



An Examination of the issue of non-CCM proposals already approved by the Board that may be against the criteria for non CCM proposals

Part 1. Background

1. The Board at its Sixth meeting discussed the particular case of a non-CCM proposal submitted to the Board for approval and requested clarity from the Secretariat regarding the application of the criteria for non-CCM proposals as it was unclear to the Board how the criteria for non-CCM proposals were applied given that some were accepted and some turned away as ineligible.

Sixth Board Decision Points:

- The Board requested the PMPC and GPC to examine the issue of non-CCM proposals that have been approved by the Board and that may be against the criteria for non –CCM proposals, and report to the Seventh Board meeting.
- The Board requests the PMPC and GPC to review the applicability of the eligibility criteria to future non-CCM applications. (See Part 4).

2. The purpose of this note is to provide GPC with factual information on decisions taken by the Secretariat to screen in proposals from NGOs which had not received CCM endorsement and to bring forward suggestions on how the process can be improved for future non-CCM proposals

Part 2. Process

1. Throughout the three Rounds of Proposals the Secretariat was guided by the Framework Document, Board Policies, and the Proposal Guidelines in its work of screening proposals which clearly state that Proposals for funding should be clearly submitted to the Fund through the CCM. The Technical Review Panel will only recommend funding CCM proposals which reflect genuine broad participation and ownership of all interested groups.

2. The Fund will also consider proposals arising from partnerships in circumstances such as:

- i). countries without legitimate Governments;
- ii). countries in conflict or facing natural disasters;
- iii). Countries that suppress or have not established partnerships with civil society and NGOs.

3. During the second Board meeting in April 2002, the Board reconfirmed that non-CCM applications were not eligible unless the proposals satisfactorily explained how they met the exceptional circumstances set out in the framework document in this regard. The Board therefore agreed that non-CCM applications from the first round should be removed from category one and placed into category two, and follow the procedure for approval for category two. This is to get CCM endorsements.

4. Delegation of Authority: The Board has mandated the Secretariat to be responsible to screen proposals based on eligibility criteria established by the Board and Proposal Guidelines. In addition, the Board asked the Secretariat to consult with the TRP in cases where there is doubt on the eligibility of a non-CCM proposal. As appropriate the Board may also directly request the TRP to validate the appropriateness of a non-CCM submission.

5. The Secretariat used straightforward screening criteria to ensure transparency and consistency. It focused on the Source, Scope, and completeness of the proposals. Specifically, the Secretariat reviewed the following items:

a. Source of Proposal: The guidelines are quite clear as to which type of applicant is eligible. For CCM applications, the Secretariat checked the inclusiveness of their membership through members' list, signatures, as well as minutes of meetings. For non-CCM applications within a country, applications were screened against the three exceptional circumstances for submitting outside a CCM, as stipulated in the guidelines, i.e.

- i). countries without legitimate Governments
- ii). countries in conflict or facing natural disasters
- iii). Countries that suppress or have not established partnerships with civil society and NGOs.

b. Furthermore, the Guidelines specifically state that any proposal must demonstrate clearly why it could not be considered under the CCM process at the country level and provide documentation of these reasons.

c. Non-CCM proposals must also include the following criteria for the submitting entity: quality, coverage and credibility of their services and operations.

d. Scope of proposal: Only proposals targeting one or more of the three diseases are eligible. Pure research and pre-investment projects were also screened out.

e. Completeness of Proposal: The proposal must be reasonably complete, with all questions as outlined in the Call for Proposals covered, including budgets, signatures and attachments.

6. In Rounds 1 and 2 Secretariat staff as well as short term staff screened proposals. The process was managed by a senior interim staff member. In Round 2, 177 proposals were received, 66 were screened out by the Secretariat. The screened out proposals were mainly from NGOs or Regional Organizations that did not have CCM endorsements or did not give any clear reasons for not applying through CCMs; one was from a DAC country; and one application was seeking funding to organize a regional CCM. (See attachment for a list of non-eligible proposals of Round 2). A total of 229 components from 111 proposals were screened as eligible for review by the TRP

7. In Round 3 the Secretariat established an internal high level Steering Committee comprising of the Senior Director Strategy, Evaluation, and Program Support; the Chief Fund Portfolio Director, the Senior Health Advisor to the Executive Director. This Committee was responsible for supervising the screening process to ensure that guidelines were followed and that all applicants were receiving fair and consistent treatment.

Part 3. Outcome of the screening process

Round 1

1. The following non-CCM proposals were screened in and reviewed by the TRP and recommended to the Board for approval.

- a. Madagascar: An NGO proposal from Madagascar was screened in because the country did not form a national CCM.
- b. Kenya: Two NGOs KENWA and SANAA proposals have received full endorsement of the CCM under the condition that the funds flow through the same mechanism that was proposed for Round Two which is to use the existing mechanism established for the World Bank MAP Program and not for the funds to go directly to the NGOs.

The NGOS agreed to this condition and this is why this proposal received final endorsement from the Board.

- c. Global: The Lutheran World Federation (LWF) CCM was approved by the Board on the condition that CCM endorsement is received from all countries covered by the proposal prior to Grant signing.
- d. South Africa Love Life, Kwazulu Natal and Soul City: which were approved by the Board on the condition that they receive CCM endorsement. The CCM and after negotiations with the applicants and the Secretariat did endorse all applications with the condition that all funds are transferred through the national treasury and not to the individual applicants.
- e. Thailand /Myanmar: an international NGO submitted a proposal without CCM endorsements. The Board approved the proposal subject to obtaining CCM endorsement from both countries. Following considerable efforts, CCM endorsement was not provided since the CCMs had no previous interaction with the NGO. The Thai CCM also informed the Secretariat that they will not endorse the proposal. Since Board approval was conditional on CCM endorsement, the proposal was dropped.
- f. Ethiopia/Zambia-Pact: The NGO proposal was approved by the Board conditional on obtaining CCM endorsement. Survival Is the First Freedom: Community-led Multi-sectoral Response to HIV/AIDS” (USD 1,008,000: first year budget USD 336,000)

CCM endorsement has not been obtained from Ethiopia. The Ethiopian Ministry of Health sent a letter to Pact/Ethiopia in September 2002 stating that the Ministry of Health is not currently in a position to provide endorsement.

CCM endorsement from the Chair of the Zambia CCM has been provided. However, only the faxed signature from the CCM Chairperson has been received, and when the Secretariat inquired about the signatures of the other CCM members and minutes of the meeting, Pact/Zambia stated that they felt uncomfortable circumventing the CCM chair. The NGO was not able to obtain the endorsement and the proposal was dropped.

- g. Cambodia NGO: This proposal the Sangaha Thor Initiative or SANTI project submitted by SILAKA and SACIWHR. The proposal was approved by the Board conditional on obtaining CCM endorsement. However the CCM met to review the proposal and decided not to

endorse the proposal for technical contents, budget and implementation capacity of the NGO. The Secretariat received an official letter with this decision that was then communicated to the NGO.

Round 2

2. During the screening process for Round 2, nine NGO proposals were screened in by the Secretariat and reviewed by TRP. Of these, three NGO proposals (two in Madagascar and one in Lithuania) did not have CCM endorsement due to the absence of a CCM at the time of submission of proposals. The other six NGO proposals were multi country proposals and had received CCM endorsements from their respective countries. Of all the NGO proposals reviewed by TRP only the two proposals from Madagascar were recommended to the Board for approval. The Board did not require CCM endorsement since Madagascar had not established a CCM.

Round 3

3. In Round 3 the Secretariat established an internal high level Steering Committee comprising of the Senior Director Strategy, Evaluation, and Program Support; the Chief Fund Portfolio Director, the Senior Health Advisor to the Executive Director. This Committee was responsible for supervising the screening process to ensure that guidelines were followed and that all applicants were receiving fair and consistent treatment.

4. Of the 170 proposals received, 50 were screened out by the Secretariat. The screened out proposals were mainly from NGOs or Regional Organizations that did not have CCM endorsements and did not give any clear reasons for not applying through CCMs; three were from CCMs but were screened out due to not meeting eligibility criteria. (See Annex II for a list of non-eligible proposals).

5. During the review by the Secretariat's Senior Steering Committee, it was determined that two proposals merited specific attention and comprehensive discussions. These were the RAKS Thai NGO proposal for IV drug users and the NGO Consortium proposals in the Russian Federation.

The following summarizes the discussion and decision taken by the Steering Committee and subsequent TRP recommendations and decision taken by the Board.

a. NGO Raks Thai from Thailand: In the proposal the applicant gave strong reasoning for applying outside the CCM .In addition the applicant stated that they have made contacts with the CCM and was informed that a proposal targeting

injecting drug users would not be supported. In addition the applicant highlighted their efforts to integrate the needs of injector's into Thailand's first and second round applications to the GF and both times was turned down by CCM members by stating that such an intervention was not necessary and did not merit additional funds. However the Secretariat through its screening process asked the applicant to seek CCM endorsement. The NGO came back stating that given the policies of Thai Government they did not believe they will receive full CCM endorsement. However they also stated that they strongly believe that the Thai government will permit the proposed pilot project to proceed. In addition, the NGO provided the following information to support their position they would not be able to attain CCM endorsement due to the position taken by the Thai Government:

Raks Thai provided letters of support from the following:

- a Senator in the Thai Parliament,
- Asian Forum for Human Rights and Development,
- The Thai National Coalition on AIDS,
- Open Society Institute
- Human Rights Watch
- Medecins Sans Frontiers
- Thai Network of people living with HIV/AIDS
- GF NGO constituency and the communities.

As per the delegation of authority from the Board, the Secretariat consulted with the TRP Chair on the above information and on Raks Thai's proposal as to its eligibility. The TRP Chair supported the Secretariat's recommendation to screen in the proposal noting that the Board still had the right to formally request the TRP to revisit the eligibility issue.

This decision was taken based on the proposal guidelines which states "Any proposal must clearly demonstrate why it could not be considered under the CCM process at the country level and provide documentation of these reasons."

Subsequently the TRP recommended to the Board to approve the proposal without requiring the NGO to obtain CCM endorsement. (It should be noted that during this time, the Secretariat, as is its practice, was also pursuing with the CCM an exchange of communications with the objective of trying to obtain CCM endorsement. This was done in recognition that regardless of eligibility criteria, it would be best for implementation to have the support of the CCM.

b. The NGO Consortium in the Russian Federation.: At the time of submission there was no Official CCM in Russia .Among the supporting documents provided by the NGO were the minutes of the May 27 meeting of the UN Theme Group

confirming agreement among all parties that the NGO proposal would be the only proposal submitted to the Fund in Round 3.

Subsequently, the GF was presented with another proposal under an identity of CCM from the Russian Academy of Medical Sciences (Dr. Pokrovsky); the Secretariat wrote back to the NGO asking for CCM endorsement and learned that meanwhile another CCM group was established under the authority of the Deputy Minister of Health, Dr. Onishenko, with full participation of all relevant partners. The Secretariat consulted with partners (namely UNAIDS and WHO in Moscow) to verify the situation and indeed realized that Pokrovsky's group did not represent the CCM.

The Secretariat, on July 30, received a letter from Dr. Onishenko, informing us that a decision was adopted by the Government of the Russian Federation on July 3rd 2003 to form a CCM (i.e., after the deadline for Round 3). However, in the same letter he did ask the GF to consider the proposal submitted under the Pokrovsky group as the proposal of the CCM.

As this letter was received quite late and while the TRP was already concluding its review session, the Secretariat decided to maintain its earlier decision of screening in all the proposals received from the Russian Federation, to be reviewed by the TRP. This included another proposal from Tomsk, representing itself as a Sub-CCM in the absence of a national CCM. – This decision was based on the absence of an official CCM and to ensure that all applicants receive fair and equal chance for funding.

c. In addition to the above two proposals the following proposal was screened in for TRP review:

NGO from Cote D'Ivoire, this country clearly falls under the criteria of countries in conflict as defined by OCHA.

Part 4: Applicability of the eligibility criteria to future non-CCM applications.

1. Currently, the Board has specified three criteria for when non-CCM applications are permissible. These are:

- i) countries without legitimate Governments;
- ii) countries in conflict or facing natural disasters
- iii) countries that suppress or have not established partnerships with civil society and NGOs.

2. Based on the Secretariat's experience, the principles underpinning the above criteria are sound. In general the process established by the Board for screening proposals has been effective this far. If one looks at the number of proposals screened out by the Secretariat compared to those submitted to the TRP one recognizes that the criteria specified in the framework document as well as the guidelines for proposal has been followed. However the Secretariat acknowledges that the process has its shortcomings especially when screening non CCM proposals .So far the Secretariat only corresponded with the applicant and did not verify the information with the CCM. The Secretariat now recognizes the importance of asking direct inputs from the CCM, something that obviously needs to be an integral part of the screening process.

3. In its discussion the GPC recommended that the Secretariat should tighten its screening procedures and ensure that CCMs are contacted to verify information provided by the applicant. This process should be bound with a time frame. The Secretariat will then take this information into consideration in making its decision on eligibility.

The GPC also recommended clarifying criteria number ii regarding countries facing natural disasters by adding that if governments become inoperable due to natural disasters then non-CCM applications would be accepted.

Attachments:

1. The Case of Non-CCM proposal from Raks Thai Foundation, Thailand
2. List of Non-eligible proposals Round 2
3. List of Non-eligible proposals Round 3

The Case of Non-CCM proposal from Raks Thai Foundation, Thailand

The highlighted text is the Secretariat's response to issues raised by the Thai Government.

1. Background

- 1.1 Raks Thai proposal has been submitted to secretariat as a non-CCM proposal by giving the reasons that given the policies of the Thai Government to creak down the drug traffic, they did not believe they would receive full CCM endorsement for this proposal. Yes and they also stated that they have tried to get this component through the CCM applications to the GF in Round 1 and 2
- 1.2 The secretariat (Tom Hurley) sent email on July 21st, 2003 to Mr. Suthas (secretariat of the Thai CCM) requesting to follow up on the CCM endorsement prior to forwarding the proposal for TRP reviewing process, quoting that Thai Health Minister and the Permanent Secretary (Chair of the CCM) had expressed their agreements to endorse this proposal in the July 16th meeting in Paris. Tom Hurley did indeed write to the CCM to try to get CCM endorsement to ensure smooth implementation and good cooperation among all partners in the country.
- 1.3 Dr. Manit, secretariat of Thai CCM, sent memo to Chairman of the CCM (the Permanent Secretary) on **July 23rd** asking for consideration and Chairman requested to have that proposal submitted to CCM for consideration.
- 1.4 A follow up email was sent from the Secretariat (Tom Hurley) on **September 22nd**, 2003 to request Mr. Suthas to send minutes of the meeting of CCM endorsement of the said proposal prior the Board meeting. The CCM had the meeting on September 4th 2003 to consider this proposal. Yes this is true because Mr.Hurley was under the impression that the MoH would support the proposal and that is why he did follow up but it was not as a precondition for screening it in.
- 1.5 The CCM has set up the working group to review the proposal to submit recommendations to CCM, and the CCM has finally decided to **endorse the proposal in principle** with the **condition that the Raks Thai Foundation revises the proposal according to recommendations by the working group**. Until now, there is no revised proposal from the foundation. The revision is minimal and should be accomplished without much difficulties. The Secretariat might agree but this was not mandated by the Board and indeed the Board decided that CCM endorsement was not required.

1.6 At the 6th Board meeting in Chiangmai, the issue of the process of secretariat screening of non-CCM proposals was raised and the Board requested the PMPC and GPC to examine the issue of non - CCM proposals that have been approved by the Board and that may be against the criteria for non-CCM proposals, and report to the Seventh Board meeting.

2. Situation of relationship between NGO-Thai Government

2.1 As stated in the Framework Document and Call for Proposals for Non-CCM proposals that

“non-CCM applications are not eligible unless the proposals satisfactorily explain how they meet the following exceptional circumstances set out in the Framework document:

- i). countries without legitimate governments;
- ii). countries in conflict or facing natural disasters; or
- iii). Countries that suppress or have not established partnerships with civil society and NGOs.

Any proposal must demonstrate clearly why it could not be considered under the CCM process at the country level, and the Board should **require validation of these reasons**. Criteria for the submitting NGO would include the quality, coverage, and credibility of their services and operations.” **That is true and the Board did not ask for validation. This is also stated in the Secretariat paper.**

2.2 Reasons given by Raks Thai proposal for submitting outside CCM are clearly not consistence with the criteria set forth in the Framework Document and Call for Proposals with the following reasons:

- Thailand has long history of democracy since 1932. This government led by Thai Raks Thai party has won the general election in 2000 thus considered as legitimate government.
- Thailand has no experience of conflict or facing natural disasters.
- Thai government and NGOs have established strong relationship especially in the area of HIV/AIDS since 199x. The Thai government allocated annual budget to support the work of NGO through Ministry of Public Health budget for xx USD million since 199x. Raks Thai Foundation, also received support from Thai government since 199x for the total of xx USD.

- Raks Thai foundation, as a representative of NGO network, was one of **the CCM members** and was also **designated by the CCM** to be the **second PR** of the GF in Thailand.

Thus there is no reason for the foundation to bypass the CCM consideration. Later on when the CCM considered this proposal, it was endorsed with some revision. This is a proof that the reason cited by the Raks Thai to the secretariat was misleading. The secretariat with-out validating this info with the CCM, screened in the proposal for TRP review.

2.3 There is no other criteria outside three criteria mentioned above stated in the Framework Document and Call for Proposal **to allow non-CCM proposal to be screened in by the Secretariat.**

3. Secretariat Screening Process

3.1 Secretariat screened in the Raks Thai non CCM proposal using the reasons below:

*“During the screening process the applicant was asked to seek CCM endorsement. The NGO came back stating that given the policies of Thai Government they did not believe they will receive full CCM endorsement. However **they also stated that they strongly believe that the Thai government will permit the proposed pilot project to proceed.** They also informed us that they had tried to get a similar component to be included **in Round One and Round Two CCM proposals but the CCM did not accept this.** In addition, the NGO provided the following information to support their position they would not be able to attain CCM endorsement due to the position taken by the Thai Government:*

Raks Thai provided letters of support from the following:

- *a Senator in the Thai Parliament,*
- *Asian Forum for Human Rights and Development,*
- *The Thai National Coalition on AIDS,*
- *Open Society Institute*
- *Human Rights Watch*
- *Medecins Sans Frontieres*
- *Thai Network of people living with HIV/AIDS*
- *GF NGO constituency and the communities.*

Given the above and in consultation with the TRP Chair, the Secretariat decided that this proposal should be screened in and reviewed by TRP without a CCM endorsement. This decision was taken based on the proposal guidelines which states “Any proposal must clearly demonstrate

why it could not be considered under the CCM process at the country level and provide documentation of these reasons.” Subsequently the TRP recommended to the Board to approve without requiring the NGO obtain CCM endorsement. (It should be noted that during this time, the Secretariat, as is its practice, was also pursuing with the CCM an exchange of communications with the objective of trying to obtain CCM endorsement.

3.2 First, this same or similar component has never been proposed to the Thai CCM in any round (This is confirmed from minutes of the CCM meetings and with number of CCM members). Secondly, the Secretariat did not use the criteria set by the Framework Document and Call for Proposals to screen in the said proposal. Rather, the Secretariat satisfied with the reasons provided by NGO that this proposal will not get full support by CCM, which is not one of the reason to be screened in. Besides, there is no validation of these reasons from the CCM. Emails sent by the Secretariat to CCM on July 21 and September 22, 2003 clearly demonstrated that Secretariat was aware of non-compliance of this proposal to the criteria but screened in with the understanding that this proposal would be endorsed by CCM soon. However, the secretariat “*decided that this proposal should be screened in and reviewed by TRP without a CCM endorsement*” which contradicted to the messages in the two emails mentioned above. **This was done in recognition that regardless of eligibility criteria it would be best to have the support of the CCM**

4. This case has created unnecessary conflict between the secretariat of the Thai CCM and the NGO (which is a CCM member). The relationship has been very good and Thai CCM is working very well. Thus the Secretariat should be responsible for this unnecessary. The Global Fund’s main priority is partnership at country and global level. Every effort should be made by all members to maintain and strengthen constructive partnership.

5. Point to be considered:

5.1 How much authority should be given to the Secretariat for non-CCM proposal not conform to the 3 criteria in the Guidelines?

5.2 Should the secretariat wait for the final endorsement of the Thai CCM (after revision of this proposal by Raks Thai) before grant agreement?

5.3 Should the TRP be consulted and make decision on this kind of non technical issue?

5.4 How should the secretariat be accountable and responsible for the conflict that has been created by this inappropriate conduct?