CoPower GLOBAL

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DEVELOPING THE INTERSECTION OF OPERATIONS AND PROGRAMMING

# Can Crypto Fix What's Broken in International Grantmaking?

A grantee partner working in Eurasia hit a wall this year. A bank transfer that should have taken days was stuck, again, somewhere between sanctions screening, correspondent banking delays, and a financial system that was never built with them in mind. The National Endowment for Democracy's team had a decision to make: wait, or try something else.

So they tried something else. Within 24 hours, the payment was resolved. It was sent as USDC, a dollar-pegged stablecoin, straight to the grantee's digital wallet.

That's the kind of story that made CoPower Global's session with the National Endowment for Democracy (NED) stick with us. We'd already been curious about what's possible when funders rethink the infrastructure that quietly shapes who gets funded, how fast, and at what cost, so we invited two experts from NED’s grantmaking team to join our community and share what they've learned moving over $1.2 million in crypto payments (USDC) to grantees across Africa, Eurasia, Latin America, and the Middle East since April 2025. Here’s what we took from it.

When you hear crypto payments, you probably think fast rails, fancy technology, lower fees. At least we did at CoPower. But the NED isn't using volatile assets like Bitcoin. They're using stablecoins, cryptocurrencies pegged to the U.S. dollar, specifically because they wanted to avoid the price swings that make something like Bitcoin a poor fit for grant payments. A payment of 1,000 USDC is designed to hold at roughly $1,000. We will come back to that distinction later.

What the session highlighted, more than anything, is that traditional banking infrastructure imposes real costs on grantees, and those costs aren't distributed evenly. Implementers working in restrictive environments, conflict affected regions, or countries under sanctions regimes often absorb the burden of a system built for a different kind of transaction: delays that stall program work, fees that eat into already thin budgets, and outright exclusion when local banks can't or won't process international transfers at all.

The question for us isn't really about payment innovation, it's about who currently pays the price for our current systems, and how we stop passing that cost downstream. At its core, that's a question about power and design, and it's the kind of question CoPower exists to put on the table between funders and implementers.

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## What NED actually built

Working with Circle's platform, NED has used USDC (and EURC) as an alternative payment method when traditional banking is unavailable or unreliable, primarily so far in Eurasia and other regions facing significant banking restrictions. NED's experts framed the value in three parts: access in places traditional banking simply can't reach, efficiency for recipients who often see near instant settlement instead of days long delays, and resilience in restrictive environments where conventional channels are unreliable or politically fraught.

They were candid that there was real skepticism inside NED before leadership got behind the initiative, a reminder that this kind of shift takes institutional will.

## The questions skeptical readers are right to ask

A dollar pegged stablecoin sounds simple in theory, but adopting one raises real questions, and the session didn't shy away from them. Who holds custody of the funds while they're in transit? What are the tax implications for a grantee receiving payment this way, and how much does that vary by jurisdiction? How does an organization stay confident it's meeting sanctions compliance obligations? What does this mean for a grantee's own accounting, reporting, and audit requirements?

The experts were upfront that these questions are still being worked through. Tax and legal treatment varies by country and isn't fully settled. Sanctions compliance takes ongoing vigilance. And clear guidance for grantees on accounting and auditing crypto transactions is still being developed, in collaboration with NED's financial and compliance function. This shows us that this is a live, evolving practice rather than a finished playbook, and it's worth funders and implementers alike going in with eyes open.

It's also worth saying plainly that stablecoins are not the same conversation as Bitcoin speculation or crypto fraud. Because transactions live on a public ledger, they're generally easier to trace and audit than a cash transaction or an opaque wire through multiple intermediary banks. That doesn't eliminate the real questions above, it just means the caution belongs with custody, tax, and compliance, not with a fear that the money will simply vanish.

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## The operational guardrails

If there's one thing worth taking seriously from NED's experience, it's that a credible stablecoin payments program is an operational build, with real guardrails that includes a structured risk assessment process for each context, weighing privacy implications, security posture, regulatory environment, and how private keys are managed. It contains test payments and wallet verification before any funds move, to confirm the receiving wallet and recipient identity are legitimate. NED also caps individual payments at $50,000 as a security measure, and works on an ongoing basis with compliance and finance teams to build institutional understanding of risk.

Infrastructure limits are real too. Rural and conflict affected areas don't always have reliable internet access or wallet compatibility, which means this is a tool for specific contexts, and not suitable for every grantee relationship.

## The bigger takeaway

You could read this as a niche operations story, only useful if your organization works in a few hard-to-bank regions. We'd disagree.

The deeper story here is about who bears the operational cost of how funders choose to move money, and how much of that cost is invisible to funders themselves until someone names it. NED's stablecoin initiative is one answer to that question. It won't be the right answer for every organization or every grantee relationship. But the underlying instinct to audit your payment infrastructure for who it's actually failing and be willing to build something better, is what CoPower would like to see more of across the sector.

That's also why we do sessions like this one: to bridge the knowledge gap between funder operations and the Global South implementers navigating them, and to make sure implementers have a seat in conversations about the systems that shape their work.

If your organization is exploring alternative payment methods, or if you're a grantee partner who's been quietly absorbing the cost of a slow wire transfer for years, we'd love to hear from you.

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