

# MEPPA's Opportunity for Private Philanthropy

*How strategic funders can maximize this "Big Bang" moment*

## Introduction

In December 2020, after [over a decade of ALLMEP advocacy](#), the Nita M. Lowey Middle East Partnership for Peace Act (known as MEPPA or "the Lowey Fund") was passed into law. Beginning this year, **the U.S. will invest [\\$250 million over five years](#) in civil society organizations and Palestinian business initiatives, that, taken together, are designed to create the right conditions for successful Israeli-Palestinian peacemaking.** This investment represents the largest and longest-term commitment to this work in history. Meanwhile, ALLMEP continues its campaign to leverage even greater investment from other governments around the world.

Yet, government funds are only part of the story. Private philanthropy has played a pivotal role in sustaining the field during times of resource scarcity. Now – by leveraging, guiding, and buttressing this major U.S. investment – **private funders have the rare opportunity to significantly extend the impact of their years-long investments at the systemic and policy levels.** Working strategically, they can help influence the direction this growth takes in the field, provide critical and complementary support for the infrastructure of peacebuilding that MEPPA will require, and seize both upstream and downstream opportunities that this radical change in the funding landscape will create. The result will be achieving leveraged impact on a scale that we have not seen before.

**Simply put:** every private philanthropic actor who cares about shared society and cross-border peacebuilding should be revising their strategies and priorities – and helping grantees do the same – to take account of the single-biggest funding development that the field has ever seen. This paper aims to identify some of those opportunities, with ideas on how private philanthropy can harness MEPPA and the current political moment to achieve a return on investment with the potential to create lasting societal, institutional, and policy change.

## Highlights for Philanthropy's Role

- **Capacity building.** Private funders could provide opportunities for capacity building and helping organizations integrate and network with one another more deeply.
- **Collaboration between shared society and cross-border work.** The relationship between shared society and cross-border work – each funded by MEPPA, and interlinked – offers opportunities for creative cooperation, partnership, and collective impact.
- **Backing innovative small projects with potential to scale.** MEPPA's average grant size may be relatively large, so private philanthropy's role will be pivotal in catalyzing innovation at a smaller scale, with micro-grants designed to incentivize creativity and new approaches. MEPPA will in turn be able to take concepts that prove successful in the pilot phase and scale them to multi-million dollar efforts.

- **Support for partners able to absorb MEPPA program graduates.** MEPPA will likely help create the largest number of Israeli and Palestinian participants in people-to-people work and peacebuilding ever, especially youth. This offers important opportunities for investment in “downstream” priorities and projects, and the resourcing of more overtly political projects that are unlikely to receive MEPPA funding, but that can take advantage of more potential recruits, activists, and stakeholders.
- **Hybrid financing.** Private philanthropy and MEPPA co-funding for the same projects could unlock grant sizes at a scale the peacebuilding field has seldom seen, allowing for projects that were previously impossible to now be viable.
- **Redesigning and harnessing monitoring & evaluation to capture new insights.** Monitoring and evaluation can be redesigned, with the opportunity to improve, standardize, and streamline metrics, and to collect and centralize the results from both MEPPA and private investments, with the results used to inform donors’ strategies and incentivize project innovation.

## What is MEPPA and what will it fund?

MEPPA aims to provide and catalyze massive new resources that will ultimately create an environment conducive to peacemaking. The legislation sets forth two tracks: (1) the **People-to-People Partnership for Peace Fund**, implemented by USAID, which will provide funding to qualified organizations that help build the foundation for peaceful co-existence between Israelis and Palestinians and for a sustainable two-state solution; and (2) the **Joint Investment for Peace Initiative**, implemented by the U.S. International Development Finance Corporation (DFC), which will support projects that contribute to the development of the Palestinian private sector economy in the West Bank and Gaza Strip (with a priority for projects in partnership with Israelis).

MEPPA was intended to be part of an ecosystem, not a lone effort. It sprang from ALLMEP's continuing campaign to create a multilateral, public-private [International Fund for Israeli-Palestinian Peace](#), and its structure provides a path toward that goal (including a USAID advisory board with international seats and several countries interested). The legislation that passed in December 2020 urged USAID to leverage U.S. resources with support from other countries and organizations.

MEPPA specifically directs funding for:

- Cross-border: “Projects to help build the foundation for peaceful co-existence between Israelis and Palestinians and for a sustainable two-state solution,”
- Shared society: “Shared community building, peaceful co-existence, dialogue, and reconciliation between Arab and Jewish citizens of Israel,” and
- Palestinian economic growth: “Investments in, and support to, entities that carry out projects that contribute to the development of the Palestinian private sector economy in the West Bank and Gaza,” with a particular priority on “projects that increase economic cooperation between Israelis and Palestinians.”

Within that broad framework, MEPPA's first Annual Program Statement (APS) published in September 2021 provides greater specificity on some of USAID's early priorities and guiding principles, with a \$15 million call for proposals (up to \$5 million per proposal) currently open for applications on a 12-month, rolling basis. Its stated goals include to:

- Foster a grassroots effort to effect policy change and promote tolerance while strengthening engagement between Palestinians and Israelis,
- Support peacebuilding and stabilization through increased economic ties (between Palestinians and Israelis), by empowering entrepreneurs, growing the middle class, and mitigating unemployment, and
- Enhance shared community building, peaceful co-existence, dialogue, and reconciliation across borders between Israelis and Palestinians, and between Arab and Jewish Israelis (while also allowing for possible uninational work within each community).

The term "people to people" is broadly defined as programming designed to reduce political, social, and economic barriers to peaceful interactions between Israeli and Palestinian societies and promote sustainable institutions and relationships for peaceful co-existence. As stated in the MEPPA legislation, USAID will prioritize support to efforts "that bring Israelis and Palestinians together" (*e.g.*, cross-border). But, recognizing that peacebuilding is a long-term endeavor, this definition also includes initiatives *within* the respective societies that contribute to peaceful co-existence, mitigate impacts from the current conflict, and help advance a just resolution to that conflict. There is also added emphasis on addressing gender and climate change, as well as on building linkages that can affect policy change in service of peace.

## Private Philanthropy's Role & Opportunities

Private philanthropy has already played a critical role in the development of Israeli-Palestinian peacebuilding. Even as governments often invested sizable amounts, in many years private philanthropy as a whole provided the majority of funding to the field. Private donors have not only catalyzed many of the most innovative and high-impact organizations in this space, but they have also sustained the field when government funding fluctuated unpredictably as a result of political volatility. Now that MEPPA may provide a steadier and far larger pot of government support, private philanthropy has an opportunity to develop a strategy that seizes this moment for maximum leverage and impact.

## Priming the Pump Through Capacity Building

Through their giving and trusted advice, private donors have often assisted their grantees to grow programs, become stronger and more efficient organizations, and access and manage even greater funding streams. MEPPA offers the chance to double down on all of these critical functions as many organizations will need the support of their long-time investors to innovate before scaling, as well as to build the organizational muscles required to successfully seek and implement a USAID grant.

This is especially true for the many small organizations in the field. Consider that:

- 75% of shared society and cross-border organizations had budgets of less than \$1 million per year before the compounded blows of Trump Administration funding cuts in late 2018 and the impact of COVID-19 a year later.
- A needs assessment conducted by ALLMEP's partners at Amal Tikva in 2020, surveying 52 organizations, demonstrated the extent of the damage. 64% of organizations were limited by budgets of less than \$500,000 and fewer than five staff members. Most of the larger organizations had been established before the Second Intifada while newer initiatives struggled to institutionalize their work.

MEPPA will no doubt do much to improve this situation over time. However the deck is stacked against organizations who emerged more recently or who have responded to the recent political and economic challenges by shedding staff and budgetary commitments. Many of them do not have the capacity to compete for – never mind secure, absorb, and effectively leverage – the large grants that MEPPA makes possible. This is particularly true of the cross-border space and Palestinian-led organizations, many of whom have not had the same range of alternative funding sources that have been open to shared society or Israeli-led groups.

In August 2021, ALLMEP conducted its own needs assessment of the cross-border space. We found that many Palestinian-led organizations were intimidated by the application procedures and implementation requirements of U.S. government funding, including onerous documentation, frequent and lengthy reporting, pages of rules and regulations. ALLMEP's capacity building arm, **ScaleHub**, provides training for these organizations to prepare them with the skills and organizational practices that will make MEPPA funding more realizable.

Private philanthropy can also play a critical role in accelerating this process. The potential return on investment for private donors is considerable, with the clear horizon and incentive of assisting a smaller organization to institutionalize its programming, growing it to a place where MEPPA funding can be achieved, and then allowing MEPPA to scale that investment to new heights and potentially sustainable support at a multi-million dollar, multi-year level. Private donors wishing to take advantage of this opportunity to build capacity, so that MEPPA becomes an option for smaller or newly-emerging organizations, can consider the following ways to "prime the pump:"

1. **Encourage your grantees to develop a MEPPA plan** that anticipates how they can take advantage of this funding. For some organizations, it may be a 12-month strategy focused on honing their programs and crafting a strong concept note. For others, a 36-month (or longer) comprehensive growth plan could prepare them to institutionalize and put in place the sort of operational and structural changes that can allow them to scale to 2-3 times their current size.
2. **Offer matching grants that incentivize organizations to think ambitiously**, perhaps featuring a 25% or 50% match on funds garnered from MEPPA. Wraparound or stacking strategies can be conceived that layer funding in stages, anticipating and incentivizing ambitious MEPPA proposals as part of a phased approach to sustainable growth. Conceivably, an organization with a matching private grant commitment may be more appealing to government grantmakers and thus more competitive in seeking MEPPA funds, as well.

3. **Develop a micro-granting program tied to MEPPA's approach** to help seed and launch a multitude of projects for MEPPA's pipeline. In some cases, mirroring key MEPPA norms, application procedures, criteria, and/or monitoring and evaluation expectations would allow organizations to hone their approach, develop their grant-writing and reporting skills, and establish a pilot version of a program that MEPPA can then hopefully take to a far greater scale. As MEPPA has no requirement for cost-share, it also offers private donors who want it a distinct, time-limited investment and the possibility of an "off-ramp," allowing them to then redeploy resources to other organizations, while their seed investment goes on to be scaled and sustained by MEPPA. A micro-grant program could also be a great vehicle for supporting small pilot projects by existing grantees to experiment with stretching their reach to new places, audiences, and segments in society.
4. **Invest in capacity building programs to strengthen organizations before and during MEPPA support.** Several providers now offer accelerator programs that help organizations prepare to secure and implement major grants like MEPPA's and provide opportunities for funders to invest in infrastructure for the entire field. Leading capacity building providers include ALLMEP's ScaleHub program, Amal Tikva, Search for Common Ground, and Shatil. ALLMEP's Practitioners' Forum now brings together and coordinates these various capacity building initiatives to share best practices and training materials, pool monitoring and evaluation data and research, and coordinate cohort selection. Investing in these programs can help raise capacity field-wide, incentivizing a culture of cooperation in the process and increasing the number and range of organizations able to secure MEPPA funding.
5. **Build a "soup to nuts" project portfolio, where you invest in a networked and coherent theory of change that submits a joint MEPPA proposal.** For example, a youth organization, a leadership development incubator, and an advocacy organization could join forces to create a conveyor belt of services as individuals move from one stage to the next. Funders can encourage and fund them to prepare and pilot a joint strategy, and then prepare a concept note rooted in that partnership, allowing, for example, three organizations with \$350,000 budgets to join together to secure a \$2 million grant, and to have impact on a national scale that would be impossible if working alone.
6. **Form donor consortiums that are predicated on MEPPA.** These can take any number of forms. In one case, several private philanthropists can pool resources and together run a small grants program that mimics MEPPA's application process. The incubator can then require a sustainability component that includes a MEPPA proposal within 18 months of receiving a grant. An alternative approach could be a "Shark Tank"-style pitching session, where prospective grantees give a 20-minute presentation on how they intend to harness MEPPA toward a scaling strategy.

## Shared Society/Cross-Border Nexus

While relations between Israeli Jews and Palestinian Arabs within Israel's borders and those across borders have ample differences, the two situations have always been interconnected. Never was that more obvious than in the devastating violence in Israel's mixed cities in May 2021. That newest low in Jewish-Arab relations within Israel – sparked and fueled by wider nationalist violence – both demonstrated how much work remains to be done within the Green Line for shared citizenship and equality, as well as how inseparable these two contexts are from each other.

For myriad reasons, projects in the Israeli shared society realm (*i.e.*, organizations working for equality and cooperation among Arab and Jewish citizens of Israel) in recent years grew in size and strength when compared with the cross-border field. ALLMEP members such as Hand in Hand, the Abraham Initiatives, Tsofen, and Sikkuy have succeeded in establishing genuine institutions, and delivered impact and political transformation that deserve to be lauded. Much of this was only possible thanks to the role that private Jewish philanthropy has played since the inter-communal violence of 2000, with entities like the Inter-Agency Task Force, the Social Venture Fund, the Jewish Funders Network, and the New Israel Fund demonstrating what is possible with a long-term strategy and funding at the sort of level that can genuinely move the needle.

While MEPPA explicitly anticipates funding shared society projects – no doubt quickly becoming one of the largest sources of revenue for this dynamic and innovative field – it is important to remember that the legislation and USAID's APS both place somewhat greater emphasis on cross-border work. This presents an important opportunity for these two parallel sectors to be seen as complementary rather than in competition with one another, and for private philanthropy to play a catalytic role. A good number of shared society organizations have something direct and tangible that they can offer in the cross-border context.

For those shared society organizations (and the donors who support them) whose theory of change, values, or programmatic content has complimentary characteristics, there is the opportunity to do something innovative right now. If May's violence showed how volatility in one context can jeopardize progress in the former, the inverse is equally true: strength in one field can benefit the other. Indeed, through partnerships across the field, we can disrupt the idea of "separation" that holds back genuine conflict resolution. Especially since one of the factors sometimes preventing such partnerships is a sense of donor reluctance, philanthropists have a special role to play in this coming period. Those who see the opportunity inherent in such cooperation could:

1. **Fund cross-border pilot partnerships between grantees**, allowing small-scale and discrete programs to be tested that bring together shared society and cross-border organizations. Some of this has happened already with promising results in the South of Israel, with Bedouin communities and organizations based in the Hebron region. When a pilot program succeeds, it can then seek MEPPA funding and benefit from checking both the cross-border and shared society boxes, which underscores meta-level change and may create an even more compelling proposal.
2. **Support mentorship programs** for shared society leaders to help cross-border leaders and their organizations develop. This is a particularly powerful opportunity for Arab citizens of Israel who are leaders in the field to mentor Palestinian counterparts



from the cross-border peacebuilding community. As in all mentorships, the rewards can flow both ways, not only in terms of personal and organizational satisfaction but also in building professional relationships that can pay dividends in future partnerships and programs.

3. **Introduce grantees from one field to the other**, with events and initiatives aimed at having them share best practices with one another and see each other as allies in service of similar goals, especially with donors who see the connection and importance of both realms.
4. **Offer expansion grants for shared society initiatives to adapt successful projects for cross-border locations/audiences.** While not suitable for every organization, some proven shared society models could translate to the cross-border context, with USAID likely considering activities with Palestinian residents of East Jerusalem within that definition. There are many models for such expansion – within the same organization, in partnership with another NGO, or through a spin-off or franchise – to build thoughtful connection points between shared society and cross-border programs and participants and give new cross-border initiatives a solid launchpad grounded in what has worked before.

To be sure, not every shared society organization necessarily has a direct role to play in the cross-border context. Funders should be careful not to force the issue where it is a poor fit. Indeed, indirectly, almost every shared society project leads to greater stability, cross-community exposure and partnership, and a new generation of leaders and supporters of conflict resolution writ-large. But for a good number of organizations, there's a way that their people, their experience, and/or their programs can help build up cross-border initiatives, and they will need visionary donors to do so.

## Downstream from MEPPA

The substantial increase in funding for grassroots peacebuilding through MEPPA will lead to opportunities both within and beyond the space that MEPPA will fund.

First, private philanthropy will have a role in sustaining organizations who achieve significant scale thanks to MEPPA, but whose funding is project-specific and will require general overhead support or who cycle out of MEPPA support after their grant expires. By doing the following, private philanthropy can help to catalyze such a step-change and to fill key gaps:

5. **Develop a strategy to make more general and operational grants available**, allowing ambitious project-orientated proposals successful under MEPPA to be strengthened by organizational expansion and institutionalization made possible by private philanthropic support.
6. **Provide an off-ramp for successful MEPPA-funded projects that cycle off**, allowing private philanthropy to step in and benefit from the capacity created by MEPPA as well as the rigorous monitoring and evaluation that it will have established. For grantees, this step-change will also beget greater freedom of movement and creativity that often accompanies relationships with private philanthropy, which can help incentivize bolder or less risk-averse second-stage projects that follow.

Second, while private philanthropy's role in raising capacity and incentivizing partnerships for organizations who can take advantage of MEPPA is of critical importance, there also exists another group – equally important for the political change necessary for peace – who are unlikely to secure MEPPA funding, but can nonetheless benefit significantly from investments MEPPA makes elsewhere. Policy and advocacy initiatives that more directly touch advocacy and the political realm are unlikely to be heavily represented among MEPPA grantees. They will, however, stand to benefit significantly from MEPPA indirectly.

Programs supported by MEPPA will create vastly greater numbers of Israelis and Palestinians interested in taking action for peace. People-to-people programs have proven very effective at producing alumni who go on to place far greater priority on peace and are far more likely to take action, attend demonstrations, and join organizations campaigning for peace. Already today, many of the Israelis and Palestinians who are most active and prominent in promoting peace and equality are alumni of these programs. They are seeded across elite level politics, diplomacy, the academy, and the private sector, but – thus far – in insufficient numbers to make a difference to the macro-political reality. **MEPPA is likely to produce more of those alumni than at any time in the history of this conflict, and thus more potential stakeholders, volunteers, campaigners, and leaders for the sort of organizations at the "sharper" end of a conflict resolution paradigm and within the Israeli and Palestinian halls of government.**

Private philanthropy can play a critical role here. It can invest in some of the projects and organizations working in this more overtly policy-oriented realm to take advantage of the uptick in potential recruits and stakeholders that are coming over the next 5-10 years. More than that, private donors can also incentivize far greater connections between the youth organizations at the base of this pyramid and the campaigning groups at its tip.

Engagement in people-to-people work should not be the final destination for young people having their first encounter with the "other." Rather, if MEPPA is to reach its full potential, it will catalyze a broad and diverse ecosystem, where participants go on to prioritize peace as a central component of their identity, behavior, and daily lives over the longer term. To maximize this opportunity, private funders can:

1. **Encourage think tanks, universities, and research organizations** to conduct research that seeks to further redevelop ideas about how MEPPA and peacebuilding work more generally can both directly and indirectly contribute toward policy change.
2. **Encourage connections between advocacy organizations and people-to-people groups**, which can allow smoother transition for alumni from the latter – especially those who "age out" of youth activities – to then become active, engaged agents of change, including through advocacy-oriented activities. One example of this is funding "pitching sessions" or recruitment fairs, where organizations from the advocacy realm come in to present their work to young people soon to graduate from youth activities.



## Conclusion

ALLMEP is eager to work with private philanthropists to think through the opportunities for scaling Israeli-Palestinian peacebuilding that have arisen thanks to MEPPA and to fully explain any aspect of the legislation and process around funding. More than anything, we are keen for private philanthropy to see this moment for the opportunity that it is: not a time for retreat or complacency due to new resources arriving but, rather, a rare moment where bold strategies can seize opportunities that leverage MEPPA to achieve far greater impact than would have been possible in the past. **Private philanthropy can respond more quickly and nimbly than a government fund like MEPPA. At the same time, whatever path private philanthropy forges can also create a pipeline for MEPPA, helping to scale and sustain many of the ideas and innovations that private donors catalyze.**

The first 2-3 years of MEPPA funding may also be its most important, with the investments made in this period likely to frame the longer-term legacy and strategy of this new funding pot. MEPPA is arriving at the same time as political change and opportunities in the region, with changes of government in Israel and the United States, the new dynamic of regional normalization, and the likelihood of Palestinian political transition at some point in the not-too-distant future. Such moments are rare in a conflict like this one. Smart and ambitious private philanthropic investments and strategies that are deployed now, as MEPPA begins, could end up having long-term and highly leveraged consequences, helping to shape the Israeli-Palestinian peacebuilding and wider political context for many years to come.

*For further information on how your foundation can pursue these opportunities, please contact [brian@allmep.org](mailto:brian@allmep.org)*