



General Assembly

Distr.: General
4 September 2019

English only

Human Rights Council

Forty-second session

9–27 September 2019

Agenda item 10

Technical assistance and capacity-building

Written statement* submitted by Institute for NGO Research, a non-governmental organization in special consultative status

The Secretary-General has received the following written statement which is circulated in accordance with Economic and Social Council resolution 1996/31.


[27 August 2019]

* Issued as received, in the language(s) of submission only.

GE.19-15176(E)



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Opaque UN funding practices fueling corrupt NGOs

Introduction

In June 2018, the Office of the United Nations High Commissioner for Human Rights (OHCHR), in coordination with the United Nations Office on Drugs and Crime (UNODC), organized an expert workshop with the objective of “exchanging best practices on how the United Nations systems supports States in preventing and fighting against corruption, with a focus on human rights.”

The issue of corruption in the world of human rights is an especially pertinent concern that is reflected in the agendas of many governments and international bodies. The workshop recognized this concern by noting that corruption and human rights “are closely correlated.” Yet, while the workshop rightly paid significant attention to anti-corruption measures in member states and their importance, it did not adequately address corruption in international bodies such as the UN itself. In fact, the summary of the event noted that “corruption was not an issue included as such in the international human rights instruments, which mostly predated international anti-corruption efforts.”¹

Corruption in Civil Society and UN funding

While civil society and non-governmental organizations (NGOs) can be useful in fighting corruption, the sector itself is far from immune. This is especially true when considering the environment in which many human rights NGOs operate—including the presence of weak, ineffective governance and/or activities in conflict zones. As has been demonstrated, NGOs operating in such spaces are highly vulnerable to issues of corruption. Organizations face serious challenges in achieving their humanitarian goals in areas where conflict involving terrorist organizations occur. Human rights groups operating in these areas further risk infiltration by terrorist groups seeking to exploit their resources, and the potential for such violent organizations to establish new NGOs in order to gain political legitimacy and access to public resources.

The European Union has recognized this problem, at least in theory, stating, “NGOs are considered ‘subjects at risk’ in the ML [money laundering] framework, either as fronts for terrorist organizations that raise and transfer funds, or as legitimate enterprises that indirectly support the aims of terrorist organizations.”²

Furthermore, the EU commissioned two special reports on the issue, one by the European Court of Auditors (ECA) and the other by European Parliament’s (EP) Committee on Budgetary Control (CONT). Both reports placed heavy emphasis on the importance of transparency and accountability in funding to civil society and NGOs as well as monitoring and control mechanisms, especially as they related to the activities of beneficiary organizations. While taking note of severe deficiencies in EU funding practices, the reports also gave special emphasis to EU funding provided through UN structures, noting, “UN bodies’ procedures for selecting NGOs lacked transparency” and “the UN bodies directly awarded sub-grants to NGOs without adhering to their own internal procedures.”³

¹ Summary of the Expert Workshop on Good Practices of United Nations-System Support to States in Preventing and Fighting against Corruption, with a Focus on Human Rights. United Nations, 23 Apr. 2019, documents-dds-ny.un.org/doc/UNDOC/GEN/G19/111/99/PDF/G1911199.pdf?OpenElement.

² European Parliament, “NGOs and money laundering Adapting EU rules to engage NGOs better,” March 2015: [http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/551323/EPRS_BRI\(2015\)551323_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/551323/EPRS_BRI(2015)551323_EN.pdf)

³ “Transparency of EU Funds Implemented by NGOs: More Effort Needed.” European Court of Auditors, 18 Dec. 2018, www.eca.europa.eu/Lists/ECADocuments/SR18_35/SR_NGO_FUNDING_EN.pdf.

Against this backdrop, the UN has provided millions of dollars through internal mechanisms and frameworks to a variety of projects in the West Bank and Gaza. However, due to the lack of transparency and accountability, basic information regarding local implementing partners is difficult to obtain.

Instances of obfuscation regarding funding and beneficiary organizations notwithstanding, NGO Monitor research has identified several examples of UN funding to Palestinian NGOs with ties to the Popular Front for the Liberation of Palestine (PFLP), a terrorist organization designated as such by the EU,⁴ Canada,⁵ the US,⁶ and Israel.⁷

In another example, significant funding to the Norwegian Refugee Council (NRC) is facilitated through the UN by both member states and UN agencies for a variety of projects in the West Bank, East Jerusalem, and Gaza.⁸ However, information regarding implementing partners and the ultimate beneficiaries of these funds are often unavailable. And the European Union and other NRC funders have systematically rejected freedom of information requests, in violation of democratic principles.

Conclusion and recommendations

While the UN is ostensibly tasked with both preventing and fighting corruption, its structures are used to channel funds to human rights NGOs that are linked to terrorist groups. Though it is incumbent upon member states to ensure proper oversight, the UN itself should be subject to the same requirements in order to better promote and protect human rights. As such, we encourage the UN to:

- Follow the precedents of Denmark, Switzerland, and the Netherlands in instituting funding eligibility criteria for both UN bodies and NGOs themselves that are consistent with international standards in regards to combating financial support to terrorism.
- Launch an independent investigation into how funding was authorized to NGOs that demonstrate a clear affiliation with the PFLP. Reviews should be conducted in conjunction with national and international policing and security services. All funding to these NGOs should be frozen immediately until final determination is made by investigating authorities.
- Adopt similar recommendations detailed by the EU in both the ECA and CONT reports regarding funding, transparency, and accountability guidelines for NGOs.

⁴ Official Journal of the European Union, “Council Decision (CFSP) 2016/1136”:
<http://eurlex.europa.eu/legalcontent/EN/TXT/PDF/?uri=CELEX:32016D1136&qid=1474969819578&from=EN>

⁵ Government of Canada, “Currently listed entities”: <https://www.publicsafety.gc.ca/cnt/ntnl-scr/cntr-trrrsm/lstd-ntts/crrnt-lstd-ntts-en.aspx#2042>

⁶ U.S. Department of State, “Foreign Terrorist Organizations”:
<https://www.state.gov/j/ct/rls/other/des/123085.htm>

⁷ Israel Ministry of Defense, “Fighting Terror”:
https://www.google.com/url?q=http%3A%2F%2Fwww.mod.gov.il%2FDefence-andSecurity%2FFighting_terrorism%2FDocuments%2Fterror%2520-%2520%25203.8.16.xls&sa=D&sz=1&usq=AFQjCNFVM1uGZetnuCo2HB_3dEd4PVcNCw

⁸ “Occupied Palestinian Territory Filtered Totals.” *Financial Tracking Service*, 2017-2019,
fts.unocha.org/countries/171/flows/2017?f%5B0%5D=destinationOrganizationIdName%3A%222178%3ANorwegian%2BRefugee%2BCouncil%22.