
The Road Not Taken: Governmental Anti-terror Regulations and NGO Funding

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NGO Monitor's mission is to provide information and analysis, promote accountability, and support discussion on the reports and activities of NGOs claiming to advance human rights and humanitarian agendas.

Executive Summary

Governmental cooperation with and dependence on non-governmental organizations (NGOs) to implement development aid and engage in humanitarian projects around the world is accompanied by the potential for aid diversion by violent and terror-linked actors.

In the context of funding to Palestinian NGOs, a number of perennial grantees are linked to the Popular Front for the Liberation of Palestine (PFLP) – designated as a terrorist organization by the US, EU, Canada, and Israel. Some are direct PFLP affiliates, while in other groups, numerous officials and board members have been identified as PFLP members – including some who have been arrested and convicted for their involvement in terror. The Israeli Ministry of Defense has designated seven such Palestinian NGOs as terrorist organizations, including [six on October 22, 2021](#).¹

As reflected in NGO Monitor research, insufficient vetting mechanisms and regulatory frameworks have allowed at least \$200 million in government funds to flow to PFLP-linked NGO projects since 2011. (A severe lack of transparency surrounding funding of Palestinian grantees results in limited information.)

In some instances, government officials involved in funding decisions turned a blind eye to this phenomenon or rejected the evidence. In other cases, officials are aware of the general problem, and employ different policies and regulations to mitigate the threats that these actors pose. However, the responses vary from country to country – each framed by local political and other factors – and the mechanisms are unevenly implemented.

Recent developments illustrate the range of governmental responses to incidents where grantees are shown to be linked to terror groups. For instance, in 2020, the Netherlands at first denied the evidence, then froze funding to a now-designated terror-linked Palestinian NGO, and later hired an external firm to conduct an investigation. Shortly thereafter, the same government directed a similar Palestinian partner to engage in a cover-up by hiding online expressions of support for violence and celebrations of acts of terror by officials.

For their part, Palestinians have reacted to efforts by the donors to add anti-terror regulations with a broad-based campaign to delegitimize these proposed conditions, lobbying the governments to reverse them and pressuring local NGOs to forfeit funding rather than accept language that would prohibit them from engaging with

¹ The designated groups are Addameer, Al-Haq, Bisan, Defense for Children International-Palestine (DCI-P), Union of Agricultural Work Committees (UAWC), and Union of Palestinian Women's Committees (UPWC). The seventh PFLP-linked NGO, [Health Work Committees \(HWC\), was designated in 2015](#).

known terrorists. Specifically, in 2020, the PA and Palestinian NGOs launched an intense and aggressive campaign opposing implementation of an EU anti-terror clause in funding contracts.

Similarly, following the designation of six Palestinian NGOs in October 2021, [a host of Palestinian bodies denounced the move – including the PFLP](#).

The EU responses to the Palestinian campaigns have been split, with some diplomats seeking to assuage Palestinian fears and assure them that they will not be adversely affected, while other officials launched investigations.

In parallel, international NGOs affiliated with the Palestinian cause lobby intensively to dilute these restrictions, while promoting a narrative of NGO infallibility. They project images of organizations with pure goals (the NGO “halo effect”), which should be exempt from oversight or restrictions on their activities and in the funding they receive.

While donor governments bear the ultimate responsibility for ensuring the proper use of their funds, Israeli officials must engage with their foreign counterparts on a regular basis, and exchange information and evidence of terrorist activity and affiliations of NGO grantees and staffs.

Recommendations

NGO Monitor recommends that governments consistently implement clear and specific mechanisms to ensure that no resources and support are given to NGOs that are linked to terror or violence.

1. Government anti-terror policies with regard to NGO funding must be proactive, with continuous monitoring and analysis of terror financing, as well as radicalizing behavior and rhetoric by NGOs.
2. Governments should organize regular staff training sessions in relevant ministries, agencies, and diplomatic missions on misuse of aid, including diversion and fraud. These presentations should include examples of NGO support for violence and affiliation with terrorist groups. This will ensure that professional and diplomatic staff are aware of the current developments and are able to respond.
3. In instances where the Israeli government has taken measures restricting NGOs on the basis of terror-related links and activities, or has other information pertaining to such links, the details should be conveyed directly to relevant officials in donor governments.
4. Donor governments should adopt the following rigorous vetting practices:

Before the grant period:

- Evaluations must not be limited to determining technical capacity, but must consider all aspects of the potential grantees' activity, as well as the status and activity of any project partners.
- Governments must not rely only on NGO self-reporting or statements from allied international NGOs. Officials must review publicly available information, including, but not limited to, a grantee's website and social media accounts, posts by leading officials at the organization, media reports regarding the NGO and its officials, and documentation such as court records and filings with local regulatory bodies.
- Local governments should engage with their counterparts from donor states to inform them of evidence of terror or other violent activity by grantees or their personnel.
- NGOs should submit the names of all employees and board members to allow for background checks to ensure that none is connected to designated terrorist organizations and other violent actors.

During the grant period:

- Governments should establish investigative capacities and procedures, including suspension of funding and cancellation of contracts, when evidence suggests that an NGO is violating grant conditions relating to terrorism and terror financing. Such evaluations must be thorough and independent, cannot rely on NGO self-reporting, and must provide mechanisms for third-party submissions.
- Vetting should also occur at regular intervals during the duration of the grant period.
- Grantees should immediately inform donor governments of the arrests of NGO officials that take place during the grant period.

After the grant period:

- Governments must formulate guidelines for determining when NGOs whose contracts were cancelled over violations of anti-terror regulations become re-eligible for future grants.

Introduction

On August 26, 2019, Palestinian terrorists detonated an explosive device, murdering 17-year-old Israeli Rina Shnerb and wounding her father and brother. The attack was carried out by the Popular Front for the Liberation of Palestine (PFLP) – widely recognized as a terror group, including by the US, EU, and Canada.

The identities of the perpetrators are highly significant. A number of the leaders of the PFLP network in the West Bank, who were arrested and are standing trial for the murder, are also officials in Palestinian civil society organizations that are funded by the EU and/or other European governments – two of which are now designated by Israel as terrorist organizations. Some of these NGOs continue to receive funding even after the arrests.

This was not a one-off incident. In May 2021, Israeli security officials announced that massive amounts of funding from European governments, designated for supposedly humanitarian projects in the West Bank and Gaza, had been [diverted to the PFLP](#). Four additional NGO officials were arrested, accused of fabricating aid projects in order to channel funds to the PFLP and to support its terror activities.

The brutal August 2019 attack and the subsequent revelations regarding NGO links to the PFLP highlight the systemic failure of government policies regarding NGO funding – in decision making, due diligence, contractual obligations for grantees, vetting mechanisms, and sanctions imposed when violations occur. These failures created a situation in which, since the early 2000s, governments – mostly in Europe – have been allocating tens of millions of dollars to Palestinian groups with ties to designated terrorist organizations and to those that glorify violence.

Despite ample, publically available evidence indicating that the activities of such grantees were inconsistent with the norms of human rights and humanitarian aid, they continued to receive government funding. In numerous instances, leading officials and board members at these NGOs had been arrested by Israel on security grounds. Furthermore, several such individuals utilized their social media platforms to identify with terrorists, celebrate violence, and engage in antisemitism; each of these factors should have been disqualifying.²

² In addition to ignoring terror links, government donors have supported numerous organizations whose positions on key issues – such as the legitimacy of engaging with Israelis, seeking a negotiated two-state framework, and attitudes towards violence – are wholly incongruous with official policies in general, as well as with the specific goals of funding programs and particular grants.

This report will examine the fundamental questions of how and why donor governments failed to prevent, or at least address, the issue of terror involvement in foreign aid. It will describe the scope of the problem and the warning signs that should have served as clear red flags, as well as the severe lack of good governance that limited or blocked the ability to provide reliable information on NGO terror links to decision makers. At the same time, we will present various anti-terror policies that ought to be relevant to addressing this problem, but are, in many cases, underutilized. On this basis, we suggest concrete steps that governments can adopt in order to guarantee responsible aid disbursement and constructive engagement with civil society.

Diagnosis – What are the Problems?

The Extent of Government Funding to Terror-Linked NGOs

The full extent of direct and indirect public funding over the last decade to specific terror-tied Palestinian NGOs is unclear, reflecting the policies of secrecy and lack of transparency among governments and NGOs. That being said, independent research by NGO Monitor has identified data and trends that express the scope of the problem.

The EU and European governments are the most significant providers of funding to terror-linked Palestinian NGOs, in some instances going back 20 years or more.³ In general, this funding was framed, through decision making processes that remain largely hidden, for projects claiming to advance human rights or purporting to support humanitarian objectives.

From 2011-2020, the EU alone authorized at least €38 million to projects involving such groups. European states have added tens of millions since 2014: France (at least €1.3 million), Spain (at least €8.5 million), Belgium (at least €8.9 million), Italy (at least €3.5 million), Ireland (at least €1.7 million), the Netherlands (at least €27 million), Sweden (at least SEK 125 million [~€12.2 million]), Denmark (at least DKK 59 million [~€7.9 million]), Norway (at least NOK 265 million [~€24.8 million]), and Switzerland (CHF 22.6 million [~€20.9 million]).⁴

³ Gerald M. Steinberg, “The Failed European Experiment in Pooled Funding for Palestinian NGOs,” December 2020
https://www.researchgate.net/publication/346975721_The_Failed_European_Experiment_in_Pooled_Funding_for_Palestinian_NGOs

⁴ This is in addition to hundreds of millions more to other NGOs politically active in the context of the Arab-Israeli conflict.

NGOs with Ties to Terror Organizations:⁵

- Abdel Shafi Community Health Association (ACHA)
(Formerly the Red Crescent Society for the Gaza Strip)
- Addameer
- Al-Dameer
- Al-Haq
- Al-Mezan
- Bisan Research and Development Center
- Defense for Children International-Palestine (DCI-P)
- Health Work Committees (HWC)
- Islamic Relief Worldwide (IRW)
- Ma'an Development Center
- Palestinian Center for Human Rights (PCHR)
- Palestinian NGO Network (PNGO)
- Samidoun
- Union of Agricultural Work Committees (UAWC)
- Union of Health Workers Committees (UHWC)
- Union of Palestinian Women's Committees (UPWC)

At times, the US and Canada have also allocated funding that was obtained by Palestinian groups with ties to the PFLP. From 2015-2022, Canada is supporting a number of projects involving UAWC⁶ – a PFLP-linked NGO that receives funding from multiple governments. For instance, [in 2017, Canada provided \\$2.5 million to Oxfam Italia](#) for a project in which UAWC was the implementing partner. And in the United States, since 2009, the federally-funded National Endowment for Democracy (NED) has provided over \$350,000 to Al-Dameer, a Gaza-based PFLP-linked group.

⁵ As described in greater detail below, in some instances, the NGOs listed here were founded by the PFLP itself. In others, PFLP members serve or have served as staff, on the boards, and in key decision making and financial roles at the NGOs. Similarly, in some instances, officials at some of these NGOs have participated in PFLP events. Israel banned IRW after identifying it as a conduit for Hamas funding.

⁶ Due to a lack of transparency by the Canadian government, the number of relevant grants and total amount of money allocated are unclear.

NGO Terror Connections

PFLP-affiliated NGOs

Founded by George Habash in 1967, the Popular Front for the Liberation of Palestine (PFLP) is a secular, Marxist-Leninist terror group, originally supported by the Soviet Union and China. Since its inception, the terror group has been involved in [suicide bombings](#), [shootings](#), and [assassinations](#), among other attacks targeting civilians. [The PFLP has never recognized the State of Israel](#) and [opposes all negotiations](#), calling regularly for the “liberation” of all of “historical Palestine” through violent means.

List of PFLP Related Terrorist Attacks:

- The hijacking of many commercial airlines, including, together with the West German Baader–Meinhof Gang, hijacking a Tel Aviv-bound Air France flight in 1976 and [diverting it to Entebbe, Uganda](#).
- Many terror attacks during the 2nd Intifada in the early 2000s, including the assassination of Israeli Minister of Tourism Rehavam Ze’evi.
- In 2011, PFLP members took credit for the home invasion and murder of the [Fogel family](#), including a baby and two young children.
- The 2014 massacre at a [synagogue in Jerusalem’s Har Nof neighborhood](#), murdering four worshipers and a police officer.
- The terror organization praised its “comrades” for their role in [the murder of Israeli Border Police officer Hadas Malka](#), and the wounding of four other Israelis in a [June 16, 2017 attack in Jerusalem](#).
- In August 2019, [a PFLP terror cell carried out the aforementioned murder of](#) Rina Shnerb.

The PFLP is designated as a terrorist organization by many governments, including the [EU](#), [US](#), [Canada](#), and [Israel](#).

In addition to the six NGOs designated by Israel over their ties to the PFLP in October 2021, the Gaza-based Union of Health Work Committees (UHC) is also organizationally [affiliated with the PFLP](#).

A [USAID-engaged audit of Palestinian civil society actors](#) similarly refers to the recently designated Union of Agricultural Work Committees (UAWC), Union of Palestinian Women's Committees (UPWC), and UHC, as emerging from within the PFLP structure.

Revealingly, as detailed below, the terror organization has issued public condemnations of the arrests of NGO officials accused of involvement in PFLP activity, as well as of Israeli restrictions on the NGOs themselves and their [designation as terrorist organizations](#).

Similarly, board members and key officials from these organizations are themselves linked to the PFLP. For instance, NGO Monitor publications in January 2020 and May 2021 documented such relationships with 20 [current and former board members, officials, and employees at Addameer](#) – a group that provides legal assistance to and advocates on behalf of Palestinians charged with engaging in terror activity. Over a dozen had, as a result of their alleged terror links, served time in Israeli prison or had been banned from travelling. Some had been convicted for their roles in perpetrating terrorist attacks against Israeli civilians, while others are currently standing trial. Additionally, some of these individuals utilize social media to promote the PFLP, celebrate its leaders and terrorists affiliated with the organization, and support other Palestinian terrorist organizations and glorify attacks on Israelis.

Some NGOs that are not identified as direct PFLP affiliates also have significant numbers of staff and board members linked to the PFLP. These include speaking at PFLP events, membership in PFLP-run institutions, writing for the terrorist organization's website, receiving awards from the PFLP, and celebrating or identifying with the group on social media.

Other Palestinian NGOs also have PFLP-linked figures in senior positions. The Palestinian Centre for Human Rights (PCHR) was founded in 1995 by convicted PFLP member Raji Sourani. Sourani – PCHR's executive director – has since been publicly celebrated by the terror group, as seen in a February 2014 award ceremony [in Gaza](#) attended by [multiple members of its central committee](#). In addition, the [Deputy Head of the PCHR Board until 2017, Jaber Wishah](#), previously [commanded the PFLP's military wing in Gaza](#) according to Hebrew and [Arabic-language media](#).

Like Sourani, Al-Haq General Director Shawan Jabarin has a well-established record of direct PFLP involvement. He was [convicted](#) in 1985 for recruiting and arranging training for members for the PFLP. [A 1994 Israeli statement to the UN](#) notes that Jabarin "had not discontinued his terrorist involvement and maintains his position in

the leadership of the PFLP.” In [2007](#), [2008](#) and [2009](#) rulings, the Israeli Supreme Court attested to his active membership in the terrorist organization, referring to his dual identity as part human rights activist, part terror operative – a “[Dr. Jekyll and Mr. Hyde](#).”

According to [multiple Arabic-language media](#) sources, Jabarin represented the PFLP at a December 2011 meeting of the Follow-Up Committee for Issues of Public Liberties and Trust Building, which served as a [reconciliatory body](#) between Hamas, Fatah, Islamic Jihad, the PFLP, and other Palestinian factions. In May 2019, Jabarin [attended a PFLP-organized memorial event for late](#) PFLP political bureau member Rabah Muhanna.

Crucially, a number of the PFLP-linked NGO officials serve in financial roles. Samer Arbid, who as of November 2021 is standing trial for leading the cell that murdered Rina Shnerb, served as UAWC’s financial officer at the time of his arrest and had previously served as the accountant at Addameer. Other alleged leaders of the bombing cell, Walid Hanatsheh and Abdel Razeq Farraj, served respectively as the “financial and administrative director” of the Health Work Committees (HWC) – UHWC’s West Bank offshoot – and “finance and administration director” at UAWC. Hanatsheh was also a board member at the Palestinian NGO Network (PNGO) – an umbrella organization of Palestinian NGOs leading opposition to European anti-terror funding regulations.

The PFLP has publicly claimed both [Arbid](#) and [Hanatsheh](#) as members.

Likewise, on May 6, 2021, [Israeli authorities announced the arrests of](#) HWC accountant Tayseer Abu Sharbak; Said Abdat, who previously worked as an accountant for the HWC; Amro Hamouda, the former head of purchasing for the HWC; and Juana Sanchez (Rishmawi), who was responsible for fundraising for the organization in Europe. All [are suspected of defrauding European countries of millions of euros](#) by fabricating aid projects in order to channel funds to the PFLP and to support its terror activities. A number of indictments have since been filed against them.

Crucially, in January 2020, Israeli officials declared HWC an illegal organization in the West Bank.

Several other NGO officials have been convicted of PFLP membership and activity, or feted by the terror organization. For instance, following his death in July 2014 clashes with Israeli forces, Hashem [Abu Maria of Defense for Children International-Palestine \(DCI-P\) was publicly mourned by the PFLP](#). The PFLP itself has also referred to [Bashir](#)

[Al-Khairi](#) (Addameer and UAWC), [Suhair Khader](#) (UPWC), [Samira Abdel-Alim](#) (UPWC), and many others as “comrades” and active group members.⁷

Other connections include running for elected office on PFLP-affiliated slates, as with [Hassan Abdel Jawad](#), [Mary Rock](#), and [Samer Ajaq](#) – all from DCI-P. Additionally, numerous NGO officials and board members have spoken and participated in various PFLP events. NGO figures, such as Nasser Ibrahim (DCI-P) and Talal Awkal (Al-Mezan), have published articles on the PFLP’s website and edited PFLP publications.

Moreover, scores of NGO officials have spoken at PFLP events or have identified with and celebrated the banned organization on social media.⁸

Terror Diversion

In both the West Bank and Gaza, Palestinian terrorist organizations have been accused of manipulating humanitarian projects, transforming NGOs into conduits for cash, materials, and other resources.

Following the October 2021 designation, an Israeli security official told media that the six NGOs provided a funding “lifeline” for the PFLP, employed PFLP terrorists, and that PFLP terror operatives used NGO offices for meetings.

Similarly, [according to a May 6, 2021 announcement by the Israeli Security Agency \(Shabak\)](#), NGOs [tied to the PFLP](#) implemented an elaborate scheme to defraud donor governments and repurpose foreign assistance in order to support the PFLP. This included “reporting fictitious projects, presenting false documents, forgery and inflating invoices and receipts... forging bank documents and bank seals,” and a variety of other methods. These actions were taken in order to provide money for “the families of PFLP ‘martyrs’, salaries of PFLP members, recruitment of new members, [and] advancing terror activity,” amongst other purposes.

⁷ Others – including Mahmoud Jiddah (Addameer and Defense for Children International-Palestine [DCI-PJ]), Salah Hamouri (Addameer), Khalida Jarrar (Addameer), Raji Sourani (PCHR), Ayman Nasser (Addameer), and Jaber Wishah (PCHR) – have either been convicted of membership in the PFLP or committing or planning terrorist attacks against Israeli civilians and soldiers on behalf of the PFLP.

⁸ There is also a broader environment that contributes to and enables terrorism and violence. Palestinian institutions that claim to promote universal human rights and humanitarian causes, instead play a critical role in propagating and legitimizing radicalized narratives. For more details, see “Civil Society Organizations: Non-Traditional Actors in the Process of Radicalization”, Gerald Steinberg, Olga Deutsch, IDC Herzliya International Institute for Counter-Terrorism, November 15, 2018: http://www.ict.org.il/Article/2283/Civil_Society_Organizations#gsc.tab=0.

To give one example, the EU funded a number of theaters and cultural centers, despite their promotion of the concept of “cultural resistance” as a complement to actual violence. One such group, [Burj Luq-Luq Social Center Society, encouraged school children to avoid cigarettes](#) so that they can be healthy enough to use assault rifles. Others, such as the [Freedom Theatre and the Yes Theatre, have produced plays romanticizing and sympathizing with specific Palestinian terrorists](#).

Weeks later, on June 9, [Israel ordered HWC's Ramallah offices closed](#), and similarly [ordered UAWC's Ramallah offices shut](#) on July 7, after seizing computers and documents. On July 7, Israel also arrested HWC's director, Shatha Odeh.

[Following the June 9 raid, the PFLP announced](#) “the Zionist enemy, with its various security and intelligence services, continues its extensive war on the Popular Front, as it intensified in recent days its frantic arrest campaigns against the leaders and activists of the Front, and continued targeting institutions and centers claiming their association with the Front.”

Likewise, on July 29, 2021, [Israeli forces confiscated computers and documents from DCI-P's Ramallah office](#) as well as from another [NGO with links to the PFLP, Bisan](#). Crucially, in a statement released just hours later, the PFLP [“renewed its demand to confront the continuing Zionist violations against the active Palestinian civil institutions.”](#)

Finally, on October 22, 2021, Israeli authorities declared Addameer, Al-Haq, Bisan, DCI-P, UAWC, and UPWC to be terrorist organizations, due to their PFLP ties.

Related, but distinct, are the accusations against Muhammad el-Halabi. El-Halabi, the former Gaza manager for the international humanitarian NGO World Vision, is on trial in Israel (as of November 2021), accused of diverting tens-of-millions of dollars from World Vision to Hamas.

In August 2016, Israel announced el-Halabi's arrest, [claiming he siphoned \\$50 million for terror purposes](#). The detailed indictment filed against him reveals suspicions of an elaborate scheme to divert World Vision's operations in Gaza for Hamas' objectives: providing the terror organization with building materials to construct and buttress military installations and tunnels; procuring advanced equipment for Hamas commando units; providing employment and salaries to group members; and collecting intelligence, in and around Gaza, on Israeli security measures and on officials from international organizations.

The World Vision case demonstrates a type of aid diversion dissimilar to the terror connections of the PFLP-NGO network, discussed above. By dint of operating in areas like Gaza, international NGOs and their local partners are inherently susceptible to exploitation and abuse that, as suggested by the indictment against el-Halabi, is more difficult, if not impossible, for donors to detect. Yet, many turn a blind eye to this reality and inappropriately continue to fund, with minimal or no safeguards, Gaza-based NGOs.

Governmental Responses: Anti-terror Policies in Foreign Aid and Challenges in Implementation

Several Western countries have recognized the dilemma of foreign aid and terror-linked actors, and have developed policy responses to distinctly address this threat. These policies – instituted in the US, Europe, and elsewhere – differ in respect to their content, application, and implementation:

United States

The US, particularly after 9/11, developed one of the more robust mechanisms for preventing aid diversion. In the Palestinian context, [as part of a fiscal year 2006 funding bill](#), Congress required the Secretary of State to ensure that assistance to the West Bank and Gaza “is not provided to or through any individual, private or government entity, or educational institution that the Secretary knows or has reason to believe advocates, plans, sponsors, engages in, or has engaged in, terrorist activity.”

To fulfill this mandate and guard against abuse of US taxpayer funds by Palestinian extremists, [USAID – the United States’ primary vehicle for development aid – introduced an anti-terror waiver in 2007](#). Among other measures, the US government is supposed to vet key officials of potential grantees and sub-grantees, and all grantees must certify “that the organization does not provide material support or resources for terrorism.”

However, a March 2021 [Government Accounting Office \(GAO\) audit of USAID’s West Bank and Gaza office](#) highlighted deficiencies in USAID’s anti-terror vetting. The report concluded that vetting of second-tier grantees was often incomplete or conducted after the fact and that “post-award compliance reviews occurred, at times, after the subawards expired, which was too late to take corrective actions.”

The GAO audit also identified a failure to include mandatory language discussing anti-terror requirements and to verify that sub-grantees had procedures in place to meet these requirements.

Compounding concerns about implementation, in May 2020 USAID rolled back certain anti-terror vetting provisions regarding the assessment of second-tier grantees by the primary beneficiaries of USAID projects.

Previously USAID required recipients of aid to “[consider all information about that individual or entity \[with which it wants to partner\] of which it is aware and all public information that is reasonably available to it or of which it should be aware](#).” The new standard only demands that “[the recipient will not engage in transactions with, or](#)

[provide resources or support to, any individual or entity that is subject to sanctions administered by OFAC or the United Nations \(UN\).](#)”

This revision makes USAID grant making susceptible to abuse by grantees with links to terrorist organizations, or those that support, glorify, or excuse violence. The prior standard would appear to mandate a thorough review of the websites and social media accounts of potential partners, as well as media reports, court documents, and other public records. However, the revised regulations appear to exclude analysis of these sources, which are crucial to determining the compatibility and appropriateness of an organization receiving USAID funds.

European Union

Grant contracts between the EU and NGOs contain a variety of clauses meant to prevent funding from falling into the hands of terror-linked groups.

Article 12.8 of Annex II of General Conditions applicable to European Union-financed grant contracts for external actions states that a grant must be terminated if the beneficiary “is guilty of fraud, corruption, participation in a criminal organisation, money laundering, terrorist-related offences, child labour or trafficking in human beings.” The grantee can also be excluded from future grants.

Article 4.1 of Annex II adds, “The Beneficiary (ies) shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of this Contract. Such conflict of interests may arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest.” Membership of board members and key NGO functionaries in an EU-designated terrorist organization would appear to be a clear conflict of interest and violation of this clause.

Moreover, in 2018, the EU introduced additional anti-terror language to its funding contracts, requiring grantees to agree to terms that state, “Grant beneficiaries and contractors must ensure that there is no detection of subcontractors, natural persons, including participants to workshops and/or trainings and recipients of financial support to third parties, in the lists of EU restrictive measures.” Simply put, this means that EU grantees must actively guarantee that they are not working or partnering with individuals or organizations that appear on the EU list of designated terrorists and organizations – Hamas, Al-Aqsa Martyrs Brigade, Islamic Jihad, and the PFLP.

Denmark

In October 2018, the Danish Foreign Minister introduced “[new conditions for Danish support for Israeli and Palestinian civil society organizations](#),” which closely resemble the regulations introduced by the EU in 2019.

Specific criteria of the conditions include:

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“The organization and members of its Executive Board and Board of Directors may not be listed individually on EU or UN sanctions and / or terrorist lists. Furthermore, they may not be members of entities or groups included on these lists. In addition, the organization may not provide funds or financial resources, directly or indirectly, for or in favor of persons, entities or groups included on these lists” (translated by NGO Monitor).

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France

The French government has implemented similar safeguards. In November 2020, the French aid development agency, AFD, published regulations stating that “A Person cannot be awarded, or be the subcontractor of an entity to be awarded, an AFD-financed contract if, on the date of submission of its Application, Bid, Proposal or Quotation, or at the time of contract award, it...is listed for financial sanctions by the United Nations, the European Union and/or France for the purposes of fight against terrorist financing or threat to international peace and security.”

Additionally, the same restrictions apply if the potential grantee or sub-grantee has been “convicted within the past five years by a court decision, which has the force of res judicata in the country where the contract is implemented, of fraud or corruption or any other offence committed during the procurement process or performance of a contract.”

Switzerland

While not dealing directly with terrorist offences, Swiss NGO contracts contain language forbidding grantees from engaging in “incitement to violence or hatred and from discrimination on the grounds of race, ethnic origin or religion. Such obligation applies to all activities undertaken by the organization including those falling outside of the framework of the present contract” (on file with NGO Monitor).

As seen frequently with Palestinian NGOs, incitement to violence – beyond being disqualifying in and of itself – can be an indicator that an organization or its staff have ties to terrorist groups.

Varying Degrees of Governmental Responsiveness

As with any other issue, the existence of preventative policies does not attest to rigorous implementation. Governments have reacted differently when faced with evidence of the misuse of funds or of the terror ties of grantees.

For instance, the EU's anti-fraud body, OLAF, examined EU-funded projects in Syria. According to a February 2020 statement, "[In the search for hard evidence, OLAF performed an on-the-spot check, together with forensic data acquisition, at the NGO's headquarters](#). As a result, the investigators found evidence of corruption by two former staff members of the NGO."

In the Palestinian context, however, implementation has been inconsistent. Some incidents have been met with strong responses; others with apparent apathy.

On July 20, 2020, the Netherlands announced that an internal audit revealed that Dutch grants had paid the salaries of Samer Arbid and Abdel Razeq Farraj, two UAWC officials on trial for their alleged role in perpetrating the aforementioned August 2019 bombing. As a result, The Dutch government froze funding and launched a wider investigation into this funding debacle.

Relatedly, on July 14, 2021, in response to a parliamentary question regarding Belgian funding for terror-linked NGOs, Belgian Development Cooperation Minister Meryame Kitir revealed that OLAF had initiated an investigation into funding from the European Commission to two unnamed Palestinian NGOs.

While positive, Dutch action came only after a public campaign; the evidence that it had bankrolled the alleged ringleaders of the August 2019 bombing became too great to ignore. For years, the Netherlands and other European countries denied that there were any problems with its PFLP-linked grantees. Just three months before Rina Shnerb was murdered, the [Dutch representative to Ramallah wrote](#) that his government possessed no information suggesting that their financial support had been used by designated terrorist organizations.

In contrast, the Dutch Minister of Foreign Affairs and Minister for Foreign Trade and Development Cooperation downplayed the significance of clear evidence that employees and board members from another NGO (Al-Mezan) had ties to the PFLP, celebrated terrorist attacks, and encouraged violence on social media. Instead, Dutch

officials parroted the NGO’s illogical claims and [encouraged the NGO to engage in a cover-up by having its members remove their incitement from online platforms.](#)

In many instances, such denials continue, including in the wake of indictments against employees of European-supported NGOs in connection to their terror involvement. For instance, in June 2020, following a letter from NGO Monitor reiterating concerns about EU funding to a PFLP-linked NGO that employed one of the suspects of the 2019 bombing, the Office of the President of the European Commission responded, [“allegations of the EU supporting incitement or terror are unfounded and unacceptable and we strongly object to any such suggestion.”](#)

Similarly, in October 2020, in response to NGO Monitor questions about funding to a Palestinian NGO where multiple officials have been arrested in connection to terror, the Norwegian Ministry of Foreign Affairs hid behind the legalistic claim that they had not yet managed to uncover evidence tying the organization itself to terrorism.

On the other hand, in May 2017, the Women’s Affairs Technical Committee (WATC) inaugurated a center for Palestinian girls, naming it for Dalal Mughrabi. In 1978, Mughrabi was part of a terror cell that infiltrated Israel from Lebanon, murdering 38 Israeli civilians in what would come to be known as the “Coastal Road Massacre.” When the Norwegian government – whose taxpayers had paid for the center through funding to UN Women – discovered the incident, it demanded that its logo be removed from the building and for its funding to be returned.

Vetting Blind-spots

A crucial limitation on the effectiveness of anti-terror policies is the vetting process used to determine NGO compatibility for government-funded projects. Already, government officials often have an affinity for groups that claim to promote human rights and do not critically scrutinize the NGOs’ beliefs, motives, activities, and rhetoric.

Instead, government officials screen for easily quantifiable metrics that attempt to assess technical capacity, to the detriment of broader questions surrounding the question of appropriateness. For instance, potential grantees may be asked to prove that they possess sufficient staff, facilities, and logistical infrastructure to execute a particular project. However, ties to terrorist organizations or commitment to non-violence are not examined. In addition, since grants for Palestinian NGOs are often provided year after year, there is little likelihood of a rigorous examination before subsequent funding cycles.

Another impediment to effective vetting is the reliance on self-reporting from grantees and potential grantees, as opposed to an independent review conducted by the donor. The former clearly presents opportunity for abuse and manipulation by NGOs. Given

the tightly closed nature of the entire process, information that does not originate with the NGO applying for the grant is usually excluded from consideration.

These challenges are exacerbated by the outsourcing of aid to large international NGOs, which work with a range of local partners for aid implementation. Government officials, who are further removed from the actual delivery of assistance, face additional burdens in properly tracking and evaluating the use of taxpayer funds. Worse yet, they often also outsource the vetting of secondary partners to the primary grantee – the international aid organization – with limited government oversight.

An example of this phenomenon is a \$723,405 grant to World Vision, given by USAID in 2014, “to provide food security, sanitation equipment and health services to the conflict affected areas in the Blue Nile region of Sudan.” In order to deliver these humanitarian services, World Vision entered into a contract with the Sudan-based Islamic Relief Agency (ISRA). At the time, nobody at USAID realized that [ISRA appeared on the Treasury Department’s Office of Foreign Asset Controls \(OFAC\) sanctions list](#) as a result of its terror financing activity, including of [Osama Bin-Laden](#) and [Hamas](#).

Six years later, the Senate Finance Committee’s Oversight and Investigation unit examined this incident and discovered that, apparently, World Vision had failed to properly vet ISRA, resulting in an illicit partnership with the local NGO. The Committee concluded, “Our review demonstrates this failure occurred because **World Vision’s system for vetting prospective sub-grantees was borderline negligent and ignored elementary level investigative procedures**, such as failing to conduct basic secondary research that is widely available to the public on the internet via free search engines” (emphasis added).

In other words, a terror-linked organization received taxpayer funds as a result of World Vision’s unwillingness to discharge its responsibilities to safeguard US assistance. Although the primary onus was on World Vision, USAID also failed to cross-reference secondary partners with information from other government agencies.

A December 2016 document from the UK’s Department for International Development (DFID) similarly highlights the lack of adequate donor controls over secondary partners. [In reviewing a grant to the Norwegian Refugee Council \(NRC\) for activity in the West Bank](#), British officials acknowledged, “Many of the activities funded – the provision of legal aid, training etc. - were carried out by downstream partners who have direct agreements with NRC. **It is therefore not possible for DFID to directly monitor all aspects of NRC’s work**, although NRC works very closely with partners to ensure effective delivery of results” (emphasis added).

Israeli Response to the Challenge

The policies of the Israeli government are additional dimensions of this issue, with significant changes arising since the August 2019 murder of Rina Shnerb. Like other governments, in the past, the Israeli political and security establishments apparently did not prioritize the issue of NGO links to terrorism. They missed critical opportunities to raise the issue publicly, dialogue with European decision makers, and encourage them to grapple with the problems.

For instance, while Israel's Defense Minister banned the PFLP-linked HWC in 2015, the Ministry of Defense never raised ongoing European funding to the group in public frameworks. If anything, the continued ability of governments to deposit funds in the group's bank accounts strongly suggests that Israel made no concerted effort to engage with international banking and financial institutions regarding this type of terror financing.

Pushback against Anti-Terror Policies

The Palestinian Campaign against NGO Anti-Terror Funding Regulations

Palestinian opposition to donor anti-terror regulations involves both PA officials and NGOs. This widespread campaign reflects prevailing Palestinian values and the standing of NGOs, including those linked to terrorist groups, as a key political and economic sector in both the West Bank and Gaza.

For more than a decade, under the umbrella of the Palestinian NGO Network (PNGO) and its member organizations, the NGO network has fought to nullify measures that would restrict funding to terror-linked NGOs. When the US introduced its anti-terror requirement in 2007, PNGO spearheaded an NGO boycott of US funding, arguing that the anti-terror clause "ignores the legal Palestinians' right of resistance (sic) against the Israeli occupation."

Comments made by a PNGO official to Israeli media at the time reveal much about the way that PNGO and its members perceive Palestinian terrorist groups, and the extent to which these are intertwined with civil society. [In a 2007 interview, an unnamed PNGO official said:](#)

“The USAID's conditions for funding, more precisely the additional protocols, are unacceptable. They are telling us what to do and they interfere in internal politics.... Any political party in Palestine is considered as a terrorist organization, whether it is Hamas, FPLP, [sic] DFLP, or even President Mahmoud Abbas' Fatah party. Signing a contract with the USAID means that you cannot work with any organization which has even one member of its board of directors affiliated to one of these parties. Considering that the Palestinian society is highly politicized, this is almost impossible.”

According to a [2013 study](#) commissioned by the UN, PNGO “stated that its members would not sign funding agreements that included the ATC [United States Anti-Terror Certificate]: this is now a condition for membership under PNGO byelaws (sic).”

These unequivocal statements and policies were not the only indicators that Palestinian civil society – including prominent grantees of European governments – had a terrorism problem. While the 2007 interview tried to make a practical argument for condoning the transfer of foreign taxpayer funds to terrorists, by 2017, PNGO was openly celebrating acts of terror.

When the Norwegian government demanded that its logo be removed from the building named for arch-terrorist Dalal Mughrabi and its money returned (see above), PNGO responded that Oslo’s demand “clearly de-legitimizes (sic) and criminalizes the lawful Palestinian resistance.” Moreover, the group asserted, no one “in the Palestinian society glorifies terrorism and or terrorist attacks; there is a difference between freedom fighters and terrorists.”

These same themes have re-emerged in force since the August 2019 murder. The attack and the subsequent exposure of a large PFLP terror cell in the West Bank occurred in proximity to heightened Palestinian concerns over the new EU anti-terror regulations (see above in “Anti-terror policies in foreign aid”).

While the new clause was understandably uncontroversial everywhere else in the world, Palestinian NGOs, and later Palestinian politicians, vehemently and publically protested the introduction of this language into funding agreements. According to media reports, during an urgent December 20, 2019 meeting with EU officials, PNGO representatives “[refused to sign an EU grant request](#) which stipulates among its criteria that beneficiaries must refuse to transfer any EU aid given to terrorist groups or entities....The organizations in question steadfastly decline to do so, claiming Palestinian terrorist groups are merely ‘political parties.’”

On December 30, 2019, multiple Palestinians NGOs, including PNGO members, launched a [“Palestinian National Campaign to Reject Conditional Funding.”](#) The campaign, which rejects the EC’s “conditioned funding” and “so-called anti-terrorism clauses and policies...on preventing terrorism that affect the history and struggle of our people,” justifies the use of violence and claims that the [“Palestinian resistance factions are not terrorist organizations.”](#)

For its part, on multiple occasions, the PFLP has called on Palestinian NGOs to shun EU grants over the new anti-terror clause, plainly stating that [“the Front emphasized again its rejection of the European conditional funding](#) and called civil society organizations and the [Palestinian] Non-Governmental Network [PNGO] not to sign the European conditional funding document,” and exhorting [“all Palestinian institutions and associations to refuse to sign these conditions and resist them by all means and to continue the pressure dialogue on the European Union to cancel them.”](#)

By October 2020, concern over the EU’s anti-terror policy and promised investigations in Belgium and the Netherlands was so great that the PLO and Palestinian NGOs held a joint meeting [“in order to discuss joint action mechanisms to pressure the European Union to remove Palestinian political parties from the list of terrorism,](#) and reviewing the manifestations and dimensions of the campaigns organized by the Zionist lobbies aimed at delegitimizing the components of Palestinian society,” in order for these Palestinian bodies “to coordinate roles in an integrated manner for influence with the aim of changing the conditions of European funding for Palestinian civil society institutions.” The head of the [Palestinian Authority NGO Affairs Authority, Sultan Abu Al-Enein, warned Palestinian organizations](#) that accepting foreign donor conditions on funding represents “national betrayal and a departure from the national ranks, and it will not pass without punishment, stressing that the competent authorities will work to prosecute these institutions.”

The International NGO Lobby

For years, the international NGO community has developed the idea that NGOs are altruistic, unbiased, and trustworthy. Combined with a “humanitarian imperative” – a self-declared fundamental right to deliver aid – NGOs argue that they ought to be able to provide humanitarian aid, including in conflict ridden areas, without restriction.

Major international bodies like the [International Committee of the Red Cross \(ICRC\)](#) [have nurtured this notion.](#) In its code of conduct – sponsored by a number of NGOs that conduct projects in the West Bank and Gaza – the ICRC’s first principle is “The humanitarian imperative comes first... When we give humanitarian aid it is not a partisan or political act and should not be viewed as such.”

Governments, for the most part, have demurred, recognizing the dangers of unchecked aid. Especially since 9/11, they have instead introduced more stringent anti-terror mechanisms.

International NGOs, which, at least in theory, have to spend time and money to comply with restrictions and to vet partners, have been investing significant resources in an attempt to undo these policies. Influential international NGOs have built coalitions to intensively lobby governments to roll back anti-terror regulations and to allow NGOs a free hand in choosing their local partners. [In a 2011 publication, the ICRC argued](#) that:

“Broad language, or broad interpretation of language, in criminal legislation prohibiting ‘services’ or ‘support’ to terrorism could prove to be a serious impediment for the ICRC... The fulfilment of the ICRC’s mandate... may likewise be effectively hampered in contexts in which such services would involve contacts with persons or entities associated with ‘terrorism’ ...legislation creating criminal offences of ‘material support’, ‘services’ and ‘assistance’ to or ‘association’ with persons or entities involved in terrorism should exclude from the ambit of such offences activities that are exclusively humanitarian and impartial in character and are conducted without adverse distinction.”

The following year, the [Global NPO Coalition on FATF](#) was formed, organizing non-profits in an attempt [to water down the guidelines of the inter-governmental Financial Action Task Force \(FATF\)](#), which *inter alia* convenes government officials from around the world to formulate anti-terror and anti-fraud policies in the context of government assistance to NGOs. The NPO Coalition is [backed by major NGO institutions such as the Open Society Foundation and Islamic Relief Worldwide \(IRW\)](#) – the latter of which has been banned by [Israel](#) and the [UAE](#) over terror concerns.⁹

Joining the FATF-focused campaign was a 2013 project by the UN’s Office for the Coordination of Humanitarian Assistance (OCHA) and the Norwegian Refugee Council (NRC) to catalogue anti-terror regulations around the world. [In introducing their report, the partners wrote](#), “In some situations, certain donor counter-terrorism measures have presented humanitarian actors with a serious dilemma. If we abide by our principles, we may break the law and face criminal prosecution. Adherence to some counter-terrorism laws and measures may require us to act in a manner inconsistent with these [humanitarian] principles.”

⁹ Israel identified IRW as being involved in funneling money to Hamas; similarly, [HSBC](#), [UBS](#) and [Credit Suisse](#) have all reportedly [cut ties with IRW](#).

The [NRC has continued to directly lobby lawmakers for anti-terror reform](#), urging the US and other governments to loosen restrictions on certain partnerships.

Thus, major international NGOs – including those supported by European governments for their work related to the Palestinians, among many other large projects – are actively shaping the discourse surrounding civil society engagement with violent actors and pushing back against counterterror measures.

Case Study: EU Response to Palestinians

The introduction of new anti-terror language in EU contracts (see above in “Anti-terror policies in foreign aid”) provides an opportunity to observe what happens when adversarial NGOs lobby against increased governmental oversight.

As discussed above, the EU faced intense Palestinian backlash to what was labeled “conditioned funding” and “so-called anti-terrorism clauses and policies.” The initial instinct of EU officials on the ground in the West Bank was to assuage Palestinian fears. According to the European Legal Support Center (ELSC), a Netherlands-based initiative founded by PNGO and other anti-Israel groups,¹⁰ then Acting EU Representative in Ramallah Tomas Niklasson [told PNGO](#) at a December 2019 meeting,

“Given that there is no individual Palestinian included in the EU (anti-terror) list; the obligation not to transfer funds to any of the seven Palestinian organisations currently on the list does not create any additional obligation for civil society organisations (beyond their obligations under domestic legislation) and that there is no obligation or expectation from the EU’s side that we would discriminate against a person based on political affiliation.”

The timing of this exchange is critical. Two days earlier, Israeli officials had announced charges against NGO officials for active leadership of PFLP terror operations in the West Bank and the murder of the Israeli teen in the August 2019 bombing. Rather than defend and explain EU policy, especially in light of the arrests, Niklasson stressed that the regulations should be of little concern for Palestinians, since, technically, no individual Palestinian is named on the EU terror list. Niklasson’s euphemistic reference

¹⁰ ELSC was jointly founded by PNGO and the Dutch [Rights Forum](#), as well as European jurists. ELSC provides assistance to BDS initiatives and challenges the International Holocaust Remembrance Alliance (IHRA) working definition of antisemitism.

to “political affiliation,” echoing Palestinian (not European) designations, indicates that he portrayed EU policy as permitting funding for the NGOs where terror-linked officials worked, as well as for NGOs affiliated with the PFLP (or any other Palestinian terror groups).

On March 30, 2020, the EU tried to again mollify Palestinian NGOs. The EU Representative Office to the West Bank and Gaza sent a “[clarification letter regarding the EU-funded contracts](#)” to PNGO, signed by EU Representative to the Palestinians Sven Kühn von Burgsdorff. Essentially repeating the purported EU policy from December, it stresses that

*“it is understood that a natural person affiliated to, sympathizing with, or supporting any of the groups or entities mentioned in the EU restrictive lists **is not excluded from benefitting from EU-funded activities**, unless his/her exact name and surname (confirming his/her identity) corresponds to any of the natural persons on the EU restrictive lists...As far as Palestine is concerned, there are no Palestinian natural persons on the restrictive measures list, pursuant to Council Regulation 2580/2001.”* (emphasis added)

The communication also emphasizes that “the EU does not ask any civil society organization to change its political position towards any Palestinian faction or to discriminate against any natural person based on his/her political affiliation.” In other words, once again, EU officials appeared to backslide on the bloc’s anti-terror commitment, claiming that Palestinian NGOs applying for EU grants could be affiliated with EU-designated terrorist groups or employ individuals from these groups.¹¹

However, once NGO Monitor discovered these statements in May 2020 and publicized the letter from the EU Representative, the dynamic shifted. On May 7, the [Israeli Ministry of Foreign Affairs summoned the EU Ambassador to Israel for a démarche](#), informing him that “Israel utterly condemns and categorically objects to the Union’s policy on the funding of terrorist organisations. The policy essentially grants permission for incitement, support, and involvement with terrorism.”

Following a concerted public campaign, including both media coverage and statements by Members of the European Parliament, to force the EU to acknowledge

¹¹ Similar sentiments were conveyed to Palestinian NGO representatives in a January 20 meeting in Brussels. According to ELSC, Palestine Desk Officer of the European External Action Service Paloma Portela and Francesca Pessina from the European Commission’s Department for International Cooperation and Development (DEVCO) stated that “[the \[anti-terror\] clause did not impose new nor different obligations on EU beneficiaries in Palestine.](#)”

and address the problem, Brussels responded on May 19. Commissioner for Neighborhood and Enlargement [Olivér Várhelyi stated that he had instructed the heads of EU delegations to Israel and West Bank/ Gaza to “look deep”](#) in to the allegations that some EU funds go to terror-linked or -supporting NGOs, declaring that such funding “will not be tolerated.”¹²

Soon thereafter, BADIL, one of the leaders of the Palestinian campaign, announced that the [EU ended](#) negotiations with the NGO on a possible [grant partnership](#).

The aforementioned investigation by the EU’s anti-fraud body, OLAF, into potential terror financing of Palestinian NGOs is another significant development.

Conclusion

The acrimony between Palestinians and the EU over the latter’s funding policies highlights a fundamental gap between how each approaches NGO funding. According to the rhetoric of leading Palestinian NGOs, the PA, and PFLP, government funding is an inalienable right. In their view, attaching strings and regulations to ensure the proper use of taxpayer funds is outrageous and a form of “colonialism.”

Of course, the opposite is true. All international donors have an obligation to take necessary measures to guarantee that their aid is being used properly. The EU’s adoption of a more stringent anti-terror policy is more than eminently reasonable. It represents the minimum due diligence that citizens expect from those entrusted with disbursing taxpayer funds. International NGOs, which often act as agents for the disbursal of government development aid, should embrace such restrictions instead of fighting them.

NGO access to public funds is not a right, but a privilege. Entities seeking support from governments must prove that they are capable of and committed to upholding the requisite values and standards, particularly as relates to the sensitive and critical area of anti-terror financing.

Far from weakening their resolve, as advocated by Palestinian and international NGOs, donor governments must adopt firm measures to confront a wide range of threats to the integrity of their funding.

¹² Olivér Várhelyi, EU Commissioner for Neighbourhood and Enlargement, during an European Parliament Committee on Foreign Affairs (AFET) meeting: “On how to ensure that our financial support does not get to terrorists, or terrorist, or organizations that are supporting terrorists, or organizations who are supporting terrorist organizations, we have received a number of requests from the Israeli authorities in that regard also from the public in Israel. I took immediate action, I asked both the heads of delegations in Tel Aviv but also in the West Bank and Gaza Strip to look into the matter. They will have to look deep, and if there is any concern, any concern, we will act immediately. There is no terrorist financing from EU funds, as long as there are EU funds, this cannot happen, this will not be tolerated, and if it happens, it will be rectified. And I will see it to it myself that it is done and delivered.” ([18.35’50”-18.37’18”](#))