



GLOBAL NONPROFIT INFORMATION NETWORK

5. COUNTERTERRORISM POLICIES DISCOURAGE CHARITIES FROM ATTACKING THE ROOT CAUSES OF TERRORISM

Charitable work both attacks the poverty and inequalities which move people to take part in acts of terrorism, and demonstrates to people in troubled regions the friendly and compassionate side of American society. But current counterterrorism policies encourage charities to avoid global hotspots and discourage work with Muslim charities.¹ They taint relationships with organizations and individuals whom the federal government or potential donors might view as suspect, and they severely restrict and stigmatize work in critical areas of the globe.

U.S private charity is arguably more important than our government's foreign aid. In 2005, official development assistance and other government aid amounted to \$27.6 billion, but 40 percent of that -- \$12.1 billion -- was devoted entirely to reconstruction in Iraq and Afghanistan. Private aid flows totaled \$26.4 billion -- 70 percent more than the sum of U.S. government spending outside the two war zones -- according to the US Agency for International Development.² As William P. Fuller and Barnett F. Baron of the Asia Foundation pointed out in a 2003 *Christian Science Monitor* article, "In Bangladesh...NGOs reach more than 85 percent of the country's villages...This may help explain why Bangladesh, despite its poverty and predominantly Muslim population, hasn't faced the extremism prevalent in some of its South Asian neighbors."³

U.S. charitable work raises America's standing in the eyes of the world. Polling done a year after the December 2004 tsunami that killed 250,000 people in eleven nations provides a dramatic illustration of the effects of charity. America's leadership in providing humanitarian aid to Indonesia -- the world's most populous Muslim nation -- helped drive a dramatic improvement in the way Indonesians viewed the U.S. In a year in which stories of Koran desecrations and Guantanamo Bay inflamed anti-U.S. Muslim sentiment around the world, favorable opinion toward the United States in Indonesia jumped 10 points, to 44 percent, while unfavorable views declined from 54 percent to 41 percent. At the same time, support for Osama Bin Laden declined significantly, from 23 percent to just 12 percent.⁴

Current counterterrorism policy undermines traditional due diligence, which often relies on long history and close relationships, and force charities to divert money and energy away from charitable work. Charitable organizations and the U.S. Government share the goal of ensuring that charitable dollars are used for their intended purposes, and charities have the resources to effectively investigate and judge grant recipients and the likelihood of funds being used properly. Close, established relationships between charities and international partners help ensure that funds flow into the intended pockets. However, charities are forced into the role of police and pushed to investigate people and business relationships beyond the scope of the charitable service or grant. This not only undermines traditional and effective methods of due diligence, it needlessly and inappropriately diverts time and resources from charitable work.

Working relationships between charities and international partners are weakened under these policies. Harsh punishments force charities into a quasi-investigative role asking them to view their international partners with suspicion and skepticism, regardless of prior relationships. Charities have widely adopted suggested practices, such as checking watch lists of suspected terrorists and requiring certification -- a process calling for signatures from partner employees and even vendors -- without consideration of the consequences to civil liberties and without assurance that these steps will offer protection from legal sanction. This sours relationships and undermines charities' work. Excessive and unrealistic due diligence requirements will ultimately destroy relationships of trust between charities

and international partners and the ability of U.S. charities to operate freely and effectively.

Needy regions can be shut out from charitable activities under current counterterrorism policy. In Sri Lanka, for example, vast swaths of territory are controlled by the Tamil Tigers, a designated terrorist organization. Though desperately in need of aid after years of civil war, the Tamil people are essentially off-limits to many U.S. aid organizations, as there is no practical way to reach them without working with the Tigers, who serve as government as well as army. Similarly, large parts of the Palestinian Territories, Burma and Nepal could be construed as too risky within the law.

Foreign governments can manipulate U.S. counterterrorism policy to defund domestic charities and activist organizations by pushing the U.S. to add them to terrorist watch lists. Human rights groups testify that authoritarian states can and do pressure the U.S. authorities to classify domestic groups who oppose their policies and government as terrorist organizations. As the threshold for such classifications can be very low and designations are not subject to review or appeal, oppressive regimes looking to end outside support for democratic activists and other legitimate dissidents will find it tempting to enlist the U.S. as ally in their own domestic crackdowns.

GNIN supports regulations and laws that help charities do their work effectively, and which help them be effective in avoiding support for terrorism. Forcing charities into inappropriate roles and undermining relationships built over many years do not make America safer. It makes organizations less likely to discover suspicious actions and stop funding; it makes international partners more hesitant to share concerns and observations; and it leaves the United States government dependent on the work of amateur detectives. In addition, the practical impact of vague guidance, fear of significant penalties and an intimidated donor base is to force charities away from working in certain areas. A greater emphasis on traditional due diligence and the ability to conduct business without unreasonable fear of sanctions would make philanthropic work outside the U.S. both more effective and more secure.

¹ “Charities” refers to direct service organizations, advocacy organizations, foundations, and organizations supporting social change.

² http://www.usaid.gov/our_work/global_partnerships/gda/resource_flows.html.

³ William P. Fuller and Barnett F. Baron, “How War on Terror Hits Charity,” CSM. July 29, 2003 edition.

⁴ <http://www.terrorfreetomorrow.org/articlenav.php?id=82>

The Global Nonprofit Information Network (GNIN) was launched in March 2007 to foster information sharing focused on counterterrorism measures affecting charitable organizations and global civil society. The GNIN initiative is co-hosted by Grantmakers Without Borders (www.gwob.net), OMB Watch (www.ombwatch.org) and Urgent Action Fund for Women’s Human Rights (www.urgentactionfund.org).



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(This is part five in GNIN’s seven part series on charities and counterterrorism policy.)