Publications.

- The Evolution and Development of Democracy in Israel and Palestine: Religious Laws of Personal Status, Freedom of the Press, Confronting Extremism, Women's Rights in Religious and Democratic Societies*, Civil Society Publications, 1998.
- Haller, Mordechai & Daniel Kellman, 1997, *Intellectual Property Reform in the Palestinian Territories*, IPCRI: Commercial Law Report Series.7
- Hamid Ra'ed Abdul, 1995, *Legal & Political Aspects of Palestinian Elections*, Law & Development Program, Civil Society Publications.
- Hamid, Ra'ed Abdul, Mordechai Haller & Keith Molkner, 1996, *Tax Law Reform in the Palestinian Territories*, Commercial Law Reports Series.
- Hazboun, Samir, Tariq Mitwasi, Waji el-Sheikh, 1994, *The Economic Impact of the Israeli-PLO Declaration of Principles on the West Bank, Gaza Strip and the Middle East Region*, Bahir, Smicha, 1994, *Economic Consequences of the Israel-PLO Declaration of Principles*.
- Hess, Arie, 1999, *Trilateral Confederation: A New Political Vision for Peace. The Just Way to Peaceful Co-existence*, IPCRI: A Final Status Series Publication.
- Increasing Environmental Awareness in Israel and Palestine*, 2001.
- Kalman, Daniel, Ra'ed Abdul Hamid, Mohammad Dahlan, Ayesha Qayyum & Tobias Nybo Rasmussen, 1997, *Commercial Contract Enforcement in the Palestinian Territories*, Law & Development Program: Commercial Law Report Series, No. 5.
- Levy-Beth, Micheline, 2001, *The Harmonization of Agricultural Health, Food sanitary and Quality Standards for Fresh Fruits and Vegetables between Egypt, Jordan, Israel and Palestine*, IPCRI: Workshop proceedings.
- Molkner, Keith, 1995, *A Critical Analysis of the Palestinian Law on the Encouragement of Investment*, Commercial Law Reports Series, No. 2.
- Molkner, Keith, 1995, *The First Trilateral Conference for Facilitating Trade and Investment Flows between Israel, Jordan and the Palestinian Territories*. Summary of recommendations.
- Molkner, Keith & Gershon Baskin eds., 1995, *The First Trilateral Conference for Facilitating Trade and Investment Flows between Israel, Jordan and the Palestinian Territories*, Law & Development Program, Regional Trade Papers, No. 1.
- Perla, Deborah, Ra'ed Abdul Hamid, Mordechai Haller, Daniel Kelman 1997, *Intellectual Property Reform in the Palestinian Territories*, Commercial Law Report Series, No. 4.
- Segal, Jerome, 1993, *Strategic Choices Facing Palestinians in the Negotiations*, Vol. II, No. 3.
- Segal, Jerome, 1997, *Is Jerusalem Negotiable*, IPCRI.
- Twite, Robin & Gershon Baskin eds., 1994, *The Conversion of Dreams: The Development of Tourism in the Middle East*, c
- Twite, Robin & Jad Issac eds., 1994, *Our Shared Environment: Israelis and Palestinians Thinking about the Environment of the Region in which they Live*.
- Twite, Robin & Robin Menczel eds., 1994, *Our Shared Environment: The Conference. Proceedings of the First Israeli, Palestinian and International Conference on the Environmental Challenges Facing Israel, the West Bank and Gaza*,

- Twite, Robin & Robin Menczel eds., 1995, *Our Shared Environment: The 1995 Conference. Proceedings of the Second International Conference on the Environmental Challenges Facing Egypt, Israel, Jordan and the Palestinian Territories*, IPCRI and Eco Peace—Middle East Environmental NGO Forum.
- Yahya, Adel H., 1998, *The Future of the Palestinian Refugee Issue in Final Status Negotiations. Palestinian Refugees: Their Past, Present and Future*, Final Status Publications Series.
- Yes PM: *Years of Experience in Strategies for Peace Making Looking at Israeli–Palestinian People-to-People Activities*, 2002.

Annexe 5

Analysis of IPCRI's Publications

All in all 38 publications were covered, published between 1993 and 2003. Publications issued prior to 1993 have simply not been found, probably since IPCRI is out of issues. There is also a possibility that some publications during the 1993–2003 have not been included. The material included, should however, be representative of the total output of IPCRI.

Nature of publication

The publications are written as quite descriptive reports on a certain issue or theme. Often, they include important information and may at times be based on quite unique material. Nevertheless, the general tendency is that they lack analytical tools as well as ambitions of more general conclusions. Therefore, they are descriptive reports with clear prescriptive elements, such as policy recommendations. There are no clear scholarly reports, although most are authored by academics or persons connected to the academic world. A number are conference/seminar reports. The main function of the reports seem to put light on a certain issue, in order to provide alternative ways of perceiving and framing proposals for solutions or negotiations.

As such, the reports appear not only to have a policy-orientation, but perhaps more importantly, a political goal in terms of placing certain issues and themes firmly on the broader agenda and in terms of providing alternative perspectives. This would correspond with IPCRI's advocacy role.

Five of the reports deal with *water and environment*. Those dealing with water are more specific reports on the role of water in the Israeli–Palestinian conflict with proposals for how to move forward in water negotiations.

Reports on the environment are seminar/conference proceedings with a number of authors (experts) involved.

Nine reports deal explicitly with the *negotiations, conflict resolution, peace-building*. Also the six reports on Jerusalem focus on negotiations and proposals for a solution. The Jerusalem-reports are interesting in the way that they include Gershon Baskin's personal account *Jerusalem of Peace* as well as Jerome Segal's *Is Jerusalem Negotiable* based on a quite extensive quantitative database. Four reports deal with politics in the Palestinian areas and/or Israel. Although few in number, they were quite diverse, including a brief volume on Jewish fundamentalism as well as a report on the Palestinian Authority Draft Constitution.

Twelve of the reports deal with *economic development*, in terms of for example assessments of future possibilities of trade or industrial zones in the West Bank and Gaza. Seven of the reports deal with law, mostly with various specific laws of the Palestinian Authority.

One publication deals with peace *education*.

A few publications have been classified as for example dealing with both law and economic development, which is why the number of publications is larger in this paragraph than the total number of publications.

Authorship

It was sometimes exceedingly difficult to categorize the author of a certain publication, since many were *edited* and included a large number of contributors. Although IPCRI is a joint Israeli–Palestinian

organisation, and although there is clearly an attempt to bring in both Israeli and Palestinian authors, there is a tendency that *Israeli authors dominate* the picture. 14 of the publications are edited. Seven additional publications are authored by more than one person. Seven are written by *individual* Israeli researchers and four by individual Palestinians. Nine of the publications are authored or edited by one or two of the *co-directors*. The fact that edited volumes outnumber monographs can be explained by the overall policy of IPCRI to be an organisation for both Israelis and Palestinians and hence to always try to provide perspectives from both sides. However, edited volumes in themselves often mean that in-depth analysis is relegated to the backbench. Shorter papers or articles are added to each other, without any real attempt to position them within a common framework. This is probably an issue for IPCRI to further consider in the future, i.e. whether to continue the tendency to produce edited volumes with several authors or to try to shift focus and prioritise monographs (or limit the number of contributors in each volume) in order to strengthen focus and deepen analysis.

As regards *sponsors*, European donors outnumber US-financing. A few have also been sponsored by Canadian funding.

Audience/target groups

Concerning target groups and the reach of IPCRI, this theme in the analysis stands out as tentative, since the reports never clearly stated what target group that was considered. However, the importance of the question have motivated a certain guess-work in this regard, implying that we have tried to assess what target population a certain publication has been produced for. The overall impression is that the publications are directed to *experts, specialists, and professionals* in various fields as well as *policy-makers*. Also, it must be considered a problem that none of the reports seem to be targeted towards the larger population or the general public²⁶. IPCRI has stated that this is not its goal. This might be a clever prioritisation since it is always difficult to reach the 'general public'. However, if IPCRI wants to serve a role in the future, it might be worthwhile to reconsider this position. One idea might be to publish for the general public, in the form of popular academic work. An analysis of target groups, impact and reach is acutely needed. Has IPCRI in its formulations from 1993 defined the relevant target groups?

Are those groups reached and do IPCRI-publications correspond to the needs of these groups? Might there be reason to change this policy? An impression is that the market for IPCRI-publications is very limited. In addition, the persons interviewed for this evaluation reveal 1) that the reports are not read because of lack of time; 2) that the reports do not reach a sufficient academic quality or standard, why scholars see no academic use of them.

Timing

Concerning the time when the reports were produced, it seems that 1993–94 1997–1999 and 2001 – 2003 were peak years in terms of production. In the early phase, there were a number of important questions related to the peace process to be addressed. In the aftermath of the signing of the DOP there were a number of new issues to be addressed and studied. IPCRI had now been around for a while and the Oslo-process happened at a timing that was favourable to IPCRI. The DOP corresponded well with IPCRI's needs to put itself on the map. 1997–1999 also represented a change in the context, since these were the years when the effects of Benjamin Netanyahu's regime were felt. By now, IPCRI's publication output had become routinised. 2001 to 2003 are the years of the al-Aqsa intifada. However, none of the reports assess the forces of neither the uprising, nor Israel's response, or the consequences of the violence. From the content of IPCRI's publications, it is almost as if the second intifada never happened, although a number of workshops have been held on the issues.

²⁶ IPCRI's comment: It should be noted that in all cases, except for the education text books and one book on confederation, all of the books were published in English – meaning from the outset that they were not directed at the larger public. If that were the case, they would have been published in Hebrew and Arabic – this is certainly an issue to consider in the future for additional publications. The one book published in Hebrew was written in Hebrew and then later translated to English

Serial publications

A number (16) of the publications are defined as part of a certain series, such as the Civil Society Series, Final Status Publications Series or the Commercial Law Series. Commercial Law Series is published within what is called Law & Development Program. Sometimes, this goes also for Civil Society publications, but not always. These two series were the result of grants received from the National Endowment for Democracy and its partner CIPE. The most consistent series is the Commercial Law Series that include a number of volumes. Most of these are also structured according to a similar logic. Some series only include a few issues. This is often the case, with publication series that are supposed to be relevant over the years. New series are invented as new topics appear. However, if the series were clarified and streamlined, a lot would be gained.

Language

The bulk of the material is available only in English. Only three exists in both English and Arabic, whereas one exists in English, Hebrew and Arabic. Also here, it is difficult to know whether there is a policy in this regard. Many of the policy makers have not English as their mother tongue and would certainly be helped by having the documents translated into Arabic and/or Hebrew. Many of the policy makers could make use of the documents when presenting it to their colleagues but again there is frequently a language barrier.

Annexe 5.1

Classification of publications

A note on methodology.

The publications belong to the most visible output of the activities of IPCRI and IPCRI has quite an impressive list of publications. In an information folder from 1993, IPCRI defines itself as a think-tank, 'aimed a high level of scholarly applied research'²⁷. As a think-tank with ambitions of research, IPCRI ought to have a well-grounded publication policy with high-quality products. The roles of IPCRI, defined previously in this report, mean that the sort of publications differ widely. There are clear policy recommendations, reports with more of a research ambition, conference proceedings and workshop papers. Sometimes, the publications are the result of round-table discussions on a certain issue and therefore correspond more to IPCRI's role as a clearing-house than anything else. During the last few years, two evaluation reports have been conducted, connected to the fact that IPCRI has also begun to work as a contractor (even if the initiative to the assignment may have come from IPCRI).

In the chart of the publications, a model was developed through which to categorise the publications. Seven different operational categories were defined:

Four main categories of publications were identified: academic/research or survey material, policy recommendations, conference seminar reports or evaluations. Although many publications are to an extent designed as research reports, they lack theoretical, conceptual analytical tools, as well as methodological considerations and a scientific approach. Therefore, it is somewhat problematic to label them academic reports. On the other hand, neither is the reports always written in the form of clear-cut policy recommendations. Therefore, many have been categorised as both.

The second issue was the theme that each publication was concerned with. IPCRI produces written material on negotiations, the peace process, Jerusalem, politics, water and environment, economic development, law and peace education.

²⁷ IPCRI 1993, *Background and information*

A third matter is who authored a certain publication. First, it was assumed that it was of relevance to find out whether the reports were authored mainly by academics, researchers, IPCRI-staff or other experts. Although it was sometimes obvious what expertise a certain author possessed, it was impossible to assert this in a systematic and thorough manner, why the attempt to categorise authors according to their expertise/profession was abandoned. However, it was considered of great importance to know to what extent Israeli and Palestinian authors respectively contributed to the publications.

It was also considered relevant to identify the sponsor or donor of each given publication.

It would be of tremendous importance to find out a clearly defined target group. However, this was never explicitly mentioned in the reports themselves, why the categorizations here are solely the result of our interpretations. The results here need therefore to be questioned, and could only be seen as a potential indicator. However, it could be considered a weakness of the publications that a target population is not defined. In the early 1990s, IPCRI defined four categories they identified as strategic: those directly involved in the apparatus of government (politicians and senior civil servants), the military and security apparatus; the economic elite; intellectuals. In terms of procedure, the following potential target groups were identified: academics/the research community, policy makers, the general public, and experts/professionals.

A number of the publications are included in some kind of series. Here, there have also been problems, since many of the series include only a few publications and seem to have ceased to function after quite a short time-period.

The last issue that was covered was whether the reports were published solely in English or in both Arabic and English.

Title	The Status of Jerusalem	Tax Law Reform in the Palestinian Territories	Peace Pays	New Thinking on the Future of Jerusalem
Type of publication				
Academic/research/survey	x	x	x	
Policy	x		x	x
Information				
Conference/seminar report				
Evaluation				
Issue/topic/theme				
Negotiations, peace process, conflict resolution	x		x	x
Jerusalem	x			x
Politics and religion in Israel and WB/G respectively				
Water and environment				
Economic development			x	
Law		x		
Author				
Edited			x	
Israeli	x	x	x	
Palestinian				
IPCRI-related				x
Other				
Sponsor				
European		x	x	
North American	x	x		
Other				
None mentioned				x
Directed toward				
Academic community	x	x	x	
Policy makers	x	x	x	x
General public				
Donors				
Experts				
Year produced	1997	1996	1993	1994
Available				
As book/booklet	x	x	x	
PDF-file				
Both				
Series				
Yes		x		
No	x		x	x
Language				
English				x x
Both English and Arabic		x		

Title	A Critical Analysis of the Palestinian Law on Encour. of Investment	The Harmonization of Agricultural Health ...	The Evolution and Development of Democracy in Israel and Palestine	The First Trilateral Conference (Trade & Inv.)
Type of publication				
Academic/research/survey	x			
Policy	x		x	
Information				
Conference/seminar report		x	x	x
Evaluation				
Issue/topic/theme				
Negotiations, peace process, conflict resolution				
Jerusalem				
Politics and religion in Israel and WB/G respectively			x	
Water and environment				
Economic development		x		x
Law	x			
Author				
Edited		x	x	x
Israeli		x		x
Palestinian		x		x
IPCRI-related				
Other	x	x		
Sponsor				
European	x	x	x	
North American	x			x
Other				
None mentioned				x
Directed toward				
Academic community				
Policy makers	x	x	x	x
General public			x	
Donors				
Experts		x		x
Year produced	1995	2001	1998	1994
Available				
As book/booklet	x	x	x	x
PDF-file				
Both				
Series				
Yes		x	x	x
No	x			
Language				
English	x	x	x	
Both English and Arabic				

Title	The Palestinian Authority Draft Constitution	Increasing Environmental Awareness	Water: Conflict or Cooperation	Strategic choices facing Palestinians in the Negotiations
Type of publication				
Academic/research/survey	x		x	
Policy	x		x	x
Conference/seminar report		x		
Evaluation				
Issue/topic/theme				
Negotiations, peace process, conflict resolution				x
Jerusalem				
Politics and religion in Israel and WB/G respectively	x			
Water and environment		x	x	
Economic development				
Law				
Author				
Edited		x	x	
Israeli		x	x	
Palestinian		x	x	
IPCRI-related				
Other	x	x		x
Sponsor				
European	x	x		
US				
Other			x	
None mentioned				x
Directed toward				
Academic community	x		x	
Policy makers	x	x	x	x
General public				
Experts/specialists/professionals		x		x
Year produced	1997	2001	1993	1993
Available				
As book/booklet	x	x	x	x
PDF-file				
Both				
Series				
Yes	x			x
No		x	x	
Language				
English	x	x	x	x
English and Arabic				

Title	The Palestinian Law on Freedom of the Press	Intellectual Property Reform in the Palestinian Territories	Commercial Contract Enforcement Palestinian Territories	Economic Impact & Consequences of the DOP
Type of publication				
Academic/research/survey	x	x	x	x
Policy		x	x	x
Conference/seminar report				
Evaluation				
Issue/topic/theme				
Negotiations, peace process, conflict resolution				
Jerusalem				
Politics and religion in Israel and WB/G respectively				
Water and environment				
Economic development				x
Law	x	x	x	
Author				
Edited				
Israeli		x	x	x
Palestinian	x			x
IPCRI-related				
Other				
Sponsor				
European	x			
US		x	x	
Other				
None mentioned				x
Directed toward				
Academic community	x	x	x	x
Policy makers	x	x	x	x
General public				
Experts/specialists/professionals	x	x	x	
Year produced	1997	1997	1997	1994
Available				
As book/booklet	x	x	x	x
PDF-file				
Both				
Series				
Yes	x	x	x	x
No				
Language				
English		x	x	x
English and Arabic	x			

Title	Legal & Pol. Aspects of Palestinian	Trilateral Conference for Facilitating Trade	A Proposal for the Regional Water	The Strategy of Palestinian Monetary Policy
Type of publication				
Academic/research/survey	x		x	x
Policy	x			
Conference/seminar report		x		
Evaluation				
Issue/topic/theme				
Negotiations, peace process, conflict resolution				
Jerusalem				
Politics and religion in Israel and WB/G respectively	x			
Water and environment			x	
Economic development		x		x
Law	x			
Author				
Edited				
Israeli			x	x
Palestinian	x		x	x
IPCRI-related				
Other		x		x
Sponsor				
European				
US	x	x		x
Other				
None mentioned			x	
Directed toward				
Academic community	x		x	
Policy makers	x	x	x	x
General public				
Experts/specialists/professionals			x	x
Year produced	1995	1995	1993	2001
Available				
As book/booklet	x	x	x	x
PDF-file				
Both				
Series				
Yes	x	x		
No			x	x
Language				
English		x	x	x
English and Arabic	x			

Title	Jerusalem of Peace	The Future of the Israeli Settlements in Final Status	Our Shared Environment	Analysis and Evaluation of the new Palestinian Curriculum
Type of publication				
Academic/research/survey	x			x
Policy	x	x	x	x
Conference/seminar report			x	
Evaluation				x
Issue/topic/theme				
Negotiations, peace process, conflict resolution		x		
Jerusalem	x			
Politics and religion in Israel and WB/G respectively				
Water and environment			x	
Economic development				
Law				
Education				x
Author				
Edited		x	x	
Israeli	x	x		
Palestinian		x		
IPCRI-related	x	x		x
Other		x		x
Sponsor				
European		x	x	
US				
Other				
None mentioned	x			x
Directed toward				
Academic community	x			
Policy makers	x	x	x	x
General public	x			
Experts/specialists/prof's		x	x	x
Year produced	1996	1997	1995	2003
Available				
As book/booklet	x	x	x	x
PDF-file				
Both				
Series				
Yes	x	x		
No			x	x
Language				
English	x	x	x	x
English and Arabic				

Title	The Conversion of Dreams: The Development of Tourism	Our Shared Environment	Israeli-Palestinian-Jordanian Trade	The Future of Jerusalem
Type of publication				
Academic/research/survey	x	x		
Policy	x	x		
Conference/seminar report			x	x
Evaluation				
Issue/topic/theme				
Negotiations, peace process, conflict resolution				
Jerusalem				x
Politics and religion in Israel and WB/G respectively				
Water and environment		x		
Economic development	x		x	
Law				
Author				
Edited	x	x	x	x
Israeli	x	x	x	x
Palestinian	x	x	x	x
IPCRI-related	x	x	x	x
Other	x	x		
Sponsor				
European			x	
US				
Other		x		
None mentioned	x			x
Directed toward				
Academic community	x			
Policy makers	x	x	x	x
General public				
Experts/specialists/professionals	x	x	x	x
Year produced	1994	1994	1998	1993
Available				
As book/booklet	x	x	x	x
PDF-file				
Both				
Series				
Yes			x	
No	x	x		x
Language				
English	x	x	x	x
English and Arabic				

Title	Jewish Fundamentalism in Israel	Trilateral Confederation: A New Political Vision for Peace	Creating a Culture of Peace	Banking Law Reform in the Palestinian Territories
Type of publication				
Academic/research/survey	x	x	x	x
Policy	x	x	x	x
Conference/seminar report				
Evaluation				
Issue/topic/theme				
Negotiations, peace process, conflict resolution		x	x	
Jerusalem				
Politics and religion in Israel and WB/G respectively	x			
Water and environment				
Economic development		x		x
Law				x
Author				
Edited			x	
Israeli	x	x	x	
Palestinian			x	
IPCRI-related			x	
Other				x
Sponsor				
European		x	x	x
US	x			
Other				
None mentioned	x			
Directed toward				
Academic community	x	x	x	
Policy makers	x	x	x	x
General public				
Experts/specialists/professionals		x	x	x
Year produced	1994	1999	1999	1995
Available				
As book/booklet	x	x	x	
PDF-file		x		x
Series				
Yes	x			x
No		x	x	
Language				
English	x	x	x	x
English and Arabic				

Title	Negotiating the Future: Vision and Real politics	In Jerusalem Negotiable?	A Re-evaluation of the Border Industrial Zones Concept
Type of publication			
Academic/research/survey		x	x
Policy		x	x
Conference/seminar report	x		
Evaluation			
Issue/topic/theme			
Negotiations, peace process, conflict resolution	x		
Jerusalem	x	x	
Politics and religion in Israel and WB/G respectively			
Water and environment			
Economic development			x
Law			
Author			
Edited	x		
Israeli	x		x
Palestinian	x		x
IPCRI-related			x
Other		x	
Sponsor			
European			
US			
Other			
None mentioned	x	x	x
Directed toward			
Academic community	x	x	x
Policy makers	x	x	x
General public			
Experts/specialists/professionals			x
Year produced	1996	1997	1998
Available			
As book/booklet	x	x	
PDF-file	x	x	x
Series			
Yes			
No	x	x	x
Language			
English	x	x	x
English and Arabic			

Title	Guidelines for Final Status Economic Negotiations	Yes PM	The Future of the Palestinian Refugee Issue in Final Status Negotiations	Israeli-Palestinian-Jordanian Trade Relations
Type of publication				
Academic/research/survey			x	
Policy	x	x	x	x
Conference/seminar report				
Evaluation		x		
Issue/topic/theme				
Negotiations, peace process, conflict resolution	x	x	x	
Jerusalem				
Politics and religion in Israel and WB/G respectively				
Water and environment				
Economic development	x			x
Law				
Author				
Edited				
Israeli	x	x		x
Palestinian	x	x	x	x
IPCRI-related	x	x		
Other		x		
Sponsor				
European	x	x	x	x
US				
Other	x	x	x	x
None mentioned				
Directed toward				
Academic community			x	
Policy makers	x	x	x	x
General public				
Experts/specialists/professionals	x	x	x	x
Year produced	1998	2002	1998	1997
Available				
As book/booklet	x	x	x	x
PDF-file				
Both				
Series				
Yes	x		x	x
No		x		
Language				
English	x	x	x	x
English and Arabic				

Annexe 6

IPCRI's financial management – strengths and weaknesses

In this Annex IPCRI's financial management will be discussed. The analysis is mainly based on

- the Financial Statements for the years from 1995 to 2002 (except for 1997), project and overhead budgets for the last three years, preliminary trial balances for 2002, and
- interviews with IPCRI management and staff, the Bookkeeper and the Auditor.

Budgeting

Project budgets

A cost budget is made for each project, typically based on donor's formats. In addition to direct project costs, the budgets include parts of IPCRI's overhead costs (to a varying degree depending on the different donors rules and policies). The overhead costs often include certain establishment costs, a fee for Directors support and a percentage to cover overhead costs varying from 5–15% of the total budget.

As an example, the budget submitted to EU for IPCRI's largest project, the Peace Education project, include for the first year: Salary to IPCRI directors € 65,000; Auditing costs € 6,000; unspecified administrative costs €31,119 (corresponding to 7% of direct project cost which is the maximum allowed by the EU).

Overall budgets

IPCRI prepare a "wish list" each year including all its prioritised projects and some of the establishment costs. This wish list appears to be mainly used for fundraising, and in particular in relation to Sida, which is also the only donor that has requested it. No overall budget is prepared based on the projects actually funded. Nor is there a budget for IPCRI's total establishment costs including the costs covered by different projects.

Cash flow budgets are not prepared, neither on a project nor on an accumulative basis.

Cash management

Handling of cash

Many donors demand that their funds are deposited in a separate bank account. Almost all projects thus have a separate USD bank account with a US bank. In addition, IPCRI has an account with a Palestinian bank, mainly for payment of salaries to Palestinian staff. The Sida funds are deposited to an account called SPF, Special Projects Fund, to which minor contributions for general purposes are deposited as well²⁸.

In the absence of cash flow budgets, cash flow management is carried out by way of monitoring the different bank accounts. In order to bridge when funds are not available for a certain project's costs, funds are temporarily "borrowed" from other project account(s) to defray such costs.

Disbursements

During each month, invoices and payment requests are collected in a file and sorted by projects. At the end of each month the bookkeeper prepares cheques drawn on the different project bank accounts.

²⁸ Since 2002 an account under the name "IPCRI-General" has been used for small contributions and for sale of books thereby reserving the SPF account solely for the Sida funds

Salaries, taxes and social security fees for the Israeli staff are paid through a “manpower company” – Shiluw Pvt Ltd. The staff members are, however, formally employed by and have employment contracts with IPCRI. Shiluw charges a nominal fee for its service. The staff members seem satisfied with the arrangement.

Cash payments are avoided and kept to a minimum, and reimbursements are made by cheque payments. It is thus possible to trace all payments and the system is transparent. The two co-directors sign all cheques.

The cash handling system appears appropriate considering the size of the operations.

Book keeping and auditing

Bookkeeping is outsourced to a woman who operates her own registered company. All bookkeeping is done in her home and she keeps all accounting files and records there, with the main exception of the chequebooks and unpaid invoices, which are kept at IPCRI's office. The bookkeeping is computerized using a standard accounting package.

The bookkeeper works close to the auditors, Mansoor & Kadri, but is not employed with them.

Financial reporting and follow-up

Projects

Each project is followed up and reported to the donors as per their requirements. Such financial reporting is typically a prerequisite to receive the next instalment of the grant. The donors generally appear to have poor follow-up on their side, with the exception of grants received from US sources.

IPCRI in total

During the year, there is no periodical follow-up of the consolidated result of IPCRI. The annual financial statements (and the bank balances) are the only reports that give an overall picture of IPCRI's financial standing.

Annual reports

The annual reports are prepared by the bookkeeper in cooperation with the auditors. This is a typical and appropriate practise for an operation of IPCRI's size. However, the reports have generally been very late as noted by several donors, including Sida.

The reports are difficult to analyse over the years as format and headings have been changed or are unclear. To a certain extent this is unavoidable as the type of projects and the individual projects do change over the years, but a minimum requirement would be that the accounts allow for a follow-up and analysis against the budget for the year in question, and use the same format and headings etc. This has not been the case.

The reports are done on a “strict” cash basis, which appears to be the acceptable norm in Israel (although it is not permitted in Sweden). The effect is, however, that the reports sometimes at a first glance communicate significantly wrong information of the actual result and the financial standing. All funds received during a year are considered as revenue whether the corresponding expenses have occurred or not. Without revenue and costs being periodized it is virtually impossible for the management (or external funding agencies) to know the true financial standing of the organisation, to ensure project or activity specific cost-efficiency, or to identify ways to promote a sounder overall resource utilization. This is somewhat surprising in an organisation that is more than 15 years old and means in effect that IPCRI does not have the basis of any financial management at all!

An example from the 2002 Financial Statement:

	KUSD
Reported excess	104
For YES PM:	
Funds received	127
Project expenses	109
Excess	18
For Text books:	
Funds received	100
Project expenses	10
Excess	90
For Verification:	
Funds received	53
Project expenses	13
Excess	40

It would have been more appropriate to make reservations in the accounts for work remaining according to agreement with the donor. The adjusted result, assuming that the balance amounts are required to complete the projects, would thus be ‘an excess of costs over revenue’ or ‘loss’, at KUSD 44 (104-18-90-40). In practice the above three projects have in part financed or “borrowed” funds to other projects. It would in many cases be more appropriate, and indeed preferred, to keep a project on halt awaiting receipt of committed funding. The practice of ‘borrowing’ funds between the projects is understandable and practical and works if the management have full control over the entire operation and the committed funding is received promptly. Problems might however arise if:

- the funds received for a project are not utilized and the donor requests the balance to be returned, (which many donors stipulate but rarely reinforce)
- IPCRI do not receive the promised funding or the funding is delayed (e.g. due to late reporting)

The consultants (and IPCRI) had difficulties in accessing all information required as the book-keeper was on maternity leave and was in addition shifting office. However, most of the information was provided over time with the active assistance of the IPCRI management, the book-keeper and the auditor.

Budget follow-up for the year 2002

The consultants have constructed a follow-up of the budget for IPCRI’s entire operation for 2002, based on the budget and the Financial Statement for 2002 and information provided during interviews with IPCRI. The budget follow-up is summarised in the table below, and presented in more detail in Annexe 8²⁹.

²⁹ The relevant pages of the accounts providing details of the support received and the expenses are found in Annexe 6. The adjustments made by the consultants of the distribution of support received by IPCRI, are inserted and written in italics in the Annexe.

Budget Follow-up Year 2002

		As Per		
	Budget	Financial Statement Support	Expenses	Cash "Profit/Loss"
Direct Project Support and Expenses				
Focus Area 1 – Political Initiatives				
Sub-total Political Initiatives	588	312	158	154
% of Total Support		22	11	
Focus Area 2 – Environment				
Sub-total Environment	751	152	143	9
% of Total Support		11	10	
Focus Area 3 – Peace Education				
Sub-total Peace Education	750	634	683	-49
% of Total Support		45	48	
Special Projects				
Text Books		100	10	
Yes Pm	105	127	109	
Sub-total Other Projects		227	119	107
Sub-total Direct Project Expenses	3 429	1 325	1 105	221
% of Total Support		93	78	
Operating Expenses/Establishment Expenses				
Items In The Budget	245	97	148	
Items Not In The Budget			66	
Total Operating Expenses	245	97	213	-117
% of Total Support		7	15	
Grand Total Cash Surplus				104
Total Support/Expenses		1 422	1 318	

(All amounts are in USD '000. The words "Profit" and "Loss" are used since they are short and descriptive, in spite of the fact that these terms are not appropriate in relation to IPCRI's activities.)

As can be seen in the table above, there is a large difference between the budget for direct projects grants and grants actually received. Since the budget is, as described earlier, more of a wish list than a budget, the discrepancy does not indicate much more than that IPCRI was too optimistic in their estimates for 2002.

According to the table above the cash excess for Focus Area 1 – Political Initiatives is rather substantial and corresponds to half of the total grants received for Political Incentives. The cash excess is also more than the Sida support of USD 100,000 for the Area. The reason to this discrepancy is not clear.

Special projects also show a large cash surplus at KUSD 107. The most likely reason for this would be that costs and/or payments for the two projects were done in 2003.

The expenses for the large Peace Education project exceeded support with KUSD 49. This budget overrun corresponds to only some 7% of the funds spent on the project, but the size of the project make it sensitive for IPCRI as an organisation.

Expenses for establishment expenses exceeded support; with KUSD 148 for items included in the budget, and for items non-budget items KUSD 66. The non-budgeted items include KUSD 38 for conference expenses, which possibly should have been charged a project instead.

The table also indicate that the grants received for the areas Political Initiatives and Special Projects financed parts of the Peace Education and a large share of the Establishment expenses. One could argue that Sida support intended for Political Initiatives has been utilised for Establishment expenses in the same way as Sida support prior to 2002.

Cost distribution 2002

An analysis of cost distribution based on the preliminary trial balance for 2002³⁰ is shown in the table below:

Cost distribution

	Political	Environ.	Peace Edu.	Spec.Proj	Operating	Total	% of tot expend.
Directors support	39 000	2 000	103 600	2 500	105 054	252 154	20
Proj Director	0	25 783	69 808			95 591	8
ICRI Staff	1 687	6 300	39 448		6 580	54 015	4
Sub-total Professional staff	40 687	34 083	212 856	2 500	111 634	401 760	32
Administration		10 204	17 134			27 338	2
Bookkeeping			16 200			16 200	1
Sub-total adm & bookkeeping staff	0	10 204	33 334	0	0	43 538	3
Telecom	5 598	5 031	12 201		12 245	35 075	3
Local transport	2 343		10 980		12 436	25 759	2
Rent, office supplies etc			15 141		560	15 701	1
Office cleaning/kitchen					12 900	12 900	1
Sub-total office expenses and local travel	7 941	5 031	38 322	0	38 141	89 435	7
Researchers/Consultants	1 648	34 859	22 333	72 952		131 792	10
Conference expenses	50 857	32 857	36 594	45 909	37 921	204 138	16
Teacher training			277 655			277 655	22
Sub-total conferences & teacher training	50 857	32 857	314 249	45 909	37 921	481 793	38
NED project	49 466					49 466	4
Other	7 477	16 776	13 849	-2 003	25 595	61 694	5
Total as per Trial balance	158 076	133 810	634 943	119 358	213 291 1	259 478	100
% of total expenses	13	11	50	9	17	100	

³⁰ The consultants have not got access to the final trial balances, but there appears to be only minor differences in the preliminary as compared with the final.

The expenditure for professional staff, and for conferences and teacher training represent 32% and 38% respectively of the total expenditure. The total cost for teacher training is very high as it involves a large number of participants and is done abroad. It is argued that the quality of the training would be compromised if the venue were for instance Tantor instead. The same argument applies to the expenditure for conferences, which corresponds to 16% of total expenditure.

Directors' support at KUSD 252, represent two thirds of total expenditure for professional staff, or 20% of total expenditure. This is, by any comparison, a very high cost for top management, even considering the additional cost due to the co-directorship. The expenditure for project directors also appears high as it is for only three individuals, whereas expenditure for other staff could be considered very reasonable.

The cost of bookkeeping, USD 16,200, appear high, considering the size of the operation and number of bookkeeping entries per month. However, the expenditure on researchers and consultants, if "not hidden" in conference and training expenditure, appears to very low at 10%.

The establishment costs at 17% are high, especially as certain costs have been charged different projects. As donors generally only accept up to 15% of total project cost, IPCRI either must convince donors to carry a higher portion of the establishment costs, or substantially reduce the costs.

Overhead estimates

The budget of IPCRI's establishment costs in the table below is based on IPCRI's budget for overhead expenses for 2003, current staff costs and actual costs as per financial statement for 2002. The staff employed by IPCRI has been considered to be a part of the establishment, whereas cost for consultants and other direct project costs are excluded. The table show two alternatives; Alternative A "IPCRI" and Alternative B "Consult", which are discussed below the table. In Alternative A, the overhead costs and the salaries are the same as in IPCRI's budget, and the salaries related to the Peace Education and the Environmental projects are based on current salaries and staff. In Alternative B the consultants aim at illustrating an alternative structure aimed at reducing costs.

Establishment costs per annum		Alt IPCRI	Alt Consult
Item	Explanation	USD	USD
Costs			
Rent	\$1000/month	12 000	12 000
Insurance	Office, 3rd party	5 000	5 000
Fundraising Expenses		10 000	10 000
Utilities		4 000	4 000
Telecommunications	telephone, fax, internet	15 000	15 000
Equipment Maintance	computers, telesystem, etc	4 000	4 000
New Equipment	computers, software, etc.	10 000	10 000
Office supplies	Not incl in IPCRI budget	5 000	5 000
Local Transportation/directors	general transportation	14 000	14 000
Hospitality in office and locally	guests, interns, etc.	5 000	5 000
Library	Not incl in IPCRI budget	1 500	1 500
Miscellaneous	Not incl in IPCRI budget	5 000	5 000
Subtotal costs		90 500	90 500
Salaries/fees			
Overhead			
Co Directors	Base salary	120 000	120 000
Asst Director			40 000
Office cleaning/cooking		11 400	11 400
Accounting & Bookkeeping	1500/month	18 000	18 000
Assistants to Directors	4000/month (2 people)	48 000	
Secretaries	3400/month 1 Israeli/1 Palestinian)	40 800	20 000
<i>Total over head salaries</i>		238 200	209 400
Peace Education			
Co-directors' support		100 000	
Administration		17 134	17 134
<i>Israel</i>			
Proj Director		43 920	29 426
Field staff		45 000	45 000
<i>Palestinian</i>			
Proj Director		36 400	12 133
Coordinator		17 400	17 400
Supervisors		26 000	26 000
<i>Total Peace Educ</i>		285 854	147 094
Environment			
Dir RT		25 000	25 000
Subtotal salaries/fees		549 054	381 494
Ex Peace education		263 200	234 400
Total		639 554	471 994
Ex Peace education		353 700	324 900

In Alternative A, total overhead costs is KUSD 353 including a Project Director for the Environmental projects, but excluding staff costs for the Peace Education projects. Assuming that donors accept on average 10% overhead of total project costs, this budget would require a total project portfolio of more than USD 3.5 million, which at least for the foreseeable future would be out of reach.

In Alternative B, the consultants try to illustrate an alternative structure with main features aimed at reducing costs as well as improving IPCRI's management resources and reducing the workload of the co-directors. This could be done by replacing the proposed two assistants to the Directors with one individual, and by reducing the two Peace Education Project Directors with one full time. It has also been assumed that one additional secretary would suffice. As shown in the table total overhead would thus be reduced to KUSD 472 including staff costs for the Peace Education projects. This alternative would also require a larger project portfolio than the one presently at hand, if no core funding could be received.

The above is offered as an illustration of what we believe is an important question that IPCRI must continuously discuss – that of how to reinforce its capacity by reviewing possible reallocation of resources – staff, funds, time. For example, if (as argued by IPCRI) the workload on the two directors warrant high salaries the obvious option is to start cutting down on the workload (and therefore the salaries) and gradually introduce a second management level

Annexe 6.1

Extracts of Financial Statement for 2002

The Israel/Palestine Center for Research and Information

Notes to Financial Statements for the year ended at December 31, 2002 (U.S. \$)

Note 4 – Support and Revenue

Support and revenue are comprised of grants and general donations. The following grants were received by the Organization.

	U.S Dollars	Comments
General		
Swedish International Development Aid (Sida)	149,484	See note 1 below)
The Ford Foundation	125,000	Political initiatives
US Government – Text Books	100,000	Special projects
The British Embassy	52,967	Political initiatives
NED	34,000	"
The Max and Anna Levinson Foundation	20,000	
Samuel Rubin Foundation	10,000	
	491,451	
Education		
Federal Grant USAID-Wye River	525,923	
Swiss Government – SDC	35,248	
The Virtual Meeting Auswaert	29,975	
Kanavakatu Helsinki Finland	28,258	
The Shefa Fund	5,000	
Firedoll Foundation	5,000	
Other Grants	5,075	
	634,479	
YES PM Grant	126,702	Special projects
JEMS		
CBI-Consensus Building Institute	127,284	Environment
	1,379,916	

Note 5 – Direct Project's Expenses

	U.S. \$
Education for Peace – Federal Grant	619,754
JEMS	138,600
Yes Pm	109,461
Education for Peace	63,973
Final Status	54,268
Jerusalem	40,933
Verification	13,409
Text Books	9,897
Environment and Water	3,606
NED	49,466
Farmer to Farmer	1,263
Total Direct Projects Expenses	1,104,631

Note 6 – Operating Expenses

	U.S. \$
Salaries	117,954
Conference Expenses	37,921
Transportation and Local Travel	12,436
Telecommunications	12,245

Note 1: Sida grant USD 100,000 Political Initiatives, USD 25,000 Environment and USD 24,848 Operating/Establishment expenses, all according to the agreement with Sida

Other Expenses	9,257
Taxes and Employee Benefits	6,580
Fundraising	4,413
Office & Equipment maintenance	2,950
Agriculture Book	2,552
Hospitality in Office & Cleaning	1,500
Library	1,442
Depreciation	1,331
Utilities	481
Office Supplies-Stationary	79
Postage	33
Total Operating Expenses	211,174

Annexe 6.2

Grants received and distribution over projects

Contributions From Donors	1995	1996	1997	1998	1999	2000	2001	2002	2003	Total
General										
Sida	SWE	73 508		252 192	238 364	217 553	192 213	24 484	25 000	1 023 314
The Max & Anna Levinson Foundation						15 000	20 000	35 000		
Samuel Rubin Foundation									10 000	10 000
Other support							17 174			17 174
Sub-total General	0	73 508	0	252 192	238 364	232 553	209 387	54 484	25 000	1 085 488
Focus Area 1 – Political initiatives										
Ford Foundation	US					100 000		125 000		225 000
Sida								100 000	100 000	200 000
Swiss Development Cooperation (SDC)	SWI	50 000	99 983				40 950			190 933
National Endowment for Democracy (NED)	US	29 750				45 497	21 589	34 000		130 836
MOPIC	NOR				8 450					8 450
British Embassy	UK								52 967	52 967
Bilance foundation	NED				23 478					82 771
The League of Christian Social Democrats	SWE									13 500
Min of FA, Finland	FIN					154 226				154 226
Gov of Finland	FIN					51 981				51 981
Sub-total Focus Area 1		79 750	172 776	0	31 928	351 704	62 539	311 967	100 000	1 110 664
Focus Area 2 – Environment										
The Centre for International Private Enterprise – CIPE	US	108 000	67 999	93 490		24 997				294 486
International Development Research Center (IDRC)	CAN			43 909	66 553	59 365				169 827

Contributions From Donors		1995	1996	1997	1998	1999	2000	2001	2002	2003	Total
Other support											
Gov of Denmark	DEN					170 000					170 000
Commission of the European Communities	EU				16 232						16 232
British Council	UK					13 940	7 495				21 435
British Embassy	UK					23 479					23 479
Rep Office of the Kingdom of The Netherlands	NED				4 863	4 365					9 228
Palestinian-Israeli Cooperation Program (PIC) US Emb	US		10 000								10 000
International Centre for Economic Growth (ICEG)		14 822									14 822
Development Alternatives International (DAI)		14 862									14 862
Moriah Fund		10 000									10 000
IIL-NOR AID					49 960						49 960
World Space INC					20 000						20 000
"Arava" Institute						6 234					6 234
Spanish Government							23 175				23 175
Chandler Foundation							5 000				5 000
The American Jewish Joint Distribution Committee							4 500				4 500
Saada Fund (repaid/returned ??)						26 133					26 133
Other support							15 871				15 871
Sub-total other support		39 684	10 000	0	91 055	218 018	56 041	26 133	0	0	440 931
		227									
		434	633 298	0	800 108	689 863	1 029 264	809 363	1 379 916	150 000	5 719 246
Notes:											
1. No data for 1997, as the Financial Statement not available											
2. Totals as in Financial statements for 1999 and 2000 (typing or addition error?):						706 962	1 029 559				

Annexe 6.3

Follow-up of budget for 2002

A. Contributions from donors (as per 2002 financial statement)

General		USD	Comments
Sida	SWE	149 484	
Ford Foundation	US	125 000	
US Gov (Text books)	US	100 000	
British Embassy	UK	52 967	
National Endowment of Democracy (NED)		34 000	
The Max & Anna Levinson Foundation		20 000	
Samuel Rubin Foundation		10 000	
Water and environmental			
Consensus Building Institute (CBI)		127 284	
Education for peace			
USAID – Wye River	US	525 923	
Swiss gov – SDC	SWISS	35 248	
Kanavakatu Finland	FIN	28 258	
The Shelfa Fund		5 000	
Firedoll Foundation		5 000	
Other		5 075	
Sub-total Peace Education			604 504
Virtual Meeting Auswaert	SWISS	29 975	
Other/Special projects			
YES PM Grant	UK	126 702	
Sub – Total		1 379 916	Sub-total as per accounts
Other and book sales		42 123	42 633
Total support and revenue		1 422 039	Total as per accounts

B. Direct project support and expenses

Focus Area 1 – Political Initiatives	Budget	As Financial Support	Per Statement Expenses	Total cash "Profit/Loss"	As Per Trial balance Amount	Comments/Note
Sida		100 000				As per Sida agreement
<i>Meetings with politicians</i>	150 000					
<i>Economic working group</i>	109 125					
Verification	279 275					
British Embassy		52 967	13 409			
Directors support					9 000	
Personnel					1 687	
Tele com					1 323	
Other					1 399	
Meetings with Civil society groups	50 000					
NED		34 000	49 466		49 466	Not in Trial balance
Final Status			54 268			
Directors support					20 000	
Water conference					17 356	
Economic working group					6 581	
Tele com					2 952	
Travel costs					2 343	
Other					5 036	
Jerusalem			40 933			
Ford Foundation		125 000				
Directors support					10 000	
Week-end workshops					26 920	
Stenographer					1 648	
Tele com					1 323	
Other					1 042	
Sub-Total	588 400	311 967	158 076		158 076	
"Cash surplus Political Initiatives"					153 891	

Focus Area 2 – Environment	Budget	As Financial Support	Per Statement Expenses	Total cash “Profit/Loss”	As Per Trial balance Amount	Comments/Note
Sida		25 000				As per Sida agreement
CBI/JEMS	300 000	127 284	138 600			
Directors support						
Proj coordinator					25 783	
Salary adm staff					10 204	
Pal manager					6 300	
Consultancy Nahal Tzalmon Mediation					34 859	Consultancy fee
Meetings					4 569	
Work shop exp					31 543	
Tele com					5 031	
Office operating costs					5 956	
Other					2 097	
Dioxins	421 000					
Interactive web	30 000					
Water and Environment			3 606			
Directors support					2 000	
Int'l conference					1 314	
Other					292	
Agriculture conference					2599	
Farmer to farmer			1263		1263	
Sub-total	751 000	152 284	143 469		133 810	
“Cash surplus Environment”				8 815		

	As Financial Support	Per Statement Expenses	Total cash "Profit/Loss"	As Per Trial balance Amount	Comments/Note
Focus Area 3 – Peace Education	Budget				
Basic 10th grade programme	500 000				
Workable peace 11 th grade	150 000				
Evaluation and curricula rewrites	50 000				
Facilitator course	50 000				
Education for peace	604 504	619 754			
"		63 973			
EDU					
Directors support					
Proj coordinator				5 000	Assumed directors
Peer mediation				7 000	
Consultancy				1 122	
Other				2 260	
CBI					
Directors support					
Teacher training				5 361	
Other				704	
EDU Northern Ireland				28	
IIU				462	
Personnel					
Directors support				75 000	
IPCRI Proj Dir				52 808	
Field staff				31 198	
Proj administrator				17 134	
Marawan Darweish				10 937	
Teacher training				267 805	
Programs for students (encounters)				29 594	

(Peace education cont'd)	Budget	As Financial Support	Per Statement Expenses	Total cash "Profit/Loss"	As Per Trial balance Amount	Comments/Note
Other items						
Bookkeeping					14 500	
Telecom					10 659	
Rent					10 567	
Local travel					10 980	
Office supplies					3 024	
Sub to Schools					5 470	
Other					1 749	
Programme for Israeli religious schools						
Ayala director					11 000	
Ass director					6 000	
Bi national training					4 489	
Curriculum development					3 024	
Bookkeeping					1 700	
Telecom					1 542	
Office supplies					1 550	
Other					1 860	
Sub-Total		604 504	683 727		594 527	
Internet Project						
<i>Virtual meeting ground pilot</i>	35 000					
Virtual Meeting Auswaert, SWISS		29 975				
Directors support					23 600	
IPCRI Coordinators					8 250	
Tech coordinator					7 250	
Internet lines					1 224	
Meetings					92	
Sub-Total		29 975			40 416	
"Cash Loss"						
"Cash deficit Peace education"		634 479	683 727	-49 248	634 943	

Other Projects	Budget	As Financial Support	Per Statement Expenses	Total cash "Profit/Loss"	As Per Trial balance Amount	Comments/Note
Text Books						
US Gov (Text books)		100 000	9 897			
Directors support					2 500	
Researchers					7034	
Other					363	
Sub-Total		100 000	9 897		9 897	
"Cash surplus Text Books"				90 103		
YES PM						
YES PM Grant from UK	105 000	126 702	109 461			
Directors support					0	
Water conference					45 909	
Researchers					19 584	
Jerusalem research					9 700	
Personnel salaries					36 634	Assumed not IPCRI staff
Taxes					2 833	
Tele com					286	
Other					1 355	
Financial income					-6 840	
Sub-Total		126 702	109 461		109 461	
"Cash surplus YES PM"				17 241		
Total surplus Other Projects					119 358	
Sub-total Direct Project Expenses	3 428 800		2 209 260			

Operating Expenses	Budget	As Financial Support	Per Statement Expenses	Total cash "Profit/Loss"	As Per Trial balance Amount	Comments/Note
Sida		24 484				As per Sida agreement
The Max & Anna Levinson Foundation		20 000				
Samuel Rubin Foundation		10 000				
Other and book sales		42 123				Fin Statem's 42 633
Included in budget						
Rent, utilities	12 000	Projects	481			
Office cleaning	8 000	Projects	1 500			
Insurance	6 000	Projects				
Replacement of computers and equipment	6 000	Projects	4 281			Incl depreciation
Bookkeeping and Accounting	12 000	Projects				
Office Manager	12 000	Projects				
Office supplies	5 000	Projects	79			
Telecommunication	12 000	Projects	12 245			Not included in proj.
Workers compensation – Year 2002 only	20 000	Projects	6 580			Incl taxes
IPCRI Directors base salary	120 000		117 954			Tot salaries not project
Fundraising	15 000		4 413			
Directors pension	17 000					
Sub-total	245 000	96 6007	147 533			
Not included in budget						
Conference expenses			37 921			
Transportation and local travel			12 436			
Agriculture book			2 552			
Library			1 442			
Financial expenses			2 117			
Other			9 290			
			65 758			
Total operating expenses	245 000	96 607	213 291		213 291	
"Cash Loss costs"				-116 684		
Grand Total Cash Surplus				104 118		

Cost Distribution

	Political	Environment	Peace Edu.	Special Proj	Operating	Total	% of total expenses
Directors support	39 000	2 000	103 600	2 500	105 054	252 154	20
Proj Director	0	25 783	69 808			95 591	8
IPCRI Staff	1 687	6 300	39 448		6 580	54 015	4
<i>Sub-total Professional staff</i>	<i>40 687</i>	<i>34 083</i>	<i>212 856</i>	<i>2 500</i>	<i>111 634</i>	<i>401 760</i>	<i>32</i>
Administration		10 204	17 134			27 338	2
Bookkeeping			16 200			16 200	1
<i>Sub-total adm & bookkeeping staff</i>	<i>0</i>	<i>10 204</i>	<i>33 334</i>	<i>0</i>	<i>0</i>	<i>43 538</i>	<i>3</i>
Telecom	5 598	5 031	12 201		12 245	35 075	3
Local transport	2 343	10 980			12 436	25 759	2
Rent, office supplies etc			15 141		560	15 701	1
Office cleaning/kitchen					12 900	12 900	1
<i>Sub-total office expenses and local travel</i>	<i>7 941</i>	<i>5 031</i>	<i>38 322</i>	<i>0</i>	<i>38 141</i>	<i>89 435</i>	<i>7</i>
Researchers/Consultants	1 648	34 859	22 333	72 952		131 792	10
Conference expenses	50 857	32 857	36 594	45 909	37 921	204 138	16
Teacher training			277 655			277 655	22
<i>Sub-total conferences and teacher training</i>	<i>50 857</i>	<i>32 857</i>	<i>314 249</i>	<i>45 909</i>	<i>37 921</i>	<i>481 793</i>	<i>38</i>
NED project	49 466					49 466	4
Other	7 477	16 776	13 849	-2 003	25 595	61 694	5
Total as per Trial balance	158 076	133 810	634 943	119 358	213 291 1	259 478	100
<i>% of total expenses</i>	<i>13</i>	<i>11</i>	<i>50</i>	<i>9</i>	<i>17</i>	<i>100</i>	

Annexe 7

List of IPCRI employees

No.	Name	Position In IPCRI	Date of beginning Employment
1.	Gershon Baskin	Director	03/1988
2.	Zakaria Al-Qaq	Director	12/1990
3.	Anat Levy-Reisman	Israeli Co- Director, Peace Education Department	03/1996
4.	Ayelet Roth	Coordinator, Peace Education Department	1/06/2001
5.	Lindsay Talmud	Peace Education Department	08/2003
6.	Eitan Reich	Coordinator & Facilitator, Peace Education Department	01/09/2003
7.	Ghaida Rinawie	Coordinator, Peace Education Department	22/09/2002
8.	Gazi Shakleh	Regional Coordinator, Peace Education Department	11/2002
9.	Issa B. Rabadi	Palestinian Co- Director, Peace Education Department	1/06/2003
10.	Cyrien Khano	Program Administrator Coordinator, Peace Education Department	6/2000
11.	Leah Even	Administrator, Peace Education Department	14/02/2002
12.	Robin Twite	Director, Environmental Program	01/1993
13.	Aishe Kunis	Cook and Cleaner	1/2001
14.	Sharon Rosenberg	Assistant to Directors	11/2002
15.	Amal Duaybis	Regional Coordinator, Peace Education Department	09/2003
16.	Sophie Ghamen	Regional Coordinator, Peace Education Department	
17.	Iyad Bishara	Regional Coordinator, Peace Education Department	
18.	Yoav Bahat	JEM'S coordinator	07/2002
19.			

Annexe 8

A note on the Peace Education

The Program started in February 1996. It is implemented in Israel in the Jewish and Palestinian schools, as well as in the Palestinian Authority in Palestinian schools. The target group is all educators; school principals, teachers and school advisors and students of the 10th and 11th grades. Teachers are perceived to be agents of change and are thus an important target group for the Programme.

The goal

The goal is to bring about change, social change; a change in awareness and patterns of thought which will bring forth a change in the behaviour patterns of all those who are involved in the educational process (students, teachers, school principals, programs' staff etc.); a structural change in which the vision of an equal, just society, that contains and accepts the other within, will be actualized; a society that regards peace as a state of mind, chosen value and a way of life.

The objectives

The objectives are: To impart values of tolerance and acceptance of the other, recognition of the equal right to liberty, and social justice; development of awareness and critical perception; acquisition of non-violent communications and conflict resolution skills; and an encounter between Palestinians and Jews.

Main Programme components and implementation in the schools are as follows:

1. New teachers' and principals' encounter – 5 days abroad.
2. Teacher training in the “Pathways into Reconciliation”/“Education for Peace” curricula – 5 days.
3. Teacher facilitation of the curriculum in class – about 16 meetings of 2 teaching hours of “Pathways into Reconciliation”/“Education for Peace”, for a group of 20 students.
4. Guidance and facilitation of the teachers throughout their work with the students (a guidance meeting once every two weeks, or, according to the needs which arise).
5. Students' encounter (2 days – if possible).
6. Continuation programs alter, but most of them consist of a joint Israeli – Palestinian training of at least 5 days (usually abroad, in a neutral place).
7. Facilitation of CBI – Workable Peace – Inter group negotiation skills, by the teachers, about 22 hours.

Participants

Initially the participating schools were selected based on IPCRI's staff's private contacts with the municipality and the schools. Today, especially in Israel some schools and municipalities approach the Programme and want to participate, and the main selection criteria is to get a geographic spread. In Tel Aviv and Haifa it is easier to recruit new schools, with the municipality even approaching the Programme. Especially Tel Aviv give priority to education and have larger budgets for education than in most other regions. In the south of Israel it has and is more difficult to recruit schools, as the area is comparatively conservative.

A few schools have left the program for various reasons, and a few have been excluded by IPCRI, as they have not lived up to the requirements.

The school principals choose the teachers who should participate, but IPCRI try to influence and try to find dedicated teachers.

In Israel, a total of 32 schools participate in the programme, of which; 11 in the North; 9 in Tel Aviv, Jerusalem and the South, and 12 Palestinian schools spread all over Israel. The schools are a mix of private and public schools (in Israel the municipality funds private schools almost entirely).

In the West Bank and Gaza a total of 22 schools participate. These schools are all private schools, many mixed Muslim/Christian, and some of them are sponsored by religious organizations: The school fee is typically about \$ 1500/year, which make it out of reach for a large portion of the population. The Programme's target is another 10 schools joining the Programme this year, including some UNRUA schools (UN sponsored schools for refugees).

With currently 54 schools participating, with on average three classes of 30 pupils, would result in that the Programme reaches some 5,000 pupils each year.

The IPCRI Staff Team

Administrator: Leah Even

Israel Group:

Project Director: Anat Reisman – Levy

Coordinators: Ghaida Rinawi Zoabi, responsible for all 12 Palestinian schools

Ayelet Roth, 11 schools in Haifa and the North Eiton Reich,

9 schools in Tel Aviv, Jerusalem and the South

West Bank and Gaza Group:

Project Director: Issa Rabadi

Coordinator; Cyrien Khano, who is based in the IPCRI office and has been three years with IPCRI

Supervisors; four teachers working with the Programme on part time basis;

Amal Duaybes, Sofi Ghanim, Ghazi Shaqle, and Iyad Duaybes.

The main duties of the coordinators and the supervisors are to give guidance and to facilitate the implementation at the schools mainly through regular meetings with the teachers at their respective schools. The entire team meets every 4–6 weeks, normally in Tantor, to share experience, team building, have a common approach etc. The members of the team appear to be very dedicated.

Funding and costs

Since inception until early 2003, the Programme has largely been funded by grants from US government sources. From 1996 to 2000, USAID-MERC supported with KUSD 760 in total, in 2001 US-AID-Wye River KUSD 530. In 1995 and during the years from 2000 to 2002, National Endowment for Democracy (NSD) contributed KUSD 131 in total. Currently IPCRI has no funds for the project, but for the school year 2003–04 EU has committed •500,000 for the project.

Total funds received for the project until end of 2002 are more than USD 2 million, which corresponds to almost 1/3 of total grants received by IPCRI over the years.

During 2002, IPCRI received KUSD 634 corresponding to almost half of total grants received in 2002, whereas the total cash expenses was KUSD 684, which thus resulted in a cash deficit of KUSD 50 for the Programme. The largest cost items were for personnel costs at KUSD 212 and costs for training of teachers and conferences at KUSD 314. Of the personnel costs KUSD 104 was for Directors support and the balance KUSD 108 was for IPCRI's Project Directors, coordinators and supervisors. The high cost for training of teachers is due to the high cost of the training abroad, which amounts to about KUSD 278. However, all involved in the programme are of the view that the quality of the encounters would be compromised if not carried out abroad. Given that the total average cost per participant (full board and flights) is some USD 600 in Turkey, it appears doubtful if the total cost

would be much lower in Israel, except of cause if the venue was Tantor. The reason for the high cost is thus not the unit cost, but the large number of participants, say 100 per encounter.

Another large cost item is “Other items” at KUSD 72, which includes most of IPCRI’s costs for book-keeping and office rent, office supplies and a project administrator. IPCRI pay Palestinian schools for education material and a limited subsidy at KUSD 5 in total for the year 2002.

Cost of a three-day workshop

In October 2003, the Programme carried out a workshop with 10 participants in Nazareth.

The total cost was very low, as follows:

Hotel; for food and seminar rooms:	3 days x \$16 x 10 participants =	\$ 480
Teachers/trainers	3 days x \$ 100 x 2 =	\$ 600
Full board for 4 persons	4 x \$105 =	<u>\$ 420</u>
		1,500

The IPCRI staff cost is not included in the above. The workshop was carried out at a very good venue with good facilities, which most certainly assisted in making the work shop the success it became.

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