

**FOR INFORMATION**

**BM.08 /DOC.02: REPORT OF THE EXECUTIVE DIRECTOR**

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**1. INTRODUCTION**

1.1 Three themes characterise the 13 papers presented to this eighth meeting of the Governing Board of the Global Community Engagement and Resilience Fund (GCERF). The first is progress in supporting local communities to build resilience against violent extremist agendas. The second is the establishment of a platform for future growth. The third theme is the potential for greater impact.

**2. PROGRESS**

2.1 In Bangladesh, Mali, and Nigeria, programme implementation is approximately 20 months into an average programme duration of 30 months; and is estimated to have reached almost 900,000 people. This represents a three-fold increase in programme reach during the final six months of 2017, and further acceleration is anticipated with the total number of people to be reached in the three countries now predicted to be almost two million (BM.08/DOC.03). Qualitative indicators are also provided, demonstrating the traction of GCERF-funded interventions in programme areas including community policing and community agency; media, communication and messaging; working with vulnerable in and out-of-school youth; the role of women and girls in PVE; and creating a sense of purpose among vulnerable population groups. Financial disbursements for all grants has also accelerated, and total disbursements by the end of December 2017 represented 43 percent of total commitments.

2.2 Funding of USD 5 million has now been secured for a second round of investment in Nigeria; and is actively being sought for a second round in Bangladesh and third in Mali. A hosting partner organisation has been selected for the establishment of GCERF's first in-country presence for the implementation of the Accelerated Funding Mechanism ("AFM") in Bangladesh. Grants have been signed for the second round of investment in Kosovo; and the Kenyan National Application is presented to this Board meeting to enable the first investment of USD 5 million there (BM.08/DOC.08). An investment plan for Tunisia is also presented (BM.08/DOC.10); while a Memorandum of Understanding has been submitted to the Government of Myanmar and advanced discussions are in progress with the Government of the Philippines.

2.3 Programmatic challenges have of course arisen, ranging from the massive influx of refugees in Cox's Bazar, through rising insecurity in Mali, to the impact of elections in Kenya. The various papers demonstrate how GCERF has responded to these challenges, for example by adapting its PVE programming to a humanitarian context in Bangladesh; providing ongoing support to grantees in Mali by phone and email and working with them to tailor their projects to the local security settings; and liaising closely with the Kenyan Country Support Mechanism ("CSM") to maintain momentum through the electoral cycle (BM.08/DOC.04). The Board will hear more about the realities of PVE programming with a dedicated session at this Board meeting for interaction with Principal Recipients

(“PRs”) from Bangladesh, Mali and Nigeria. GCERF’s growing experience will better prepare us to mitigate further programmatic challenges as they arise, and maintain momentum.

### **3. A PLATFORM FOR GROWTH**

3.1 Simultaneously with grant-making, -management and -implementation, GCERF has continued to build a new organisation. The papers presented to this meeting include audited financial statements for 2017 (BM.08/DOC.05); an update on the internal control framework including a risk analysis (BM.08/DOC.07); the report of the Ethics Committee (BM.08/DOC.12); and the 2017 Annual Report for the Swiss Supervisory Authority BM.08/DOC.13). The Annex to this Executive Director’s report provides an update on human resources, finance, compliance, administration and IT since the last Board meeting. A generous new grant from the Government of Switzerland will enable the Secretariat to relocate to new offices in Geneva to better accommodate the current staff and allow for strategic expansion.

3.2 The Secretariat is currently developing a series of plans to implement GCERF’s three-year “Strategy to Engage Communities and Address the Drivers of Violent Extremism”. A framework for the Resource Mobilisation Plan is presented to this meeting (BM.08/DOC.11); and over the course of the next few months the Board will have the opportunity to review the Corporate Management Plan, Portfolio Investment Plan, Governance Plan and Strategy Management Plan including Key Performance Indicators (“KPIs”).

3.3 For the first time GCERF’s performance has been subject to an external review, by the UK, the key findings of which we anticipate will be ready to be presented at this meeting. The Secretariat also undertook an internal review to inform the next round of funding by the Swiss Government. A position paper on external reviews is included in the papers for this meeting (BM.08/DOC.04) in order to streamline and manage external reviews going forward.

3.4 Just as GCERF has learned from its experiences of programme management, so it continues to improve as an institution. Another paper presented to this Board summarises the findings of the review of GCERF’s Country Support Mechanisms; with specific recommendations to improve their performance (BM.08/DOC.04). Over the next few months the Board will be asked to approve new members for the Independent Review Panel, which is expanding and diversifying in order to provide expertise across the growing number of countries and range of interventions to prevent violent extremism in which GCERF is active.

3.5 While gaps remain, for example in IT, overall through consolidating its institutional architecture, implementing its strategy, and continuously improving its approaches and updating its policies and procedures, GCERF now provides a solid platform for future growth.

#### **4. POTENTIAL FOR GREATER IMPACT**

4.1 Through its progress in implementing grants and experience building a new PVE platform, GCERF presents clear potential for greater impact.

4.2 It has political support and goodwill in the beneficiary countries where it operates, which has in turn been important in discussions with potential new beneficiary countries. Its CSMS are beginning to provide a coordination mechanism and focal point for activities beyond GCERF's specific mandate, including for the development and implementation of national PVE strategies and action plans.

4.3 GCERF has increased the PVE capacity of almost 100 local implementing partners, which have built trust and credibility within vulnerable communities. It has launched grantee 'communities of practice' to share and exchange experiences and learning. Self-organised activities within local communities indicate that GCERF's community-based programming approach allows for easy and low-cost scale up and replication of interventions. GCERF is coordinating and partnering with other PVE actors in beneficiary countries, including UNDP.

4.4 The potential for greater impact also arises from new opportunities. Through its work in Cox's Bazar, GCERF is establishing good practice on PVE in humanitarian settings. It continues to support projects in the context of mobile populations and migration elsewhere. It has compiled lessons from the private-public partnership in Kenya to roll out elsewhere. And it is learning lessons from its international PVE effort that may also inform domestic efforts to prevent violent extremism in advanced economies.

4.5 GCERF also has growing international credibility. It convenes and attracts support from a uniquely diverse set of governments and sectors within those governments, as well as non-governmental sources. It has made the 'business case' for PVE and is implementing a PVE public-private partnership in Kenya. It has helped advocate for the PVE agenda, and proved the concept that a global development fund can add specific value to global PVE efforts. Its Secretariat is now close to reaching 'cruising altitude' and with sustained investment will soon be able to reach economies of scale.

4.6 The 'pinch point' for GCERF is not therefore blockages in the project pipeline because of political obstacles or poor local partners, for example; nor reputation; nor capacity or expertise; it is funding. Without sustained funding GCERF's potential for greater impact is at risk.

4.7 Our overarching goal for this Board meeting is to build on GCERF's platform and progress to realise its potential for greater impact. Adequate resources will be critical.

## **ANNEX 1: UPDATE ON SECRETARIAT ACTIVITIES**

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### **PURPOSE**

- The purpose of this short annex to the Report of the Executive Director is to provide the Board with an update on Secretariat activities since the last face-to-face Board meeting from 5-6 December 2017. This update follows the same structure as previous reports of the Executive Director, allowing progress to be mapped across governance, resource mobilisation, operations, communications, finance, human resources, and administration.

### **GOVERNANCE**

- The Governing Board welcomed three new members: Ambassador Thomas Gass of Switzerland, Ambassador Audu Ayinla Kadiri of Nigeria, and Ambassador Mamadou Henri Konate of Mali;
- The Secretariat shared the third issue of the Board Update providing the most updated information about results and developments on the ground, and sharing insights from the field; and
- As part of the GCERF Strategy Implementation plan, the Secretariat has started working on the Governance Plan.

### **RESOURCE MOBILISATION**

- Total confirmed contributions to GCERF since its establishment reached USD 50.4m;
- Total contributions confirmed in 2018 reached USD 5.5m, and additional funding amounting to USD 7.5m is currently under discussion;
- Discussions are underway with Qatar and Switzerland for new multi-year contributions;
- Contact was made with potential new government donors since the last Board meeting including Denmark, Italy, Saudi Arabia, Spain and Sweden, and foundations were targeted for specific projects; and
- A Resource Mobilisation Strategy 2018-2021, aligned with GCERF's Strategy, is currently under development.

### **OPERATIONS**

- Conducted grant management activities with specific emphasis on the monitoring of grant implementation and the special conditions applicable to each grantee in relation to the first round of funding under the CFM in Bangladesh, Mali and Nigeria, and the second round of funding under the CFM in Mali and the first round of funding in Kosovo;
- Conducted annual reviews for 2017 with grantees in Bangladesh, Kosovo, Mali, and Nigeria and compiled consolidated reports for the three countries that are being shared with Principal Recipients and CSMs;
- Project implementation has reached more than 880,000 people across Bangladesh, Mali and Nigeria as of 31 December 2017. This represents a nearly three-fold increase in comparison to 30 June 2017 (312,000). Female participation rate stands between 40% and 50%;

- Increased financial disbursements for all grants (including Kosovo) by more than half (59%) from USD 3.73m to USD 5.92m between June and December 2017. Total disbursements now equal 43% of the total commitments as of 31 December 2017;
- Concluded and signed three new grant agreements with three Principal Recipients under the second round of funding in Kosovo, totalling the number of grants to five;
- Continued the grant making process in Kenya, including selection of three potential Principal Recipients, support to consortium proposal development and preparation of a National Application for consideration by the GCERF Governing Board;
- Prepared the “Nigeria Country Strategy Reinvestment Plan”;
- Signed an agreement with hosting partner organisation for the implementation of the AFM in Bangladesh; as well as prepared a successful AFP meeting;
- Launched grantee Communities of Practice to strengthen capacity, share and exchange experiences and learning, and to coordinate activities, in Bangladesh, Mali, and Nigeria;
- Continued exploration of options for GCERF engagement in Myanmar;
- Engaged in preparation of an eventual launch of the CFM in Tunisia, including preparation of a Tunisia Investment Plan;
- Started to explore options for engagement in the Philippines and Somalia;
- Further strengthened a comprehensive approach to monitoring, evaluation, accountability, and learning;
- Continued to develop new and further refine existing grant making and management tools and standard operating procedures;
- Developed a draft Portfolio Investment Outline to link Operations priorities to the GCERF Strategy;
- Ensured adequate human resources through recruitment for grants management and security;
- Coordinated the external review by the United Kingdom’s FCO, including field visits to Bangladesh and Nigeria; and
- Conducted a self-assessment at the request of the Government of Switzerland’s Board member.

#### **COMMUNICATIONS/EXTERNAL RELATIONS**

- The Executive Director was a panellist and moderator during various high-level sessions at the World Economic Forum Annual Meeting, held in Davos (23-26 January 2018), including on “Countering Violent Extremism,” “Strategic Geography: Horn of Africa,” and “Vision 2030: Recommendations for Decision-Makers”;
- GCERF Board Chair and the Executive Director had several briefings to discuss the possibility to strengthen cooperation and GCERF’s contribution to the UN PVE Plan of Action and UN Global Counter-Terrorism Strategy, including with Vladimir Voronkov, Head of the UN Office for Counter-Terrorism; Alexander Avanesov, Special PVE Advisor at UNDP; and Michèle Coninx, Executive Director of UNCTED;
- Conducted interviews with GCERF Board Chair, GCERF grantees, and Nigeria Country Support Mechanism (CSM) members, Abuja, Nigeria, and New York (February 2018) as part of Eric

Rosand of the Prevention Project's work to develop a promotional video, set to premiere in September at the GCTF ministerial meeting in New York. The video will highlight the positive contributions of the GCTF and its three GCTF-inspired institutions, including GCERF, in the field of preventing violent extremism;

- A senior M&E staff member represented GCERF at the GCTF Workshop on Monitoring and Evaluation (M&E) in Abu Dhabi (19-20 February 2018) organised by Australia and Indonesia, Co-Chairs of the GCTF Countering Violent Extremism (CVE) Working Group, and in collaboration with the Government of Canada and Hedayah. The focus of the presentation was on monitoring and evaluation approaches in PVE particularly focusing on grassroots practical examples of M&E in relation to GCERF projects;
- GCERF participated in the Fragility Forum, hosted by the World Bank in Washington D.C (5-7 March 2018). It was a good opportunity to raise awareness of GCERF among key stakeholders working in fragile, conflict and violence (FCV) context, and promote the Fund during relevant PVE-related discussions;
- GCERF participated in the Thirteenth GCTF Coordinating Committee Meeting in Tokyo (20 March 2018), and provided the latest update on its activities and achievements to the GCTF member-states and partner institutions; and
- The Secretariat launched the process of developing GCERF's Communications Strategy (with the financial support of the Government of Canada) that will help significantly raise the Fund's profile among various audiences over the next two-three years.

## **FINANCE**

- The 2017 audit was completed successfully in Q1. The books for 2017 were closed by February;
- A review of financial and fiduciary risks and the required internal control measures were completed in March/April;
- The budget for 2018 was revised in light of funding availability and the required changes to the workplan. A number of less critical activities were taken out of workplans and the associated budget;
- Activities to enhance treasury/foreign exchange management practices have taken place and are continuing;
- Efforts to systematise and optimise reporting to budget holders and the senior management team are continuing;
- Support has been provided to grant development in Kenya and Kosovo;
- Support to grant management (review of reports, disbursements, budget revisions, monitoring visits, capacity strengthening, risk management and capacity strengthening), with specific emphasis on follow up of audit findings and recommendations at grantee level, has continued; and
- Almost all financial grant management tools have been reviewed and a number of improvements have been implemented or will soon be implemented.

#### **FINANCE AND HUMAN RESOURCES**

- Due to regulatory changes, the Secretariat had to look for a new pension plan which also includes a disability and death benefits plan. The new contract was signed at the end of April and the transition is ongoing.

#### **HUMAN RESOURCES**

- The 2017 performance review cycle was completed for most staff (the absence of the COO due to sick leave has slowed down the process for the Operations Unit);
- 2018 workplans have been established for all present staff and the first review is taking place in May/June;
- New regulations on staff standards of conduct, grievance, disciplinary procedures, compensation and interns were drafted and shared with staff for comments, an update of existing regulations on working hours and leave is ongoing;
- A HR information system has now been selected and planning for implementation has started;
- Continuous optimisation of the staff-related insurance package; and
- Coordinated ongoing recruitment.

#### **COMPLIANCE**

- Drafting and issuance of a regulation on incident report management which discusses non-compliance with GCERF principles and policies, especially fraud, misuse and misconduct;
- Preparatory steps all taken internally and externally to enable the official launch of the GCERF integrity line in English and French by mid-May;
- Continuous liaison with GCERF legal advisors on a variety of issues;
- Set up of anti-terrorism checking processes in the context of the AFM;
- Drafting of the anti-fraud strategy; and
- Work ongoing on updating anti-fraud tools for grantees.

#### **ADMINISTRATION AND IT**

- Support to the selection of office space in view of the new contribution announced by the Swiss Confederation;
- Preparatory activities to transition to Office 365 and Skype for Business; and
- Continued support to high-value procurement actions.