

1. PURPOSE

The purpose of this paper is to: (i) inform the Board of the Secretariat's Resource Mobilisation Plan 2015; (ii) request the Board's approval of a proposed timeframe for developing a longer-term resource mobilisation strategy; (iii) seek a decision from the Board to apply for inclusion in the Official Development Assistance (ODA) List of Eligible International Organisations of the Development Assistance Committee of the Organisation for Economic Co-operation and Development; and (iv) inform the Board of the current status and steps taken toward identifying and securing the services of a trustee. Part 2 of this paper seeks the approval of the Board of the Secretariat's proposed Policy on Contributions.

2. DECISION REQUESTED

The Board is requested to approve the following decision:

BM.01/DEC.XX: *The Board:*

- a. welcomes the Resource Mobilisation Plan 2015, as set out in Annex 1 and described in Part 1 of BM.01/DOC.06 (Part 1), and requests the Secretariat to implement it;*
- b. requests the Executive Director (to be appointed) to oversee the development by the Secretariat of its Resource Mobilisation Strategy 2016-2018, for presentation at a face-to-face meeting of the Board to be scheduled in the last quarter of 2015;*
- c. notes the implication on resource mobilisation efforts of inclusion of GCERF in the Organisation for Economic Co-operation and Development's Development Assistance Committee (the "DAC") List of Official Development Assistance ("ODA") - Eligible International Organisations, as detailed in Part 2 of BM.01/DOC.06 (Part 1); and*
- d. authorises the Executive Director (to be appointed) to:*
 - i. oversee the Secretariat's application for inclusion in the DAC List of ODA-Eligible International Organisations at the earliest opportunity of a successful application; and*
 - ii. seek the agreement of a donor Board member that is a DAC member to present GCERF's application on its behalf.*

3. BACKGROUND

Part 1: Resource Mobilisation Plan 2015

3.1 The Resource Mobilisation Plan 2015 in Annex 1 to this document sets out how the Secretariat intends to secure the resources necessary to achieve the mandate and mission of GCERF, as proposed in the Framework Document (Annex 1 to BM.01/DOC.02). The plan builds on preliminary resource mobilisation activities undertaken in 2014, as detailed in the Report of the Executive Director (BM.01/DOC.03), and associated consultations with committed and potential donors.

3.2 The Secretariat has formulated the Resource Mobilisation Plan 2015 outlined below while GCERF is still defining and determining how it will operate, which is why a one-year outlook, rather than a longer-term strategy, is presented.

3.3 Yet as noted in the plan, the overall outlook for GCERF's longevity is, unfortunately, positive as the impact of radicalisation to violent extremist agendas is being increasingly felt around the world. GCERF is intended to complement existing responses with long-term investment in human security and the creation of a space for community-level and focused efforts toward community engagement and resilience to violent extremist agendas. At the same time, GCERF offers an opportunity for private-sector companies with a vested interest in the security and stability of at-risk communities to invest in community-level initiatives to strengthen community resilience to violent extremist agendas.

3.4 The Resource Mobilisation Plan 2015 presents two goals that focus on securing support for GCERF's Core Funding Mechanism proposed in BM.01/DOC.05:

- (a) to lay the foundations for the sustainable growth of GCERF as the first global effort to support local, community-level initiatives aimed at strengthening resilience against violent extremist agendas, with funding secured to allow grant commitments of at least USD 200 million by 2024; and
- (b) to secure financial contributions to GCERF amounting to a minimum of USD 15.5 million for 2015 and USD 20 million for 2016.

3.5 This ambitious plan sets out five priority strategic objectives for 2015 toward securing the proposed USD 200 million over the next decade for grant-making through the Core Funding Mechanism:

- (a) to develop new and deepen existing relations with governmental donors specifically mandated to counter violent extremism and to implement the United Nations Global Counter-Terrorism Strategy, in particular Pillar 1;
- (b) to diversify and deepen existing relationships with both governmental and non-governmental donors (including foundations) operating at the nexus of security and development, including those whose mandates include ensuring human

- security and achieving sustainable developmental goals – central to which are peaceful and inclusive societies;
- (c) to develop new and deepen existing relations with potential governmental donors that are not DAC members but that are recognised as emerging donors specifically affected by, or concerned with, radicalisation to violent extremism;
 - (d) to engage, develop, and strengthen relations with private-sector companies to leverage financial and non-financial support; and
 - (e) to identify and develop relations with high net worth individual philanthropists, who have specific interest in, and/or direct experience with the impact of, radicalisation to violent extremism.

3.6 While the figure of USD 200 million is ambitious until it is secured, it is significantly less than the international community may consider necessary for GCERF to address the challenge of radicalisation to violent extremism over the next decade.

3.7 The plan reflects the initial priorities of GCERF in 2015. During 2015, GCERF's resource mobilisation strategy will be refined and further elaborated for the period 2016-18. The Secretariat proposes to present GCERF's proposed Resource Mobilisation Strategy 2016-18 at a face-to-face meeting of the Board to be scheduled in the last quarter of 2015.

3.8 Subject to Board approval of the Secretariat's proposed operating expenses budget for 2015 (see BM.01/DOC.07), the Secretariat will recruit one additional staff member in the first quarter of 2015 to facilitate and support GCERF resource mobilisation efforts.

Part 2: Resource Mobilisation for the Accelerated Funding Mechanism

3.9 Should the Board approve in principle the Accelerated Funding Mechanism (AFM); and the raising of funds for its creation¹ the Secretariat will also need to identify and secure additional financial support for this purpose. Securing resources for the AFM is not directly referenced in the Resource Mobilisation Plan 2015. Should approval be given, it is anticipated that resource mobilisation efforts will focus on securing as quickly as possible the necessary support primarily from donor government agencies focused on security and specifically mandated to counter violent extremism.

Part 3: Development Budgets and Official Development Assistance

3.10 An underlying assumption of the Resource Mobilisation Plan 2015 concerns the need to secure contributions from both the counter-terrorism as well as development budgets of donor governments. This assumption is based on the following factors:

¹ See BM.01/DOC. 05 on the AFM and BM.01/DOC.07 on the Operating Expenses Budget for the AFM.

- (a) the limited size of counter-terrorism budgets for countering violent extremism work available to many donor governments that have already expressed interest in supporting GCERF;
- (b) the increasing recognition that addressing the drivers of radicalisation to violent extremism requires interventions that go beyond security, and are of direct interest and relevance to achieving developmental goals.

3.11 Therefore, an essential component of GCERF's strategy is to approach development agencies of donor governments for contributions. In this regard, it is worth noting that one of the current donors is the Swiss Agency for Development and Cooperation (SDC). Development agencies prefer, or in some cases are required, to contribute funds that can be reported as Official Development Assistance (ODA).

3.12 The OECD Glossary of Statistical Terms defines ODA as follows:

"Grants or loans to countries and territories on the DAC List of ODA Recipients (developing countries) and to multilateral agencies which are: (a) undertaken by the official sector; (b) with promotion of economic development and welfare as the main objective; (c) at concessional financial terms (if a loan, having a grant element of at least 25 per cent). In addition to financial flows, technical co-operation is included in aid. Grants, loans and credits for military purposes are excluded. Transfer payments to private individuals (e.g. pensions, reparations or insurance pay-outs) are in general not counted."²

3.13 Contributions to GCERF by donor countries can potentially be reported as ODA. The definition of ODA has three aspects, including: the nature of what is being funded; where it is being funded; and the channels used for funding:

- (a) Financial flows must be directed at the "promotion of the economic development and welfare of developing countries as their main objective." Of particular relevance to GCERF, guidance provided by the DAC specifically states, "Activities combatting terrorism are not reportable as ODA, as they generally target perceived threats to donor, as much as recipient countries, rather than focusing on the economic and social development of the recipient." To further explain this concept, the DAC has issued a specific "ODA Casebook on Conflict, Peace and Security Activities". On a generally cursory read of this case-book, it appears that the kind of initiatives that GCERF is anticipating funding would likely be categorized as ODA and can be self-reported as such. It is also worth noting that there are currently discussions underway at the DAC regarding potentially amending the definition of ODA to include security activities.
- (b) An important element of the definition of ODA is that the funded activities are targeted or implemented in ODA-eligible countries. The DAC List of ODA

² <http://www.oecd.org/investment/stats/34086975.pdf>

Recipients contains the countries and territories eligible to receive ODA³. The proposed eligibility for the Core Funding Mechanism is based on the DAC List. All of the proposed eligible countries for the AFM are on the current DAC List, with the exception of Macedonia. Note that the List of ODA Recipients is going under review in 2015 and the number of countries included on it will likely be reduced.

- (c) As part of its definition, ODA can be bilateral (i.e. from the donor country directly to the developing country) or multilateral (through a “multilateral agency,” such as GCERF). To assist donors with their reporting of ODA, the DAC issues a List of ODA-Eligible International Organisations. The list contains different categories of organisations, including: international NGOs, donor-country based NGOs, public-private partnerships and networks, and multilateral organizations and “other multilateral institutions”, the last of which is the category to which GCERF would apply. Donor contributions to multilateral agencies on the DAC List are counted as multilateral ODA. Core contributions to multilateral agencies not on the DAC List are not ODA-eligible.⁴ However, earmarked contributions to organisations not on the list may be ODA-eligible, provided the contribution meets the other ODA criteria (i.e. the nature of activities and the countries targeted). Note that donors may report contributions on this basis as bilateral, rather than multilateral, ODA.

3.14 The Secretariat has been advised by some potential donors that a prerequisite for a contribution would be inclusion on the DAC List of ODA-Eligible International Organisations. This is likely because such donors would prefer to count contributions to GCERF as multilateral, rather than bilateral ODA and would like to be able to contribute un-earmarked funds. In some cases, donors may choose to earmark contributions to ODA recipients for developmental purposes, so they can report it as bilateral ODA. In order to receive totally un-earmarked contributions which could be reported as ODA by donors, GCERF would need to be included in the List of ODA-Eligible International Organisations.

3.15 The List of ODA-Eligible International Organisations is reviewed in June of every year by the DAC. Proposals for changes (i.e. additions) to the list must be made by DAC members, and then agreed by members on a consensual basis. In practice, a GCERF donor Board member that is a DAC member would need to apply on GCERF’s behalf. An application is made by the end of February for consideration at the next meeting in June.

³These comprise all low and middle-income countries based on gross national income per capita, as published by the World Bank, with the exception of G8 members, European Union (EU) members, and countries with a firm accession date for entry to the EU. The list also includes all of the Least Developed Countries (LDCs), as defined by the UN.

⁴Note that so long as GCERF is *not* on the List of ODA-Eligible International Organisations, and has a rule that a certain percentage of earmarked funds must go to operating expenses (as proposed in the Policy on Contributions), that portion of the contribution cannot be counted by the donor as ODA.

3.16 The DAC Secretariat advises that the assessment cannot be based solely on the agency's mandate, but on its activities. In February 2015, GCERF will not have sufficient evidence of its ODA-eligible activities (grant-making through its Core Funding Mechanism) to submit a full application. Importantly, in the case of a negative decision due to insufficient information being presented, a five-year moratorium applies before the agency can be reconsidered. The Secretariat therefore proposes to wait until 2016 at the earliest to submit its application.

3.17 Before a decision is made, some conditionality/earmarking on contributions may be necessary for certain donors. It should be noted that until GCERF is on the List of ODA-Eligible International Organisations, any non-earmarked payments to GCERF, including those contributing to operating expenses, will not be considered ODA.

3.18 However, for donors for whom ODA recognition is required or a potential consideration, recalling 3.12(c) above, earmarked contributions to GCERF may be reported as ODA, provided that the contribution meets the other ODA criteria and is reported as bilateral, rather than multilateral ODA.

Part 4: Identification of a Trustee

3.19 GCERF intends on keeping its contribution, grant management, and disbursement processes in-house. However, a few potential donors have advised that providing direct contributions to GCERF as a Swiss legal entity would be difficult or in some cases not possible under their agency's rules and regulations. They have requested that GCERF make arrangements with a United Nations entity to receive their contributions and, while in their possession, manage and invest the funds. When requested by the Secretariat, the entity would transfer funds to GCERF for disbursement to grant beneficiaries, or disburse funds directly to grant beneficiaries at GCERF's request.

3.20 The Secretariat has been in conversations with a number of international organizations, including the World Bank, the United Nations (through the Counter-Terrorism Implementation Task Force), and UNICEF, to explore which might take on the role of trustee. Negotiations are ongoing; the Board will be regularly updated on the status of these negotiations.

4. EFFECT ON OPERATING EXPENSES

The requested decision will not increase the operating expenses of GCERF beyond the budget requested for Board approval in BM.01/DOC.07.

ANNEX 1 RESOURCE MOBILISATION PLAN 2015

INTRODUCTION

The Resource Mobilisation Plan 2015 supports the intended goal of operationalizing the Global Community Engagement and Resilience Fund (GCERF) Core Funding Mechanism (once approved) and for the Board to make initial grant commitments in 2015 and 2016.

The Resource Mobilisation Plan 2015 seeks to ensure the Secretariat is fully resourced to execute its mandate and achieve its objectives within the Secretariat's operating expenses budget and associated grant commitment ratios of 15 per cent in 2015 and 13 per cent in 2016, as proposed in BM.01/DOC.07, Part 2, para. 3.16.

The Resource Mobilisation Plan 2015 is based on available information as of 31 October 2014 (before the 1st meeting of the Board). The Plan assumes that at the Board's 1st meeting, donor Board constituencies will be established and define expectations concerning their level of anticipated financial commitment to GCERF. The Plan also assumes that the Board will approve: (i) the proposed Core Funding Mechanism; (ii) the Secretariat to seek recognition by the Development Assistance Committee (the "DAC") of the OECD as an Official Development Assistance (ODA) Eligible International Organisation; and (iii) the Secretariat's proposed Operating Expenses Budget for 2015; and that pledges of financial support to GCERF already made by a number of governments will be translated into firm commitments. The Plan is divided into four main sections: (a) Background; (b) Goals and Strategic Objectives; (c) Plan of Action; and (d) Resourcing the Plan.

A. BACKGROUND

Recent tragic events around the globe prove the severity and impact of violent extremism. GCERF is the first global effort to support local, community-level initiatives aimed at strengthening resilience against violent extremist agendas, and as such filling an important funding gap. As a public-private partnership operating at the nexus of security and development, GCERF is committed to collaboration and consultation with governments, the private sector, and civil society internationally and in beneficiary countries to support national strategies to address the local drivers of violent extremism.

In resource mobilisation terms, the overall outlook for GCERF is, unfortunately, positive. It has already received significant expressions of public support from governments, private-sector, and civil society.

Addressing the local drivers of radicalisation to violence by supporting local community-targeted responses is an important, underexploited, and currently underfunded strand of a holistic, integrated policy for countering violent extremism. GCERF provides the international community (including public and private donors) with an innovative funding model through which strengthen this important policy strand.

The impact of radicalisation to violent extremism is being increasingly felt around the world. As the tide of radicalisation to violence becomes even more pervasive and present in the lives of populations in traditional donor countries (as well as non-traditional and emerging market economies), the general public will increasingly demand more effective responses to the perceived threats both globally as well as in their own communities. To meet this demand, GCERF can complement short-term, hard security measures with long-term investment in human security and the creation of a space for community-level and focused efforts toward community engagement and resilience to violent extremist agendas where vulnerability to these agendas is highest. Given the transnational nature of the threat, targeted interventions in vulnerable regions and countries also benefit national interests in donor countries.

Violent extremism threatens not only the safety of citizens and national security, but also economic development and the stability of business operations. The private sector is increasingly aware of how violent extremism destabilizes international markets. Violent extremism disrupts the markets where businesses operate, the supply chains that businesses depend on, and the communities that provide the labour and local market for these companies. Equally, GCERF offers an opportunity for private-sector companies with a vested interest in the security and stability of at-risk communities to invest in community-level initiatives to strengthen community resilience to violent extremist agendas.

B. GOALS AND STRATEGIC PRIORITIES

Goals

Goal 1: To lay the foundations for the sustainable growth of GCERF as the first global effort to support local, community-level initiatives aimed at strengthening resilience against violent extremist agendas, with funding secured to allow grant commitments of at least USD 200 million by 2024.

Goal 2: To secure financial contributions to GCERF amounting to a minimum of USD 15.5 million for 2015 and USD 20 million for 2016.

Strategic Objectives

To achieve the two goals described above, GCERF's strategic resource mobilisation priorities in 2015 are as follows:

Strategic Objective 1: To develop new and deepen existing relations with governmental donors specifically mandated to support countering violent extremism and to implement the United Nations Global Counter-Terrorism Strategy, in particular Pillar 1⁵.

Strategic Objective 2: To diversify and deepen existing relations with both governmental and non-governmental donors (including foundations) operating at the nexus of security and development, including those whose mandates include ensuring human security and achieving sustainable developmental goals – central to which are peaceful and inclusive societies.

Strategic Objective 3: To develop new and deepen existing relations with potential governmental donors who are not DAC members but who are recognised as emerging donors specifically affected by, or concerned with, radicalisation to violent extremism.

Strategic Objective 4: To engage, develop, and strengthen relations with private-sector companies to leverage financial and non-financial support.

Strategic Objective 5: To identify and develop relations with high net worth individual philanthropists, who have specific interest in, and/or direct experience with, the impact of radicalisation to violent extremism.

C. PLAN OF ACTION

The following plan of action provides an overview of steps that will be taken in 2015 toward achieving each strategic priority, including key milestones and specific targets.

Strategic Objective 1

GCERF is an initiative launched by the Global Counterterrorism Forum (GCTF). Since the announcement of its creation by the governments of the Republic of Turkey and the United States in 2013, GCERF has enjoyed significant public promotion from GCTF members and a number of important start-up contributions and initial pledges (as detailed in the Report of the Executive Director (BM.01/DOC.03)); however, concrete financial commitments have been limited.

The first resource mobilisation priority will be to complete negotiations with donors that have already made public pledges or provided informal indications of their intent to support GCERF. The Secretariat will look to relevant members of the Board for support in expediting the securing of these contributions.

⁵ Measures to address the “conditions conducive to the spread of terrorism,” as detailed in <http://un.org/en/terrorism/strategy-counter-terrorism.shtml#poa1>

At the same time, GCERF will initiate discussions with GCTF members and partners that have not been directly engaged in the establishment of GCERF or indicated their intention to provide support. To achieve this, the Secretariat will target GCTF-related fora and associated events to promote GCERF and engage with potential donors. Emphasis will also focus on identifying areas of potential substantive collaboration in support of relationship building. The Secretariat will also make targeted follow-up in capitals (also linking up to Strategic Objective 3 below) when considered beneficial.

Strategic Objective 2

While GCTF members currently represent GCERF's primary constituency, the limited size of counter-terrorism budgets for countering violent extremism work available to many donor governments means that GCERF will need to secure contributions from beyond this immediate audience. At the same time, there is increasing recognition that addressing the drivers of radicalisation to violent extremism requires interventions that go beyond security and that are of direct interest and relevance to achieving human security and sustainable development goals. Engaging with human security and development donors, both governmental and non-governmental, will be essential to achieving GCERF's long-term resource mobilisation goals. Special emphasis will be placed on effectively communicating the relevance and interconnectedness of GCERF's likely grant-making to achieving human security and development outcomes.

While GCERF has already established relations with a number of government development agencies, emphasis will be placed on systematically exploring the potential for funding from both governmental and non-governmental human security and development donors. The Secretariat will seek Board support to ensure that all opportunities for financial support from the various different governmental sources of each GCTF member have been considered. At the same time, the Secretariat will also target DAC members who are not GCTF members and seek to facilitate their potential support by pursuing inclusion of GCERF on the List of Official Development Assistance-Eligible International Organisations. The Secretariat will begin to explore potential synergies for GCERF with foundations, trusts and international non-governmental organisation providing funding in related areas. In 2015, GCERF will focus these efforts on potential donors in North America, Europe and Gulf region.

Strategic Objective 3

GCERF's unique focus affords it the opportunity to solicit support from governmental donors who are not DAC members but who are recognised as emerging donors specifically affected by, or concerned with, radicalisation to violent extremism. While GCERF has already received contributions and pledges from such GCTF members as Morocco and Qatar, a strategic priority of the Secretariat in 2015 will be to more widely engage and develop relations with donors from Arab countries, some of which are GCTF

members (i.e. Jordan, Saudi Arabia, United Arab Emirates), some of which are not (i.e. Kuwait, Oman).

To facilitate dialogue concerning funding opportunities, the Secretariat will seek support from members of the Board and from partner organisations, such as Hedayah (the International Center of Excellence for Countering Violent Extremism in Abu Dhabi), that have established relations with identified potential donors. The Secretariat will also seek to establish cooperation with regional organisations, such as the Gulf Cooperation Council and the League of Arab States.

Strategic Objective 4

The private-sector is uniquely positioned to support GCERF and has a vested interest in doing so; building community resilience to violent extremist agendas will stabilize existing business operations and may allow for the expansion of investment into previously untapped markets. At the same time, the initiatives GCERF anticipates funding are likely to correspond well with the established corporate social responsibility goals of many companies.

GCERF will seek to leverage both financial and non-financial resources from the private sector by providing private-sector companies with a diverse range of ways in which they get involved. GCERF initially will focus on securing in-kind contributions of goods, services, and expertise; short and long-term secondments; advisory and support services; public endorsements to raise the GCERF profile; and direct financial contributions. In 2015 GCERF will also leverage established private-sector interest to expand and diversify the Board's private-sector constituency. Where possible and requested, GCERF will facilitate and support private-sector engagement at a national level in GCERF's pilot beneficiary countries.

Strategic Objective 5

In addition to the private-sector, a significant source of financial support for GCERF should come from high net worth individual philanthropists who have specific interest in, and/or direct experience with, the impact of radicalisation to violent extremism. Naturally, access to such families and individuals personally, or through their charitable foundations or trusts can be extremely restricted. In this regard, GCERF will rely on the full spectrum of its Board, from government and civil society (and especially private sector), to make introductions to such families and individuals. The Secretariat will also exploit established access to fora such as the World Economic Forum. It is most likely that those families and individuals with established platforms for charitable giving will have interest areas already identified on which they focus. The challenge for GCERF will be to demonstrate the compelling links between the preventative value of countering violent extremism and broader development aims (e.g. enterprise development, education, social inclusion, women's empowerment, youth development).

D. RESOURCING THE PLAN

The Board has a vital role in the implementation of GCERF's resource mobilisation efforts. The Secretariat will integrate all Board constituencies into its resource mobilisation activities, building on identified synergies and opportunities for coordinated action. While the support of each Board constituency in securing support for GCERF is expected, additional responsibility rests on the members of the five donor constituencies, and the private sector and foundation constituencies, to ensure that GCERF is appropriately resourced to achieve its mandate.

Responsibility within the Secretariat for resource mobilisation primarily resides with the Executive Director (to be appointed), whose work in this area will be facilitated, coordinated, and supported by an additional staff member (subject to Board approval of the proposed operating expenses budget for 2015). It is proposed that this staff member will be recruited in the first quarter of 2015. In addition, all staff of the Secretariat will be expected to contribute to GCERF's success in this area, through their core functional roles.