

FOR DECISION

BM.03/DOC.07: NEW BENEFICIARY COUNTRIES

1. PURPOSE

The purpose of this paper is to build on the proposed funding cycle for the Core Funding Mechanism (“CFM”) provided in BM.03/DOC.05 and provide information to the Governing Board (the “Board”) for its consideration of approval of Kenya, Kosovo and Myanmar as new beneficiary countries.

2. ADDITIONAL BENEFICIARY COUNTRIES FOR 2016

2.1 Following the successful application for funding of GCERF’s first three pilot beneficiary countries (Bangladesh, Mali and Nigeria), the question of growth of GCERF’s grant portfolio becomes relevant. The expansion of the number of beneficiary countries was briefly discussed by the Board at the 2nd Board Meeting in the context of the approval by the Board of the Eligibility Policy for the Core Funding Mechanism.¹ At that time, the discussions focused around expansion being taken in a “judicious” manner (see Report of the 2nd Board Meeting²).

2.2 The CFM Eligibility Policy includes three elements of eligibility:

- a. inclusion on the current list of Official Development Assistance (“ODA”) Recipients published by the Development Assistance Committee of the Organisation for Economic Co-operation and Development (the “DAC”)³;
- b. the existence of a challenge of radicalisation to violent extremism in the country; and
- c. government commitment to address the issue.

2.3 The second and third elements are demonstrated 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

¹ <http://www.gcerf.org/wp-content/uploads/ELIGIBILITY-POLICY-FOR-THE-CORE-FUNDING-MECHANISM.pdf>

² <http://www.gcerf.org/wp-content/uploads/Report-of-the-2nd-Board-Meeting.pdf>

³ <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.

2.4 Following the approval of the CFM Eligibility Policy, the Secretariat has provided guidance to countries interested in becoming beneficiary countries and has had discussions with selected countries that fulfil the income level requirements to provide the requisite letter.

2.5 At this time, the Secretariat is presenting to the Board a decision as required by the CFM Eligibility Policy for Kenya, Kosovo and Myanmar, each of which are included in the ODA Recipient list issued by the DAC. In addition, each of them has delivered a letter of interest, copies of which are attached as **Annex 1** to this paper.

2.6 The addition of Kenya, Kosovo and Myanmar expands the geographical scope of GCERF into the Greater Horn of Africa, the Balkans and Southeast Asia, which will provide for the testing of the revised CFM in new contexts and widen the platform for shared learning. Without pre-empting any findings of a needs assessment, generally, each of these new countries has unique populations, communities, and ethnic or religious groups that may be susceptible to radicalisation to violent extremism. Some of these are referenced in the letters in Annex 1. In addition, the following considerations can be taken into account:

- **Kenya:** There are many examples of violent extremism in Kenya in recent years, including the recent attack on Garissa University College and the September 2013 attack at the Westgate shopping mall in Nairobi. The intensity of these events has escalated in recent months, both driven by and provoking elevated tensions between Kenyan ethnic and religious communities. The situation is further exacerbated by regional instability, especially with the conflicts in Somalia, South Sudan and Great Lakes Region that contribute to the attendant problems of influx of unscreened refugees, and with the trafficking of small arms into Kenya through the porous arid and semi-arid border lands.

In response to the situation, the Government of Kenya has established a National Counter Terrorism Centre, created a task force on community policing, formed a National Committee on CVE, launched a National CVE Strategy, and has taken a leadership role in the global preventing/countering violent extremism community of interest by hosting a Regional Conference on Countering Violent Extremism in June 2015.

More efforts are required to counter radicalisation and to prevent such phenomena at the root, including focusing on community-led approaches to preventing and countering violent extremism. Kenya is home to a vibrant civil society, including grassroots organisations focusing on these issues, but these organisations face a spectrum of conditions (the most important being limited funding) that challenge their ability to work effectively. Sufficient capacity among these organisations to absorb international donor funds in this area is present.

- **Kosovo:** The threat of violent extremism has been slowly growing in Kosovo since its 1999 conflict. To date, no terrorist incidents have taken place inside Kosovo, but it is

estimated that approximately 150 to 200 foreign terrorist fighters (FTFs) from Kosovo have travelled to Syria and Iraq to fight for the Islamic State of Iraq and the Levant (ISIL) or al-Nusrah Front.

To date, and as outlined in the letter of interest, the government has focused its counterterrorism efforts on law enforcement and judicial reform. Kosovar security officials began initial efforts to reach out to non-security ministries, independent media, non-governmental associations and religious organisations to enlist their support on preventing young people from being recruited and radicalised to violent extremism and on reintegrating foreign terrorist fighters.

Civil society is relatively nascent in Kosovo, and the capacity of local communities to undertake preventing/countering violent extremism efforts is still developing. There are no significant economic, political, and social issues that would prevent GCERF from working in Kosovo.

- **Myanmar:** In spite of its rich cultural heritage and legacy of socio-religious harmony, the Republic of the Union of Myanmar is currently facing a challenge of radicalisation to violent extremism. Specifically, violent extremist Buddhists are inciting violence and other human rights abuses against Rohingya Muslims and other Muslim populations. To escape persecution, many Rohingya Muslims are fleeing to Bangladesh (a current GCERF pilot country), Indonesia, Malaysia, Thailand, and even Australia. The conflict has already spilled over into Indonesia and Malaysia, with a few bombings and assassinations.

In response, the government has taken steps to prevent and counter violent extremism by building the capacity of law enforcement and by engaging relevant stakeholders (including local communities). But much more is needed at a grassroots level, and more must be done to empower communities – in particular, nonviolent leaders – and to promote diversity, tolerance, and pluralism. The government has expressed a commitment to an inclusive process – which will include the government, relevant agencies, and civil society – to facilitate GCERF's work.

While relatively young, civil society in Myanmar is extremely dynamic. Grassroots organisations are becoming stronger and the space in which they operate is rapidly expanding. The significant investments of the international community over the last few years have contributed to this vibrant civil society but sustained efforts remain necessary as local organisations face several challenges and work in sometimes difficult contexts.

Investing in Myanmar would also contribute to larger transformation processes that are currently ongoing in the country. Since 2011, Myanmar has embarked on a democratisation process, with wide-reaching political and economic reforms. Many political prisoners have been released, media restrictions have been relaxed, civil liberty restrictions have been eased, ceasefires have been negotiated with most of the armed ethnic minority groups, and a process of engagement with the global economy is underway. The country also held general elections on November 8, 2015, and at the time

of writing the National League for Democracy (NLD) has won 80% of contested seats with just a few results still to be announced. Myanmar's current President Thein Sein has promised a smooth transfer of power to the NLD and the military has also said it will abide by the election results. If power is transferred, it will be an historical turning point for the country, as it will end more than 50 years of military-backed government.

Finally, investing in Myanmar would be strategic for GCERF as it would demonstrate to prospective donor and beneficiary countries and to the international community that GCERF aims to contribute to the prevention of violent extremism in all its guises, whether religious, tribal or inter-ethnic, and not specifically to the prevention of violent Islamic extremism.

2.7 The addition of these three countries will contribute to GCERF achieving sustainable, lasting impact within a wider global context of long-term peace, security and development.

2.8 The CFM Eligibility Policy states that once these elements 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.

2.9 If the decision is approved by the Board, following adjournment of the 3rd Board Meeting, the three new beneficiary countries will be invited to designate a representative to join or occupy one of the five beneficiary seats, two of which are currently unoccupied. As the number of beneficiary countries expands, the Board should consider allocating the beneficiary country seats on a regional or other basis.

2.10 The paper presented at this meeting on the country funding cycle for the CFM (BM.03/DOC.05), including the decision-making timetable, anticipates that this 'wave' of beneficiary countries would be pre-allocated funds in the second quarter of 2016 (likely at the next face-to-face Board meeting) and decision made on its National Application in the fourth quarter of 2016 (also likely at a face-to-face meeting). The draft decision incorporates such a timeframe by referring to the CFM process as adjusted at this 3rd Board Meeting.

3. FINANCIAL IMPLICATIONS

The financial implications of the proposed decision are discussed in BM.03/DOC.10.