

FOR DECISION

BM.02/DOC.06: ELIGIBILITY FOR THE CORE FUNDING MECHANISM

1. PURPOSE

The purpose of this paper is to seek a decision from the Board approving an eligibility policy for the Core Funding Mechanism. The proposed policy is in Annex 1 to this document.

2. REQUESTED DECISION

The Board is requested to approve the following decision:

BM.02/DEC.XX: The Board:

- a. *approves the Core Funding Mechanism Eligibility Policy attached as Annex 1 to BM.02/DOC.06; and*
- b. *requests the Secretariat to present for Board approval in 2016 an updated policy incorporating good practices and lessons learned.*

3. BACKGROUND AND REASONS FOR RECOMMENDATION

Background

3.1 At its first meeting in November 2014, the Board endorsed the Core Funding Mechanism described in the document Proposal for a Funding Model (BM.01/DOC.05).

3.2 The document states the following regarding eligibility for the Core Funding Mechanism:

Beneficiary Country Self-Identification and Board Approval

4.7 To be eligible, a prospective pilot country must be included on the current list of countries eligible for Official Development Assistance¹ and:

- face a radicalisation to violent extremism challenge;
- have government committed at the national-level to countering violent extremism and engaging local communities as part of this effort; and
- be willing to support and facilitate the provision of GCERF grant-making nationally.

¹<http://www.oecd.org/dac/stats/documentupload/DAC%20List%20of%20ODA%20Recipients%202014%20final.pdf>. Note that this hyperlink is to the new OECD DAC list effective as of 1 January 2015.

4.8 It is envisaged that the Core Funding Mechanism will provide grants in five countries in 2015 and a further five countries in 2016. To guide interested countries and to facilitate Board decision-making, a detailed eligibility policy will be prepared for approval at the next face-to face meeting of the Board.

3.3 Following its discussion at the 1st Board meeting, the final decision (BM.01/DEC.05) states: “The Board invites a small number of countries that may include Bangladesh, Mali, Morocco and Nigeria as potential pilot beneficiary countries in 2015 and encourages such countries to commence the establishment of their Country Support Mechanism as soon as possible” and “requests the Executive Director ... to elaborate and present for approval in the second quarter of 2015 detailed beneficiary country eligibility criteria for Board approval.”

Proposed Policy

3.4 The Secretariat has developed the Core Funding Mechanism Eligibility Policy in Annex 1, which builds on the elements of eligibility outlined in the Proposal for a Funding Model paper.

3.5 Ideally, the element of “facing a challenge of radicalisation to violent extremism” would have an objective measure attached to it. The Secretariat is not aware of any index or ranking of this phenomenon across countries which could be used.² This is due to the nascent nature of the field of countering violent extremism, including divergences in opinions of the definition of violent extremism.

3.6 Given the lack of objective measures, and the fact that a government’s recognition of the challenge is critical, this element has been incorporated into the “political commitment” component of the eligibility requirements in the proposed Policy.

3.7 In addition, GCERF’s mission is to support local, community-focused and -led responses to the local drivers of radicalisation to violent extremism. It is therefore important that a government’s political commitment is also reflected in the provision of an enabling legislative and operational environment. Specifically, it is necessary for potential GCERF grant recipients active in this space to become grant recipients and to utilise those resources provided by GCERF effectively and efficiently. In this regard, GCERF will continue to assess and keep the Board apprised of perceived risks in this domain.

3.8 Inevitably, eligibility is affected by the availability of funds and the issues discussed in the paper Launch of the Core Funding Mechanism in Pilot Countries (BM.02/DOC.04) and/or Resource Mobilisation (BM.02/DOC.08). It is essential that countries wishing to participate in the CFM are provided with clarity of the consequences of such participation, including potential access to available funding. This is in order to avoid considerable investments of time and money if funds will not be available. As such, the Policy requires that a Board decision approving a new pilot country provide an indication of when the country’s allocation will be considered by the Board.

² The Global Terrorism Index would not serve this purpose, as it is measuring a different phenomenon from radicalisation to violent extremism.

3.9 The Bylaws provide for five beneficiary country seats on the Governing Board. Currently, four of those seats are occupied by Bangladesh, Mali, Morocco and Nigeria. As such, there is a vacant beneficiary country seat, which should be occupied following approval of a fifth pilot country. If more than five pilots are chosen, discussions should be undertaken by the beneficiary countries regarding sharing seats. The Chair can facilitate such discussions.

3.10 Given that the Policy is designed to address eligibility during the pilot phase of GCERF and its Core Funding Model, the proposed Board decision requests the Secretariat to present an updated policy which incorporates established good practices and lessons learned during the pilot phase.

4. NEXT STEPS

At present, the Executive Director is in discussions with Indonesia, Kenya and Kosovo³ regarding their interest in serving as pilot beneficiary countries. The outcome of the Board's discussion and the Policy, if approved, will be shared with any countries that communicate interest in becoming beneficiaries. The Policy will also be transparently posted on the GCERF website.

5. EFFECT ON OPERATING EXPENSES

The costs of implementing the Policy are incorporated into the approved operating expenses budget for 2015.

³ Designation of Kosovo as a "country" is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

ANNEX 1

**CORE FUNDING MECHANISM
ELIGIBILITY POLICY**

1. **Core Funding Mechanism.** The Core Funding Mechanism (CFM) is GCERF's primary funding mechanism in its Funding Model.
2. **Pilot Phase.** In 2015 and 2016, the CFM is in a pilot phase and the eligibility of countries is accordingly limited. This Policy will be reviewed by the Board no later than 2017.
3. **Application.** This Policy takes effect upon its approval by the Board and applies to countries not already approved by the Board as pilot countries as of that date.
4. **Elements of Eligibility.** The eligibility of countries to participate in the CFM consists of three elements:
 - a. the income level of the country;
 - b. the existence of a challenge of radicalization to violent extremism in the country; and
 - c. government commitment to address the issue.

5. **Income Level**

In order to be eligible for GCERF financing, the country must be included on the current list of Official Development Assistance Recipients published by the Development Assistance Committee of the Organisation for Economic Co-operation and Development⁴. This list was updated in January 2015 and will be updated again in 2018.

6. **Challenge of Radicalisation to Violent Extremism and Government Commitment to Address it**

This element of eligibility for participating in the CFM is established by the government of the relevant country providing a letter addressed to the GCERF Governing Board stating:

- a. its recognition of the challenge of radicalisation to violent extremism within the country;
- b. its commitment at the national level to counter radicalisation to violent extremism and engage local communities as part of this effort; and

⁴<http://www.oecd.org/dac/stats/documentupload/DAC%20List%20of%20ODA%20Recipients%202014%20final.pdf>

- c. its willingness to support, enable and facilitate GCERF grant-making in a rapid manner, including, but not limited to, providing to GCERF and/or its partners any required approvals, licenses, exemptions or other legal pre-requisites.
7. **Board Decision.** Once the elements in paragraphs 5 and 6 are established, the Secretariat shall present to the Governing Board a decision:
 - a. approving the eligibility of the relevant country under the CFM;
 - b. providing the country an opportunity to occupy or join one of the beneficiary country seats on the Board;
 - c. requesting the Secretariat to work with the country to form a Country Support Mechanism; and
 - d. providing an indication of the timeframe of allocation of funding under the CFM.

Such decision may be taken by any decision-making modes available in the Bylaws.

8. **Amendment.** This Policy may be amended upon approval of the Board.