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TRANSPARENCY AND DUE DILIGENCE IN U.S. GOVERNMENT FUNDING FOR ISRAELI AND PALESTINIAN NGOs: 2016 UPDATE

NGO MONITOR

Transparency and Due Diligence in U.S. Government Funding for Israeli and Palestinian NGOs: 2016 Update

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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.

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SUMMARY

This report updates NGO Monitor’s previous analyses ([2013](#), [2014](#)) of U.S. government funding for non-governmental organizations (NGOs) that operate in Israel and the Palestinian Authority (PA). Funding agencies include USAID, the U.S. State Department (through the MEPI program), and United States Institute of Peace (USIP). Additionally, this analysis reviews the work of the National Endowment for Democracy (NED), an American NGO funded by the government and overseen by Congress, with strong institutional ties to both the Democratic and Republican parties.

Our detailed research shows that, despite improvements since 2014, U.S. funding continues to go to NGOs active in anti-Israel and BDS (boycott, divestment, and sanctions) campaigns that directly contradict U.S. government support for peace efforts and strong anti-BDS policy. There are also pronounced inconsistencies between the stated objectives and the activities of many NGO grantees.

In a number of instances, it appears that grants have been awarded without sufficient due diligence, including independent evaluation of all aspects of grantees.

A separate report addresses instances of U.S. funding for overtly political activity by NGOs in Israel. This funding touches on issues of sovereignty and democracy.

KEY FINDINGS

1. The National Endowment for Democracy (NED) funds political advocacy NGOs that [promote BDS](#) campaigns targeting Israel and contribute to other forms of demonization. NED-funded groups that support BDS include Al-Dameer, Palestinian Center for Democracy and Conflict Resolution, Al Maqdese for Society Development, the Human Rights and Democracy Media Center, and the General Union of Cultural Centers.
2. In their respective responses to NGO Monitor’s inquiries, NED and the Middle East Partnership Initiative (MEPI) described vetting processes that focus narrowly on certain activities of NGO grantees, while ignoring others. Improving these flawed policies is key to preventing abuse of U.S. funds.
3. Transparency among U.S. government funding frameworks varies widely. USAID remains the most transparent mechanism, as reflected in its regularly updated [webpage](#) on NGO funding.
4. MEPI’s website is not transparent and provides incomplete information.
5. The [USA Spending website](#), to which MEPI has directed NGO Monitor in order to obtain additional funding details, is convoluted and very difficult to use. Even following detailed instructions provided by MEPI, multiple grants referenced in this report did not appear in the search of the site. Furthermore, there are large discrepancies between USA Spending data and information published by USAID.
6. United States Institute for Peace (USIP) lists grantees on its website, but does not refer to the amounts of the grants or their duration. USIP is not funding anti-Israel NGOs.
7. Most of the U.S. government funding mechanisms do not publish evaluations of the outcomes of NGO grants, preventing independent analysis of their impact. In many cases, there are serious questions regarding the capacity of grantees to implement the projects as specified. In addition, funding is fungible and the wider activities of the NGO recipients must be taken into account in providing budgets.
8. The multiplicity of funding mechanisms results in “double-dipping,” whereby the same NGOs receive funding from various government agencies.

RECOMMENDATIONS

On the basis of the problematic funding practices identified in this report, NGO Monitor makes the following recommendations to Congress and the State Department:

1. Discontinue funding for NGOs that participate in demonization and delegitimization campaigns.
2. Implement a rigorous evaluation system to prevent similar organizations from receiving funding in the future.
3. Promote transparency by requiring U.S. funding mechanisms to publish detailed information regarding approved grants, including the length and size of the grant as well as a description of the relevant project being funded.
4. Conduct independent evaluations of the NGO activity **before** grant allocation, and **during and after** implementation. As seen in the examples below, the activities and rhetoric of NGO grantees do not always match their stated objectives, which can impact project implementation in many ways.
5. **As such, all U.S. government funding agencies should be required to assess NGO applicants on the basis of the totality of activities and agendas, and not only through narrowly defined projects or claims made by the NGOs themselves (self-reporting).**

The following recommendations, originally proposed in our 2013 report, remain critical:

Before grant allocation

- Potential recipients should be evaluated for consistency with U.S. policy.
- The evaluation process should be broad and include input from multiple sources.
- Funding should be denied to NGOs that engage in demonization, delegitimization, BDS, promote antisemitism and other anti-Israel activities, which are contrary to and incompatible with U.S. peace efforts, the promotion of human rights, and democracy building.

During

- Guidelines should be created to regulate situations and reconsider funding where evidence of problematic activities and rhetoric emerges while the grant is ongoing.
- Information about all grants, including detailed descriptions and evaluations of programs, should be posted in a centralized database, as well as on the websites of the managing agency.

After

- Detailed, independent, and public assessments are necessary, both in terms of (a) measuring the efficacy in accomplishing the stated goals of the project and (b) monitoring the full extent of the grantee's activities.

ANALYSIS OF FUNDING FRAMEWORKS

Middle East Partnership Initiative

The [Middle East Partnership Initiative](#) (MEPI) is a division of the Department of State's Near Eastern Affairs Bureau, with offices in the Middle East and North Africa (MENA) region. The main [regional office](#) is in Tunisia. Local projects in Israel and the West Bank/Gaza are administered by the [Consulate in Jerusalem](#) and [Embassy in Tel Aviv](#).

MEPI was [established](#) in 2002 as a presidential initiative to support democracy and reform in the Middle East and North Africa. It is [managed](#) by the State Department's Bureau of Near Eastern Affairs Partnership Initiative Office.

MEPI offers "assistance, training, and support to groups and individuals striving to create positive change in the society. MEPI works in 18 countries and territories, partnering with civil society organizations (CSOs), community leaders, youth and women activists, and private sector groups to advance their reform efforts. MEPI's approach is bottom-up and grassroots, responding directly to local interests and needs."

MEPI received its initial funding from [emergency supplemental appropriation](#), the U.S.-Middle East Democracy Fund and the U.S.-North African Economic Partnership. From 2004, MEPI received funding from the [Economic Support Funds](#) (ESF) in annual Foreign Operations Appropriations legislation.

MEPI has awarded grants to NGOs that support BDS against Israel. Statements from some MEPI grantees have also propagated antisemitism, demonization of Israel, and the merits of terrorism as "resistance." (See below for examples.)

Narrow Focus on Certain NGO Activities

In correspondence with NGO Monitor, MEPI asserted that "Actions of recipients that are undertaken outside of the scope or term of the grant award, and which do not impact on the recipient organization's ability to implement the grant, are not within the purview of the U.S. government."

It is entirely unclear how MEPI determines which "actions...do not impact on the recipient organization's ability to implement [a U.S. government] grant." For instance, MEPI (and other U.S. government frameworks) appears to entrust projects aimed at democracy and peace with organizations that support discriminatory boycotts and/or reject cooperative efforts with Israelis ("anti-normalization").

Moreover, and despite MEPI's claims to the contrary, money is fungible. As a result, funds provided to a project are readily used for general NGO administrative costs, salaries, overhead, public relations, advertising, official travel, publicity, and other general items.

Lack of Transparency

As addressed previously by Congress, MEPI funding notably lacks transparency. The haphazard listing of MEPI-funded projects and the discrepancies between MEPI's site and the USA Spending database reflect systematic deficiencies that hinder public access to MEPI's funding decisions.

Though several MEPI-funded programs are [listed](#) on U.S. Embassy to Israel's "Recent MEPI Projects in Israel" page, the list is incomplete, and information such as the year and amount is missing. Not all of the projects listed are current, adding to the confusion.

A similar [MEPI page](#) maintained by the U.S. Consulate in Jerusalem also presents incomplete descriptions, many of which are for projects that have already concluded.

MEPI provides a link in its FAQs section to the generic [USA Spending website](#) as a way to search for MEPI's grants, but no guidance is provided as to how to identify specific MEPI grants for Israel, the West Bank, and Gaza. Additionally, when approached by NGO Monitor for clarification regarding these grants, MEPI responded tersely by directing to the MEPI website and USA Spending sites. After several requests from NGO Monitor, MEPI provided specific instructions for searching the site, which still provided incomplete information. Specifically, MEPI grants for Sidreh and the Al-Tufula Centre, referenced in this report, did not appear while searching according to MEPI's instructions.

Upon reviewing the unorganized USA Spending database, it appears MEPI approved a \$1,000,000 [grant](#) to the Peres Center for Peace in 2015, despite the fact that this award does not appear on MEPI's own page. Similarly, a \$98,000 [grant](#) to the Abraham Fund Initiative for a 2014-2015 project does not appear on MEPI's website. Conversely, MEPI lists expired grants alongside those that are still in effect.

The lack of synchronization between MEPI and USA Spending is highlighted by grants that appear in the latter's database and are listed under the same grant proposal title used by MEPI, but make no direct mention of that mechanism. It is thus unclear if these grants are mismarked MEPI awards or unrelated contributions that are marked similarly to those disbursed by MEPI.

MEPI's site claims that the deadline for submitting applications for new grants expired in November 2015. As it has yet to publish new data, there is no way to know what applications may have been approved. Therefore, the examples below refer to several of the grantees from NGO Monitor's 2014 review, with some additions.

Vetting and Due Diligence Requirements

The "State, Foreign Operations, and Related Programs Appropriations Bill" for 2016 [requires](#) the State Department to ensure that grants "include a rigorous vetting and evaluation process and are consistent with United States foreign policy objectives in the region." The extreme lack of transparency on the part of MEPI makes it difficult to ascertain what steps the program implements in order to adhere to these funding requirements.

Recent MEPI beneficiaries involved in anti-Israel activity

1. Pal Think for Strategic Studies

- Pal Think for Strategic Studies was awarded [\\$84,820](#) in 2014 as part of the "Youth as Agents of Positive Change" project. The project is intended to provide "youth in Gaza with skills and knowledge on peace-building and conflict resolution."
- The organization [claims](#) to "promote peace, freedom and prosperity through debate on public issues, producing policy recommendations to the decision makers in Palestine and Middle East."
- The organization hosts terrorism supporters from Hamas and the Popular Front for the Liberation of Palestine (PFLP).
- Pal Think's 2015 [Meet the Youth initiative](#): "focuses on strengthening the Palestinian youth and their engagement in civic and political life in Gaza," by inviting Hamas' Basem Na'im and the PFLP's Kayed al-Ghoul to speak with teenagers.
 - In a [January 2016 article](#), al-Ghoul called for increased terrorism against Israelis, saying "The armed resistance is a major form of resistance for the Palestinian people. It must be expanded and put to good use while linking it to a general, agreed-upon national strategic vision. Any military action should be

based on an agreed-upon national strategy. ... This is why we call for forming a unified national resistance front that would operate according to a military strategy to face the occupation through resistance in many positions based on our convictions in this line of struggle."

- In June 2016, Na'im [tweeted](#) "V danergous! #Israel Rabbi call 2 poison the water in the #WestBank 2displace Palestinians from their land #BDS" as part of a false libel against Israel.
- In a [2009 conference](#) organized by Pal Think, Dr. Mahdi Abdul El-Hadi, the director of Palestinian Academic Society for the Study of International Affairs in Jerusalem (PASSIA), [discussed](#) "the lost Palestinian case among the factions and the political parties which had a positive role to curl (sic) the goals of Judaizing the Jerusalem (sic), and spoil the plans of the occupation to destroy the Palestinians ... what is happening now is the lost (sic) of the Palestinian identity in a well-planned method."
- In 2008, Pal Think [organized](#) a meeting between Hamas and a group of journalists, Academics and businessmen "to discuss the prospects of Ceasefire, National Reconciliation, Opening the Borders and other issues."

2. Ma'an Network

- The Ma'an Network was awarded [\\$71,970](#) from 2012-2013 for the project "Combating Gender Based Violence in the Palestinian Territories." Specifically, the organization was to train filmmakers to produce documentaries on gender based violence.
- [Ma'an](#) claims to be an "non-profit media organization founded in 2002 to strengthen professional independent media in Palestine, build links between local, regional and international media, and consolidate freedom of expression and media pluralism as keys to promoting democracy and human rights."
- Ma'an News is a [platform](#) for the publication of statements by radical Palestinian NGOs, including [Badil](#), [MIFTAH](#), and [Palestinian Center for Human Rights](#), which promote Palestinian rejectionism, and a highly distorted history that contributes to conflict. Ma'an News' archive includes many uses of the term "[apartheid](#)," accusations of "[ethnic cleansing](#)," [Holocaust denial](#), and references to terrorism as "[resistance](#)".
- Published the "[Protocols of the Elders of Zion](#)" on February 11, 2014 which [contends](#) that "[the Jews] plans to subjugate the people and control the world."

3. East Jerusalem YMCA

- EJ-YMCA was awarded [\\$53,265](#) from 2012-2013 for the project "Develop Leadership, Teamwork, and Communication Skills for Palestinian Youth."
- EJ-YMCA features it's "[Joint Advocacy Initiative](#)" (JAI) with Palestine YWCA, which "networks with local advocacy organizations, runs the Olive Tree Campaign, promotes the Kairos Palestine document and the Boycott-Divestment-Sanctions (BDS) Campaign."
- Examples of "youth programs" conducted by EJ-YMCA [include](#) "...a theatrical play performed by Al-Hara Theatre entitled 'The Trap' which demonstrates a model of Israeli intelligence operations to turn Palestinian children into collaborators who betray their people, contradicting all human values, international laws and conventions. The play was produced in cooperation with [DCI-Palestine section](#)."
- One of the members of DCI-Palestine's board of directors at the time of the grant, [Shawan Jabareen](#), has been linked to the Popular Front for the Liberation of Palestine (PFLP), which is recognized by the U.S., Israel and others as a terrorist organization.

4. Wi'am, the Palestinian Conflict Resolution Center

- Wi'am received [\\$71,661](#) during 2013 for the project "[Combating Gender Inequality in Property Rights](#)."
- "Wi'am [aims](#) to improve the quality of relationships and promote peace and reconciliation in the community. It strives alongside other forces present in the community to build a society based on democratic norms and values."
- Wi'am has stated its [support for BDS](#), claiming that "The world needs to be liberated from this guilty feeling that Israel has tried to instill in them and the world should be helping Israel shed its victim identity through BDS."
- Wi'am promotes Palestinian victimization narrative through [antisemitic](#) and [theological](#) rhetoric, claiming "We are the victims of the victims of the holocaust, and thus its direct victims." Utilizes the term "[apartheid wall](#)," and [promotes](#) the Kairos Palestine document that calls for church-based BDS, [denies](#) the Jewish historical connection to the land, and encourages "the dream" of a one-state framework.

5. The Al-Mustakbal Foundation for Strategic and Policy Studies

- Al-Mustakbal was awarded [\\$68,019](#) from 2012-2013 for the project "Doing Business in the East Jerusalem Market."
- Al-Mustakbal [presents](#) itself as "an independent, not-for-profit and non-partisan institution that actively addresses pressing economic, legal and regulatory issues facing Palestinian society on the road to statehood."
- Provides rationalization for terrorism against Israeli citizens:
 - "Miserable standards of living and lack of economic opportunity will continue to [fuel radicalism](#), making Israel tense. Security concerns may overcome notions of peace and lead to violence spiraling out of control."
 - "...viewing the problem of '[terrorism](#)' separate from occupation, and requiring security to precede progress on substantive issues [is an impediment]...peace will remain elusive if the United States does not recognize that Israel's occupation is violent, and Palestinian reactionary violence ends when occupation ends."

6. Al-Tufula Center

- Al-Tufula received [\\$71,000](#) from MEPI during 2013-2014 for a project that aimed "at increasing the integration of Arab women in the labor force and changing the attitude of employers towards this population."
- MEPI lists "Al-Tufulah" on its [official list](#) of local grants in Israel. It is likely that this is a misspelling of the shorthand for "Nazareth Nurseries Institute - Al Tufula Centre." However MEPI did not answer NGO Monitor's inquiry regarding this organization.
- Additionally, Al-Tufula's [website](#) is outdated and nonfunctioning, making it difficult to assess its current activities.
- Nabila Espanioly, the director of the Al-Tufula Center, was one of the featured guest speakers for [the ICAHD 2016 AGM and Conference](#) titled "Boycott, Divestment, and Sanctions for a Bi-National, Democratic State (BDS for BDS)."
- Al-Tufula Centre was a signatory on a 2009 letter that called on the [Council on Ethics Norwegian Government Pension Fund](#) "to join us in our efforts and to stop investing in the Israeli occupation of Palestinian territory" and urging the Norwegian Council of Ethics to "remove from the fund's investment portfolio all corporations that support and maintain the Israeli occupation of the Palestinian territory." Specifically, they reference companies that "build illegal Israeli settlements," provide the Israeli military with security equipment and "take part in the illegal exploitation of Palestinian non-renewable natural resources."
- Al-Tufula was part of a 2014 [campaign](#) that called on the UN Human Rights Council to "condemn the deliberate, systematic and widespread targeting of Palestinian civil-

ians,” designed to “convince the UN Human Rights Council that Israel must be brought to justice for war crimes and targeting of civilians.”

7. Women Against Violence

- Women against Violence (WAV) received [\\$600,000](#) from MEPI in 2013.
- According to its website, [WAV](#) is “dedicated to the advancement of Palestinian women in Israel.” It seeks to “eliminate gender based violence”; advance “equal rights, and democracy among all citizens and all sexes”; and address discrimination faced by Palestinian women living in Israel.”
- Signed a 2009 letter to the [Norwegian Pension Fund](#) calling for the “Norwegian people to join us in our efforts and to stop investing in the Israeli occupation of Palestinian territory.” This letter accused a number of Israeli and international corporations of “provid[ing] specifically designed equipment for the surveillance and repression of Palestinian population through restrictions of movement and collective punishments.”

8. Arab World Democracy and Electoral Monitor (Al Marsad)

- The Arab World Democracy and Electoral Monitor (Al Marsad) received [\\$500,000](#) in 2015.
- The organization’s [mission statement](#) states that it is “dedicated to promote good governance and democratic reform in public institutions, civil society organizations and local councils, and encourage political participation, through the monitoring of democratic development, raising citizens’ awareness and elections monitoring.”
- Al-Marsad is a signatory of the “[Love in the Time of Apartheid](#)” campaign. Members [agree](#) to “rejecting and resisting the Israeli occupation and its violations in international law.”

9. Sidreh

- In 2013, the Israeli NGO Sidreh was awarded a [\\$100,000](#) grant from MEPI. The organization is involved in political campaigns in Israel, particularly in opposing government policy toward the Bedouin population.
- In 2014, in conjunction with other NGOs, Sidreh [denounced](#) Israel’s “Equal Opportunity in Employment” law, claiming that “the political, colonial motives behind this law are similar to the approaches adopted by the apartheid regime in South Africa, and by the French in its colonial rule in Algeria.”
- Additionally, in 2012, Sidreh produced an “Alternative Master Plan” for settling to Negev Bedouin, in cooperation with [Bimkom](#) and the Regional Council for Unrecognized Villages in the Negev (RCUV). Sidreh’s founder Khadra Sanah distorted Israeli policy, comparing the Bedouins to “[American Indians](#).”

United States Agency for International Development (USAID)

USAID, the United States’ largest provider of foreign assistance, contributes grants to political advocacy NGOs in Israel through its [Office of Conflict Management and Mitigation](#) (CMM), which “supports several initiatives to foster peace at the grassroots level through programs that develop mutual understanding and build ties between Israeli and Palestinian youth leaders, religious scholars, environmental scientists, educators and community activists.”

USAID remains the most transparent, comprehensible U.S. government funding mechanism, as seen on its [website fact sheet](#), which is regularly updated.

According to NGO Monitor research, the overwhelming majority of USAID grantees appear to be

non-political. However, USAID funds the Parents Circle Family Forum, seen as controversial in Israel due to its political agenda.* Additionally, one of USAID's grantees- Association for Community Development Acre- does not maintain an accessible website, making it difficult to independently evaluate their programming, activities and statements.

1. Palestinian Center for Democracy and Conflict Resolution (PCDCR)

- Awarded [\\$600,000](#) for 2015-2017. PCDCR's [stated mission](#) is to "invest in the democratic experience of Palestinians by supporting the development of an accountable governance system...and investing in an effective and accountable administrative, management and governance structure."
- PCDCR signed a 2014 statement calling for "a '[legal intifada](#),' an intensified popular struggle and more boycotts, divestments and sanctions." It also refers to Israel's security barrier as the "final brick in Israel's apartheid project."
- PCDCR [supported](#) the discredited [2009 Goldstone Report](#), refers to Palestinians as "[victims of the Gaza holocaust](#) [sic]," accuses Israel of "[state terrorism](#)," and participates in [discriminatory campaigns](#), such as "Love in the Time of Apartheid Campaign: The Palestinian Campaign for Repealing Israel's Racist Law Denying Family Reunification."
- General Director [Saeed el-Maqadmah](#) published "Impact of Israeli Practices on Development of Children's Aggressive Behavior," citing claims such as "Israeli policies aim to create such imbalance especially for the children that are heirs to the Palestinian issue."
 - The publication was followed by a campaign for "[Universal Children Day](#)," showing the international community the "suffering of the Palestinian children caused by the Israeli occupation and years of blockade."

2. Women Media and Development – TAM

- TAM received [\\$600,000](#) from USAID for 2015-2018.
- According to the [website](#), "Through the implementation of TAM programs by qualified staff trained in human rights and gender based issues, and in partnership with local communities, women can access and utilize various media platforms to protect their rights."
- [Signed](#) the 2016 "Palestinian Women's Call for Worldwide Women's Endorsement of BDS." This petition accuses Israel of "ethnic cleansing" and alleges that Israeli officials have called for "killing us en masse or rap[e]" (sic) of Palestinians.

3. Friends United Meeting (FUM)

- [\\$900,000](#) for 2014-2018, [\\$700,000](#) for 2015-2019, [\\$900,000](#) for 2012-2016
- According to USAID's [Office of American Schools and Hospitals Abroad](#), "The Ramallah Friends School, located in the West Bank, was [established](#) in 1869 by American Quakers to provide educational opportunities for students based on the values of equality, tolerance, open mindedness, and creativity."
- According to the 2013-2014 USAID [ASHA annual report](#), in 2014, "\$900,000 in USAID/ASHA funds was awarded to Friends United Meeting to furnish and equip the Ramallah Friends School's new middle school building." In 2015, a [\\$700,000 grant](#) was awarded to FUM for "the installation of photovoltaic cells over Middle School building" and other building renovations.
- FUM serves on the steering committee for [Christian Peacemaker Teams](#) (CPT), an or-

* U.S. funding for political NGOs, including through USAID, is covered in a separate NGO Monitor document.

ganzation that calls for BDS. CPT encourages “individuals, companies and states to engage in divestment and in an economic and commercial boycott of everything produced by the Israeli occupation.”

- FUM participated in a yearly meeting for the “Meetings that Support Economic Action, BDS,” organized by the [Quaker Actions for Peace](#).
- In a June 2015 interview with the Jerusalem Fund, [Joyce Ajlouny](#), Friends School in Ramallah director and FUM Representative, [explained](#) that “As a Quaker school, it is our role to guide students to a nonviolent path. The BDS movement is very big on our campus, too. Our students are always challenging us as an administration to see if we are keeping up with BDS.” In an interview published in 2015, Joyce Ajlouny also accused Israel of “[ethnic cleansing](#).”

4. Parents Circle Family Forum

The Parents Circle - Families Forum (PCFF) was awarded a [\\$990,308](#) grant for September 2014-March 2017, sub-award to Generation for Peace. While PCFF [advocates](#) for “reconciliation,” “dialogue,” and “knowledge of the other,” it has been criticized for its inability to attract Palestinian participants willing to engage with Israelis. Similarly, its activities are seen as controversial in Israel, particularly by victims of terrorism, due to its [one-sided portrayal](#) of the Israeli-Palestinian conflict that places sole blame on Israel and promotes a narrative of Palestinian victimization. One bereaved Israeli father has [argued](#) that “We believe Parents Circle leverages our collective bereavement to secure funding for advancing a very specific and particular political line,” and “members of Parents Circle are united in [endorsing Palestinian victimhood](#) and telling Israelis that the conflict is our fault.”

5. Association for Community Development Acre

Association for Community Development Acre was awarded a 2014-2016 of \$87,190 for the “Women as Change Agents in Community Mediation” project and does not maintain a website or Facebook page. There is no information on the [Israeli Registrar of Non-Profit’s](#) page or on [Guidestar](#) regarding its activities, officers, and budget. Similarly, aside from a one sentence description on USAID’s CMM page, there is no information available regarding the project for which its grant was given.

National Endowment for Democracy

According to its website, [National Endowment for Democracy](#) (NED) provides more than 1,200 grants to support NGOs that are “dedicated to the cultural values, institutions, and organizations of democratic pluralism.” NED is [funded](#) “largely by the U.S. Congress” and is “subject to multiple layers of oversight by Congress, the Department of State, and independent financial audit.” Similarly, the [organization states](#) that “NED’s continued funding is dependent on the continued support of the White House and Congress.”

However, a June 2015 audit by the [Office of Inspector General](#) (OIG) highlighted significant deficiencies in this oversight process:

During a recent Office of Inspector General (OIG) audit of NED financial transactions, we discovered that the [State] Department had not conducted audits of NED financial transactions, as required. Further, the terms and conditions of the annual grant to NED did not include the language related to the audit requirement. OIG also found that the Department did not comply with other requirements for monitoring NED to include reconciling submitted financial reports with the grant award and sufficiently maintaining grant files. Although OIG’s testing of NED financial transactions during our recent audit did not reveal significant deviations from Federal laws and regulations, the Department has awarded more than \$963 million to NED without conducting required audits of

NED financial transactions.

The findings of the OIG cast doubt over the effectiveness of State Department oversight of federal funding to foreign NGOs.

NED grantees that promote an anti-Israel agenda

1. The Human Rights and Democracy Media Center-“SHAMS”

Awarded [\\$30,700](#) in 2015, the organization’s declared [mission](#) is to provide “capacity building to organizations and individuals (especially women and youth (in the fields of human rights and democratic participation”. This NGO has called for BDS against Israel and also uses highly charged language to demonize Israel:

- Signed a [2014 statement](#) that refuses to name Israel - referring to it only as the “Zionist entity”- while equating Zionism with racism. The document “calls for the development of the international campaign to impose sanctions and boycott of Israel as an apartheid state.”
- Signed a 2010 statement calling for “[sanctions against the racist occupation State.](#)” The document added “All the crimes committed by the Israel [sic], which we have seen in these days against can only represents the beginning of the end of the [sic] Israel's apartheid state.”
- The center accuses Israel of “[ethnic cleansing,](#)” “[targeting innocent people](#)” and refers to it is as “the [state of terrorism](#)” and as an “enemy” of women.

2. Palestinian Vision (sub-grantee of National Democratic Institute [NDI])

NED provided NDI with \$340,000 in 2015, to “provide technical assistance to the Palestinian Vision and the Omniah Youth Center to design and implement advocacy campaigns on connecting citizens with their elected representatives in Bethlehem, Jenin, and Qabatiya.”

Palestinian Vision supports BDS and promotes a 1948 agenda that delegitimizes Israel:

- In 2014, [Palestinian Vision](#) organized an event that [discussed](#) “the boycott of the [sic] Israeli products” and “the role youth have to play in the boycott.”
- Palestinian Vision lists their media spokesman as Ramzi Feroun, and refers to his coordination of [BDS efforts](#).
- In its publications it refers to Israel as “[1948 lands](#)” or “[Palestine 1948](#)” and to cities in Israel as “[1948 occupied cities.](#)”
- Similarly, it accuses Israel of “[Judaization.](#)”

3. The Arab World Democracy and Electoral Monitor (Al Marsad)

The Arab World Democracy and Electoral Monitor (Al Marsad) received \$39,900 in 2015 from NED. Al Marsad’s activities are described in the section on MEPI-funded organizations.

4. The General Union of Cultural Centers-Gaza (GUCC)

“The GUCC [works](#) as a civil organization to increase public awareness through culture and education,” and was awarded \$38,000 in 2015. The organization calls for anti-Israel boycotts and uses demonizing language, comparing Israelis to Nazis:

- The GUCC signed a [petition](#) calling for “Women and Men of Conscience reject diamonds from Israel.”
- The petition additionally warns the public that they should “be wary of claims by jew-

ellers (sic) that ‘ethically sourced’ or ‘responsibly sourced’ diamonds are conflict-free, as the diamonds may still be blood diamonds if they were cut and polished in Israel where diamond-revenue funds a regime guilty of war crimes. Consumers should demand to know where a diamond was cut and polished as well as where it was sourced.”

- A GUCC sponsored exhibition included works commemorating “the occasion of first [sic] anniversary of the war [sic] the [Nazi Israeli occupation of the Gaza Strip](#)” (emphasis added). The director of the GUCC, Yousri Darwish, “emphasized the importance of holding this exhibition, which carries a message to all the national factions of the Palestinian people to return to a unified national grade and an end to the state of division in light of the continued Zionist aggression against our people.”

5. Palestinian Center for Democracy and Conflict Resolution (PCDCR)

- Awarded [\\$48,000](#) in 2015 by NED. PCDCR’s activities are described in the section on USAID-funded organizations.

6. Al Maqdese for Society Development

- Al Maqdese was awarded [\\$35,000](#) in 2015 to “raise legal awareness of workers’ rights.” Al Maqdese’s highly politicized [mission](#) is “To maintain the existence of the Palestinian population in Jerusalem by: raising awareness and ensuring protection of their rights; monitoring, documenting, and publicizing the Israeli violations against their rights; and providing advocacy and lobbying tools to protect their rights.”
- Signed a [2010 statement](#) calling for “sanctions against the racist occupation State.” The document added: “All the crimes committed by the Israel [sic], which we have seen in these days against can only represents the beginning of the end of the [sic] Israel’s apartheid state.”
- [Accuses Israel](#) of “racist,” “ruthless, unforgiving and above all illegal policies” in Jerusalem and “crimes so heinous they make a mockery of international law and Israeli legitimacy.” Refers to an “apartheid wall” and claims Israel is running “a system of abuse and racism masquerading as security.”
- Focuses on Israel’s “intent” to control the Palestinians:
 - [Issam Jwehan](#), project coordinator at Al-Maqaqdes, stated on [PA TV News](#) that Israel uses drugs as “a weapon” to “Judaize Jerusalem.”
 - Al Maqdese published a report claiming the Israeli authority has imposed laws meant to take control over Arab educational curriculums to further their policy of “[Judaizing](#).”

7. Al-Dameer Association for Human Rights

- Awarded [\\$36,000](#) in 2015. Al-Dameer “aims to ensure the development of the principles of internationally recognized human right standards and values in the Gaza Strip.”
- In February 2016, the group joined other Palestinian NGOs in signing a [pro-BDS statement](#) that “affirms the right of all individuals to participate in and advocate for boycott, divestment, and sanction actions, and calls on states and businesses to uphold their related legal responsibilities” and hails BDS as “an important nonviolent counter-narrative and alternative for achieving the enjoyment and exercise of freedom, dignity, and justice.”
- In 2014, Al-Dameer signed a [petition](#) calling on the Gates Foundation to divest from the G4S security firm, over its operations in Israel. It supported a similar [BDS declaration](#) in 2012.
- In 2011, General Director Khalil Abu Shammala signed a petition calling for the

Dutch government to [divest from Veolia](#) and to block it from being awarded tenders for public projects. The call came as a result of Veolia's involvement in constructing Jerusalem's light-rail. In 2013, a French court ruled that this construction was legal under international law.

- [Al-Dameer](#) refers to terrorists as "martyrs" and speaks of the Palestinian "right to resist" through measures of terrorism. The organization claims that Israel commits "war crimes," "massacres," and asserts that there is "an assault of ethnic disinfections against Palestinian civilians." They have [accused](#) Israel of "systematic policies against the civilian population" and "human rights violations perpetrated by Israeli occupation forces... as a form of collective punishment."
- Promulgates [inflammatory claims](#) in articles such as "Health and Environmental Problems in the Gaza Strip that Lead to an Increase in the Number of Babies Born with Birth Defects, Abortion, and Cancer Diseases Due to the IOF Use to Radioactive and Toxic Materials during its Latest Offensive on the Strip."
- Lobbied for the discredited [2009 Goldstone report](#) and signatory to multiple international initiatives in favor of its skewed recommendations.

Not all of NED's grantees maintain functioning websites, making independent analysis of their activities and verification of their claims difficult.

8. Civitas Institute

- The Civitas Institute was awarded \$41,000 in 2015.
- As stated on its [Facebook page](#), "Civitas is a non-governmental, non-profit, non-partisan and independent organization based in Gaza and was established in Dec., 2001 as an initiative of democrats, young community leaders, journalists, activists, human rights and civil society advocates."
- Civitas is non-transparent. It does not have a functional website, and its [Facebook page](#) is outdated and provides no further information about Civitas or its partners.

United States Institute of Peace (USIP)

In 1984, Congress officially passed the [United States Institute of Peace Act](#), an initiative of President Reagan, establishing the United States Institute of Peace (USIP). USIP is an independent, nonpartisan institution, designed to aid in non-violent international conflict management. USIP's [goal](#) is to create a "world without violent conflict." According to the legislation, USIP is subject to an annual audit by both the House of Representatives and the Senate.

With regards to Israel, USIP "seeks to comprehensively address the complexities of its conflict with the Palestinians and the broader Arab world through policy relevant analysis, public outreach and innovative programming with partners in the region, all aimed at building support for a peaceful resolution to the conflict." The USIP is governed by leading figures in diplomacy, defense and academia and its [board of directors](#) includes the Secretaries of State and Defense.

USIP's website does not provide complete information regarding its grants, omitting their length and monetary value. In correspondence USIP assured NGO Monitor that their grant search tool is being updated along with the rest of the site and that this information will be accessible once this update is complete.*

Overall, USIP's beneficiaries appear to be focused on peaceful cooperation and coexistence. As such, it is the one U.S. funding mechanism that is not known to be currently funding anti-Israel

* See Appendix 3 for the full correspondence between NGO Monitor and USIP.

NGOs.

However, USIP provided PCFF a \$120,000 grant for the project “Two Sided Story - Public Education Program” for January 2014 - December 2015.¹ Additionally, one USIP beneficiary -the NGO Ta’awon for Conflict Resolution - does not maintain an updated website.

“Double Dipping”

The multiplicity of funding frameworks leads to the same organization receiving funding from multiple government sources. There are currently at least three organizations that are receiving simultaneous funding from USAID and USIP:

- Search for Common Ground received \$899,909 from USAID for 2015-2017 and \$90,762 from USIP for 2015-2016.
- Kids4Peace received \$100,000 from USAID for 2015-2017 and \$77,500 from USIP for 2015-2016.
- Middle East Education through Technology (MEET) received \$850,454 from USAID for 2015-2017 and \$62,659 from USIP for 2015.
- PCFF received \$120,000 from USIP from January 2014-December 2015 and \$990,308 grant from USAID from September 2014- March 2017.
- PCDCR received \$48,000 from NED in 2015 and \$600,000 from USAID for 2015-2017
- Al Marsad received \$500,000 from MEPI in 2015 and \$33,900 from NED in 2015.

¹ PCFF’s activities are addressed in the USAID section

APPENDIX 1: CORRESPONDENCE WITH MIDDLE EAST PARTNERSHIP INITIATIVE (MEPI)

NGO Monitor Inquiries

January 26, 2016

To whom it may concern.

NGO Monitor (www.ngo-monitor.org) is preparing an update of our research (here) on U.S. government funding for NGOs active in the Arab-Israeli conflict.

In order to prepare our forthcoming report, we have the following questions for you:

1. The Embassy website lists "Recent MEPI Projects in Israel," but does not provide information on amounts or project duration. For each of the grants,

- (a) What are the amounts provided to each NGO recipient?
- (b) What is the duration of each grant?
- (c) Is this information publicly available? If so, how can it be retrieved?

2. In addition to those grants listed

- (a) Which Israeli and Palestinian NGOs are currently receiving MEPI funding?
- (b) What are the amounts provided to each NGO recipient?
- (c) For which projects were the funds earmarked?
- (d) Is this information publicly available? If so, how can it be retrieved?

Please provide your response and any other comments by February 10, 2016.

We appreciate your help and look forward to continued dialogue with you on these important issues. We would also welcome the opportunity to meet with you to discuss these topics in person.

Sincerely,

Yona Schiffmiller

NGO Monitor, North America Desk

February 10, 2016

To whom it may concern,

As part of our ongoing research into MEPI funding for Israeli and Palestinian NGOs, we have a question regarding one of the grantees.

The Embassy website lists "Recent MEPI Projects in Israel," including a grant to "Al Tufla – Center Integration of Women into the Labor Force." It appears that the name on the site is misspelled and the grant information refers to "Al-Tufula." Can you confirm that this is the case?

Sincerely,

Yona Schiffmiller

April 19, 2016

To whom it may concern,

NGO Monitor is an independent research institute whose aim is to generate and distribute critical analysis and reports on the output of the international NGO community for the benefit of government policy makers, journalists, philanthropic organizations and the general public, with a focus on the Israeli-Palestinian conflict.

As part of NGO Monitor's research into foreign funding for Israeli and Palestinian non-governmental organizations (NGOs), we have compiled a report on U.S. government financial support for such groups. This document focuses on grants issued by United States Institute of Peace (USIP), National Endowment for Democracy (NED), USAID and Middle East Peace Initiative (MEPI).

In particular, our research shows U.S. funding to NGOs active in anti-Israel and BDS (boycott, divestment, and sanctions) campaigns.

Attached to this letter is our preliminary report, not for publication. We look forward to discussing our findings with you and we ask that you submit any comments by May 8.

Sincerely,

Professor Gerald Steinberg

President, NGO Monitor

MEPI RESPONSES

February 28, 2016

Dear Yona,

Kindly note that information on MEPI programming is available at the following two websites: <http://mepi.state.gov> and www.usaspending.gov.

Best,

MEPI Jerusalem

February 18, 2016

Dear Mr. Schiffmiller,

Thank you for your interest in the MEPI Program in Israel.

Please be advised that Information on MEPI programming is available at the following two websites: <http://mepi.state.gov> and www.usaspending.gov

All the best,

MEPI Office

US Embassy Tel Aviv

<http://israel.usembassy.gov/>

May 17, 2016

Dear Professor Steinberg,

Thank you for sharing with us the draft of your 2016 report *"Transparency and Due Diligence in U.S. Government Funding for Israeli and Palestinian NGOs."* We appreciate your feedback.

Ambassador Shapiro asked me to respond to your e-mail of March 27th. I know that David Harden, Mission Director of the USAID West Bank/Gaza office, has responded to you directly on your questions regarding USAID projects. Your concerns about NED and USIP grants would best be directed to those institutions. Let me address the Israel-specific Middle East Partnership Initiative (MEPI) projects to which you refer in your report.

I am proud of my government's support for non-governmental organizations in Israel carrying out projects that seek to advance common U.S. and Israeli interests and values. Sidreh's MEPI project, *"Bedouin Women and Youth at the Forefront of Socioeconomic Development,"* seeks to promote an environment conducive to business development, and thereby create the foundations for long-term economic growth and a more competitive private sector in Negev. Al-Tufula's MEPI project, *"Integration of Arab Women in the Labor Force,"* is working to increase the integration of Arab women in the labor force and changing the attitude of Arab and Jewish employers towards this population. I am attaching a fact sheet describing MEPI grant selection and monitoring procedures.

All U.S. Government grants, including these MEPI grants, are listed in USAspending.gov. Most of the information on MEPI grants and grant recipients that you seek can be found there.

As you know, the U.S. Government is a staunch defender of Israel. I invite you to follow Ambassador Shapiro on Facebook and Twitter, as well as the U.S. Embassy website at <http://israel.usembassy.gov/>, where our support for Israel is well documented. A recent example would be Ambassador Shapiro's March 28 remarks at the Yediot Aharonot/Ynet "Stop the Boycott" conference.

I hope these comments address your concerns. I thank you for your interest in MEPI and its projects in Israel.

Sincerely,

Thomas Genton

Counselor for Press and Cultural Affairs

Embassy of the United States of America

MEPI Criteria for Grant Selection and Oversight (attached to previous e-mail)

Thank you for your interest in the Middle East Partnership Initiative (MEPI) and its grant award procedures.

The Government of the United States of America is consistently striving to ensure full transparency with respect to the notification of funding opportunities, awarding, implementation, and evaluation of projects funded by the U.S. Department of State, including the Middle East Partnership Initiative (MEPI).

The most comprehensive public database of U.S. Government grants can be found at "USA Spending.gov," a U.S. Government website that aims to include all grants awarded by the U.S. Government, and which is constantly being updated to better serve the public. All MEPI-funded grant awards are listed on this website. Attached to this fact sheet are instructions on how to search the USA Spending.gov website for MEPI grants to recipients in individual countries.

In addition to the USA Spending.gov website, the MEPI website and individual U.S. Embassy websites and social media pages often highlight specific grant projects, for informational purposes. These sites are not intended to be as comprehensive as the USA Spending.gov website, but rather to give a snapshot of some MEPI projects.

MEPI funds are not "fungible." The Department of State's MEPI grants officers oversee and administer all MEPI grants to ensure that these grants are awarded and implemented in full accordance with U.S. laws and regulations, and are awarded on the basis of an organization's ability and capacity to carry out the statement of work and achieve the objectives of the project. Grant funds may not be used for other activities the organization may undertake outside of the scope of the grant. The Department regularly carries out internal assessments and external reviews to ensure that grant funds are used only for activities and expenses authorized under the grant.

The Department of State closely monitors each grant and the actions of our grantees during the period of the grant to ensure they support the statement of work and objectives. Actions of recipients that are undertaken outside of the scope or term of the grant award, and which do not impact on the recipient organization's ability to implement the grant, are not within in the purview of the U.S. government.

APPENDIX 2: CORRESPONDENCE WITH NATIONAL ENDOWMENT FOR DEMOCRACY (NED)

January 14, 2016

Dear Mr. Lowe,

NGO Monitor (www.ngo-monitor.org) is preparing an update of our research (here) on U.S. government funding for NGOs active in the Arab-Israeli conflict.

For this purpose, we have the following questions:

For 2015-2016,

- (a) Which Israeli and Palestinian NGOs are receiving NED funding?
- (b) What are the amounts provided to each NGO recipient?
- (c) For which projects are the funds earmarked?
- (d) Is this information publicly available? If so, how can it be retrieved?

Please provide your response and any other comments by January 27, 2016.

We appreciate your help and look forward to continued dialogue with you on these important issues.

Sincerely,

Yona Schiffmiller

NGO Monitor, North America Desk

January 15, 2016

Dear Ms. Schiffmiller,

Here are NED's 2015 grants in the region. We expect them to be posted on our web site sometime early next month. No grants for 2016 have yet been finalized or disbursed.

Regards,

David

Civitas Institute

Program Focus: Accountability

Grant Amount: \$41,000

Civic Engagement in Accountable Reconstruction in Gaza

To engage youth in civic action, oversight of public spending, and interaction with local representatives. Civitas will launch a broadly participatory campaign to reinforce citizens' roles in Gaza's reconstruction and form a civil society coalition to serve as a watchdog throughout the process. The program will also include three trainings for members of Civitas youth councils as they engage in oversight of their local councils.

National Democratic Institute for International Affairs

Program Focus: NGO Strengthening

Grant Amount: \$340,000

Civic Participation in Municipal Government Phase – III

To enhance the relationship between citizens and their elected officials, promote greater citizen input into the political process, and encourage greater accountability of local government. NDI will provide training and support to local Palestinian civil society organizations to strengthen their capacity to design and implement research-based advocacy campaigns that rely on advanced techniques such as monitoring a municipality's budget cycle and developing well-researched policy solutions.

Palestinian Center for Democracy and Conflict Resolution

Program Focus: Conflict Resolution

Grant Amount: \$48,000

Advancing Social Peace

To fortify the principle of reconciliation among various sectors of the Palestinian population within the West Bank and Gaza Strip. Palestinian Center for Democracy and Conflict Resolution (PCDCR) will lead roundtables and town hall meetings on post-war reconstruction in Gaza and reforming governance structures, while also raising youth awareness of alternatives to violence. PCDCR will also hold four debate training courses for university students before holding a national debate competition.

Al-Dameer Association for Human Rights

Program Focus: Human Rights

Grant Amount: \$36,000

Promoting Human Rights in Gaza

To promote a human rights culture in the Gaza Strip. The organization will lead six 30-hour

intensive courses on human rights standards and their application for 180 social and political activists from Gazan universities, pilot three one-day introductory workshops at youth clubs, expand membership of its youth group affiliate , and hold ten public meetings to solicit direct youth feedback on the association's work.

Human Rights and Democracy Media Center (Shams)

Program Focus: Democratic Ideas and Values

Grant Amount: \$30,700

Expanding Democracy and a Civic Culture

To promote democratic and human rights values and norms among sharia law students in the West Bank. The program will include 10 workshops on basic democratic ideals for university students; a four-day training course enabling 20 sharia students to further disseminate the training materials to interested audiences; and three focus groups on extremism and tolerance for sharia faculty representatives, civil society leaders, media figures, and decision makers.

Center for International Private Enterprise

Program Focus: Developing Market Economy

Grant Amount: \$184,612

West Bank/Gaza: Strengthening National Institutions of Democratic Governance through Private Sector Engagement

To assess the status of economic governance and to develop an economic governance reform agenda reflecting private sector priorities. The program will support the Palestine Governance Institute (PGI) to conduct assessments of Palestinian economic governance institutions, debate the results in workshops, develop a comprehensive Economic Governance Agenda for Palestine, convene a forum for stakeholders to discuss and debate the agenda, and conduct follow-on consultations.

Palestinian Institute for Supporting Students (ESNAD)

Program Focus: Civic Education

Grant Amount: \$29,200

Civic Education through Youth Self-development

To inspire and engage youth in public life through self-development and promote enlightened views on Islam, pluralism, and civil rights among Palestinian youth. The group will lead two five-day training courses on self-development and civic engagement in local communities for 30 youth. It will then mentor 15 trainees as they lead follow-on activities at youth centers in the northern and central West Bank. Finally, the program will hold a competition and support five community initiatives designed by the youth to meet needs within their local communities.

AFKAR Organization for Educational and Cultural Development

Program Focus: Civic Education

Grant Amount: \$35,000

Strengthening Youth's Critical Debates

To strengthen the ability of Palestinian youth to think critically about and engage in informed debate on political and social issues. The program will launch a university debate competition for students at Birzeit and an-Najah Universities, lead two two-day training workshops for 24 students and 2 university coordinators, organize four coaching sessions for the teams, and host four university debates.

Al Maqdese for Society Development

Program Focus: Freedom of Association

Grant Amount: \$35,000

Protecting Workers Rights

To raise legal awareness of workers' rights among workers. The organization will lead 14 legal rights awareness sessions for 350 Palestinian workers in East Jerusalem. Its legal aid clinic will also lead two three-day introductory training courses for 40 lawyers on defending workers legal rights, as well as a three-day advanced course for 20 previous trainees.

The Arab World Democracy and Electoral Monitor

Program Focus: Accountability

Grant Amount: \$39,900

Towards Representative Government

To strengthen government representation of and response to citizens' needs and priorities in the West Bank, with a particular focus on upcoming elections. The organization will lead a national committee to advocate for adherence to the election timeline, conduct two training-of-trainers workshops on advocating electoral reforms, mentor the trainees as they conduct 10 workshops throughout the West Bank, and publish three editions of a newsletter on electoral developments.

Filastiniyat

Program Focus: Freedom of Information

Grant Amount: \$51,000

Female Journalists Club

To strengthen the role of female journalists in Palestinian media and public life. The organization will support its core group, the Female Journalists Club, to influence policies and actions that positively affect press freedoms and freedom of speech. The program will train 10 young journalists on radio report production, mentor 24 Club members in producing written pieces, and lead three advocacy

meetings to advance the priorities of Club members.

The General Union of Cultural Centers-Gaza

Program Focus: Conflict Resolution

Grant Amount: \$38,000

Promoting Youth Civic Participation in the Gaza Strip

To promote and integrate societal reconciliation and tolerance, as part of ongoing Palestinian reform efforts. The organization will work with its established 39-member Leadership Youth Committee to sustain pressure for youth inclusion. The program will include a refresher training and mentoring for Committee members to conduct 37 half-day awareness workshops on the need for tolerance. Five district-level conferences will highlight youth demands for reconciliation and a one-day conference for 200 participants will draw attention to youth demands for greater tolerance.

February 9, 2016

Dear Ms. Jacobsen,

Are the grants referred to by Mr. Lowe in our previous correspondence single or multi-year grants? If they are multi-year awards, can you please provide the relevant years?

Thank you,

Mr. Yona Schiffmiller

NGO Monitor, North America Desk

February 9, 2016

Dear Ms. Schiffmiller,

Thanks for your email. They are all single-year grants.

Best,

Jane

NED response to NGO Monitor Report: 2016 Update

May 6, 2016

Dear Ms. Schiffmiller,

Thank you for sharing with us NGO Monitor's 2016 update of "Transparency and Due Diligence in U.S. Government Funding for Israeli and Palestinian NGOs" and for inviting our comments.

This update largely repeats criticisms found in NGO Monitor's prior year reports, all of which have been addressed by The National Endowment for Democracy (NED) in previous years. As in past reports, the 2016 update charges that some of the groups NED has supported -- specifically the Human Rights and Democracy Media Center, the Palestinian Vision (NDI subgrant), the Arab World Democracy and Electoral Monitor (Al Marsad), the General Union of Cultural Centers-Gaza (GUCC), and the Palestinian Center for Democracy and Conflict Resolution (PCDCR) -- have engaged in anti-Israel advocacy and contribute to other forms of demonization.

Once again, we have reviewed our guidelines that we shared with you previously and are able to confirm that the grants in question conform to them. To reiterate those guidelines: we do not automatically disqualify a group for funding as a result of policy views that appear on its website or are advocated by individuals associated with it, provided that such advocacy is not the principal aspect of the group's work. This, of course, would not apply to rhetoric that incites or violence or any form of anti-Semitism.

Among your 2016 recommendations, NGO Monitor urges that all grantees should be subject to extensive independent evaluation "before grant allocation, and during and after implementation." NED has previously shared with the leadership of NGO Monitor the rigorous review process conducted by NED prior to award of each grant, as well as the monitoring and evaluation systems we utilize, which we also described in detail in our 2013 response.

Finally, your 2016 update calls into question oversight of NED operations based on the findings of a June 2015 Management Assistance Report (which you incorrectly identify as an audit), which examined the oversight of NED by the Department of State. While this report was critical of the State Department for its failure to comply with requirements to perform annual audits of NED's grants from 2006-2014, it was in no way critical of NED's oversight of its grant program.

In fact, the State Department OIG did perform an audit of NED financial transactions for the 9-year period skipped by the State Department, which covered \$963 million. The OIG report from that audit "found that selected NED grant or project files or grant agreements with the core institutes contained sufficient evidence to demonstrate that NED used its funds in compliance with applicable laws and regulations." Out of a sample of 118 project and grant files, OIG tested compliance with key requirements from OMB Circulars A-110, A-122, and A-133, as well as Executive Order 13224, Trafficking in Persons guidance, and debarment and suspension regulations. "Based on testing, OIG did not identify any instances where NED did not comply with the key requirements of laws and regulations."

Furthermore, NED undergoes annual Single Audits performed by an external audit firm as required by 22 CFR 145 "Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations." These audits confirm NED's strong subgrant monitoring procedures.

The Office of Inspector General of the Department of State, NED's cognizant audit agency, has reviewed NED for each of the past 33 years and has not identified any lack in our grant making or monitoring procedures.

Sincerely,

Jane Riley Jacobsen

Senior Director, Public Affairs

National Endowment for Democracy

APPENDIX 3: CORRESPONDENCE WITH UNITED STATES INSTITUTE OF PEACE (USIP)

January 20, 2016

Dear Mr. Riskin,

NGO Monitor (www.ngo-monitor.org) is preparing an update of our research (here) on U.S. government funding for NGOs active in the Arab-Israeli conflict.

For this purpose, we have the following questions:

USIP's October 2015 fact sheet on "Israel, The Palestinian Territories, and the Arab-Israeli Conflict" lists USIP grants to Kids4Peace (K4P), Middle East Education Through Technology (MEET), Givat Haviva Center for Shared Society, Center for Common Ground, Ta'awon for Conflict Resolution and Abraham Fund Initiatives.

1. What were the amounts provided to each NGO recipient?
2. Are there other Israeli and Palestinian NGOs currently receiving USIP funding?
3. Is this information publicly available? If so, how can it be retrieved?

Please provide your response and any other comments by February 3, 2016.

We appreciate your help and look forward to continued dialogue with you on these important issues.

Sincerely,
Yona Schiffmiller
NGO Monitor, North America Desk

February 3, 2016

Dear Mr. Schiffmiller,

Thank you for your email inquiry.

Below is the information you requested regarding grants to Israeli and Palestinian NGOs:

--Kids4Peace (\$77,500)

--Middle East Education through Technology (MEET) (\$62,659)

--Givat Haviva (\$41,750)

--Search for Common Ground (\$90,762)

--Ta'awon for Conflict Resolution (\$109,746)

In your email, you mention the Abraham Fund Initiatives. In 2011, USIP awarded that organization a grant of \$120,000 for a project on Arab Society - Police Relations Initiative. The Abraham Fund

Initiatives is not currently receiving USIP funding and the project was completed over a year ago. There are no other new Palestinian or Israeli NGOs currently receiving grants from USIP at this time.

Information about all USIP grants worldwide is normally available on USIP's website. (See: <http://www.usip.org/category/topics/grants>) We are, however, in the midst of a lengthy transition to a new grants management system and on-line platform. Unfortunately, as a result, the search engine for the grants page ("Search Funded Grants") on the website is no longer functional. Once the new grants management system is in place later this year, we hope to again make available on the Institute's website a searchable database of current and past USIP grants.

I hope this information is helpful.

Sincerely,

Steve Riskin

February 4, 2016

Dear Mr. Riskin,

Thank you for your response.

Are these grants strictly for 2015 or are they multi-year awards? If the latter, can you please provide the the relevant years for each grant?

Thank you,

Yona Schiffmiller

NGO Monitor, North America Desk

February 5, 2016

Dear Mr. Schiffmiller,

Thanks for your note. In response to your question about the time frame for the listed grants, I've imbedded (in red) in my previous email the grant period for each of the projects.

Let me know if you have other questions.

Sincerely,

Steve Riskin

--Kids4Peace (\$77,500) 3/1/2015 - 1/31/2016

--Middle East Education through Technology (MEET) (\$62,659) 3/1/2015 - 11/30/2015

--Givat Haviva (\$41,750) 3/1/2015 - 2/28/2016

--Search for Common Ground (\$90,762) 8/1/2015 - 7/31/2016

--Ta'awon for Conflict Resolution (\$109,746) 8/1/2015 - 7/31/2016



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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.

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