The Global Fund

Country Coordinating Mechanism Guidance Note: Oversight Annex 1 – The Oversight Process

Updated: October 2020

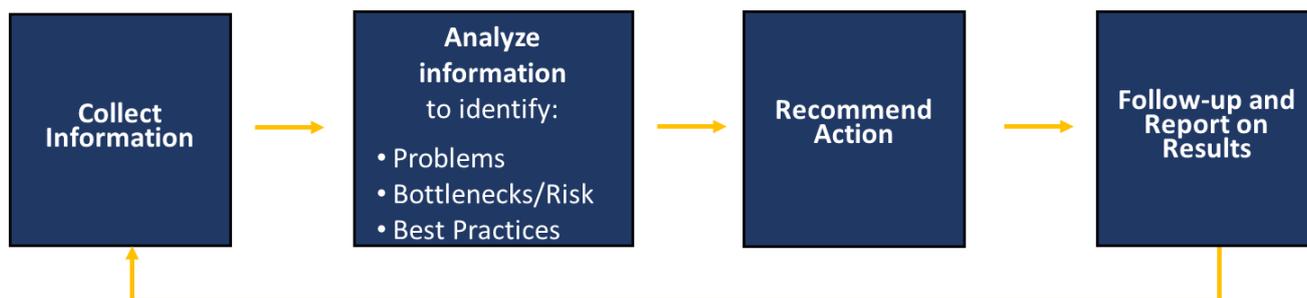The following diagram presents the main components of the oversight process.

Figure 1. **The oversight process.**

1. **Collect Information**

   The oversight committee, supported by the CCM Secretariat, collects information periodically from different sources, which may include:

   - Data reporting templates and tools agreed on between the oversight committee and the Principal Recipients (PRs).
   - Available dashboards and/or oversight tools.
   - Performance frameworks, summary budgets from each grant and periodic reports submitted by PRs.
   - Grant information available at the Global Fund's website, management letters submitted by Country Teams and other information provided by the Global Fund.
   - National disease program epidemiologic reports/databases.
   - Feedback from people living with diseases or community-based monitoring initiatives present in country.
   - Other relevant national information.

   Examples of Information Collection activities:

   - Meetings/ teleconferences with PRs (quarterly).
   - Dialogue or engagement with Global Fund Country Teams and/or functional teams [Risk, Community, Rights and Gender (CRG), and others]
   - Participation in key activities like disease program reviews, partner (bilateral or multilateral) meetings and coordination fora.
   - Site visits (semi-annual) in-person or via remote data collection (see Global Fund's Virtual Inclusive Dialogue Guidance Note for more information and virtual solutions).
   - Consultations with key populations and people living with diseases.

<u>Available Oversight Tools</u>

- ✓ <u>Key Insights for CCM dashboard (PDF format)</u> – provide the CCM with a snapshot highlighting key financial, programmatic and risk information for all active grant implementation periods.
- ✓ <u>Existing PR management dashboards and the CCM Summary dashboard</u> – where available, these dashboards are important grant management and oversight tools highlighting period-specific financial, programmatic and procurement information.
- ✓ <u>Other oversight tools</u> – tools developed by the CCM or the oversight committee to collect, analyze and exchange information with PRs.

2. Analyze Information

Information and data are the basis for oversight, as they allow identification of program challenges and best practices. The oversight committee should analyze and triangulate data and information collected from various sources to identify bottlenecks in grant implementation and other emerging issues and provide recommendations to the CCM. The committee will rely on CCM expertise in alignment with grant objectives and priorities along with the technical support provided by the CCM Secretariat to analyze and synthesize the collected information.

For each grant, analysis activities consider the following aspects:

<u>Financial:</u>
- Ascertain the overall level of financial absorption for the period. Tracking expenditures against budgets facilitates the identification of root causes contributing to financial risks across the grant portfolio. For example, where is the largest proportion of funding allocated or not used? Are funds being spent in the planned areas?[1]
- Analyze the level of absorption for key budget cost-groupings depending on the nature of the grant (e.g., procurement-and-supply intensive, prevention or transition activities).
- Ascertain the level of expenditures for drugs and medical supply stocks.
- Highlight financial performance outliers found among groups of sub-recipients (SRs), especially those implementing large portions of grants' budgets.
- Determine the potential effect of the financial status on program performance[2].
- Examine if the country is on track to achieve targets in the national strategic plan.
- Determine if adjustments to Global Fund and partner investments are required considering additional data and evidence.
- Determine if there are changes to the national funding landscape and, if so, what is the impact on Global Fund funding.

<u>Programmatic</u>
- Analyse key indicator performance against targets for the period under study. Explore issues such as frequent underachievement of targets or unexplained overachievement.
- Identify programmatic performance outliers found among groups of sub-recipients.

---

[1] Grant Implementers Management Handbook
[2] Grant Implementers Management Handbook

- Explore the relationship between financial and programmatic performance and potential causes for inconsistencies found (e.g. reporting very low financial execution and nearly total achievement of targets for a period under analysis).
- Explore dimensions of data quality[3] and validity when analysing programmatic indicators.
  - Completeness of data.
  - Consistency of reporting over time.
  - Consistency between indicators.

Management:
- Assess the capacity and timeliness of PRs to respond to management actions indicated by the Country Team.
- Identify the possibility of drug stock-out occurrence, timeliness of orders and delivery, and timeliness of product distribution to SRs and sub-SRs.
- Analyse topics such as the hiring status of key PR managerial positions and attention to major PR–SR issues.

Cross cutting:
- Identify grant risks and potential mitigation measures.
- Compare actual co-financing amounts with agreed commitments (where this information is available).

3. **Recommend action**
   Based on the results of the analysis stage, the oversight committee makes recommendations to the PR and to the CCM (when issues exceed the PR's capacities or when issues are of critical nature) to address identified issues and bottlenecks. Recommendations should be actionable, clear and unambiguous and lead to an action plan with agreed timelines.

4. **Follow-up on recommendations and reporting**
   The oversight committee ensures proactive and frequent follow up until each specific action addressing an identified issue is complete. Finally, the CCM reports on outcomes of the oversight actions taken to the Global Fund and key national stakeholders.

Conflict of Interest and the Oversight Function

When undertaking oversight activities for the grants, CCM members (and non-members who join oversight committees and site visits to fill expertise gaps) are required to declare conflicts of interest that affect them directly. Issues related to potential or real conflicts of interest identified should be managed according to the provisions of the CCM's Conflict of Interest Management Policy and the Code of Ethical Conduct for CCM Members.

The Code of Ethical Conduct for CCM Members sets out the Global Fund's values, along with requirements and behaviors that all CCM Members should demonstrate in order to bring those values to life. This focus on individuals is important and underpins effective functioning of the CCM as a whole. All the sections of the code are relevant to effective oversight, especially impartiality, being transparent and objective with information, ensuring effective engagement, and speaking up when things are not right.

---

[3] Adapted from the WHO DQR Toolkit.