



# Norwegian People's Aid

## Comments on the guidelines for effective management of ML/TF risks when providing access to financial services

### Name of Organisation: Norwegian People's Aid

Norwegian People's Aid ("NPA") is a politically independent membership-based organisation working in Norway and in more than 30 countries around the world. Founded in 1939 as the labour movement's humanitarian solidarity organisation, NPA aims to improve people's living conditions and to create a democratic, just and safe society. NPA works internationally on mine action and disarmament, development cooperation and humanitarian aid.

### Comments on Annex: Customers that are NPOs

#### *Paragraph 9e*

We recognize that it will be beneficial to share information regarding transactions that an NPO plans to undertake in order to ensure transparency and mitigate any potential risk of payments being stopped and questioned given the fact that it will have been anticipated. However, sharing detailed lists of staff and beneficiaries is problematic. The European Banking Authority should provide information as to which of the bases of lawful processing of personal data under Article 6 of GDPR that an NPO can rely on to provide a detailed list of staff to a bank.

Sharing a list of beneficiaries would certainly not be acceptable in a humanitarian or civil society setting. For one, placing conditions on aid is contrary to humanitarian principles. An example of this is the fact that [screening](#) of beneficiaries is widely accepted as being contrary to humanitarian principles.

#### *Paragraph 10e and 10f*

These two paragraphs should be specified with regard to European jurisdiction as there has been a worrying trend for NPOs to be linked with terrorism in authoritarian regimes, with anti-terrorism laws targeting both international and local NGO's in Zimbabwe, Myanmar and Nicaragua to name a few. Additionally, six Palestinian organizations, one of which being our longstanding partner organization, was put on the terrorism list in Israel and remain listed even with widespread condemnation from European states. There is also a trend of linking NPO's through "lawfare" in the United States (see [this report](#) by Charity and Security Network). The most significant case involved NPA and sent shockwaves throughout the humanitarian community. A summary can be found below:

In 2018 NPA was forced into a settlement agreement with the US Department of Justice (USDOJ) following allegations of violating the False Claims Act from The Zionist Advocacy Center in New York related to NPAs' certifications of a contract with USAID for a humanitarian programme in South Sudan. The settlement agreement itself amounted to more than USD 2 mill., the processing costs for the organization was considerable as it took nearly two years to conclude the case.

*Norwegian People's Aid have reached agreement on a settlement with the U.S. authorities and will pay the U.S. authorities 2,025,000 U.S. Dollars due to an unintentional breach of a clause in an agreement made with USAID in 2012.*

*Norwegian People's Aid have had a positive long-term relationship with USAID and other U.S. funding agencies since the early 1990s and has cooperated on various development, emergency aid and mine action programmes throughout the world.*

*Following a request from the USAID Office of Inspector General in February 2017, NPA submitted detailed information regarding a project in Gaza and a completed project in Iran. Neither of these projects were funded by USAID or other U.S. donors. NPA cooperated fully with the request and shared all requested information in an open and transparent manner.*

*In September 2017, after several rounds of submitting documentation, NPA was informed by the United States authorities that the organisation was under investigation for non-compliance to a clause in an agreement made with USAID in 2012, following the filing of a claim by a third party. The allegation related to a certification made to USAID when NPA received funds to support an emergency aid mission in South-Sudan in 2012.*

*Funding from USAID required that NPA submit an annual certification declaring no relation over the last ten years to countries, organisations or persons under embargo by U.S. government designations.*

*The settlement agreement follows claims from the U.S. government that NPA breached the U.S. False Claims Act when signing the USAID grant agreement in South Sudan, by failing to disclose NPA's activities in support for a democratisation project for youth in Gaza from 2012-2016, and a demining project in Iran that ended in 2008, the latter an assignment for the Norwegian oil company Norsk Hydro.*

*This was done unintentionally by NPA, as NPA interpreted the above certification to apply only to activities funded by U.S. funds and not for activities funded by other donors.*

*Activities mentioned in the settlement agreement were not funded by the U.S. and were not in breach of any Norwegian laws. Moreover, the said USAID agreement for South Sudan was implemented in line with the project's objectives. The claim had nothing to do with the quality of emergency services NPA provided to the beneficiaries under that agreement.*

*"Although we have disagreed on the fairness of the claim, NPA had accepted paying the settlement to reach closure. Due to the estimated costs, resources and time necessary to take this case to trial, we have concluded that the best decision for us is to agree on the settlement. In this way we can focus on our mission of making the world a safer and more just place," said NPA's Secretary General, Henriette Westhrin.*

*Paragraph 10j and k*

These two paragraphs should be deleted, as paragraph 11f provides sufficient guidance for banks with regard to an NPO operating in a high-risk jurisdiction. NPOs are more often than not the first responders in high-risk jurisdictions as the correlation between conflict and sanctions or anti-terrorism measures is inevitably strong. Paragraph 11f is better suited to guide banks on this issue. Furthermore, with regard to paragraph 10k, the use of third parties or intermediaries is a standard approach in humanitarian work and should not be viewed in and of itself as a higher risk factor. Most organizations, including NPA, receive funding from donor governments and carefully select partner organizations that it will support.