

Warsaw Human Dimension Conference 2024, October, 1st, 2024

**Open Dialogue Foundation's Intervention for the Plenary Session 1: Humanitarian Issues:
Redefining Risk: De-risking's Impact on Humanitarian Aid and Bitcoin's Role**

Dear Chairperson, distinguished colleagues,

I am representing the Open Dialogue Foundation, a human rights advocacy NGO, and the Building True Change Coalition¹ of global freedom defenders.

Today, I want to highlight a critical issue for the future of humanitarian aid: de-risking practices that financially exclude those involved in aid efforts. These harmful practices stem from Financial Action Task Force (FATF)² recommendations that unfairly label NGOs and crowdfunding as high-risk, setting a damaging global standard³.

As a result, NGOs and volunteers using crowdfunding will face higher administrative costs, a shrinking donor base due to intrusive compliance checks, and reduced funding opportunities for smaller organizations and projects that rely on crowdfunding.

This overreaching regulation devastates civil society's fundraising efforts, and in crises—like natural disasters or conflicts like Ukraine—crowdfunding is often the quickest way to mobilize resources.

At the Open Dialogue Foundation, we have experienced firsthand how bank accounts can be shut down without transparency, even in Western democracies, severely hindering our ability to provide aid. For instance, since Russia's full invasion in Ukraine, we, along with other NGOs, struggled to provide life-saving aid as our accounts on platforms like GoFundMe, Wise and PayPal were suspended, delaying vital supplies.

Moreover, in authoritarian countries, traditional banking systems are weaponized against civil society, making it impossible to distribute humanitarian funds through conventional channels. We have seen this in Venezuela.

In these contexts, Bitcoin peer-to-peer transactions have become the only available crowdfunding tool for activists and NGOs. Yet, this empowering technology is also negatively labeled as high-risk without consideration of its humanitarian necessity.

In the light of this, we urge the OSCE Parliamentary Assembly's Ad Hoc Committee on Countering Terrorism and its member states to reconsider FATF recommendations and assess their real-world impact. This includes engaging victims of financial exclusion and industry representatives in dialogue, presenting data on NGOs using crowdfunding for humanitarian purposes that may be linked to money laundering and terrorist financing, and acknowledging the consequences of such legislation.

Lastly, we stress the need to recognize Bitcoin's humanitarian applications, particularly in oppressive contexts, and emphasize the importance of adopting neutral language surrounding Bitcoin peer-to-peer transactions and freedom tech at large, especially against the backdrop of a regulatory environment that frequently defaults to penalizing these technologies hindering their legitimate use in civil society.

*delivered by Katarzyna Szczypka

¹ <https://en.odfoundation.eu/projects-and-campaigns/combating-financial-exclusion-and-work-of-btc-coalition/>

² <https://en.odfoundation.eu/a/723329.submission-to-fatf-tools-to-prevent-abuse-of-aml-cft-laws/>

³ <https://en.odfoundation.eu/a/725781.building-true-change-btc-coalition-submission-on-the-eu-proposal-for-a-regulation-on-the-prevention-of-money-laundering-or-terrorist-financing/>