**Investment Memorandum** (NSI)

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| **Internal Information** | | **Information on Suggested Grant** | |
| **Portfolio area:** | Public Policy | **Organization name:** |  |
| **Sub-Portfolio area:** | Israeli-Palestinian Conflict | **Grant Amount in NIS (and, in parentheses, the $ amount):** | NIS 2,250,000 for 3 years ($660,000) |
| **Project title:** | NSI – General Support | **% of SFPI funding from committed:**  **(NIS)** | **10% of the organization's budget:** |
| **% of project budget:** |
| **18% philanthropic income (of the project):** |
| **Project lead:** | Dafni Bar Nathan | **Term:** | 3 Years |
| **Sub-portfolio Budget:** | $5.2M | **Grant ID:** | R-22-21426 |
| **% of remaining sub-portfolio budget (including if this grant is approved):** | 65% |  | |

1. **Summary and Recommendation:**

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| **Opening** |
| A 3-year grant of 750,000 NIS per annum for NSI will go towards general support. |
| **SFPI Goals** |
| 1. Cultivating leaders with an interest in and potential influence on the Israeli-Palestinian conflict.  2. Establishing relationships with leaders involved in the Israeli-Palestinian conflict (special relationships).  3. Creating accessibility to NSI's high-quality alumni network. |
| **Project Goals** |
| To support a vibrant new network of up-and-coming leaders of Israeli, Palestinian, or other (Egyptian, US, Russian, Jordanian, etc.) origin, who have stakes in the dynamics of the region. The goal of the organization is to serve as a strategic resource that catalyzes action and supports fresh, innovative thinking as well as efforts that address the conflict in ways that could lead to desirable and sustainable outcomes. |
| **Success and Failure** |
| **Success**:   * The network members will become leading decision-makers in the Israeli-Palestinian conflict. * After participating in the program, the network members will be willing to engage and promote actions that minimize the conflict. * SFPI and its affiliates will have full access to network members. * New initiatives pertaining to the conflict will be created following the grant.   **Failure**:   * The network members will conclude that the conflict is too complex and ultimately avoid dealing with it. * The network members will feel no change in their attitude or motivation to engage in actions that might reduce the conflict. * SFPI and its affiliates will lack access to the network members, and thus make no relevant connections. |

1. **The Project:**

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| **Organization Description** |
| Founded in 2014, the Negotiation Strategies Institute (NSI), is a US-based, non-partisan organization operating from Jerusalem. NSI enjoys the academic sponsorship of the Harvard Negotiation Project, which provides it with knowledge and expertise, as well as the necessary credibility and legitimacy to do its work.  NSI is forming a network to develop a strategic infrastructure of mid-career and senior government officials, influencers, and executives from civil society, think tanks, and the private sector, who hold positions of influence and can potentially affect issues related to the Israeli- Palestinian dynamics.  NSI operates three programs: the Executive Program on Negotiation, the Alumni Network, and the Leadership Forum, as detailed below:  **The Executive Program on Negotiation**: NSI’s main program is the Executive Program on Negotiation. Ten months long, it includes 30 Israeli, Palestinian, and foreign fellows. It focuses on building negotiation skills by offering the fellows a comfortable and meaningful way of finally connecting with their counterparts from the "other side." NSI believes that the experience of sharing ideas and spending time with colleagues from the "other side" combined with a knowledge of conflict resolution will give the relevant decision-makers (the participants) the motivation to resolve the Israeli-Palestinian conflict and equip them with the tools and a common language to do so.  **The Alumni Network**: NSI has a network of over 150 graduates of its executive program and serves as both the organizer of programmatic activities and a platform that allows its members to initiate and organize activities such as informal consultations on issues of concern, problem-solving, in-depth study of international cases, etc. Members of the network members are leading players with the potential to influence matters related to SFPI's goals and worldview. This program is led by Gili Rei, a graduate of SFPI's fellowship program.  As part of the maintenance and "activation" of the network, the organization accompanies its graduates, connects them, and provides them with the necessary toolbox tailored to their needs. Last year, for example, NSI responded to a requirement raised by a network member by organizing an expert-led workshop on cooperation for its graduates—8 CEOs of government ministries—so that they could improve the quality of their governments’ efforts. At the organization's request, the workshop was held at SFPI's offices.  NSI plans to develop a systematic model for maintaining the alumni network throughout the grant period. For this purpose, it intends to create an operative plan for the next three years that will entail learning from leadership programs that operate such networks and building a strategic plan for strengthening the relationships between alumni, enhancing their sense of belonging, and providing its graduates with tools and skills.  In terms of the network’s "activation," the organization has thus far responded to local initiatives that emerged naturally (such as the establishment of Bridging Insights by two network alumni). During the grant period, NSI will develop a method for promoting initiatives that work towards the resolution of the Israeli-Palestinian conflict). The organization will create an operating model and define the criteria for choosing areas of influence, methodologies, and a process for increasing involvement, as well as encourage and nurture initiatives while determining their relevance and compatibility with its values.  The organization also plans to launch and develop an "Opportunities Lab"—a platform on which network members who are critical players on targeted issues related to the conflict can innovate and examine new ideas. The objective is to form think groups and work teams around specific topics (e.g., energy, water, trade), invite members of the network to discuss and develop innovative ideas and initiatives, and provide them with the tools they need to do so. The organization hopes to hold 2-3 rounds of laboratories in the first year.  **The Leadership Forum**: In 2019, NSI began organizing Leadership Forums for the most senior graduates (such as the head of the National Assembly and the top people in the budget division at the Ministry of Finance) of the Executive Program. Separate forums are held for the Israelis and Palestinians. As the main goal here is to meet the particular needs of the graduates, the forums are tailored to the participants’ needs and last about six months. So far, there have been two rounds of this program, with the third currently in session.  After two years of our close relationship with and successful support by NSI, we are impressed by the organization’s professionalism and leadership and believe in the potential of a partnership with them. We find that the alumni network counts among its members the most relevant decision-makers on the issues we promote. NSI’s support aligns with the goals to which we aspire, namely, minimizing the conflict and, in terms of building infrastructure, developing a leadership program that serves as a catalyst for public policy.  In accordance with the above, we recommend a three-year general support grant of $750,000 per annum. If the grant is approved, SFPI will become NSI’s second largest funder. |

1. **Measurement and Evaluation:**

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| **Highlights** |
| * We will set up M&E with the NSI team to develop and model the alumni network and leadership forum in Q1 2023. |

1. **Grant Management:**

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| **Risk Management** | |
| **Risk** | **Mitigation/Other Implications** |
| After sharing the experience and gaining familiarity with the program, decision-makers conclude that one country poses not a threat, but rather a desirable situation, and thus either work to promote it or no longer oppose it. | We will discuss this with NSI management. Together we will try to provide an adequate response to the concern. |
| The organization's lack of public visibility will be framed as political/negative, while the organization's lack of "face" will strengthen this argument. | Acknowledging this concern and raising the point before management. |
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| **Exit Strategy** | |
| There is no exit strategy, but the grant is a one-off for three years. We account for less than 10% of the organization's budget. | |

1. **The Organization:**

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| **About the Organization\*** | | | |
| NSI was founded in 2014. It is a non-partisan, US-based organization operating from Jerusalem, which focuses on the Israeli– Palestinian conflict, with the academic sponsorship of the Harvard Negotiation Project (HNP).  NSI has eight full-time employees. Following are some details regarding the organization's leadership:  Lior Frankiensztajn lives in Tel Aviv and is a Founder & Executive Director of NSI and a Senior Affiliate at the Harvard International Negotiation Program. He previously served as an officer in the Israeli Defense Forces and Chief of Staff;  Maj Gen (ret.) Shai Avital is a Reichman University graduate who completed the Executive Program in Negotiation and Leadership offered by Harvard University’s Program on Negotiation. He is also a Schusterman Fellow (cohort 7).  Ihab Khatib lives in Jerusalem and is a Founder & Executive Director of NSI, a Senior Affiliate at the Harvard Negotiation Project, and a graduate of the Kennedy School. Previously, he has worked for the Palestinian President's Office, the UN, and the World Bank.   Gili Rei lives in Jerusalem and is the Director of Network & Programs at NSI. She joined NSI in 2020. Before that, she held various executive positions in non-profit organizations in Israel that focus on the relationships among different communities in Israeli society. Gili is also a facilitator of thought processes. As such, she has led dialogue groups between human rights activists and ultra-orthodox educators as well as several groups of faculty members at Israeli academic institutions and the Van Leer Institute. Gili has a BA in Education and Arts History from the Hebrew University and is a Schusterman Senior Fellow (cohort 4). | | | |
| **Organization Budget and Sources\*\*** | | | |
| * + See attached Excel. | | | |
| **Main Funders of the Organization** | | | |
| Funder Name | Amount (NIS) | Status | Type |
| Folke Bernadotte Academy (FBA) | 1,360,000 | Committed | Specific support for the Executive program, the activity on the Palestinian side, and full funding of an expert who joins the organization. |
| Aviv Family Foundation | 700,000 | Committed | General funding with a focus on the activity on the Palestinian side |
| Postcode Foundation | 615,000 | Committed | Specific support for developing the modeling of the Executive program, the network, rent for the organization's offices, and internal organizational work for the team |
| William James Foundation | 422,000 | Committed | General funding |
| **Additional Inputs\*\*** | | | |
| If the grant is approved, SFPI will become the second largest funder of NSI. | | | |

1. **Previous Grants:**

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| **Previous Grants from SFPI (Pulled from Fluxx)** |

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| **ID Title** | **Portfolio** | **Grant Active Date** | **Amount Granted** |
| [G-21-18300](https://schusterman.fluxx.io/grant_requests/21526269) Monitoring Project NSI | Israel Grantmaking: Public Policy | 9/1/2021 | $120.0K |
| [G-21-19309](https://schusterman.fluxx.io/grant_requests/21675896) NSI's rapid workshop Israeli leaders | Israel Grantmaking: Public Policy | 10/28/2021 | $28.0K |