



COUNTER-TERRORISM POLICY AND DEVELOPMENT WORKSHOP

Tuesday 6 July 2010

Executive Summary:

The Bond Conflict Policy Group, Muslim Charities Forum and The Humanitarian Forum convened a workshop about the effects of counter-terrorism policy on development. Senior managers from international humanitarian and development NGOs (INGOs), working in policy, programmes and finance; participated in frank discussions about how Governmental and Inter-Governmental policies related to the ‘War on Terror’ (counter-terrorism measures, or CTMs) have impacted on international development.

Presentations and group discussions highlighted the importance of this subject to INGOs – Muslim and secular, large and small. The workshop:

- Examined how CTMs have affected humanitarian and development work.
- Identified the impact of this on the capacity of INGOs to deliver services effectively. CTMs have changed the way all INGOs work, both administratively and programmatically.
- Created a space for INGOs to share their experiences and discuss how they should move forward.

Participants reiterated the importance of the issues – and the urgency of the discussion, given its impact on humanitarian work.

“NGOs need to reclaim the space that they rightfully own, that the war on terror has taken from them.” Adam Leach, Trustee, The Humanitarian Forum

Some of the main issues discussed were:

- The impact of CTMs at headquarters and in the field. CTMs affect all INGOs and overseas work. INGOs need to work together to show evidence for the resulting “humanitarian deficit”.
- The importance of engaging at a high level on the “humanitarian deficit” with the UK Government, European Commission etc.
- The importance of cooperation between security, military and development organisations, and the need for further research into the connections between terrorism and poverty. Importance of

cooperation amongst INGOs, both within the UK and with overseas initiatives (e.g. Charity & Security Network in the US).

- The difficulties of compliance with vaguely-worded but far-reaching CTMs. They are blunt instruments and have hidden consequences, eg money being driven underground.
- The importance of INGOs acting responsibly in their relations with other actors, financial management, media relations etc.
- The requirement of lobbying from the Charity Commission, e.g. with banks and the US Government.

“[These are] vivid accounts given by organisations as to how their working practices are affected through the intervention of tough control measures [which] have such an impact on their outcomes and on the delivery of aid to the recipients” Abdul Hakeem Montague, Al Muntada Al Islami Trust

Setting the scene:

Jonathan Benthall from University College London mentioned that, until recently, Islamic INGOs had been almost a parallel aid system. An open letter by Dr Hany El Banna, a founder of Islamic Relief Worldwide (and now from Muslim Charities Forum and The Humanitarian Forum), alerted the international aid community to problems faced by Islamic INGOs after 9/11. Since then, the main US Muslim INGOs had been closed down and the work of many other INGOs has been affected because banks fear litigation in the USA and have become over-cautious in their dealings with INGOs. Initiatives like the Charity & Security Network (USA) and the Islamic Charities Project (Switzerland) should be applauded for trying to change the debate.

Jude Howell from London School of Economics opened the discussion by giving an overview of counter-terrorism and development, and the state of civil society, security and aid before and after the “War on Terror”. She looked at the effects of the war on terror on security institutions, the associations between development and security, and reactions of civil society actors. She highlighted the strong links between poverty and terrorism, the need for security, military and development organisations worldwide to work closer together, and for the Government and national leaders to take responsibility and a more active role in developing best practices towards connecting terrorism, poverty and delivery of aid to those most affected by the “War on Terror”.

James Shaw-Hamilton of The Humanitarian Forum spoke of the different ways in which CTMs affect organizations, whether the CTMs originated in the US, Financial Action Task Force (FATF), EU, UK or in partner countries.

Mike Parkinson of Oxfam talked about the impact of terrorism in field operations. He raised a number of queries that Oxfam has faced, including the vagueness of key phrases like “material support” and “indirect support”, impact on UK INGOs of CTMs as far away as Australia, the danger of becoming an intelligence-gathering organisation, perception in the field, and new skills that staff need to learn in the field. He asked

whether Terrorism Acts designed for shadowy groups are “fit for the purpose” to define how INGOs should engage with groups that control large areas of land. INGOs need to decide how to mitigate new risks.

Jihad Qundil from Interpal explained the difficulties his organisation has faced at a headquarters level post 9/11, and what they had to do to save their reputation as a legitimate aid agency. Since its registration in 1994, Interpal has faced regular allegations in the media, leading to litigation and PR activity. After 9/11, Interpal was designated in the USA; this led to new policies and procedures, negative media exposure, reduced access to banking services and a huge loss in terms of funding. However there were some positive outcomes from this: true understanding of the realities and problems in Palestine and a learning curve for all those involved. As a result Interpal had become a stronger organisation by implementing better systems and procedures. However, the influence of politics has the potential to destabilise the philosophy and humanitarian work that charities are doing.

Kay Guinane from Charity and Security Network made a presentation from a US perspective about the CTM regime, its harmful effects and designated US INGOs. Kay also updated participants on the political climate following Obama’s election. She discussed how CSN have responded to these issues through a reform agenda, including lobbying for an adequate humanitarian exemption, clear standards and proportional sanctions, fair procedures to respond to charges of supporting terrorism, and a possible Charity Commission-style body.

After Kay’s presentations, discussion included:

- The media reaction to the recent US Supreme Court case of Holder vs. Humanitarian Law Project (HLP), which shows that a good, healthy debate may have started about the relationship between CT and humanitarianism.
- In the US, INGOs that have been listed have effectively closed down because of the amount of time their assets have been frozen and because their funds have been used to defend litigation.
- There is some debate about whether US Treasury will create an office of charity protection, but there are concerns about expertise and how well it would support the sector.

In wide-ranging plenary discussion, comments included:

NGOs need to reclaim the space that they rightfully own that the war on terror has taken from them. They also need to learn from good practice, so that they are able to defend that space. This point, made by Adam Leach, was echoed by several speakers.

This change needs to take place in the US for there to be an effect globally. In relation to the Holden vs. HLP case, Hamid Azad pointed out that we need to return to natural law, of innocent until proven guilty.

Javed Akhtar mentioned an adverse consequence of CTMs that money is going underground through Hawala systems or other sources.

Sophie Hasperslagh said that one of the key challenges faced by peace building INGOs in their work to support peace and mediation processes is how to involve armed groups in negotiations without clashing with the global counter-terrorism agenda. Unfortunately, this work has become harder for organizations

working in the peace building field with US funding or American staff. Mediation support work now comes with a risk of 15 years in prison. Blunt instruments of blacklisting are not calibrated to accommodate political engagement. They have proven to be counterproductive for peacemaking. Peaceful forms of engagement tend to strengthen the pro-dialogue elements within a group, while their absence tends to strengthen hardliners by removing viable alternatives to violence.

Some participants recounted personal situations where they had been accused of wrongdoing - and where the simplest research would have shown that the allegations were false. It is clear that public sector employees need to be re-educated to think more creatively about the issues. The same can be said for the public as a whole.

Nabil Ramadhani pointed out the political nature of terrorism - the same acts led to designation of terrorist organisations in Pakistan but not in Africa.

Vickie Hawkins reminded the group that some western INGOs have been used as a front for western Governments' interests: all INGOs must act responsibly.

The Government should make it easier for INGOs to comply by giving them guidance.

Abdurahman Sharif said that INGOs need better systems in place to protect themselves against bad publicity.

Solutions:

After the general discussion, breakout groups looked at the solutions to the negative effects of CTMs, focusing on national and international governments, banks, individual NGOs, and the INGO sector.

The **global context** group concluded:

Together, we need to demonstrate greater evidence of the impact of counter-terrorism on NGO work. We also need to examine how INGOs can influence the UN and FATF, and the role of the banks. It is also essential that the Charity Commission has a greater role in promoting the third sector with banks and the wider public.

The CSN Reform Agenda was viewed very positively by the group and it was suggested that this policy should be brought to the UK and Europe but adapted according to UK and EU framework. Organisations like BOND should take the lead in implementing a UK and EU Reform Agenda, promote humanitarian and peace building exemptions, and develop clear processes and standards for NGO due diligence and for when NGO's are accused of improper practices.

The group looking at **NGOs in the field** recommended:

Steps should be taken to enhance the perception of the third sector by presenting the problems and solutions. It is necessary to deliver clear specific key messages using real examples and case studies as well as look at ways of catching the attention of the beneficiaries. Muslim charities need to come forward and revolutionise Islamic terminologies and ideologies to ensure improved public perception and explore ways development agencies can work together sensibly. Possible processes in achieving these goals are vetting and examination of partners, becoming a registered organisation and raising the levels of awareness and trust.

INGOs should also develop more proactive communication strategies and media advocacy - and the media should also be held accountable.

It is important to have better access to field examples inside and outside of the UK – e.g. collect 20 examples for case studies from participating INGOs using credible researchers. The case studies could be on financial transaction or data collection from public perception for example, facts, TV and filming. However the group concluded that there may not be enough evidence base and narrative to change national and international perception.

The group looking at **headquarters-level aspects** reported:

INGOs face a number of issues, for instance fund transfer delays due to compliance. Issues include intermediary banks, differences in banks' no-transfer zones and the level of trust between charities, the wider public, regulators and media. Not enough communication about the work accomplishments and actual figures to donors. Another issue is the degree of compliance with OFAC and EU lists of prohibited people and groups and the compliance costs which can deter donors, individuals and organisations.

In response to this it was recommended that more cohesive advice and dialogue is required where UK charities can receive guidance and appeals. Charities need be more proactive and build stronger relations with their bankers, commit to audits and a 'code of best practice', e.g. based on Practical Quality Assurance System for Small Organisations (PQASSO). INGOs should also develop increased transparency by communication of audits, figures, compliance and governance. INGOs could cooperate through: a central database of partners; jointly running software to check donors and partners against the compliance lists – and in trying to put the onus back on the state to bear the work and cost of this compliance. INGOs could ask umbrella bodies (e.g. MCF) to negotiate with 3rd parties for compliance software etc.

The group believed the following should be targeted: the Charity Commission, Treasury, banks, public, donors, regulators and media, all charities or collectives. Umbrella organisations such as Muslim Charities Forum, BOND and Humanitarian Forum should collate information and lobby together.

Conclusions

Measuring the impact of CTMs on the work of INGOs was described by Jonathan Benthall as measuring the "humanitarian deficit". It was agreed that the group needed to identify case studies showing the cost of CTMs. There was some discussion about how best to create this evidence base i.e. through questionnaires/consultants and how best to use it. It was found that the main problem is lack of resources for this project.

CAFOD suggested in order to counteract the bad image of Islamic INGOs, all INGOs should develop shared messages about the values of their work and the impact of CTMs to offset the pervasive negative approach of the media.

INGOs committed to take part in public consultations, for example the UK Government Defence and Security Review and European Commission Voluntary Guidelines. They would also persuade the Charity Commission to support the sector more regarding banks and the US Government, especially in the case of Interpal who have been cleared for the third time.

Moving forward several participants suggested that follow-up meetings would be beneficial.