**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 parenthesis the $ amount):** | NIS 2,250,000 for 3 years ($660,000) |
| **Project title:** | NSI – General Support | **% of SFPI funding from committed:**  **(NIS)** | **10% of organization 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 annually for NSI will go towards general support. |
| **SFPI Goals** |
| 1. Cultivating leaders with interest and potential influence on the Israeli-Palestinian conflict.  2. Establishing relationships with leaders related to the Israeli-Palestinian conflict (special relationships).  3. Creating accessibility to NSI's high-quality alum network. |
| **Project Goals** |
| To support a vibrant new network of up-and-coming national leaders of Israelis, Palestinian, and other key stakeholders (Egypt, US, Russia, Jordan, and more) to the dynamics in the region. The organization's goal is to act as a strategic resource that catalyzes action and supports the emergence of fresh and innovative thinking and efforts to address the conflict that will result in desirable and sustainable outcomes. |
| **Success and Failure** |
| **Success**:   * The network members are leading decision-makers concerning the Israeli-Palestinian conflict. * The network members are willing to engage and promote actions that minimize the conflict following their experience in the program. * SFPI and its affiliates have full access to network members. * New initiatives regarding the conflict are created following the grant.   **Failure**:   * The network members understand that the conflict is too complex and therefore stay away from dealing with it ultimately. * There is no change in the attitudes or motivation of the network members to engage in actions that minimize the conflict. * SFPI and its affiliates do not have access to the network members, and no relevant connections are made. |

1. **The Project:**

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| **Organization Description** |
| The Negotiation Strategies Institute (NSI), founded in 2014, is a US-based, non-partisan organization operating from Jerusalem. NSI has academic sponsorship of the Harvard Negotiation Project (HNP), providing them access to knowledge and expertise and the necessary credibility and legitimacy to do their work.  NSI is forming a network to develop a strategic infrastructure of Mid-career and senior government officials, influencers, and executives from the civil society, think tanks, and private sector who are in positions of influence and can potentially affect issues related to the Israeli - Palestinian dynamics.  NSI operates in 3 programs - the Executive Program on Negotiation, the Alumni Network, and the Leadership Forum, as detailed below:  **The Executive Program on Negotiation**: The main program of NSI is the Executive Program on Negotiation. This ten-month program includes 30 Israeli and Palestinian, and foreign Fellows. It is focused on building negotiation skills while allowing the fellows a comfortable and meaningful way to connect for the first time with their counterparts from the "other side." NSI's goal is that the shared experience with colleagues from the "other side" and the knowledge of conflict resolution will give the relevant decision makers (the participants) the motivation to promote the Israeli-Palestinian conflict and equip them with tools and a common language to do so.  **The Alumni Network**: NSI has a network of over 150 graduates of the executive program, which serves as an organizer of programmatic activities as well as a platform for its members to initiate and organize activities such as informal consultations on issues of concern, problem-solving, in-depth learning of international cases and more. 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. For example, last year, in response to a requirement that a network member raised, NSI organized for its graduates 8 CEOs of government ministries an expert workshop on cooperation to improve the government's work. The workshop was held at the organization's request at SFPI's offices.  NSI plans to develop a systematic model for maintaining the alum network during the grant period. For this purpose, it intends to create an operative plan for the next three years, which will include learning from leadership programs that operate alum networks and building a strategic plan to strengthen the relationships between the alums, strengthen the sense of belonging and provide tools and skills for the graduates.  Concerning the "activation" of the network, the organization has responded to local initiatives that emerged naturally (such as the establishment of Bridging Insights by two network alums) so far. During the grant period, NSI will develop a method for promoting initiatives to boost 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 and encouraging and nurturing initiatives while determining their relevance and compatibility with the organization's values.  The organization also plans to launch and develop an "Opportunities Lab" - a platform for innovation and examining new ideas for network members who are critical players on targeted issues related to the conflict. The idea is to form thinking and work teams around specific topics (for example, energy, water, trade) and invite the members of the network to think together and develop innovative ideas and initiatives while providing the required tools by the organization. The organization wants to hold 2-3 rounds of laboratories in the first year.  **The Leadership Forum**: In 2019, NSI began to develop Leadership Forums for the most senior graduates (such as the head of the National Assembly and the leaders of the budget division at the Ministry of Finance) of the Executive Program. These forums are separated for Israelis and Palestinians. The main goal is to meet the particular needs of the graduates; therefore, it is tailored to the participant's needs and lasts about six months. So far, there have been two rounds of this program, which continues this year for its third round.  After two years of close relationship and successful support, we are impressed by NSI's professionalism and leadership and believe in the potential of a partnership with them. We find that the alum network consists of the most relevant decision-makers to the issues we promote. The support in NSI aligns with the goals we want to achieve concerning the topic – minimizing the conflict and, in terms of the infrastructure building - leadership program as a catalysator for public policy influence.  Following the above, we recommend a three-year general support grant of $750,000 annually. If the grant is approved, SFPI will become the second top funder of NSI. |

1. **Measurement and Evaluation:**

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

1. **Grant Management:**

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| **Risk Management** | |
| **Risk** | **Mitigation/Other Implications** |
| Following the shared experience and familiarity with the program, decision-makers concluded that one country is not a threat but a desirable situation and work to promote it or no longer wish to prevent it | We will discuss this with NSI's management. Together we will try to provide an adequate response to the concern |
| Following the organization's lack of public visibility will be framed as political/negative, and the organization's lack of "face" will strengthen this argument. | Acknowledging this concern and raising the point before the management. |
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| **Exit Strategy** | |
| No exit strategy exists, but the grant is a one-off for three years. We make up 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. Here are some details about the organization's leadership:  Lior Frankiensztajn, living in Tel Aviv, Founder & Executive Director of NSI; Senior Affiliate at the Harvard International Negotiation Program. Previously served as an Officer in the Israeli Defense Forces and Chief of Staff, Maj Gen (ret.) Shai Avital. Graduated from Reichman University, completed the Executive Program on Negotiation and Leadership of Harvard's Program on Negotiation, and Schusterman Fellow (cohort 7)    Ihab Khatib, living in Jerusalem, is the Founder & Executive Director of NSI, a Senior Affiliate at the Harvard Negotiation Project, and a graduate of the Kennedy School. Previously worked for the Palestinian President's Office, the UN, and 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, focusing on the relationships between the 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, several groups of faculty members in Israeli academic institutes, 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 joined 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 in developing the modeling of the Executive program, the network, renting 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 top 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 |