

PODCAST | CIVIL SOCIETY

Countering Attacks on the Palestine Movement in Europe with Agnese Valenti

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The transcript below has been lightly edited for brevity and clarity.

Rethinking Palestine – Podcast Transcript

Topic: Defunding and De-risking of Palestinian Civil Society Organizations

Guest: Agnese Valenti

Agnese Valenti 0:00

All the Palestinian civil society organizations are doing an amazing job, but the problem is the pro-Israeli lobby groups and the network organized by the state of Israel. Because they are not independent, but start by exposing that network—they are not like normal NGOs—and if this is done collectively by the Palestine Solidarity Movement, which has a big agency, then concrete results can be reached.

Yara Hawari 0:34

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As the genocide in Gaza and ethnic cleansing across Palestine rage on, Palestinian-focused organizations and solidarity groups around the world are facing lawfare measures by pro-Israel groups aimed at minimizing their capacity to continue their work and eventually to shut them down entirely. This includes efforts to have funding withdrawn through unfounded allegations and accusations, which are often amplified by mainstream media outlets.

Now, none of this is coincidental timing. Indeed, at a moment where everyone in the Palestine movement ecosystem is working to stop the genocide and end Israeli impunity, these attacks are designed to divert time and energy away from the most important work at hand. In response to this increasingly hostile environment, the European Legal Support Center, the ELSC, has produced two toolkits to deal with defunding and de-risking of Palestinian civil society organizations, focusing on Europe.

Joining us on this episode of Rethinking Palestine to tell us more about the toolkits and the broader context is Agnese Valenti, who is a senior legal officer at the ELSC.

Agnese, thank you for joining me.

Agnese Valenti 2:18

Thank you for having me today. It's a pleasure to be here with you.

Yara Hawari 2:22

Can you tell us a bit more about the context of defunding and de-risking of Palestine-related organizations?

Agnese Valenti 2:31

Sure. Defunding and de-risking are two phenomena that have increasingly affected civil society organizations in the past years, especially Palestine-related organizations. These are not neutral or financial or regulatory processes. They are political tools used to suppress dissenting voices and curtail activism.

Specifically, defunding refers to the withdrawal or reduction of financial support by mostly institutional donors. While de-risking refers to actions taken by financial institutions to withdraw or limit services to clients they perceive as a high risk. And what's really important to highlight is that the primary drivers behind the defunding and the de-risking are coordinated smear campaigns led by pro-Israel lobby groups like, for example, the well-known NGO Monitor.

Many of which are directly affiliated with or receive support from the Israeli government. And these groups employ a systematic strategy of intimidation and delegitimization to weaken CSOs that advocate for Palestinian rights. So they target donors, media, and platforms with baseless allegations towards the CSOs, the civil society organizations.

So, for example, they send inflammatory allegations to donors stating that the CSOs have ties with terrorism and/or have published antisemitic statements. And donors are pressured and are afraid to reach the counter-terrorism financing and anti-money laundering legislation. I'm going to refer to this as CTF and AML legislation.

So they suspend the funds, they carry out internal investigations, and in some instances, they cut the funds. And the same happens with the financial institutions. De-risking occurs because financial institutions are bound by restrictive CTF and

AML regulations. So, fearing legal repercussions, they rely on compliance checks, using open-source search and risk aggregator software to assess potential risks on clients. These tools, or also the compliance officers carrying out the online compliance checks, often flag Palestinian individuals and CSOs working with Palestine based on biased online content and smear campaigns led by the same pro-Israel lobby groups and media.

To me, something really interesting and striking is that Palestine is broadly categorized as a high-risk country, making financial institutions even more hesitant to adopt a risk-based approach towards civil society organizations. So instead of conducting enhanced due diligence, many institutions opt to block transactions or close accounts to avoid perceived risks, which is striking because Israel, on the contrary, is not considered a high-risk country.

So transactions directed to or stemming from illegal Israeli settlements move freely within the financial market in Europe, but also the US financial market, while transactions directed to or from Palestine are always either blocked or subject to enhanced due diligence by financial institutions, although the allegations are usually baseless.

They have enough visibility to trigger internal reviews within the donor agencies and the financial institutions. And the goal of the campaigns is clear, which is to disrupt, to discredit, and to ultimately dismantle civil society organizations that challenge Israel's repression. And these tactics have real consequences and can result in defunding and financial de-risking, but also connected to the defunding and financial de-risking, there is always the delegitimization and reputational damage caused to the organization. And both the defunding and the de-risking contribute to the broader trend of the shrinking of civic space for civil society organizations.

Economic damage is one of the tools used by the pro-Israel lobby groups and the

Israeli government to try to silence Palestinian voices and shrink their space of action. Because without funds, civil society organizations are prevented from operating. They cannot fulfill their mandate, which includes holding Israel accountable for its human rights abuses primarily.

Yara Hawari 7:45

Agnese, perhaps you can give us some more concrete examples that you yourself and the ELSC have been dealing with.

Agnese Valenti 8:00

So we have been monitoring incidents of repression towards civil society organizations for the past three years. And we have registered multiple incidents of defunding and de-risking.

But what's crucial is that since October 7th, 2023, we have seen a dramatic increase in these attacks. So from 2022 to 2024, we have monitored 46 incidents of defunding, 36 of which occurred after October 7th, 2023, and 36 de-risking incidents, 28 of which took place post October 7th, 2023. And these numbers likely underestimate the problem, as many incidents go unreported.

So we suggest that civil society organizations, but also individuals facing incidents of repression in Europe—because our mandate is focused on Europe—we suggest that they report these incidents of repression to us, if it comes to defunding, de-risking, but also any other type of incidents of repression related to the support of Palestine and related to the Palestine Solidarity Movement.

And these incidents can be reported through our website. There is a form named "Report an Incident," and you can fill the form with as much information as you have, and we will either simply monitor the incidents, or if there is a legal basis to act somehow in terms of legal advice, legal support, or to refer the case to one of our trusted lawyers, we will contact the person or the organization that reported

the incident and we will provide some sort of support.

Yara Hawari 9:20

And it's not just the pro-Israel groups that are causing damage. You also mentioned that media outlets are involved. Can you tell us a bit more?

Agnese Valenti 9:31

So Israeli lobby groups rely heavily on media outlets to amplify their smear campaigns after feeding them with these unsubstantiated allegations, which are then circulated without proper scrutiny.

So this repetition creates a narrative that appears credible by virtue of its visibility, even when there is no evidence, even when evidence is never presented. And I can, of course, then tell you more about what the allegations specifically are. Rather than critically interrogating the sources or political motivations behind the claims from the lobby groups, mainstream media platforms act as echo chambers, legitimizing accusations that directly harm Palestinians and the civil society organizations.

This dynamic not only reinforces institutional decisions based on fear rather than fact, but also contributes to a hostile public environment where Palestinian voices are automatically viewed with suspicion.

So the consequences of this complicity are far-reaching. And I would like to tell you about a case which is emblematic of how the mainstream media ruined the reputation of an organization and of the president of this organization. So this is a case we've been dealing with. Two associations and their presidents have been subjected to a smear campaign for over 10 years in a European country.

This campaign was led by national newspapers and public TV channels, which accused the president of having ties to terrorism and the associations of funneling

money to proscribed groups. These allegations were never substantiated with solid evidence, but they were repeatedly covered and built a damaging narrative. Of course, early in the campaign, several banks closed both the personal and organizational accounts without providing any reason.

After October 7th, three more banks cut ties, and all other banks refused even to consider new accounts or applications. So the associations are basically left without access to any bank account. They couldn't pay salaries, file taxes, or deliver services. So they are essentially paralyzed.

Then the situation escalated because on October 7th, 2024, the US designated many organizations and individuals as terrorist organizations and individuals, and the US designated both the president and one of the associations, claiming that they had funneled money to proscribed groups. This designation was reported widely in European media, reinforcing this narrative.

So banks closed all accounts associated with the president or the organization. And why? Because, indeed, financial institutions often voluntarily comply with US sanctions, even if they are not obliged to. And legally speaking, there is not too much we can do because, potentially, yes, but the smearing is so huge that it's really hard to counter it.

And in addition, there is also the problem of anti-money laundering and counter-terrorism financing legislation, which is extremely broad. And there is a lot of gray area in this legislation, and financial institutions use these gray areas, and also Israeli lobby groups use these gray areas to invoke this legislation in order to close the bank accounts without any reason. So this case is not just about reputational harm; it shows how media complicity, when combined with political pressure, can eliminate the operational capacity of an organization overnight.

Of course, the case is not isolated, and it's emblematic of a broader, intentional strategy to shrink civic space, to silence dissent, and to eliminate independent

voices under the guise of legal and financial compliance.

Yara Hawari 13:49

Well, perhaps I can take this opportunity to share firsthand experience that Al-Shabaka has been dealing with, alongside the support of the ELSC and our legal team on this very issue. You can read more about this on our website under the press release section.

So back in October 2023, as we were just beginning to grapple with the start of the genocide in Gaza, the Swiss Federal Department of Foreign Affairs announced that it was launching an investigation into various Palestinian NGOs and Israeli human rights organizations that it provided funding to for breaches of the codes of conduct, of which we were one of the organizations. The Swiss Federal Department of Foreign Affairs, the FDFA, then publicly indicated that its partnership with Al-Shabaka was terminated as a result of the investigation, and that Al-Shabaka was found to be in violation of the FDFA's Code of Conduct policy.

This was a massive surprise because it was not true at all. In fact, the decision not to renew the partnership with Al-Shabaka was actually made before October. And more than that, there was no breach of the Code of Conduct policy, and this was confirmed to us in November in an email. So there was this massive disparity between what was being said publicly and what was being said privately.

And of course, the public discourse was very inflammatory. And in the media, it was reported that the Swiss had cut their funding to us. And there were a lot of other defamatory conclusions made about the organization. And what ensued was a 16-month-long engagement between Al-Shabaka, our legal team, and the Swiss FDFA.

And recently, they finally agreed to quietly amend the public communications

where these false claims exist. Now there are still some falsehoods in the public domain, including a media interview with the FDFA chief of communications, of all people, and there are also references to other Palestinian NGOs.

Now, of course, one of the consequences of this whole story was that time, energy, and resources were diverted to deal with this situation. And we know that is also part of the point. But it was important to us to correct the record. And also to set a precedent—we know that Palestinian civil society organizations have been rendered reliant on outside funding, but that does not mean that they are without agency.

Now part of the negotiation process, and this is where it gets really interesting, Al-Shabaka obtained files that expose the FDFA's rationale for its 2023 investigation. This correspondence confirms that the FDFA considered terminating contracts and suspending funding for organizations that referenced acts of genocide and war crimes committed by Israel.

And the legal analysis provided to FDFA staff included the following statement: "The publication of incriminating remarks more or less explicit against Switzerland or its state partners regarding support for genocide or any other war crime can have damaging consequences for Switzerland and its foreign policy. We therefore believe that a violation of the code of conduct by the NGOs in question is plausible in light of the information provided to us, and that a termination of the contractual relationship would be possible."

The correspondence further revealed that at least some of the organizations investigated were targeted based on prior briefings the Swiss government received from a non-independent source. Alarmingly, the Israeli organization NGO Monitor, which you mentioned previously, Agnese, is a well-known group dedicated to suppressing pro-Palestinian advocacy. NGO Monitor actually publicly claimed credit for instigating this repressive scrutiny. And so for a country

such as Switzerland, that prides itself on neutrality and on being the home of international law, this is quite embarrassing, or at least it should be.

But I think for Palestinians, this kind of behavior is not particularly shocking. We understand the structural nature of colonialism and white supremacy, which ultimately shapes our relationships with others. And I think the genocide has highlighted even more the hypocrisy and double standards of states and entities that use international law when it suits them as a cover.

Whilst this incident is minor in the grand scheme of things, I think it was really important for us institutionally to share our experience so that others within our ecosystem can learn and possibly benefit from it. And do you have anything you wanted to add on our particular case? Because of course, you and the ELSC were involved.

Agnese Valenti 19:13

Thank you so much for this comprehensive overview. Yes. What I can add is that, actually, we decided to challenge the reputational damage connected to the decision of the Swiss Minister of Foreign Affairs to expose the strategy behind the pro-Israel lobby groups.

So, as you mentioned, we found out through the engagement with the FDFA that behind the defunding decision of the FDFA, there was NGO Monitor. And this is crucial because we need to start going public with what's behind the defunding. And so to expose the smear campaigns led by these lobby groups, and this is what we have tried to do with this case.

And this case is, as we already said, part of a much wider pattern where political critique is threatened as misconduct, because also when you were accused of violating the code of conduct—but not only you, also the other organizations who were under review by the Swiss—basically what was under review, we really don't

know, but the statements that amount to simply political critique, and statements that for sure fall within the right of freedom of expression of the civil society organizations.

The implications of this case go beyond Al-Shabaka and also beyond Palestine because they raise serious questions about the donor government's use of funding as leverage to silence dissenting voices, particularly in the context where colonial violence and structural oppression are being named and challenged.

Financial support cannot be conditioned on political compliance, on compliance with the political agenda of European governments. But also, critical political views need to be always recognized by the governments, by the donors, as the freedom of expression of the organizations themselves.

Yara Hawari 21:48

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Perhaps building on that a bit, perhaps you can expand a little on what can be done by organizations individually and collectively to push back in similar situations.

Agnese Valenti 22:14

First, I would like to start by saying that, of course, we are a legal organization, but what we have experienced through these three years of specifically supporting organizations facing defunding and financial de-risking, we have learned that legal remedies are often limited when it comes to defunding and de-risking, for different reasons.

First, due to the counterparty type—donors and banks are powerful actors.

Second, because of the involved laws—why? Because donors and banks have, in like 99% of the cases, a contractual right to early-terminate the contracts without a reason, but just by giving a pure notice. There is also limited available legislation and case law in support of the civil society organizations when it comes to the right to a bank account.

And more specifically, in the case of de-risking, it depends on whether there is a partial or total denial of financial services. Because, for instance, if a bank closes an account of an organization, but this organization is able to open another bank account, then there is no room for any legal action.

If there is a total denial of financial services and perhaps a discrimination pattern can be shown behind the closure of the bank accounts, then there is also room for some sort of legal action. When it comes to defunding, it depends on whether we face a threat or the implementation of the defunding.

In case of a threat, for example, the threat of defunding is when the donors send clarification letters to civil society organizations telling them that they might be in violation of the anti-discrimination clause, incitement to hatred clause, and antisemitism clause of their grant agreements due to some statements that they have published on their websites or social media.

In this case, there is room for negotiation and discussion with the donor by showing the donor that perhaps these statements fall within the right of freedom of expression of the organizations themselves. And perhaps also adding relevant case law from the European Court of Human Rights and the European Court of Justice on freedom of expression.

In addition, litigation is costly. It's energy-draining and shifts the focus of the civil society organizations from their core mandate to defending themselves from baseless allegations. And for this reason, we have developed the Know Your Rights toolkits, which you have mentioned before, on defunding and de-risking to help

civil society organizations understand the legal and regulatory landscape behind defunding and de-risking, to document and respond to allegations, and to engage donors and banks more effectively.

The toolkits include practical templates and checklists to respond to donors and banks, key legal arguments around freedom of expression, discrimination, and freedom of association, and also strategies to expose pro-Israel lobby groups and the bias in their reporting. These toolkits can serve as standalone tools or be used as a basis for more formal legal intervention or referrals.

But I will now give you some examples of actions and precautions that the civil society organizations should consider and have in place. And then, of course, you can find more information on and more tips in the toolkits themselves. The toolkits will be officially launched in May, and we will hold Know Your Rights sessions online and in the Netherlands, Britain, and Germany.

When it comes to what the CSOs can do individually, CSOs should proactively implement robust internal systems to prevent or mitigate defunding and de-risking threats. Civil society organizations should have in place internal policies such as a code of conduct or statutes that reflect the organization's commitment to human rights, non-discrimination, and other fundamental rights.

Ensuring alignment with ethical and legal standards while being aware of politically motivated vetting requests from donors that they should avoid. And my general suggestion is also that civil society organizations have always had a positive and proactive engagement with donors and with financial institutions since the beginning, showing always transparency and compliance. That's why the audits and the due diligence protocols and the internal policies are extremely important.

Another important thing, and which we can see is that it's most of the time lacking, is to ensure that all communication with donors and the financial

institutions is in writing, including follow-up summaries after calls, to maintain a clear record and accountability.

Because many times it happened that in some cases, like the banks, for example, in one case they mentioned that they were closing the account of the organization because they appointed a Palestinian president—this is what they told the organization during the phone call—but then when the organization asked the bank to write the reasons for the determination, the bank never mentioned the reason they mentioned during the phone call.

That's why it's important to keep track of each and every communication with the donors and with the banks. When it comes to banks, it's even more important because banks conduct periodic checks on clients, both during the onboarding phase, where the banks ask the clients for specific documents, and also during the whole relationship.

Also in this case, it's important to first, when you open the bank account with the bank, to ask the bank immediately what their attitude towards civil society organizations is. If they can provide you with their risk assessment policies or give you some sort of indication. If so, engage proactively with the financial institution, even if many times the financial institutions are reluctant to do so, but try to find a financial institution that is not reluctant to engage with civil society organizations.

Always inform the bank in case you are going to conduct a risky transaction, or, for example, if you're going to transfer money to Palestine, because as I mentioned, Palestine is considered high-risk. You can reach out to the bank and explain to them that you're going to conduct this transaction. The reason it seems over-compliance—it is—but unfortunately, this is the only way to keep the accounts open because banks are more and more scared of breaching CTF and AML legislation.

And then, because when you open a bank account with a bank, they also ask you

for your core activities and mandate, in case during your relationship you change your mandate, your core activities, so there is a deviation from the activities you were supposed to carry out, you need to promptly inform the bank because if they see any change in your structure, in your activities, they could block your bank account.

They shouldn't because, before shutting down a bank account, banks should conduct enhanced due diligence. But de-risking is exactly this—banks, when they perceive a risk, instead of handling the risk, prefer to de-risk. And so instead of managing these risks arising from, let's say, the activity of a certain organization or a transaction directed to Palestine, they prefer to de-risk and block the transactions or cancel the bank accounts.

These are just a few tips on what civil society organizations can do when they are subject to a threat of defunding and financial de-risking. We suggest requesting information from the donors and the financial institution about the reasons, try to engage in a discussion with them, and then draft the legal analysis supporting your position.

It might not sort out any effects, but it shows that you are willing to deal with and to engage with them. We, the ELSC, can help civil society organizations draft a letter to the donors or to the banks containing reference to relevant legislation, humanitarian exemptions, and also legal arguments protecting the civil society organization and countering the approach adopted by financial institutions.

Legal action, as mentioned, can be sought only in limited situations. When it comes to collective pushback, we believe that it's necessary to heighten awareness regarding defunding and de-risking strategies through monitoring, followed by targeted public outreach and advocacy, particularly given the low success rates in legal cases.

So it's really important to have preemptive engagement and coordinated

advocacy with donors and financial institutions. At the moment, there is no structured or proactive unified group consistently engaged in day-to-day advocacy on Palestine in Europe, both with donors, but especially with financial institutions.

In contrast, pro-Israel lobby groups are well-organized and operate with a clear and strategic agenda. So the attempts at defunding take place because the donors are pressured by pro-Israeli lobby groups, as they are afraid of being named and shamed and/or violating CTF and AML legislation.

Therefore, a long-term counter-advocacy strategy by pro-Palestine groups should effectively take place, maybe by targeting one or two major donors, or for example, the European Commission. A long-term counter-advocacy strategy is urgently needed that exposes the influence of pro-Israel media and lobbying efforts on risk assessments, and that pushes for genuine engagement with clients, which is completely lacking, as well as the adoption of fair and case-by-case enhanced due diligence policies.

And when I speak about exposing the role of a pro-Israel lobby group—in our opinion, and after these three years of work on defunding and de-risking, and after three years of seeing that behind the defunding and the de-risking there are the smear campaigns of pro-Israel lobby groups—what we believe is that it's really important when building the advocacy strategy to take into account the exposure of the unreliability of the pro-Israel lobby groups and the unreliability of the evidence they rely upon. This needs to be exposed both individually but also collectively through this systematic advocacy strategy.

So on one side, it's important to expose the unreliability of actors. Most allegations, as mentioned, come from pro-Israel lobby groups that have been shown to act in coordination with the Israeli government. These groups are not independent, but they are politically motivated entities. The Israeli government

actually has a strategy aimed at silencing critics through aggressive tactics and through the use of this international network of non-governmental and governmental actors that have been working for the last decade with Israeli authorities.

But it's important to show the donors and the financial institutions that the allegations they receive are not credible because the actors themselves are not credible. In addition, it's important to expose also the unreliability of the evidence that the pro-Israeli lobby groups send to donors and to the media and publish on online media outlets.

Indeed, pro-Israel lobby groups rely on evidence stemming from Israeli military courts, for example, travel bans and records of administrative detention. But records based on decisions issued by the Israeli military court are unreliable and should not be considered in any legal determination.

Indeed, decisions by Israeli authorities regarding convictions and charges for criminal offenses, but also records of administrative detentions and arrests of Palestinian civilians in the occupied Palestinian territory, issued in violation of the accused person's basic rights to a fair trial, resulting in a clear denial of justice.

And there are a lot of sources that we have collected and stored at the ELSC, and that we can provide the civil society organizations with to show to the donors that they cannot—it's impossible—to rely on this evidence because the evidence is biased and is unreliable. This is something that is completely lacking in the advocacy—the exposure of the role of these pro-Israeli lobby groups that are behind the smear campaigns.

Yara Hawari 36:50

So the key takeaways really are that Palestinian civil society organizations and those working on Palestine do have agency, both individual and collective, to push

back against these kinds of attacks, and that there are legal resources out there that have been specifically designed and catered for this moment that we're currently living in—resources that have been put together by the European Legal Support Center, but also organizations like Pal Legal in the US.

I think the point that you made about needing to think of a wider strategy for civil societies is a really important point, because even though we do have these wonderful resources that have been put together by people working really hard on these issues, those resources aren't infinite. And so that wider strategy is sorely needed, thinking in the long term.

Agnese Valenti 37:58

Yes, I agree, because there are—like all the Palestinian civil society organizations are doing an amazing job. But the problem is the pro-Israeli lobby groups and the network organized by the state of Israel, because they are not independent, as mentioned.

It's really hard to counter that network. But start by exposing that it is not an independent network. They are not like normal NGOs. I believe it's a good first step, and if this is done collectively by the Palestine Solidarity Movement, which has a big agency, then concrete results can be reached.

Yara Hawari 38:38

I think we'll leave it there. But Agnese, thank you so much for joining me on this episode of Rethinking Palestine, and thank you so much for all your hard work at the European Legal Support Center.

Agnese Valenti 38:47

Thank you so much for having me today.

Yara Hawari 38:54

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With:

Agnese Valenti

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