

Originally posted on Globes, Israel, 7.20.2020

It started with bureaucracy and ended with politics: The NGOs aren't receiving funds when they need them the most

During the first wave, the Ministry of Finance promised the third sector a 200 Million NIS support fund (approx. \$584,000,000 – ELEM USA.) This fund is yet to be created • Meanwhile, it has been decided to split the funds between different channels, but in the last few days Minister of Finances, Israel Katz demanded that the general grants fund be put on hold • The reason: making sure the money doesn't "end up with NGOs that go against the ideals of the state of Israel."

Written by Shani Ashkenazi

One day, during the month of April, when Israelis were isolating at home, two teens from northern Israel went missing. For 24 hours, welfare services who are familiar with their families were trying to locate them in order to bring them back home. Eventually, with the help of ELEM, the teens were found hiding in a deserted building, hungry, and in poor mental state. During the shutdown, their homes became a powder keg, the violence increased and they felt like they had no choice but to run. Once found, they were transferred to a housing solution which provided the appropriate assistance.

Another case saw a young girl who couldn't bear the situation at home any longer. She spoke to one of ELEM's supervisors and said that she swallowed a big amount of pills, in an attempt to end her life. "Cases like these greeted us every morning and every evening during that period. Everything that happened during the first wave happens now in a tenfold. It hits at our doorstep, like a Tsunami," says ELEM Israel CEO, Inbal Dor Kerbel. "We expect these dangerous situations to escalate even further."

ELEM, which serves over 20,000 youths a year, has seen a four times increase in cases of depression and anxiety, and a 5% increase in new inquiries during the crisis. The harsh reality on the field forced ELEM to change the way it operates, and to distribute thousands of food packages. "Because families and youth found themselves suffering from poverty and hunger. This isn't something we usually do, but we had no choice."

Even though the NGOs assist the most marginalized demographics, and even though they fill the void left by the state, the Corona puts the NGOs in a bit of a catch-22: They receive way more inquiries due to the growing distress among the citizens, yet there are less workers, a significant loss of income, Corona guidelines to abide by, less donors – and a government assistance which, for many of the NGOs is non-existent.

During the first wave, Civilian Leadership, the umbrella organization for Israel's NGOs, was promised that a 200 Million NIS support fund was to be launched. Time went by, the fund was never created, and the promised funds were split and distributed elsewhere, to other assisting services, loaded with bureaucracy and that offers only partial solutions.

The only available assistance right now is a grant identical to the one given to business. So far, the taxation authority has only transferred assistance to 290 NGOs, in the sum of 4 Million NIS (approx. \$1,169,000 – ELEM USA), while over 400 NGOs submitted a request for assistance. Some of the NGOs can't even access assistance through this specific channel.

After a lengthy wait, last week the general assisting fund was created – a fund that is a collaboration between the government and philanthropic organizations.

The NGOs can submit a request for assistance by August 9th. In reality, they'll be lucky to see the money before September.

The NGOs had to wait this long, and they'll have to wait a while longer

But once the bureaucracy was handled, a new problem presented itself: the political one. Over the weekend, Minister of Finances Israel Katz has instructed to pause the approval for the support until adjustments are made, because "there's a concern that some of the NGOs that are about to receive assistance operate in a way that doesn't align with the ideals and policy of the government."

Katz forwarded the issues to the Ministry of Finances' legal consultant, and a decision is to be made during the week. In the meantime, NGOs can keep submitting requests for assistance, but this new political obstacle creates uncertainty for them, at a time when so many NGOs are in desperate need of assistance.

More inquires and work, less funds

Large NGOs, with a financial cycle of 20 Million or more per year (approx. \$5,840,000 – ELEM USA) aren't eligible for any sort of assistance from the government. ELEM is one of these NGOs. "Our annual, and biggest fundraising campaign, which last year managed to raise 2.3 Million NIS (approx. \$672,000 – ELEM USA) was cancelled. From the looks of it, our upcoming fundraising event won't take place either. We get less donations from businesses, because they themselves don't have money at the moment, and we expect 2021 to be much harder. We're experiencing a minimum of 30% loss of income, while our expenses remain the same and our people work way more hours," shared Dor Kerbel.

"We haven't seen a dime, and the same goes for many other NGOs who don't fit the criteria. We were promised this and that, and in reality, so far nothing happened. We're running on fumes and on the support of philanthropic funds. It helped us, partially, during the first wave, but that, too, won't last forever."

Bracing for minimal philanthropic support

While the support from the state is in limbo, the NGOs fear that this long crisis they're experiencing will worsen. Civilian Leadership carried a poll with 200 NGOs during the month of July. 40% of the NGOs report that their ability to provide social services has been significantly damaged, with a third of the NGOs ceasing operations altogether. 38% estimate that they'll have to shut down permanently due to the Corona crisis. That's in addition to cuts. The poll shows that 33% of the NGOs fired employees due to the crisis, and over 60% put workers on furlough.

Civilian Leadership CEO, Lior Finkel Perel warns of the possible collapse of the NGOs, which will leave many people without support in what is one of the most challenging times Israel has ever known on the financial-social front. "Four months into this crisis and the third sector is holding on for dear life. We're drowning. Just like the government is making plans for 2021, we must do so as well. 2021 will start with a minimal philanthropic support, if any at all, and as a result, without services that are critical to hundreds of thousands of Israelis, from the most marginalized demographics in our society, who lean on the important NGOs in Israel."

"The support fund is like a band-aid. Some NGOs won't come back from this."

According to professor Michal Almog – Bar, Head of the Research Center for the Civilian Society and Philanthropy at the School for Social Work and Social Welfare at the Hebrew University, the support fund, while important, isn't enough, "not when it comes to the sums it offers and not when it comes to general examination of the depth of this crisis."

"It's like a band-aid. It'll stop your local tiny bleed. But this sector wasn't stable even before, and on the other hand the scope of the services it provides is much bigger than anywhere in the world. It's hard to imagine Israel today as a welfare country without the NGOs. It's clear to us that some of them won't come back from this."

Almog – Bar notes that in European countries, for example, the third sector receives bigger support from the government, and enjoys more state-originated philanthropy. While in Israel philanthropy serves as 15% of the NGOs income, and most of it comes from abroad. Now, they predict a major decrease in income from that source, too. "The government will have to help the NGO significantly more than it did thus far. The NGOs do its job for it. We've seen a surge of giving and volunteering during this period, mainly from young people. A lot of that doing was organized by the NGOs, but in order to do that you need appropriate infrastructure."

[This is an edited excerpt from a full article about the NGOs' crisis]