

measures, with the justification that greater scrutiny and control of these funds will improve national security outcomes.

International conventions can also have significant effects on country-level policy. Since 9/11, states have argued that terrorist organizations provide funds to civil society or non-governmental organizations (NGOs), whether or not CSOs receive such funds deliberately.⁶⁶ Legislation enacted by individual Western governments to prevent terrorism financing has also inhibited NGO operations and funding. In particular, those who work in conflict zones fear being prosecuted. The mandate of the Financial Action Task Force (FATF) was expanded in 2001 to target terrorist financing. The mandate required states to specifically review laws and regulations related to the nonprofit sector, stating the sector is "particularly vulnerable" to terrorism financing abuse.⁶⁷ This language was amended in 2016, but the damage to the sector's reputation remains. The Transparency and Accountability Initiative's report [Distract, Divide, Detach](#) further explores how international agreements created to fight terrorism and transnational crime can be used to curtail CSO activity.

Strategies

- **Anticipate FATF review periods (Funder/Grantee):** More than 180 countries are now committed to implementing FATF recommendations through law and policy. Every six to seven years, members states and organizations operating in those countries are subject to FATF secretariat assessment and peer review to assess compliance. However, FATF is largely insulated from transparency and accountability standards, as there is no intergovernmental body that regulates its activities.⁶⁸ Furthermore, it has the power to categorize countries as noncompliant, and its actions are not highly visible to the wider public. If grantees do not prepare adequately for a FATF review and perform poorly as a result, their legitimacy is more vulnerable in the eyes of government stakeholders. The review itself—even if the results are benign—can jeopardize the work of grantees whose sources of foreign funding may not be palatable to the government.⁶⁹
- **Advocate a risk-based approach, with laws proportionate to the risk (Funder/Grantee):** The risk of terrorism is not comparable across national and political contexts. [Research](#) conducted by the Overseas Development Institute⁷⁰ explores the issue of anti-terror legislation and its impact on

humanitarian aid. It concluded that overextending rules designed for severe terrorist threats are often used to exploit relatively innocuous situations to constrain the activity of civil society organizations (CSOs).

- **Push for rules on NGO participation, which are needed for transparency and accountability (Funder):** The Civil Society Platform on FATF is a formalized effort to work with FATF to avoid the abuse of civil society on the grounds of countering terrorism. The platform outlines the following best practices for funders confronted with restrictive FATF policies:
 - Be aware of the dates for grantee countries' FATF reviews. The government could be compelled to enforce compliance and limit funding opportunities for CSOs.
 - Advocate rules on NGO participation to promote transparency and accountability in the FATF enforcement process. A "risk-based approach" is a useful frame for pushback. If the laws are truly proportional to the risk, they are less likely to impact the broad spectrum of CSOs.
 - Promote the narrative that a strong civil society is a bulwark against terrorism, not an enemy of governments.

Actor	Responses	Examples/Explanations	Key Resources (Reports or Organizations)
Funder/Grantee	Anticipate FATF review periods	Transnational NPO Working Group on FATF created an improved FATF guidance to governments and the group drafted an agreement to enter into annual FATF consultation with NGO sector.	<p data-bbox="1128 472 1307 651">Global NPO Coalition on FATF, Civil society concerns</p> <p data-bbox="1128 756 1356 976">Contact Sangeeta Goswami: sangeeta@hscollective.org, 31 70 7631410</p> <p data-bbox="1128 1081 1372 1375">Transnational NPO Working Group on FATF, Recommendations: Financial Action Task Force Typology Review</p>

<p>Funder/Grantee</p>	<p>Advocate for a risk-based approach, with laws proportionate to the risk</p>	<p>Research conducted by ODI and the Norwegian Refugee Council explores the issue of anti-terror legislation and its impact on humanitarian aid</p>	<p>Norwegian Refugee Council: “Five Things You Need to Know About Africa’s Mega-crisis”</p> <p>ODI report: Counterterrorism Laws and Regulations: What Aid Agencies Need to Know</p> <p>ODI report: UK Humanitarian Aid in the Age of Counterterrorism: Perceptions and Reality</p>
<p>Funder</p>	<p>Push for rules on NGO participation, which are needed for transparency and accountability</p>	<p>The Civil Society Platform on FATF outlines the best practices for funders confronted with restricted FATF policies</p>	<p>Global NPO Coalition on FATF, Civil society concerns</p> <p>Contact Sangeeta Goswami: sangeeta@hscolective.org, 31 70 7631410</p>

Funder	Promote narrative of strong civil society as bulwark against terror
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