FOR INFORMATION
LEGAL STATUS OF THE GLOBAL COMMUNITY ENGAGEMENT AND RESILIENCE FUND (GCERF)

1.   PURPOSE

The purpose of this paper is to provide information on the background and establishment of GCERF and to outline some of the key legal implications for potential Board members.

2.   BACKGROUND

Steering Group meetings

2.1   The notion and basic structure of GCERF were discussed at three Steering Group meetings held in November 2013 in Lucerne, Switzerland, December 2013 in Geneva, Switzerland and February 2014 in Washington, D.C., U.S.A., where representatives from governments, international organizations, civil society organizations and the private sector attended. The outcome of these meetings was the Framework Document attached as **Annex 1** to this paper. This document has no legal status but was used as a guide to the Interim Secretariat in preparing the papers being presented to the Board at its first meeting.

Establishment of Swiss Foundation

2.2   At the Steering Group meeting in Washington, D.C., the Government of Switzerland offered to host GCERF as a Swiss foundation, with its headquarters to be established in Geneva, and to provide GCERF with privileges and immunities in Switzerland. This offer was accepted by the Steering Group.

2.3   On 13 August 2014 the Swiss Federal Council approved the creation of GCERF as a Swiss non-profit foundation and, at the same time, gave the mandate to the Federal Department of Foreign Affairs ("FDFA") to negotiate with GCERF an agreement on privileges and immunities.

2.4   On 9 September 2014 the formal deed, including the Statutes for the foundation, was signed in Geneva by the sole Board member, Ambassador Stephan Husy, Coordinator for International Counter-Terrorism at FDFA. This act established the foundation as a legal entity. The deed was then filed with the Commerce Registry in Geneva and the Supervisory Authority for foundations in Geneva was informed. The GCERF Statutes are found in **Annex 2** to this paper.

Elements of the Statutes

2.5   The Statutes set out the following elements of the foundation:
- The purpose of GCERF is to attract, manage and disburse resources aimed at supporting the efforts of local, community-based NGOs and sub-national government organizations in countering violent extremism and radicalization in all its forms. As a public-private partnership, GCERF shall make an important contribution to the implementation of the UN Global Counter-Terrorism Strategy
- The three elements of the foundation are the Board, the Secretariat and the Auditor
- The Board has a maximum of 21 members
- Voting Board members include representatives of donors countries, other donors, beneficiary countries, non-governmental organizations, foundations and a Swiss national as a representative of the host state
- The Board is the supreme governing body of the organization, and, as such, appoints the Chair, the Executive Director and the Auditor

2.6   At the time of writing, and until the first Board meeting on 17-18 November 2014, the sole founding Board member for GCERF remains Ambassador Husy. The initial auditor is PricewaterhouseCoopers.

2.7   Much of the details of the governance arrangements have been included in the Bylaws, which need to be approved by the Board. Please see the Secretariat's proposal for Bylaws in BM.01/DOC.04 (Part 1).

3.   PROCEDURES FOR FIRST BOARD MEETING

3.1   Some basic governance procedures need to be fulfilled at the Board's first meeting. The sole founding Board member will open the meeting and review the current legal status of the GCERF. He will then appoint a Chair for the first meeting and hand over the chairing of the meeting to that person.

3.2   The Chair will ask each Board member to identify her/himself and whom they are representing and confirm them as Board members.[1]

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[1] The signature of each Board member is required to be filed with the Commerce Registry in the Canton of Geneva. A Secretariat member will approach each Board member to provide this information, as well as a copy of their passport during the Board meeting.

3.3   Following substantive discussions on the GCERF's operating mechanisms, at the end of the meeting, the Board will be asked to consider the appointment of the Chair for a period of three years and the Executive Director for a period of four years. The Board will also be requested to confirm PricewaterhouseCoopers SA as the auditor for the foundation, and for the Executive Director to sign the letter of engagement from the auditor attached as Annex 3 to this paper.

4.   PRIVILEGES AND IMMUNITIES

4.1   The FDFA and the Secretariat have started negotiating an agreement between the Swiss Federal Council and GCERF regarding privileges and immunities under the Swiss Host State Law. It is expected that such agreement will provide to GCERF the privileges and immunities granted to international organizations, including:

- immunity of GCERF from jurisdiction and execution in Switzerland;
- certain privileges and immunities for Board members acting for GCERF within Switzerland;
- direct and indirect tax exemptions (including Value Added Tax) for GCERF;
- Swiss income tax exemptions for GCERF employees ;
- Exemption for both GCERF itself and GCERF employees from paying social security charges; and
- Exemptions for all GCERF employees from work permit requirements otherwise applicable to non-Swiss citizens and from Swiss immigration limitations.

These will provide administrative and financial benefits to GCERF. It is expected that the agreement will be concluded in the first quarter of 2015. In the proposed decision in the paper on the Establishment of the Secretariat and Operating Expenses Budget (BOD.01/DOC.07), the Board is requested to authorize the Executive Director to sign the agreement. The Board will be informed with regards to progress.

Annex 1

THE GLOBAL COMMUNITY ENGAGEMENT AND RESILIENCE FUND
Revised Framework Document – 25 April 2014

I – GCERF Mandate, Mission and Scope

A. Mandate, Foundational Principles, and Mission

Mandate: The Global Community Engagement and Resilience Fund (GCERF or the Fund) is the first-ever multi-stakeholder fund to support local, grass-roots efforts to counter violent extremism (CVE) in all of its forms and manifestations as a contribution to collective efforts of the international community to implement the UN Global Counter-Terrorism Strategy, in particular Pillar I (measures to address the "conditions conducive to the spread of terrorism"[1]). Its emphasis is a bottom-up, country-led approach that will allow non-government organizations (NGOs) and sub-national government organizations/agencies to apply for grants to fund projects that meet local needs whose objective is to steer groups and individuals away from the use of violence. GCERF is not intended to support local development projects, but rather specific projects aimed at addressing local drivers of radicalization and recruitment to terrorism. Support from the GCERF is intended to complement ongoing efforts of national governments and the efforts of international, regional, and sub-regional organizations, and NGOs that are consistent with national approaches. The Fund will apply a multi-sectoral approach, leveraging the experience, insight and capabilities of governments, civil society, NGOs and private sector partners.

Foundational Principles to Support Mandate: GCERF's work will be guided by a series of foundational principles. These include:
- Operating with transparency and accountability.
- Supporting valuable, impactful, cost-effective, and sustainable community-based CVE projects
- Complying with applicable national and international law
- Ensuring that GCERF-funded projects are supported[2] by the national government, are consistent with applicable national strategies and policies as well as the UN Global Counter-Terrorism Strategy (UN Strategy), and contribute to the implementation of Pillar I of the UN Strategy
- Seeking to ensure representation of national governments in all GCERF governance structures
- Complementing ongoing national CVE efforts and reinforcing regional, and international CVE initiatives, including those of the UN Counter-Terrorism Implementation Task Force (CTITF) and the UN Counter-Terrorism Centre (UNCCT)
- Emphasizing country-led approaches to CVE programming and activities
- Evaluating project proposals through an independent and transparent review process
- Monitoring and evaluating projects to ensure funds are being spent effectively and wisely, and employing performance-based funding to ensure sound project management

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[1] These include: "prolonged unresolved conflicts, dehumanization of victims of terrorism in all its forms and manifestations, lack of rule of law and violations of human rights, ethnic, national and religious discrimination, political exclusion, socio-economic marginalization, and lack of good governance, while recognizing that none of these conditions can excuse or justify acts of terrorism." http://www.un.org/en/terrorism/strategy-counter-terrorism.shtml#poa1

[2] This could mean seeking formal approval of the national government. Formal approval can also be implicit within the CCM construct.

- Encouraging innovative engagement with private sector partners, consistent with applicable law, at the global and country level, such as through partnerships with social entrepreneurship initiatives with CVE objectives

Mission: GCERF will provide grants primarily to local, community-based NGOs and sub-national government organizations/agencies to implement projects designed to achieve measurable results, where possible, in countering violent extremism and strengthen community resilience to reject extremist agendas, such as by offering positive alternatives to local populations susceptible to radicalization to violence and recruitment to terrorism.

GCERF will not seek to adopt a single definition of "CVE". Rather, it will seek to ensure that all project activities are designed to achieve local CVE objectives, consistent with both Pillar I of the UN Global Strategy and relevant national CVE strategies and policies.

GCERF will be in a "pilot" phase for the first 18-24 months of activity.

B. Thematic Areas of Focus
During its pilot phase, GCERF will consider grants in three thematic areas (with illustrative project concepts provided), bearing in mind the need to differentiate GCERF-supported projects from broader development initiatives:
- **Education**: Providing life-skills such as critical thinking, vocational training, educational interventions and/or other alternatives to youth at risk of recruitment and radicalization to extremist violence; mentorship programs and exchange programs for mainly youth at risk of becoming radicalized to violence and/or recruited to participate in terrorist activity; and promoting mutual understanding by teaching young people mutual respect, how to find common ground, and how to challenge prejudices that hinder cooperation.
- **Communications**: Providing platforms for community leaders (including religious, women, and young leaders as well as local personalities) and activists to promote and provide positive alternatives to violent extremism related to terrorism; messaging that highlights the impact of terrorism on families, communities, and countries; support efforts of (1) victims of terrorism and victims' organizations putting forward counter-narratives, including through the use of social media, to messages inciting violent extremism; (2) "formers" to communicate (e.g., write or make videos) about the processes that got them involved in extremist violence and the reasons they left it behind; develop social networks to educate youth about the dangers of extremist agendas, and (3) young journalists working to promote counter-narratives through popular media.
- **Community engagement**: this may include, for example, appropriately targeted inter- and intra-communal confidence building; inter-religious dialogue; enabling community leaders and other activists to interact with prison inmates, supply literature, mentor inmates and facilitate visits from prominent religious scholars.

C. Geographic Priorities
There is a serious need in many countries for local, community-based CVE projects to complement and reinforce existing national CVE efforts. During its initial 18-24 months of operation, however, GCERF will concentrate its resources in five to seven countries that have volunteered to serve as "pilots." Given the limited resources that might be available at the outset, GCERF will work with a small number of countries which have volunteered to serve as "pilot" countries and which satisfy certain criteria. Possible criteria for qualification as a "pilot" include: (1) countries facing a violent extremist challenge; (2) commitment of

national-level government to counter violent extremism and engage local communities as part of this effort; (3) willingness of the national-level government to allow the GCERF to support local CVE projects within its borders; (4) development and support by the national government of a strategy and the existence of civil society groups engaged in addressing local drivers of violent extremism; and/or (5) environments conducive to testing, evaluating, and growing local CVE initiatives.

GCERF should not set a fixed ratio of funding across "pilot" countries (e.g., resources split evenly across countries). Rather GCERF will prioritize support of high-quality projects that most clearly advance its objectives. Nevertheless, in its funding decisions GCERF should support sufficient programs per pilot country to provide for appropriate distribution, and to ensure measurable results in each country over time.

GCERF may also wish to consider establishing a "global" window to receive project proposals from organizations outside of the pilot countries. The Governing Board would decide when this window should be opened. For example, the Governing Board may decide to open this window only after its initial 18-24 months of operation to ensure that the operational aspects of the GCERF are functioning properly in its current structure. Moreover, the Governing Board would need to establish a mechanism through which the approval of the relevant national government for projects submitted to this window and approved for funding can be demonstrated and assured. Any projects within this "global" window would need to operate consistent with the principles in section 1A of this document.

II – GCERF Legal Form and Fiduciary Responsibility

A. Legal Form
The GCERF will be established as an independent legal entity formed under the laws of Switzerland. Once established, the GCERF will be able to apply for privileges and immunities in Switzerland equivalent to those generally granted to international organizations, through a Host State Agreement.

B. Trustee Selection
To minimize donor constraints and therefore maximize potential contributions, the GCERF should explore, in the first instance, whether the World Bank or a similar institution is willing to serve as trustee. Consultations should take place with the World Bank to determine whether it could perform trustee functions for GCERF and do so in a manner that (1) minimizes fees, (2) provides for conservative management of capital, (3) ensures accountability and transparency through appropriate audit procedures, and (4) maximizes independence of the Fund in its operations.

C. Policy on Contributions
i. Earmarking. "Earmarking" (i.e. restrictions on the use of contributions) may create significant policy challenges (restricting the independence of GCERF and its ability to make policy choices in the projects that it funds) and raise transaction and management costs. Nevertheless, permitting some "soft" earmarking will open up additional channels for contributions and in so doing increase the resources available to GCERF. Ultimately, GCERF's position on earmarking will be determined by its Governing Board, which may want to consider three options: (1) absolute prohibition on earmarking, (2) "soft" earmarking, where the primary channel for contributions remains open for general contributions, but earmarking may be permitted in restricted circumstances (e.g., for programs for certain countries or thematic issues, or to facilitate contributions from partners where national parliaments may require some higher degree of oversight,), (3) permitting earmarking without restriction. Should the Governing Board opt for option two, it should retain the right to weigh the value of accepting the terms of a particular

earmark against the degree to which the terms might impinge on its ability to govern the organization in line with its overarching mission.

ii.   <u>In-Kind Contributions</u>. There is general support for permitting in-kind contributions to the operations of GCERF, both at the global and project level. There are certain considerations that the Governing Board will define, however: (1) how/whether to credit donors for such contributions, if seats on the Governing Board are to be allocated among donors based on contribution amounts; and (2) how to mitigate conflicts of interest which may arise due to such contributions.

iii.   <u>Ethics and Mitigating Conflict of Interest</u>. Upon its establishment, the GCERF's Governing Board should articulate a strong ethics and conflict of interest policy.

III – GCERF Governance Principles and Structures

The GCERF's governance should be guided by the following principles:
- Governance mechanisms should incorporate all categories of stakeholders, both public and private, into decision-making structures
- Governance and operations should:
  o ensure accountability and transparency
  o reflect country-level input and engagement
  o be both efficient and effective
  o remain flexible and adaptable within the GCERF's foundational principles

Governing structures should be comprised of at least the following:
- Governing Board
- Secretariat
- A process for integrating the input of well-respected individuals and subject matter experts in the area of CVE, including in the mechanism for the technical review of proposals and in portfolio monitoring and evaluation
- Country Committee Mechanisms (CCMs) to coordinate in-country stakeholders and GCERF-funded activities at the country level as well as to serve as a point of coordination between countries and GCERF

A.   Governing Board
The Governing Board should be as small as possible, while ensuring appropriate representation, to emphasize flexibility and nimbleness in decision-making. Minimum basic functions of the Governing Board should include:
- Providing strategic oversight
- Making grant funding decisions
- Exercising budget authority by approving the overall operating budget and setting financial controls
- Appointment/removal of the Executive Director/Head of the Secretariat
- Setting policies (such as those related to financial management and monitoring and evaluating (M&E) that provide a framework for the day-to-day operations of GCERF
- Setting investment priorities and take other actions that guide portfolio management
- Approving key agreements and relationships with other organizations and entities

- Overseeing resource mobilization efforts

Size and Composition: The Governing Board should be comprised of two groups of equal size, for example, it could be a 15 seat Board with one seat for the Chair reserved for an eminent individual invited to serve in his/her individual capacity. One group would be comprised of donors (i.e., including countries and/or the EU or other regional organizations), one representative of the private sector (i.e., companies) and one representative of foundations. The other group would be comprised of implementing countries, with five members to be allocated taking into account pilot country preference (particularly during GCERF's initial 18-24 months of operation, after which the Governing Board may change to a more regionally representative approach), and the remaining two members drawn from the NGO community. A representative of the United Nations, the Trustee (if desired), and others as may be determined, may participate on the Board in an ex-officio (i.e., non-voting) capacity.

Decision-Making: The Governing Board will make every effort to arrive at decisions by consensus. In cases where consensus cannot be reached, the Governing Board may act based on approval of five the majority of members of each group. [Note: Among other things, the Interim Secretariat will prepare draft Board Operating Procedures and Bylaws which will set out governance processes]

Terms: Board members will serve for three-year terms, and should ideally be either relevant senior policymaking officials or individuals with subject matter and technical expertise in CVE, whose contributions to the field are recognized and which can add value to GCERF's work.

During the GCERF's pilot phase, the Governing Board should meet in person at least twice per year.

Ultimately, the Governing Board will determine (1) whether or not it will establish standing sub-committees to carry out the work of the Governing Board that may not be undertaken during regular Governing Board meetings (such as operating budget review and approval), (2) the optimum size/functions of the Secretariat, and (3) the mode of operation of the Governing Board, its committees (if any) and other governance bodies (anticipated frequency of meetings, funding, use of electronic communication, etc.).

B. Secretariat
GCERF's Secretariat will be responsible for its day-to-day operations. It should be established over the course of two phases: (1) an Interim Secretariat (starting on 1 June) to serve as the locus of operations for at least the initial 12 months of the Fund's 18-24 month pilot phase; and (2) a Permanent Secretariat with size, function and location to be reviewed and approved by the Governing Board (the Permanent Secretariat could replace the Interim Secretariat during the initial pilot phase).

Among other functions, the Secretariat will support the proposal development and review process, including (1) coordinating the assessment of the eligibility and technical merit of proposals; (2) assessing the financial and programmatic structure of proposals; (3) coordinating the assessment of the capacity of the implementing entity (e.g., capacity, experience, management processes), and will oversee the implementation of programs, including reviewing achievement of performance targets and approving disbursements. The Governing Board may consider devolving approval authority for grants below a certain financial threshold to the Secretariat. In addition, the Secretariat will have responsibility for undertaking or coordinating efforts related to overall portfolio monitoring and evaluation, resource mobilization, and other functions in support of the Governing Board.

The Secretariat should be as small and flexible as possible, and work under the guidance of the Executive Director of the Secretariat to ensure that efficiency is maximized. The Executive Director of the Secretariat will be appointed for a term not to exceed four years, renewable not more than once.

The Secretariat should, to the extent possible, take advantage of high-quality secondee staff, and should also take advantage of support from qualified interns in accordance with rules and procedures to be decided by the Governing Board.

C.   Advisory and Accountability Structures

GCERF should seek advice from subject matter experts in the field of CVE. Such a "technical advisory" panel could support the Governing Board, the Secretariat and the CCMs in assessing project proposals and overall Fund direction. In addition, the Fund must ensure that its operations are transparent and accountable. It will need to employ a competitively-procured external, third-party audit function and should explore appropriate mechanisms for an internal audit function as well. In terms of the relationships between the governing bodies, much of the detail will ultimately depend upon (1) the decisions of the Governing Board and (2) the experience of the Fund itself during the pilot phase.

D.   Country Committee Mechanism (CCM)

GCERF's Governing Board should request those countries that are interested in serving as "pilot" countries to develop a Country Committee Mechanism (CCM) to engage with at the national and local level, and promote local ownership and coordination at the country level.

More specifically, CCMs should (1) ensure the representation of the national government; (2) develop country-specific GCERF priorities derived from the strategic framework articulated by the Governing Board, (3) support the appropriate dissemination of Requests for Proposals from GCERF to local organizations across the relevant country, (4) gather and review proposals received and submit some/all to the GCERF's Secretariat for processing and consideration, and (5) assist in oversight of the implementation of GCERF-sponsored projects, recognizing that the CCM will have a key role to play in monitoring and evaluation of GCERF projects in the relevant country. The CCM will ensure that program activities align to country priorities and help inform the GCERF's global perspective on CVE programming best practices.

CCMs should ideally be composed of representatives from a number of organizations (such as national government representatives, sub-national authorities, local civil society and private sector representatives. CCMs may also include, as appropriate, representatives from the United Nations, World Bank, regional organizations, and bilateral donor governments, including as observers. The CCM should seek to enable the development of country-specific CVE strategies/priorities that would leverage – not duplicate – the existing efforts and insights of these parties and strengthen the alignment of country-level efforts to the GCERF's global mission. Ideally, bilateral donors and multilateral partners, including the UN, could channel their CVE assistance/projects to advance this country-specific CVE strategy, either through the GCERF or through direct mechanisms. While ideally CCMs will have a cross-section of local representatives, they should be small enough to remain nimble and flexible.

<u>**Principles of the CCM**</u>: The Fund's Governing Board should articulate a series of **non-binding** principles upon which CCMs should be based. These would include:
- Serving as a vehicle for gaining full national support for a particular project and, more broadly, for supporting national ownership of CVE efforts through inclusion of host government representatives

- Respecting the central role of government and the value of civil society experience and perspectives
- Ensuring the representation of multiple stakeholders. These would ideally include representatives from the government (national and sub-national level), civil society (including organizations working in communities considered at-risk to the spread of violent extremism), and the private sector. As appropriate, CCMs may involve, including as observers, the UN and World Bank in an ex-officio capacity, and relevant bilateral donor governments
- Encouraging building upon (and coordination with) existing structures whenever possible, to include opportunities to engage with the United Nations and donor organizations

Countries would adapt the CCM model (to include composition, structure and approach to decision-making) to best fit their particular national priorities and existing CVE strategies/efforts, if such strategies are in place, while at the same time ensuring that the CCM composition and governance processes provide for multi-stakeholder participation reflective and representative of stakeholders in the particular country.

Possible functions of the CCMs might include some or all of the following:
- Working with the GCERF Interim Secretariat and other relevant partners, as appropriate.
- Contributing to the development and/or advancement of national CVE strategy/priorities linked to the Fund's global priorities and ensure projects submitted to Fund for funding are aligned with these priorities
- Promoting, through existing organizational-level networks, of the Fund's mission and mandate and the proposal process
- Assessing the capacity of potential grant recipients to not only complete the proposal process, but also meet the requirements for project implementation, oversight and management, including financial management, identifying where gaps might exist and working with the Fund's Governing Board to develop capacity building strategies
- Respecting multi-sectoral viewpoints and a transparent process to convey CCM recommendations to the Governing Board
- Promoting coordination among those who promote and/or implement CVE programming, to include community-based organizations, particularly those working in communities considered at-risk to the spread of violent extremism

IV – GCERF Proposal Process

As GCERF begins operations it will formalize the criteria for grant eligibility as well as the process through which proposals will be solicited, reviewed, awarded and monitored.

A. Proposal Eligibility

Proposal size: Based on estimates of similar programming in the field today, funding guidelines should initially be set at US$25,000-200,000. However, GCERF should consider a scaling option to increase the total award ceiling in the event that eligible proposals above US$200,000 are received. While the ratio of administrative to program costs may be high for such small grant funding levels, some grants at these levels are necessary given the limited absorptive capacity faced by many of the grass-root organizations that GCERF aims to support. Where appropriate, GCERF may consider providing funding to an "umbrella" organization, which would be responsible for monitoring the implementation of smaller projects in cooperation with the relevant CCM, where appropriate, it awards to sub-grantees and possibly technical

capacity-building. "Umbrella" organizations would also be subject to the same monitoring and evaluation standards for projects.

Country eligibility: During its initial 18-24 months of operation, GCERF will concentrate its resources and efforts on five-to-seven "pilot" countries which have volunteered for participation, meet the criteria for eligibility approved by the Governing Board (see Section I.C), and reflect the appropriate geographic balance.

Income eligibility: In the event that GCERF's Governing Board opts to have a global window for proposals, it should consider whether recipients from all countries may seek funding, or whether funding may only be directed to countries which meet an expanded set of criteria.

Local support: Consistent with the principle that it will fund locally-supported projects that advance national CVE strategies or policies, GCERF would require that all proposals are supported by the national government and relevant local stakeholders. This would be demonstrated through support of a properly constituted CCM comprised of all relevant government and non-government stakeholders in "pilot" countries or via engagement between the Secretariat and the relevant national and local stakeholders outside of "pilot" countries.

Translating the Fund's mandate and global scope to the local context: Each proposal will need to clearly demonstrate a project concept that translates GCERF's mission and global scope to the local context, providing a clear description of the local conditions to be addressed, how the activity would contribute to positive change of these conditions and to advancing existing national CVE strategies or policies[3], and how the recipient will monitor and evaluate the activity in collaboration with relevant GCERF entities including the Interim Secretariat, CCMs, and any local accountability structures..

Recognizing that GCERF's intent is to partner with local, grass-roots organizations which may not yet have the technical capacity to meet reporting and oversight requirements, GCERF will explore mechanisms to provide or facilitate technical and other capacity building in these areas, including through the engagement of local, private sector partners, international NGOs, the UN, or Hedayah. The Governing Board will determine the extent to which it is willing to make grant funds available for the direct capacity building of potential implementing partners. During the pilot phase, GCERF may consider allowing a certain percentage of a proposal award to be directed to such capacity building efforts.

Proposal terms: GCERF should have a standard (or maximum) term (length of time) for funding, set notionally at two years but with flexibility depending on project scope. Terms should be clear and provided at the outset, so that funding streams are predictable and the implementing organization can effectively plan and carry out project activities. GCERF would incorporate performance milestones into its funding commitments, and may consider allowing an extension in the period of performance should a project demonstrate impact at the end of its term. Additional detail on monitoring and evaluation is provided below in Section IV-C (Monitoring and Evaluation).

B. Proposal Process

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[3] It is noted that some countries may have formal national CVE strategies, while others may have less formally articulated policy frameworks. In either case, the intent of GCERF is to support national-level objectives and priorities.

Overall, GCERF will ensure that the projects selected for funding are designed to (1) meet the overarching objectives articulated by the Governing Board and (2) address the more specific priorities identified by the "pilot" countries and the CCMs in those countries. Broadly speaking, GCERF should fund projects that aim to reduce radicalization and recruitment to terrorism and are in line with GCERF objectives, CCM priorities, and relevant national strategies or policies.

In its initial 18-24 months of operation, the Fund will seek to demonstrate its ability not only to identify resources, but also to mobilize and direct these resources to eligible projects in "pilot" countries, and, as appropriate, more broadly.

Proposal submission timeline: GCERF will establish an initial proposal timeline consisting of: (1) Solicitation, (2) Submission, (3) Review, (4) Preliminary Assessment, (5) Recommendation, (6) Approval, and (7) Award. The GCERF Governing Board should consider two options for proposal submission timing:

- A rolling review process in which "the door remains open" for proposal submission and review.
- A "rounds-based" process, with proposals being submitted and reviewed on a 6 or 12-month cycle.

Proposal template: The Secretariat should develop a standardized proposal template that contains fields which correlate with proposal eligibility requirements. Possible components might include: (1) how the project advances the Fund's objectives, (2) how the project translates GCERF's mission to the local context, including by demonstrating how it reinforces relevant national CVE strategies/policies, (3) how the activity will contribute to positive change, (4) plans for monitoring and evaluation, procurement, financial management, and program management, (5) information on the applicant's organization and demonstrated ability to accomplish project objectives and effectively manage project implementation in compliance with requirements; and (6) information on whether the project will be sustainable beyond the initial grant period.

Proposal review process: Given GCERF's intention to support programs at the local or community level and to work with organizations which may lack experience with grant application processes, GCERF should enable an iterative process for proposal review and assessment. The CCM would serve as the primary interlocutor with applicants. In this capacity, representatives of the CCM would make an initial assessment of the proposal's eligibility and, based on this assessment, where appropriate, work with the applicant to clarify and develop the proposal. Based upon this process and within the context of the country-level CVE priorities it has identified and consistent with relevant national CVE strategies or policies, the CCM would then forward to the Fund's Secretariat the proposal(s) it recommends for funding. To support the CCM's efforts, the Fund would provide general parameters as to the ceiling of total funds available in a given 18-24 month period.

Should GCERF opt for a global window during its pilot phase, proposals from non-pilot countries that do not have a CCM would be submitted directly to the Secretariat for preliminary evaluation, using the same template and evaluation criteria previously outlined. The Secretariat would work directly with the organization submitting the proposal on follow-up or clarifications.

Proposal solicitation: GCERF will benefit most directly from the networks and reach of the diverse organizations that comprise its Governing Board, donors, and CCMs. GCERF will depend first and foremost on CCMs and its individual members, and, as appropriate, observers, to promote not only GCERF's mission, but also to publicize the availability of funding for eligible proposals. GCERF will benefit from a fully transparent and open solicitation process, but also must be prepared to leverage the insights and networks of its local partners on the CCM.

Methods for proposal solicitation might include one or more of the following:
- Promotion by the national government in a "pilot" country
- Promotion by local NGOs that serve on the CCM
- Promotion efforts of private sector participants in the Fund at the global and country level
- Promotion through media
  - o Working through the websites and social media of a donor government's diplomatic missions
  - o Publishing a news article or advertisement in national/local traditional media
  - o Paid advertisement and/or news article in an international publication with global reach

Given GCERF's intention to fill the gap that many local organizations face in attracting seed funding and/or identifying potential funding resources for their innovative ideas, GCERF will benefit from reaching beyond capital cities and major population hubs into the secondary and tertiary population centers in "pilot" countries to communicate its mandate and publicize the proposal process.

Technical review: As highlighted in the Founding Principles, GCERF will oversee a rigorous technical review of all proposals to ensure transparency. As noted in Section III.C (Advisory Structures) above, a "technical advisory" panel could support the Board, the Secretariat and the CCMs in assessing project proposals. The Governing Board should consider, at the global level, the establishment of a virtual technical review panel. This panel would be comprised of *volunteers* drawn from recommendations of the Governing Board, via an inclusive and transparent process, who are convened by the Secretariat once a minimum number of proposals are received for evaluation. Assuming this governance construct, all proposals that meet the above threshold of eligibility and, for pilot countries, are recommended by the CCM, would be forwarded to this panel for independent, impartial review. The panel would leverage a checklist of eligibility and evaluation criteria and, where appropriate, request additional information and/or clarification from applicants to support an award recommendation.

The non-binding recommendations of the technical review panel would be put before the Governing Board for final review and award determination.

Vetting: All recipients of GCERF grants should successfully complete a vetting process to determine eligibility. Proposals will include a description of the recipient's organization and its track-record, and provide evidence of its ability to meet the financial management and reporting requirements of GCERF as well as to execute against the proposed activities. As noted in Section I.A., a principle of GCERF is innovative engagement and helping to build the pool of potential grass-roots partners in the CVE space. As such, GCERF should maintain the flexibility of vetting a new partner with limited past experience. GCERF may also consider allocating a portion of a grant amount toward capacity building of the implementing partner if all other components of the proposal are sound. GCERF will consider proposals for new activities, to add scale to existing/ongoing activities, or to replicate activities in new locations. For purposes of consistency, GCERF should develop a proposal template outlining the key fields of data required for eligibility assessment and award. Vetting may also include in-person meetings with between applicants and reviewers.

C. Monitoring & Evaluation (M&E)
An effective M&E framework is integral to determine the impact of GCERF. GCERF will invest time in developing an initial set of standard indicators against which it can measure the results and impact of individual projects. An agile M&E mechanism with clearly articulated objectives, metrics, and evaluation

mechanisms that can be applied across GCERF's portfolio of projects would help provide concrete evidence, over time, that it is supporting initiatives that directly align with its mission. In addition, GCERF will identify aggregate, global level indicators (i.e., education levels, recidivism rates, etc.) that would aid in the assessment of how GCERF-supported activities are contributing to change at the macro-level. Both of these approaches, taken in tandem, would increase the confidence of donors and build interest among new supporters, whether from donor countries, the private sector, foundations or civil society groups.

As the Secretariat takes shape, it will determine, through the Governing Board, the methods of M&E to utilize to best report the impact and success of GCERF-funded projects. The grantee will work with the Interim Secretariat and CCM, as appropriate, to determine effective M&E.

V – Multi-sectoral Engagement

A. Relationships with Existing Entities

One of GCERF's objectives is to leverage the insight, knowledge, expertise and networks of a broad array of existing organizations, including those currently working on CVE and related issues.

As noted in Section I.A, GCERF's mandate is explicit in its intent to reinforce the UN Strategy, which was adopted by consensus by all UN Member States in 2006. GCERF will look for ways to proactively coordinate with the UN CTITF and the UNCCT. It will complement the CVE work of these entities by filling a gap in the UN efforts to date, i.e. by providing grants to local groups that play a central role in the effective implementation of Pillar I of the UN Strategy (which highlights the need to "address the conditions conducive to the spread of terrorism" at the country-level.) The Fund will also look for opportunities to collaborate with other components of the United Nations that have program implementation experience and strong relationships with host governments, such as UNESCO and UNDP. Ultimately, GCERF will defer to the determination of the UN as to its preference for participating in a sharing its expertise with the Fund at both the global and country level. However, GCERF should provide periodic reports to the UN CTITF on the GCERF's efforts to implement the UN Global Counter-Terrorism Strategy and seek to benefit from the UN's CVE expertise and assessments of CVE efforts at the international, regional and national level.

Other partners in CVE will include the Global Counterterrorism Forum (GCTF) and its working groups, as well as Hedayah. As well as developing new work streams on research and dialogue activity, which may prove useful to partners in GCERF, Hedayah is currently scaling up its training and capacity building work. This will include work on three levels: with senior government officials on strategy development; CVE training programs for state actors, including teachers and police officers; and, importantly, it will also include new partnerships in target regions with small, grass-roots NGOs.

With some significant funding likely to come on stream in the next year, Hedayah plans to identify potential local partners and help them to build the analytical and technical skill-set that would allow them to deliver a range of locally-targeted CVE interventions. Unlike GCERF, Hedayah will not be a grant making organization; rather the focus is on building capacity. As well as focusing on the skills required for effective CVE activity, Hedayah will also look to develop the corporate capability of these grass roots organizations. The Hedayah capacity building approach will be deliberately designed to complement the approach of GCERF. It will train and develop new CVE actors and it will leave them better placed to follow up their work with Hedayah with a well-designed project application to GCERF.

The CCMs would facilitate on-the-ground collaboration and coordination between GCERF and the UN as well as other relevant multilateral entities and donor governments.

B. Engaging the Private Sector

A foundational principle of GCERF is the inclusion of private sector representatives at all governance levels. Developing collaborative partnerships between the Fund and private entities is essential to GCERF's longer-term sustainability. Meaningful partnerships at the global level and through CCMs will be most easily identified when the Fund's mission, goals and priorities, as well as national CVE priorities of the relevant country, overlap with the strategic interests of for-profit and philanthropic organizations. GCERF's ability to provide efficient and accountable funding of projects will provide additional incentives for such entities to contribute to its efforts.

Private-sector companies are often focused on specific sectors in specific countries, and thus their interest in contributing (with in-kind or financial support) to GCERF may be based on enhancing brand-name recognition or building more skilled labor pools in key countries of operation. In other cases, private entities will be more inclined to contribute based on their involvement in specific issues, such as gender equality, youth development, and educational advancement. Generally speaking, companies, whether national or multi-national, may benefit from local initiatives that both enhance their local reputation and allow them better to understand their impact on the local community.

The themes of economic opportunity, protecting supply chains, and developing/supporting potential markets vice explicit CVE terminology are more likely to resonate with and generate interest in the Fund from the private sector. GCERF can serve as a source of innovative engagement at the country level. One illustrative area of activity involves connecting the Fund to the growing field of social entrepreneurship: around the world there is a growing group of entrepreneurs looking to tackle social challenges with for-profit business models. GCERF, for example, should encourage and facilitate the pairing of a community-based organization with a local enterprise to promote skill-sharing and capacity building or by more explicitly using the CCM construct to identify social entrepreneurs as potential change agents and using its resources to help them build their capacity.

Additionally, the private sector often facilitates their own community-based programs on the ground, and the GCERF could serve as a country-level mechanism to engage these private sector partners who – whether to enhance their programming with other partners or to address concerns around supply chains or perceived risks of terrorist recruitment of their staff – might be interested in country-level collaboration with the Fund (e.g., supporting the activities and capacity of local partners engaged in community-based activities targeting vulnerable groups).

Annex 2

GCERF, Global Community Engagement and Resilience Fund
Statutes
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PART I

Name, domicile, duration and purpose

Article 1   Name, domicile and duration

¹ The GCERF, Global Community Engagement and Resilience Fund (hereafter GCERF or the Foundation) is established as a non-profit foundation under the Swiss law and is governed by these statutes and Articles 80ff of the Swiss Civil Code.

² The headquarters of GCERF shall be located in the canton of Geneva where it shall be registered at the « Registre du commerce ».

³ The Foundation shall be of unlimited duration.

Article 2   Purpose

The purpose of the GCERF shall be to attract, manage and disburse resources aimed at supporting the efforts of local, community-based NGOs and sub-national government organizations in countering violent extremism and radicalization in all its forms. As a public-private partnership, the GCERF shall make an important contribution to the implementation of the UN Global Counter-Terrorism Strategy.

PART II

Capital, resources and liability

Article 3   Capital

The Swiss Confederation shall endow the Foundation with an initial capital of CHF 50'000 (fifty thousand Swiss francs).

Article 4   Resources

¹ Governmental and non-governmental donors shall provide the Foundation with further resources by transferring assets, by passing property or providing other in-kind contributions.

² The GCERF shall be entitled to receive donations and legacies.

[3] The resources of the Foundation shall also comprise the returns of its property as well as the income resulting from its activities.

Article 5   Liability

Only the assets of the Foundation shall be liable for the debts of the Foundation. The liability in tort of the Governing Board's Members is reserved.

PART III

Organization

Article 6   Elements of the Foundation

The Elements of the Foundation shall be:

A) the Governing Board;

B) the Secretariat;

C) the Auditor.

A. The Governing Board

Article 7   Governing Board

[1] The Governing Board shall consist of a maximum of twenty-one (21) members entitled to vote. Each member shall have one vote.

[2] Members of the Governing Board entitled to vote shall consist of: representatives of donor countries and supranational organizations, representatives of other donors, representatives of recipient countries, representatives of non-governmental organizations and foundations and a Swiss national as representative of the host state. Government representatives shall form the majority of the members of the Governing Board entitled to vote.

Article 8   Authority

The Governing Board is the supreme body of the GCERF. The Governing Board shall exercise all powers required to serve the purpose of the GCERF, including the following functions:

1. develop and establish the strategies and initiatives of the GCERF;
2. promote the mission, principles and activities of the GCERF;
3. mobilize public and private sector donors to support the mission of the GCERF;
4. promote the active engagement of and collaboration with the diverse range of GCERF partners;
5. oversee the activities of the Secretariat of the GCERF;

6. appoint, asses and, if necessary, replace the Executive Director of the GCERF;
7. appoint the members of the Governing Board and the Auditor;
8. establish other governance structures as appropriate;
9. regulate the authority to sign and to represent the foundation;
10. make and approve all necessary by-laws on the governance and the management of the GCERF; these by-laws will be subject to the approval of the Supervisory Authority;
11. review and approve the budget of the GCERF, as well as the annual report and financial statements of the GCERF;
12. establish the framework and oversee the monitoring and periodic assessment of the performance of the GCERF.

B. Secretariat

Article 9   Executive Director

The Secretariat is headed by an Executive Director who is elected by the Governing Board of the GCERF and whose authority will be specified in the by-laws.

Article 10   Authority

The Secretariat is responsible for the day-to-day management of the GCERF and for specific duties and responsibilities assigned to it by the Governing Board. The authority shall be defined in the by-laws.

C. Auditor

Article 11   Appointment

The Governing Board shall appoint a company of international importance as the external, independent auditor of the Foundation, according to the relevant legal provisions.

Article 12   Fiscal year

¹ The Auditor shall examine the Foundation's accounts every year.

² The fiscal year shall begin on 1 January and end on 31 December of each year. The first fiscal year shall begin on the day of the constitution of the Foundation and end on 31 December of the following year.

PART IV

Supervisory authority, amendments of the statutes and dissolution

Article 13   Supervisory authority

The Foundation shall be supervised by the Supervisory Authority for foundations of the Swiss Confederation.

Article 14   Amendments of the statutes

The statutes may be at any time amended or completed through a decision of the Board with the consent of the Supervisory Authority.

Article 15   Dissolution and liquidation

[1] In the event that the GCERF is unable to continue its activities, the Governing Board shall notify the Supervisory Authority.

[2] The GCERF may be dissolved in accordance with Articles 88 and 89 of the Swiss Civil Code. The Governing Board shall carry out the liquidation unless it designates one or more liquidators to act as such.

[3] In the event of dissolution, the Governing Board shall decide on the allocation of the remaining assets. It may in particular decide that these assets shall be returned to the founder or to the donors.

[4] The liquidation of the GCERF shall only be carried out with the consent of the Supervisory Authority and based on a written report which sets out justification for the dissolution.

Geneva, 9 September 2014

Annex 3

PWC Engagement Letter (next page)