United States Funding for NGOs: Trends and Goals in 2021

With the inauguration of a new administration and the opening of the 117th Congress, it is important to examine the challenges and opportunities for US policy towards non-governmental organizations (NGOs) in the context of the Israeli-Palestinian conflict. The expected restoration of US funding to Palestinian NGOs and the likely increase in counterproductive advocacy by political NGOs speak to the need for proactive and substantive engagement with policy makers.

The following are the key issues identified by NGO Monitor in this domain.

1 Improve vetting to exclude terror-linked actors

NGO Monitor recommends that USAID restore previous standards for anti-terror vetting.

In May 2020, USAID changed its global regulations for anti-terror vetting for grantees' assessment of potential NGO partners. Previously, USAID had required recipients 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.”1 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).”2

This revision makes USAID grant making vulnerable to engagement with grantees and/or partners linked to terrorist organizations, or with groups that support, glorify, or excuse violence.

The language of the pre-2020 standard suggests a thorough review of the websites and social media accounts of potential partners was obligatory. Likewise, grantees were expected to scrutinize media reports and posts, court documents, and other public records relating to potential partners. However, the revised regulations appear to end these

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requirements, which are crucial to determining the compatibility and appropriateness of an organization receiving USAID funds, including subcontractors.

Our experience shows that reliance on narrow vetting guidelines creates blind-spots through which money is funneled to terror-linked NGOs and to those that support violence or espouse hate.

This major flaw was highlighted in a December 2020 memo from the Oversight and Investigations Unit of the Senate Finance Committee, detailing its investigation into a partnership between a USAID-funded NGO and a US-designated terror organization on a project in Sudan. The investigation uncovered systemic failings by the grantee, strongly suggesting that the organization in question lacked basic competency to properly vet its partners. The memo notes that the “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.”

As NGO Monitor research demonstrates, numerous NGOs that promote violent or racist sentiments, that cooperate with terrorist actors, or are arms of terrorist organizations have received significant amounts of government funding (primarily from Europe) because they do not appear on any governmental or international list of designated terrorist entities. Funding such groups would harm US interests

2 Instituting guidelines such as the IHRA Working Definition on Antisemitism

Clear and robust mechanisms are needed to assess the suitability of potential grantees and to monitor ongoing programs.

The Biden Administration has signaled that it will resume direct funding to Palestinian NGOs and other institutions in the Palestinian context, departing from the previous Administration’s approach. In this context, it is essential that the US prevent funding from reaching organizations that promote antisemitism and/or violent rhetoric. Implementing commonsense guidelines, consistent with US policies, interests, and values, should not be seen as a partisan project.

For instance, the IHRA Working Definition of Antisemitism has been widely adopted around the world by governments (including Muslim states), international agencies, and universities. In February 2021, Deputy Assistant Secretary of State for Democracy, Human Rights and Labor Kara McDonald stated, “The Biden Administration embraces and

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champions the [IHRA] working definition. We applaud the growing number of countries and international bodies that apply it. We urge all that haven’t done so to do likewise.”

NGO Monitor has prepared a position paper on this issue, recommending inter alia:

- Governments should develop guidelines and best practices across all branches and at the highest levels. Of particular importance are standards for Ministries of Foreign Affairs and/or Development Agencies responsible for allocating taxpayer funds to civil society organizations.

- The IHRA definition and accompanying examples, as markers for antisemitic rhetoric and activity, should be explicitly incorporated into Calls for Proposals and Grant Agreements as grounds for disqualification from receiving funds and termination of projects. Such conditions must be made explicit, and potential grantees must be informed of their existence.  

- Government bodies responsible for disbursing funding should develop rigorous and thorough vetting systems to guarantee that NGOs that engage in antisemitism are disqualified. These evaluations must not be limited to technical capacity, but must consider all aspects of the potential grantees’ activity, as well as any project partners.

In addition, in the past USAID and the State Department had supported Palestinian NGOs that, unbeknownst to US officials, advanced violent rhetoric and glorified violence. On a number of occasions, NGO grantees invited members of US-designated terrorist organizations (Hamas, Popular Front for the Liberation of Palestine) to address teenagers; one US grantee produced a television program where Palestinian youth praised suicide bombers.

### 3 Nita Lowey Partnership for Peace Act

USAID must (a) ensure that NGOs that promote anti-normalization are ineligible for funding under programs dedicated to coexistence and peacebuilding, (b) develop meaningful metrics to evaluate results, and (c) prevent conflicts of interest in the funding process.

Over the next five years, the US government will disburse up to $250 million to Palestinian and Israeli “people-to-people” initiatives as part of the Nita Lowey Partnership for Peace Act. In addition to the aforementioned concerns that funds not reach terror-linked, terror-promoting, or antisemitic groups, there are additional challenges unique to this program.

First, USAID must ensure that NGOs that promote anti-normalization – the idea that

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5. France has already declared that NGO funding must be consistent with this standard.
Jewish Israelis must be boycotted, excluded, and discriminated against unless they too advocate for boycotting other Jewish Israelis and supporters of Israel – are not considered eligible for funding under this program. Such a worldview is fundamentally incongruous with the goals outlined by this newly adopted legislation.

Unfortunately, in the past, US-funded NGOs claiming to advance “people-to-people” engagement have required Israeli participants to denounce mainstream Israeli narratives and political positions in order to participate. Such expectations, often subtly implied through coded and nuanced language, underscore the potential for manipulation and the need for careful monitoring.

Second, USAID should develop and apply meaningful metrics to systematically evaluate results and ensure return on investment, despite the inherently abstract objectives. It is entirely unclear whether efforts funded in the past have succeeded in substantially expanding the commitment of Israelis and Palestinians towards coexistence. Previous practices that relied on self-reporting of grant recipients, including the number of participants in a given NGO initiative, are insufficient to assess results. Meaningful assessments require independent analysis.

Third, the grantee selection process must be free of external lobbying and based solely on objective criteria. Involvement of non-governmental actors in recommending or selecting grantees can lead to conflicts of interest and afford undue influence to privileged groups seeking to direct funding to their network.

4 Increased opportunities in Congress for anti-Israel NGOs

NGO Monitor anticipates an increase in NGO-driven anti-Israel initiatives – including demonization, sanctions, and other forms of BDS – in Congress.

As NGOs promulgate the “apartheid” myth and as the International Criminal Court (ICC) has ruled that it has jurisdiction over “the situation in Palestine,” and considers launching a formal investigation, we will witness heightened demonization and delegitimization from some members of Congress.

One specific platform will be the House Appropriations Defense Subcommittee, where Rep. Betty McCollum (D-MN) has assumed the post of Committee Chair.

In 2017 and 2019, McCollum, in collaboration with a Palestinian NGO, “Defense for Children International-Palestine (DCI-P),” authored bills seeking to curtail US military aid to Israel over false allegations of mistreatment of Palestinian children.
NGO Monitor has identified a number of DCI-P board members and employees who have been connected to a US designated terrorist organization. As a result of these ties, in June 2018, Citibank and Arab Bank closed accounts belonging to DCI-P. Global Giving, a US-based crowdfunding resource, also removed DCI-P from its website.

Rep. McCollum will likely use her new role to echo and amplify NGO allegations of Israeli misconduct. NGO Monitor expects her NGO allies, including DCI-P, to issue new reports and refresh their campaigns to bolster their aggressive efforts.

6. For more details, see NGO Monitor’s “Defense for Children International – Palestine’s Ties to the PFLP Terror Group” and “DCI-P’s New Board: Celebrating Terrorists,” both available at www.ngo-monitor.org.

About NGO Monitor

Founded in 2002, NGO Monitor is a globally recognized, Jerusalem-based research institute promoting democratic values and good governance. We work to ensure that decision makers and civil society operate in accordance with the principles of accountability, transparency, and universal human rights. We publish fact-based research and independent analysis about non-governmental organizations (NGOs), their funders, and other stakeholders, primarily in the context of the Arab-Israeli conflict. NGO Monitor is a project of The Institute for NGO Research, a recognized organization in Special Consultative Status with the UN Economic and Social Council (since 2013).

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