



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Twenty-Second Board Meeting
Sofia, Bulgaria, 13-15 December 2010

GF/B22/5
Revision 1
Decision

REPORT OF THE PORTFOLIO AND IMPLEMENTATION COMMITTEE

OUTLINE:

This report summarizes the deliberations of the Portfolio and Implementation Committee (PIC) at its meeting on 28-29 October 2010 including its recommendations to the Twenty-Second Board Meeting.

Revision 1: This report is being issued as a Revision because Annex 2 on the Guidelines and Requirements for Country Coordinating Mechanism (“CCM Guidelines”) incorporates the inputs of the Ethics Committee which were provided following the issuance of the PIC Report to the Board on 25 November 2010. The following change was made to the original document:

- paragraph 59 was deleted because it duplicates paragraph 56 (Requirement 6 on management of conflict of interest).

PART 1: INTRODUCTION

1.1 The Portfolio and Implementation Committee (PIC) met in Geneva on 28-29 October 2010. Ms. Michele Moloney-Kitts (USA) and Ms. Blandina S.J. Nyoni (Eastern and Southern Africa) served as Chair and Vice Chair, respectively.

1.2 This report contains the following sections:

- Part 2: Exceptional Bridge Funding Related to Round 10
- Part 3: CCM Matters
- Part 4: Items for Board Information
- Part 5: PIC Priorities in 2011

PART 2: EXCEPTIONAL BRIDGE FUNDING RELATED TO ROUND 10

Decision

2.1 At its Twenty-first Meeting, the Board requested the PIC to examine the possibility of establishing an exceptional bridge funding mechanism as a safeguard for Global Fund programs that might fail to secure continuation of funding through Round 10¹. In particular, these refer to applicants that submitted proposals to continue expiring Global Fund programs but were not successful in securing funding in Round 10 (“unsuccessful applicants”).

2.2 Following the Board’s request, the Secretariat presented three options to the PIC²:

- i. **Option 1: Expand the scope of the Continuity of Services (CoS) Policy³ to include essential prevention activities** such as replacement of bednets, prevention of mother to child transmission, artemisinin-based combination therapy and first line TB drugs. This option would address a current limitation of the CoS which covers only treatment and associated service delivery costs for existing patients for up to two years. Given the uncertainties involved, it was difficult to determine the full cost of this option. However, there would be long term financial implications as it would be available to all closing grants (not only those unsuccessful in Round 10).
- ii. **Option 2: Establish a bridge funding facility for Unsuccessful Applicants.** The facility would finance continuation of grant activities until the outcome of Round 11 is known.
- iii. **Option 3: (Status Quo) Maintain existing CoS policy and do not establish a bridge funding facility.** In this case, unsuccessful applicants would be able to apply for funding for continuation of essential treatment and associated service delivery costs under the existing CoS policy for up to two years.

2.3 The PIC considered the advantages and disadvantages of the three options and decided to recommend a hybrid of Option 3 to the Board. The PIC noted that establishing a bridge funding facility would result in a separate financing mechanism and circumvent the prioritization criteria established for Round 10. While recognizing that some of grant activities (e.g., prevention) may remain unfunded, CCMs may apply for funding for the

¹ GF/B21/DP17: Prioritization for Round 10

² The options are presented in GF/PIC03/Exceptional Bridge Funding For Round 10

³ GF/B14/DP11: Continuation of Services Policy

continuation of treatment and associated service delivery costs for upto two years under the existing CoS policy.

2.4 However, the PIC recognized that some of the unsuccessful applicants are already under CoS funding. For these unsuccessful applicants, the PIC agreed to recommend to the Board the exceptional extension of CoS funding to allow continuation of treatment and associated service delivery costs until Round 11. The PIC emphasized that this represents a one-time exception to accommodate the fact that Round 10 is the first time the revised prioritization criteria may be implemented. This also allows the review of the CoS policy to develop a more long-term solution to this issue.

2.5 Concerns were also expressed about the weaknesses of the existing CoS policy, particularly the exclusion of malaria. The PIC agreed that this issue requires further analysis and discussion. To this end, the PIC requested the Secretariat to undertake a review of the CoS policy, with inputs from technical partners, and develop costed options to address the weaknesses. The analysis will be presented to the PIC at its next meeting.

2.6 The PIC recommends the following decision point for Board approval:

Decision Point 1: Exceptional Extension of Continuity of Services Funding

As follow up to GF/B21/DP17, the Board considered the implications of establishing an exceptional bridge funding mechanism for Global Fund programs that may fail to secure continuation of funding through Round 10. The Board decides not to establish an exceptional bridge funding mechanism for such grants. These grants may be eligible for funding under the existing Continuity of Services (CoS) Policy.

For grants that are already receiving funding under the CoS Policy and which will not be funded under Round 10, the Board approves an “Exceptional Extension of Continuity of Services Funding” (Annex 3 of GF/B22/5) to ensure that treatment is not interrupted until applicants have the opportunity to apply for, and be notified about, funding under Round 11. This funding will be provided on an exceptional basis, and is expected to cover a limited number of grants and not exceed approximately US\$ 17 million. The Board requests these CCMs to take the necessary steps to ensure alternative sources of funding so they are not in the same situation at the end of the CoS extension period. The Board delegates to the Portfolio and Implementation Committee (PIC) the responsibility to oversee the use of this exceptional funding.

The Board notes concerns raised by technical partners about the scope of the CoS Policy, especially with regards to malaria. The Board requests the Secretariat to conduct a review of the CoS policy with inputs from technical partners and present to the PIC costed options to address weaknesses. The PIC will report its recommendations on this matter to the Board at the Twenty-Third Board Meeting.

This decision does not have material budgetary implications for the Operating Expense Budget.

Revised CCM Guidelines

3.1 In May 2009, the Board requested the Secretariat to undertake a review of the Guidelines and Requirements for Country Coordinating Mechanism (CCMs) to clarify the roles of CCMs taking into consideration the recommendations of the Five Year Evaluation, lessons learned and best practices as identified in various CCM studies.⁴

3.2 The PIC endorsed the approach for the Guidelines revision in September 2009. In November 2009, the Board delegated authority to the PIC to approve changes to the CCM Guidelines. However, the Board requested that if the PIC considers that material changes to any of the six eligibility requirements are needed, the PIC would make a recommendation to the Board for approval.⁵

3.3 The revised Guidelines is the product of broad stakeholder consultations, comprehensive review of Global Fund reports and policy documents, and various focused studies. The main changes proposed are concerned with:

- i. clarifying the role and authority of the CCM;
- ii. strengthening guidance to CCMs for improved governance capacity; and
- iii. outlining performance expectations for the CCM and the related accountability framework.

3.4 The revised CCM Guidelines outlines a clear framework for CCM performance and defines a three tier approach that makes a clear distinction among requirements, standards and recommendations.

- i. **Requirements** represent the minimum acceptable governance practices that all CCMs must meet in order to be eligible for Global Fund financing.
- ii. **Standards** represent important criteria considered vital for effective governance.
- iii. **Recommendations** describe good practices for CCMs to follow in order to uphold core principles and strengthen overall performance.

3.5 The PIC commended and strongly supported the revised Guidelines. The revised Guidelines is a much improved document and provides a good balance of policy and operational guidance to CCMs. Further, the PIC appreciated the consultative process and wealth of studies undertaken to inform the revision process. Nonetheless there were suggestions to improve the document that have been incorporated (see below). At the time of submission of this report, the language incorporated into the Guidelines represented the strongest consensus the PIC was able to reach. However, some constituencies continue to be concerned regarding conflict of interest, particularly on the participation of Principal Recipients (PRs) and Sub-recipients (SRs) in CCMs and leadership of the CCM.

⁴ GF/B19/DP20: Country Coordinating Mechanism (CCM) Funding Policy

⁵ GF/B20/DP12: Review of CCM Guidelines

- 3.6 To further strengthen the document, the PIC recommended to:
- i. Provide an introductory section with the table of contents and full list of the six requirements;
 - ii. Emphasize the principles of country ownership and respect for country-led processes as well as coordination with existing national bodies in the initial section of the Guidelines; and
 - iii. Adapt the provisions on conflict of interest to address challenges faced by CCMs to date with conflict of interest issues, better reflect realities and recognize established processes at country level.

3.7 The PIC noted that the revised Guidelines will require closer monitoring of CCM performance and compliance with requirements and standards. The Secretariat was requested to develop a CCM performance framework including measures for non-compliance with the defined requirements and standards. The Secretariat will present its recommendations on these issues at the next PIC meeting.

3.8 The PIC recommends the following decision point for Board approval:

Decision Point 2: CCM Guidelines

The Board approves the revised Guidelines and Requirements for Country Coordinating Mechanisms (“revised CCM Guidelines”) as outlined in Annex 2 of the Report of the Portfolio and Implementation Committee (GF/B22/5); and authorizes the Secretariat to update, add or delete electronic links to reference documents within the revised Guidelines periodically as necessary.

The Board acknowledges that the closer monitoring of CCM compliance with the requirements and standards in the revised CCM Guidelines will require additional resources in 2011 and beyond. For 2011, the resource requirements will be covered under extra-budgetary resources. For 2012 and beyond, the annual budgetary requirements will be subject to approval by the Board as part of the regular budgetary process under the oversight of the Finance and Audit Committee.

This decision does not have material budgetary implications for the Operating Expense Budget.

Revision to the CCM Funding Policy

3.9 In September 2009, based on the delegated authority from the Board, the PIC approved the new CCM Funding Policy which allowed increased funding and flexible modalities to support CCMs undertake their core functions.

3.10 Article 15 in the new CCM Funding Policy states that:

“15. All members must sign the funding request. This sign-off will be considered demonstration that all stakeholders have had meaningful input into budgetary needs of the CCM and to testify that they are in accord with how funding streams will meet their needs...”

3.11 The Secretariat fully supports and upholds the principle behind the requirement for full signature. However, there were difficulties in fully implementing the above provision:

- i. Strict interpretation of the policy caused significant delays (several weeks to months) in processing CCM funding applications; and
- ii. All CCM members are not always available to sign funding applications because of duty travel, holiday, limited access to email and geographic distances.

3.12 The PIC agreed to introduce a minor revision to the CCM Funding Policy by allowing the Secretariat to waive the requirement that every CCM member must sign when there is evidence of strong consensus and endorsement among various groups presented in the CCM, and when the non-signature is the result of travel or other logistic constraints as opposed to a no-confidence vote by the concerned CCM member.

3.13 The PIC also requested an update on the implementation of the CCM Funding Policy at its next meeting.

PIC Decision Point: CCM Funding Policy Revision

The Portfolio and Implementation Committee, with delegated authority from the Board, approves the following revision to the CCM Funding Policy approved at its first meeting (Annex 2 to GF/B20/5):

“22. The Secretariat may waive the requirement that every CCM member must sign the funding request when it determines, based upon reasonable evidence, that there is endorsement from a majority of the CCM, that there is adequate balance of endorsements among various groups represented in the CCM, and that the absence of signatures does not represent a no-confidence vote by non-signatory CCM members.”

The revised CCM Funding Policy is contained in Annex 3 of the Report of the Portfolio and Implementation Committee (GF/B22/5).

This decision does not have material budgetary implications for the Operating Expense Budget.

PART 4: ITEMS FOR BOARD INFORMATION

Information

Operations and Portfolio Updates

4.1 The PIC appreciated the report presented by the Secretariat on:

- i. Status of the Global Fund grant portfolio;
- ii. Work being initiated within the Secretariat to achieve a more effective and efficient Global Fund such as the Long-term Improvement Task Force, Signing and Disbursements workstreams;
- iii. Country Team Approach, Country Programs restructuring and the 2011 budget.

4.2 The PIC requested that the Secretariat present country level feedback on the Country Team approach and other items at its next meeting (see Part 5: PIC Priorities in 2011).

Risk Management and OIG Matters

4.3 There were a number of questions on risk management including issues related to the Office of Inspector General (OIG) investigations and audits. For this purpose, the PIC Chair reported on the FAC meeting on OIG Matters held on 19 October 2010 where the PIC and other Committee leadership were invited to participate.

4.4 The PIC expressed concerns that some of the more negative OIG findings, made public without appropriate context could present the Global Fund and affected countries in a particularly negative light. The PIC recommends that the Secretariat work with the OIG to develop a robust communication strategy that provides both context and balance to the OIG audit findings. The PIC will discuss this issue in more depth at future meetings and requested the Secretariat to ensure that balance between fiduciary and programmatic risks are appropriately addressed.

4.5 The PIC also applauded a number of measures that the Secretariat and OIG will be undertaking together to reduce the risk of fraud, particularly through work with Local Fund Agents.

4.6 The PIC leadership will also work with the FAC leadership to ensure a cohesive approach with appropriate Committee tasking.

Update on Architecture Implementation

4.7 The PIC was briefed on implementation of new grant structure, in particular the consolidation of grants into single streams of funding. The PIC was highly appreciative of the fact that the number of grants consolidated exceeds expectations. The PIC requested the Secretariat to:

- i. Ensure focus on and take advantage of the periodic performance and financial reviews that are built into the new architecture. Where feasible and appropriate, periodic reviews should incorporate a broad program perspective looking at national (or regional) programs and beyond Global Fund financed activities.
- ii. Develop a mechanism for soliciting ongoing feedback from the PIC on the architecture implementation; and
- iii. Ensure that the needs of countries related to the new architecture are identified and necessary support is planned.

Update on NSA Implementation

4.8 The Secretariat presented the PIC with lessons-learned from the first learning wave and the proposed timeline and revised approach for the second wave of the National Strategy Applications (NSA).

4.9 The PIC emphasized the importance of NSAs and applauded the collaborative approach that the Secretariat was working to incorporate in NSAs. Within this context, it expressed concerns on the length of the timeline and potential complexity of the second

wave, highlighting the need to focus on replicability and streamlined approaches. The Secretariat emphasized that some steps will not be part of the NSA process in the future.

4.10 The PIC suggested:

- i. Ensuring a streamlined process;
- ii. Clearly communicating to countries the benefits of the NSA approach; and
- iii. Ensuring that joint assessments will both help to inform countries on how to strengthen their national strategies and inform the funding priorities and funding decisions of donors (including the Global Fund).

Round 11 Proposal Form Revision

4.11 The Secretariat presented the proposed principles and approach for revising the proposal form. These were based on the results of an external review of key stakeholders (Secretariat, TRP, country leaders, technical assistance partners) and other analysis as well as the discussions of the PIC Sub-working Group on Proposal Form Revision in September 2010.

4.12 The PIC expressed strong support for the process and emphasized that a priority in the revision should be to include:

- i. One clear approach to address changes in the Global Fund architecture (i.e., incorporate Rounds-based approaches, NSA, joint health system funding platform, etc);
- ii. Simplifying (where feasible) the proposal process; and
- iii. Strengthening the TRP review criteria.

4.13 The general principles for revising the form were endorsed. However, through the discussion it became clear that the overall grant-making process includes several steps - of which the proposal development and review is but one piece and is then followed by a lengthy and documentation-heavy grant negotiations. The PIC indicated that revisions should consider the overall grant making process and recommend a more streamlined approach.

4.14 Recognizing that it would be ideal to examine revisions to the Round 11 proposal form in conjunction with the grant negotiation process, the PIC suggested that the Secretariat, consider using external consultants, to review the grant negotiation process and outline options, with inputs from stakeholders, to streamline the entire process. The PIC suggested that this work be directed by the Long Term Improvement Task Force. The Secretariat was also requested to share its current work/thinking on improving grant negotiations with the PIC.

4.15 Additional suggestions raised by the PIC specific to the proposal form include:

- i. Further analysis on what sections on the current proposal form can be removed and utilized as stand alone documents;
- ii. Pilot testing of the simplified proposal form should be considered;
- iii. Emphasizing national planning processes in the proposal guidelines and finding ways to link the Rounds and NSA proposal forms.

TRP Recruitment - Lessons Learned

4.16 The Secretariat presented lessons-learned from the 2010 TRP recruitment process, highlighting some recommendations for improvements. This includes how to incorporate a strong communication and outreach strategy, simplify the application forms, strengthen the application review process, and address conflict of interest issues.

4.17 The PIC recognized that the TRP recruitment process improved overall and was more consultative than in the past. Early experience from the pilot “mentoring” approach, the importance of regional balance, regional (country) experience, language skills of TRP members, and exploring other channels for reaching out to suitable candidates were discussed.

4.18 The Secretariat will follow-up on implementing the proposed recommendations and continue to work with the PIC Sub-working Group on TRP Replenishment. Of particular importance is developing a rolling approach to recruitment, replenishing by expertise, and developing conflict of interest policy during TRP recruitment.

Value for Money

4.19 The Secretariat reported progress on implementing the value for money (VFM) framework especially on service unit cost measurements, tracking additionality, voluntary pooled procurement (VPP) mechanism, among others. PIC comments include:

- i. VFM is not about lowest cost but on quality and quantity achieved for the investment;
- ii. Need to further leverage the Global Fund purchasing power to reduce costs of drugs;
- iii. Need for better tracking of additionality and requiring proof for this.
- iv. Given the importance of this issue to the broader health community, it is critically important that the Global Fund undertake this work in partnership with bilateral donors, multilateral institutions and national governments.

Technical Assistance

4.20 At its Extraordinary Meeting in April 2010, the PIC requested the Secretariat to conduct consultations on six TA solutions,⁶ in particular to ensure the strong voice of implementers. At the PIC meeting in October 2010, the Secretariat presented the feedback from implementers and country partners on the six solutions.

4.21 The PIC emphasized the importance of technical assistance for grants experiencing performance challenges and acknowledged that considerable effort has been invested in assessing what might be a more robust role for the Global Fund to ensure TA needs are met at the country level.

⁶ These include the : (1) establishment of small TA fund managed by Global Fund Country Programs, (2) Development of joint operational plans, (3) financing arrangements for joint operational plans, (4) finance CCM coordination of TA through the expanded CCM funding, (5) appoint a CCM TA convener, and (6) establish an online TA marketplace.

4.22 The PIC recognized that it is critical for TA to contribute to the country ownership principles of the Global Fund. Costed TA plans in proposals (which are also emphasized in the revised CCM Guidelines) are most promising in ensuring a country-owned and demand-driven approach to TA.

4.23 The PIC encourages bilateral and multilateral partners to:

- i. Support development and implementation of country plans; and
- ii. Rely on and develop local capacity to deliver TA where possible.

4.24 The PIC resolved that the Secretariat (especially Country Programs) has an important role to communicate demand for TA to technical partners and technical support available from partners is communicated to CCMs and PRs on a regular basis. The “user guide” on available TA could also contribute to awareness of TA options available.

4.25 Despite several consultations and numerous versions of the concept paper in which the online TA platform has been discussed at the PIC, there is lack of consensus on the utility and effectiveness of such a global platform. There is agreement on the need to better coordinate and ensure quality of TA, but this is best done at the country level. While a few constituencies agree that a global platform would be helpful, the efforts, and cost of establishing and maintaining a TA platform that is useful to country partners is questionable. However, given the support for such a platform during the country consultations, the PIC recommends that the Secretariat provide non-financial support (given the zero budget growth environment), assistance and information as needed to any constituency willing and able to establish such a platform.

Preventing Treatment Disruption and Stock-outs

4.26 Ongoing and planned measures to address main causes of stock-outs were presented to the PIC such as: pursuing work to improve systems and tools and partner coordination, exploring the feasibility of establishing/joining buffer stock mechanisms, and formalizing partnership arrangement for the anticipation of low stock-levels and prevention of stock-outs. The PIC suggested to:

- i. Use costed TA plans and Health System Funding Platform to channel more resources to improve procurement and supply management (PSM systems);
- ii. Identify in-country partners to support PSM strengthening;
- iii. Look at synergies within existing buffer stock mechanisms of partners - also explore the humanitarian buffer stock system supported by World Food Programme (WFP);
- iv. Work closely with bilateral partners (e.g., PEPFAR and PMI) in addition to multilaterals.

Global Fund in Humanitarian Emergencies

4.27 As a follow-up to the briefing to the Global Fund Board in April 2010, the Working Group on Humanitarian Emergencies was invited to the PIC meeting to present lessons learned from Global Fund programs in humanitarian situations and their proposed measures to make the Global Fund more effective in responding to such situations. The Working Group composed of UN agencies and some NGOs was represented by UNHCR, UNAIDS and World Food Programme during the presentation to the PIC.

4.28 The PIC agreed on the importance of recognizing populations affected by humanitarian emergencies in countries' planning and proposal development processes. In addition, a more effective and systematic approach for the Global Fund to respond to the needs of these populations relative to the three diseases was discussed. The PIC agreed to distinguish measures related to acute emergencies (i.e., emergencies caused by natural disasters, sudden conflict or civil strife) and protracted emergencies (i.e., prolonged emergencies usually caused by conflict).

4.29 For acute emergencies, the PIC suggested that the Secretariat:

- i. Explore options for reprogramming to address more appropriate and immediate needs; and
- ii. Explore the feasibility of flexible financing mechanisms (e.g., establishing a special emergency fund) for humanitarian emergencies.

4.30 For protracted emergencies, the PIC suggested the following:

- i. Inclusion of humanitarian emergencies in proposal guidance including the performance framework, TRP review criteria to remind countries of these populations by including them in the definition of "vulnerable populations";
- ii. Given both the significant public health needs of these countries, combined with what is often a challenging administrative and management environment, the Secretariat was advised to take a more focused and strategic look at ways to strengthen grant performance in countries with humanitarian emergencies;
- iii. Countries explore possibility for regional proposals to address these populations.

4.31 The PIC also recommended strengthening representation of these populations in CCMs and the Global Fund Board. The PIC Chair requested specific delegations (UNAIDS, Developing Country NGOs, Communities) to recognize these populations and advocate for them.

PART 5: PIC PRIOTIES IN 2011

Information

5.1. During its discussion of various agenda items, a number of issues were highlighted which need PIC attention and will require discussion at the next PIC meeting:

- i. Review of the CoS policy;
- ii. CCM performance framework;
- iii. Analysis of the Global Fund Investment Strategy to date;
- iv. Roles and functions of LFAs;
- v. Examination of the grant negotiation process relative to the proposal process;
- vi. Update on the implementation of the Additional Safeguard Policy;
- vii. Update on the Country Team Approach including clarification of FPM roles;
- viii. Measures to improve quality of programs;
- ix. An examination of the role of UNDP and other International NGO PRs in terms of capacity development and facilitating transition; and

- x. An update on the implementation of the Gender Equality and Sexual Orientation and Gender Identities Strategies was requested

5.2. Three areas in particular were highlighted for interim actions:

Global Fund Investment Strategy

5.3. The PIC discussed the importance of understanding the current investment strategy of the Global Fund in relation to the Framework Document. These discussions emerged from tables presented at the Joint PIC-PSC Eligibility Meeting, an analysis of most-at-risk populations (MARPs) investments and a presentation on the performance of Global Fund grants in humanitarian emergency situations.

5.4. The PIC emphasized that this analysis is essential to the upcoming strategy dialogue and reform agenda and provides a baseline for better understanding of return on investment in terms of quality and sustainability. A list of questions will be prepared by the Committee for the Secretariat to respond to.

Roles and Functions of the LFAs

5.5. The PIC agreed that the importance of the LFA has become increasingly evident based on the recent OIG reports, and the focus on strengthening CCMs and other in-country Global Fund structures.

5.6. The role that LFA plays is especially important in terms of:

- i. Relationship and information sharing with in-country actors;
- ii. Capacity building;
- iii. Fraud prevention; and
- iv. Approving disbursements in high performing, fiscally strong environments.

5.7. The PIC will work with the Secretariat to further define the work and elaborate next steps. The PIC recognized that some of this work is ongoing and relates to the OIG.

PIC Subworking Groups

5.8. Three PIC Subworking Groups (SWG) that were established in March 2010 have concluded: Technical Assistance, Value for Money and Pharmacovigilance. The PIC reminded the Secretariat that these are important global issues requiring collaboration with partners and that the PIC will request updates at future meetings.

5.9. At its meetings in March and April 2010, the PIC requested the Secretariat and the Subworking Group on Pharmacovigilance to review the 2002 Board decision point on pharmacovigilance (GF/B4/2) and recommend ways to strengthen the decision point as necessary. The issue was not discussed at the PIC meeting. The Secretariat will discuss the recommendations at the Executive Management level and will revert to the PIC on the proposed way forward.

EXCEPTIONAL EXTENSION OF CONTINUITY OF SERVICES (CoS) FUNDING

Purpose

1. The exceptional CoS extension is intended to bridge to Round 11 expiring grants currently on Continuity of Services (CoS) with unfunded proposals in Round 10. This will be done through an extension of the CoS term and the provision of additional funds to continue existing treatment activities.

Eligible Grants

2. Existing grants that are already under CoS with the initial CoS funding term ending within six months after the Board approval of Round 11 (“expiring CoS grant”) provided:
 - i. A Round 10 proposal was submitted to continue the expiring CoS grant. The Round 10 proposal has been recommended for funding by the Technical Review Panel (TRP) but cannot be funded because of limited resources for Round 10;
 - ii. The applicant has made sufficient and documented efforts to access funding from other means but has been unsuccessful; and
 - iii. The applicant must be eligible to apply for Round 11 funding.

Allowed Extension Period

3. The extension period shall be from the initial CoS end date up to six months after Board approval of Round 11 or earlier where other funding is secured. The same rule applies whether the Round 11 proposal is successful or not successful.

Additional CoS Funding

4. The additional upper ceiling for CoS funding will be calculated as follows:
 - i. the number of months in the period over which the CoS extension is being provided;
 - ii. multiplied by the average monthly amount the Principal Recipient (PR) is expected to spend or has spent during the initial Cos period; and
 - iii. less any funds:
 - a. disbursed to the PR under the initial CoS that are expected to be or are unspent or uncommitted by the PR at the end of the initial CoS period;
 - b. committed under the initial Cos that are expected to remain or have remained undisbursed at the end of the initial CoS period;
 - c. committed or approved under another grant to continue the same activities as in the expiring CoS grant.

Administration of the CoS Extension

5. The exceptional extension of CoS will be administered by the Secretariat following substantially the same process as for a CoS application.

Other Conditions

6. If following the provision of a CoS extension, another source of funding is made available that will fully or partially continue the activities under the expiring CoS grant, the Secretariat shall adjust the funding so as to avoid duplicative financing of these activities.
7. The applicant must meet all other eligibility requirements for CoS funding.

GUIDELINES AND REQUIREMENTS FOR COUNTRY COORDINATING MECHANISMS

Section 1: Purpose and Structure of the CCM Guidelines

1. This document provides guidelines to Country Coordinating Mechanisms (CCMs)⁷ on their role in Global Fund processes, and defines the policies that the Global Fund will apply to regulate CCM performance. Technical and financial assistance resources available to CCMs are also described.
2. These guidelines are grounded in the core principles outlined in the Global Fund Framework Document and express a commitment to country led and driven programs that ensure participation of multiple stakeholders, and coordinate with and build on existing structures wherever possible.
3. Where applicable, these Guidelines define:
 - i. **Requirements** that represent the minimum criteria that all CCMs must meet in order to be eligible for funding by the Global Fund.
 - ii. **Standards** that represent important criteria considered vital for effective CCM performance based on accumulated experience.
 - iii. **Recommendations** that represent good practices for CCMs to follow in order to uphold core principles and to strengthen performance.
4. The Global Fund Secretariat monitors compliance of CCMs with **requirements and standards on an ongoing basis** and with every new CCM application for funding. To enhance good governance, implementation of **recommendations** by CCMs is encouraged.
5. *Continued compliance with all requirements throughout program implementation is a condition for access to Global Fund financing.* Additionally, CCMs that do not follow **standards** will be asked to provide reasonable justification for their case on request by the Global Fund. Broad or persistent failure to follow CCM **standards** without justification will prompt technical support to improve CCM performance and may negatively affect access to funding.
6. The Global Fund defines six **requirements** for CCM funding eligibility:

Requirement 1: The Global Fund therefore **requires** all CCMs to:

- i. Coordinate the development of all funding applications through transparent and documented processes that engage a broad range of stakeholders - including CCM members and non-members - in the solicitation and the review of activities to be included in the application
- ii. Clearly document efforts to engage key population groups⁸ in the development of funding applications, including most-at-risk populations for HIV in the case of HIV applications.

⁷ The policies defined for CCMs in this document also apply to Sub-national CCMs (sub-CCMs) and to Regional Coordinating Mechanisms (RCMs)

⁸ Key population groups include: women and girls, youth, men who have sex with men, transgender persons, people who inject drugs, male and female and transgender sex workers and their clients, prisoners, refugees and migrants, people living with HIV, adolescents and young people, vulnerable children and orphans, and populations of humanitarian concern

Requirement 2: The Global Fund therefore requires all CCMs to:

- i. Nominate one or more PR(s) at the time of submission of their application for funding⁹
- ii. Document a transparent process for the nomination of all new and continuing PRs based on clearly defined and objective criteria
- iii. Document the management of any potential conflicts of interest that may affect the PR nomination process (see section 6 on good governance)

Requirement 3: Recognizing the importance of **oversight**, the Global Fund **requires** all CCMs to submit and follow an oversight plan for all financing approved by the Global Fund. The plan must detail oversight activities, and must describe how the CCM will engage program stakeholders in oversight, including CCM members and non-members, and in particular non-government constituencies and people living with and/or affected by the diseases.

Requirement 4: The Global Fund **requires** all CCMs to show evidence of membership of people living with HIV and of people affected by TB or malaria (where funding is requested or has previously been approved for the respective disease). People affected by TB or malaria include people who have lived with these diseases in the past or who come from communities where the diseases are endemic.

Requirement 5: The Global Fund **requires** all CCM members representing non-government constituencies to be selected by their own constituencies based on a documented, transparent process, developed within each constituency. This requirement applies to all civil society members including those members representing people living with or affected by the three diseases, but not to multilateral and bilateral partners.

Requirement 6: To ensure adequate management of conflict of interest, the Global Fund **requires** all CCMs to:

- i. Develop and publish a policy to manage conflict of interest that applies to all CCM members, across all CCM functions. The policy must state that CCM members will periodically declare conflicts of interest affecting themselves or other CCM members. The policy must state and CCMs must document that members will not take part in decisions where there is an obvious conflict of interest, including decisions related to oversight and selection or financing PRs or SRs.
- ii. Apply their conflict of interest policy throughout the life of Global Fund grants, and present documented evidence of its application to the Global Fund on request.

7. These requirements are also highlighted in text boxes in the appropriate sections of this document, and reviewed in Section 8.

⁹ In exceptional cases, the Global Fund will directly select PRs for the CCM under the [Additional Safeguards Policy](#)

8. This document is divided into thematic sections as follows:

Section 1: Purpose and Structure of the CCM Guidelines

Section 2: Core Principles

Section 3: Role and Core Functions of CCMs

Section 4: Multi-stakeholder Engagement through CCMs

Section 5: CCM Structure

Section 6: Good Governance Principles and Practice

Section 7: Aid Effectiveness Principles and Practice

Section 8: CCM Eligibility

Section 9: Technical and Financial Assistance available to CCMs

Section 10: CCM Performance Assessment

Annex 1: Guidelines on Types of Civil Society and Private Sector Representation

9. Electronic links to useful websites, email addresses and suggested additional reading are inserted throughout this document. Readers who are unable to access documents electronically may contact the Global Fund by paper mail or by telephone/fax/e-mail for assistance¹⁰.

Section 2: Core Principles

10. According to its Framework Document, the purpose of the Global Fund is “to attract, manage and disburse additional resources through a new public-private partnership that will make a sustainable and significant contribution to the reduction of infections, illness and death, thereby mitigating the impact caused by HIV/AIDS, tuberculosis (TB) and malaria in countries in need, and contributing to poverty reduction as part of the Millennium Development Goals (MDGs)”.

11. The Framework Document establishes a number of core principles which the Global Fund seeks to apply in all of its policies and decisions, and it expresses the Global Fund’s commitment to support programs, among others, that:

- Reflect *national ownership* and respect country-led formulation and implementation processes;
- Focus on the creation, development and expansion of *partnerships among all relevant players within a country, and across all sectors of society*, including governments, NGOs, civil society, multilateral and bilateral agencies, and the private sector;
- Strengthen the *participation of communities and people, particularly those affected by the three diseases*;
- Aim to *eliminate stigmatization of and discrimination* against those infected and affected by the three diseases, especially for women, children and vulnerable groups;

¹⁰ The Global Fund (CCM team), Chemin de Blandonnet 8, Vernier 1214, Geneva, Switzerland. Tel: +4158 791 1700; Fax: +4158 791 1701 - e-mail: ccm@theglobalfund.org

- Build on, complement, and *coordinate with existing regional and national programs* in support of national policies, priorities and partnerships, including Poverty Reduction Strategies and Sector-Wide Approaches; and
 - Encourage *transparency and accountability*.
12. The Global Fund is committed to a rights-based approach to health by scaling up access to prevention, treatment, care and support services for all persons living with and affected by HIV, tuberculosis and malaria. The Global Fund supports programs that contribute to the elimination of stigma and discrimination against those living with and affected by the three diseases, especially populations that are marginalized or criminalized, such as men who have sex with men, transgender persons, people who inject drugs, male and female and transgender sex workers and other key population groups. The Global Fund may decide not to finance or support activities that violate human rights as defined in the United Nations' Universal Declaration of Human Rights.
13. To promote commitment to the above principles, the Global Fund requires government and non-government stakeholders at the country level to define a clear mechanism for the coordination of their joint efforts around Global Fund financing. This coordinating mechanism should be at the highest national level responsible for national multi-partner and multi-sectoral development planning. When appropriate, an already existing mechanism may service this function provided it can meet the requirements for funding eligibility outlined in Section 1 of this document. These "Country Coordinating Mechanisms" or CCMs should primarily aim to engage country stakeholders in upholding the principles outlined in this document while applying the following **core functions**:
- the development of applications for Global Fund financing (proposals)
 - the transparent nomination of Principal Recipients (PRs) to implement Global Fund grants
 - the oversight of PR performance in program implementation
 - engaging in periodic reviews of programs financed by the Global Fund and completing mid-term requests for continued funding

Section 3: Role and Core Functions of CCMs

CCMs and Other Key Actors in Grant Management

14. In performing their core functions, CCMs interact with a number of key actors each with a distinct role as follows:
- i. **CCMs** members represent the interests of country level stakeholders in the fight against HIV, TB, and malaria. CCMs are mechanisms for public-private partnership in the governance of national disease programs. As individuals, CCM members are accountable to the sectors they represent and as a group the CCM is accountable to the nation. On behalf of the country, CCMs request financing from the Global Fund, and provide strategic oversight to ensure effective and strategic implementation of programs. The role of the CCM is further detailed in the remainder of this document.
 - ii. **Principal Recipients (PRs)** sign a grant agreement with the Global Fund which is a legally binding contractual document. They directly receive the funding approved by the Global Fund Board and manage its implementation on a day-to-day basis on behalf of the CCM. PRs are nominated by CCMs and are

accountable to them to achieve program objectives. Many PRs implement programs both directly and through sub-recipients (SRs).

- iii. **Sub-Recipients (SRs)** receive grants from PRs to implement components of Global Fund-financed programs. They report to PRs and their performance is critical to program success.
- iv. **The Global Fund Secretariat** signs grant agreements with PRs, and manages the periodic disbursement of funding to them based on the successful achievement of program targets - and in compliance with Global Fund policies. The Fund Portfolio Manager (FPM) is the focal point for grant management at the Global Fund Secretariat and is responsible for ensuring the necessary communication and interaction with key actors for the effective implementation of Global Fund financed programs.
- v. **Local Fund Agents (LFAs)** are contracted by the Global Fund Secretariat to assess implementation capacities and verify program results reported by PRs and SRs. They report directly to the Global Fund. LFAs do not represent the Global Fund Secretariat: they provide recommendations to it but they do not make decisions on its behalf. Additional detail on the role of the LFA is available through the Global Fund's [LFA Manual](#).

Legal Authority of the CCM in its Role

15. CCMs may find it advantageous to constitute themselves legally, although this is not a Global Fund requirement. In all cases, the Global Fund's [grant agreement](#) includes a number of articles¹¹ that give the CCM the legal authority to perform its role, and mandates the PR to cooperate with the CCM in carrying out its oversight responsibilities. These articles include:
 - i. **Article 7a:** the CCM oversees the implementation of programs financed by the Global Fund.
 - ii. **Article 7b:** PRs are legally obligated to cooperate with CCMs and to be available to meet with them regularly to discuss plans, share information and communicate on program-related matters. PRs are also legally obligated to provide program-related reports and information to the CCM upon request.
 - iii. **Article 15:** PRs are legally obligated to provide CCMs with a copy of periodic reports submitted to the Global Fund.
 - iv. **Article 23:** The CCM is consulted on any decisions to change PRs.¹²
 - v. **Article 25:** PRs are legally obligated to copy CCMs on all notices, requests, documents, reports or other communication exchanges with the Global Fund Secretariat.
 - vi. **Article 28b:** The PR implements programs on behalf of the CCM.

Core Function: the Development of Funding Applications to the Global Fund

16. CCMs may access Global Fund financing through more than one modality, including for example rounds-based proposals and national strategy applications. CCMs are

¹¹ The grant agreement for multilateral organizations is different and is linked [here](#).

¹² Except where the Global Fund's [Additional Safeguard Policy](#) is being applied

responsible for selecting the most suitable application process for which they are eligible.

17. The Global Fund recognizes that only through a country-owned, coordinated and multi-sector approach involving all relevant stakeholders - each with different skills, background and experience - will additional resources have a significant impact on the three diseases. To this end - regardless of the application modality used - the participation of a broad range of stakeholders from government and non-government constituencies in the development of funding applications is considered essential.

18. Requirement 1: The Global Fund therefore requires all CCMs to:

- i. Coordinate the development of all funding applications through transparent and documented processes that engage a broad range of stakeholders - including CCM members and non-members - in the solicitation and the review of activities to be included in the application
- ii. Clearly document efforts to engage key population groups¹³ in the development of funding applications, including most-at-risk populations for HIV in the case of HIV applications.

19. In addition, the Global Fund **recommends** that in developing funding applications, CCMs:

- i. Ensure that funding applications are aligned with national development objectives and harmonized with existing efforts by other national and international entities. Funding requests should be based on identified financial gaps in national programs.
- ii. Consider contributions to health and community systems strengthening through Global Fund grants. CCMs should seek to maximize synergies across all grants under their oversight, particularly in closely related areas, such as HIV and TB.
- iii. Engage technical partners and seek technical assistance (TA) as necessary to ensure that programs for which funding is requested are reaching expected targets in an effective and sustainable manner.
- iv. Include costed plans for management and/or TA to ensure strong program performance. This may include efforts to strengthen program-level management and/or implementation capacity of PRs or SRs. Furthermore, TA should address long-term local capacity building, known gaps and program weaknesses, and should contribute to high quality of services.
- v. Refer carefully to funding application guidelines issued by the Global Fund so that they may take into account relevant policies, and apply them as appropriate to their country context. For additional guidance on the development of funding applications please refer to the applicants section of the Global Fund webpage.

¹³ Key population groups include: women and girls, youth, men who have sex with men, transgender persons, people who inject drugs, male and female and transgender sex workers and their clients, prisoners, refugees and migrants, people living with HIV, adolescents and young people, vulnerable children and orphans, and populations of humanitarian concern

20. CCMs should be aware that the development of funding applications in a consultative manner is time consuming and involves financial costs for items such as meetings with stakeholders, communication, translation, and technical assistance. The Global Fund does not offer financial support for the development of funding applications.
21. The Global Fund will only accept consolidated funding applications that result in a “single stream of funding” for each proposed PR in a given disease area. This has no bearing on the introduction of new PRs or the number of PRs per disease area. CCMs are still encouraged to apply the dual-track financing policy. The budget and work plan of consolidated funding applications must reflect:
- i. new funding being requested for a given PR and disease and
 - ii. funding already approved by the Global Fund for the same PR and disease.
22. Consolidated funding applications and other features of the Global Fund’s grant architecture allow CCMs to limit fragmentation of programs into multiple grants (per PR), to maintain a program-based perspective during program development and review, and to achieve efficiencies in grant administration. Features of the grant architecture relevant to CCMs are detailed in the Frequently Asked Questions document on the Global Fund’s grant architecture.

Core Function: Nomination of Principal Recipient(s) for implementation of Global Fund grants

23. Within funding applications, CCMs are invited to describe implementation arrangements in order to demonstrate feasibility of the proposed programs. To support achievement of planned results, PR nomination must follow a transparent process aimed at identifying the organization(s) most capable of meeting planned targets. A transparent PR nomination process will also help to ensure that nominated PRs have credibility with all concerned parties.

24. Requirement 2: The Global Fund therefore requires all CCMs to:

- i. Nominate one or more PR(s) at the time of submission of their application for funding¹⁴
- ii. Document a transparent process for the nomination of all new and continuing PRs based on clearly defined and objective criteria
- iii. Document the management of any potential conflicts of interest that may affect the PR nomination process (see section 6 on good governance)

25. The Global Fund also defines the following **CCM standard** for PR nomination:

- i. CCMs should routinely nominate both government and non-government PRs for each disease program to strengthen the roles of civil society and the private sector in responses to the three diseases. Additional detail on this Global Fund policy is provided in the Information Note on Dual Track Financing.

¹⁴ In exceptional cases, the Global Fund will directly select PRs for the CCM under the [Additional Safeguards Policy](#)

26. Once a funding application is approved, PRs nominated by the CCM must pass an assessment of systems and resources before being confirmed. The Global Fund **recommends** that CCMs:

- i. Nominate PRs through a transparent and documented process at an early stage in the funding application development process so that any capacity building needs would inform TA planning within the funding application. This would be considered during the PR's capacity assessment.
- ii. Work with PRs to ensure the SR selection process is open, fair and based on objective criteria related to performance capacities. CCMs are encouraged to ensure that - to the extent possible - nominated PRs identify prospective SRs, in consultation with the CCM, during the development of applications so that the feasibility of the proposed program can be assessed.
- iii. CCMs nominate national PRs where possible to ensure that national capacities are developed for more sustainable responses. The Global Fund recognizes that in certain contexts, international agents (multilateral organizations or INGOs) are the most suitable interim PRs. In such cases, CCMs are encouraged to include national capacity development and a transition plan as program priorities in their funding application.

Core Function: Oversight of PRs and Program Implementation

27. Once CCMs have secured Global Fund financing, their most important function is oversight. CCMs oversee the performance of PRs to ensure that they will achieve the agreed targets of the programs they are implementing. Through CCM oversight, PRs are held accountable to all country stakeholders.

28. **Requirement 3:** Recognizing the importance of **oversight**, the Global Fund **requires** all CCMs to submit and follow an oversight plan for all financing approved by the Global Fund. The plan must detail oversight activities, and must describe how the CCM will engage program stakeholders in oversight, including CCM members and non-members, and in particular non-government constituencies and people living with and/or affected by the diseases.

29. As outlined in paragraph 12, CCMs interact with a number of key actors including PRs, SRs, the Global Fund Secretariat and LFAs. Good communication with these actors will help ensure that CCMs have access to the information they need to conduct oversight. As detailed in paragraph 13, PRs are legally obligated to cooperate with the CCM, and to share information periodically and on request.

30. In addition to reports from PRs, the Global Fund Secretariat receives LFA reports on financial and program performance which it systematically reflects back to CCMs through grant management letters. The Global Fund **recommends** that CCMs seek further information from LFAs by:

- i. Nominating (a) CCM member(s) to attend LFA debriefings to the PR on findings of their work

- ii. Inviting LFAs to attend CCM meetings (in coordination with the Global Fund Secretariat)
31. Good CCM communication practices with LFAs and other key actors are detailed in the PR-LFA Communications Themed Report and in the LFA Communications Protocol.
32. The Global Fund defines the following **CCM standards** for oversight :
- i. CCMs should ensure that program activities contribute to the elimination of stigma and discrimination against those living with and affected by the three diseases, especially populations that are marginalized or criminalized.
 - ii. Every CCM should have a communication strategy agreed with its PRs, detailing communication activities throughout the grant lifecycle, and including scheduled financial and programmatic updates to the CCM on PR and SR performance.
33. Based on accumulated experience on good oversight practices, the Global Fund **recommends** that CCM regularly:
- i. review Performance Update and Disbursement Requests (PUDR) at the time of their submission to the Global Fund by PRs;
 - ii. visit service sites periodically to obtain first-hand information on program activities and quality; and
 - iii. seek feedback from non-members of the CCM, and from people living with diseases in particular.
34. The oversight role of CCMs is especially important to mitigate implementation bottlenecks. In this respect, the Global Fund **recommends** that CCMs:
- i. anticipate and proactively identify implementation challenges, and meet with PR(s) and SR(s) regularly to discuss challenges before performance is affected;
 - ii. pay special attention to challenges that could affect supplies of drugs and equipment;
 - iii. coordinate the provision of technical assistance for PR(s) and/or SRs as necessary;
 - iv. facilitate government or other partner involvement to resolve challenges as necessary; and,
 - v. consider requesting reprogramming of funds or (even) change of PR(s) in the most difficult cases, as described in paragraph 40 below.
35. In performing oversight, it is important for CCMs to avoid involvement in the day to day operational details of program implementation. The Global Fund **recommends** that CCMs strategically select information for follow up with PRs to ensure delivery of program outcomes. The CCM oversight tool allows CCMs to highlight strategic information to check that:
- i. program activities will be implemented on time and that agreed performance targets will be met.
 - ii. arrangements are in place for pharmaceutical products and equipment to be procured and delivered on time, and for there to be no risk of stock-outs.

- iii. grant conditions set by the Global Fund will be satisfied on time to avoid administrative delays to financing or risks of program suspension.
36. A Guidance Paper on CCM Oversight provides additional detail on this important function, and a themed report on Oversight Practice describes country experiences and good practices.
37. Associated with oversight are a number of grant-related events. The Global Fund will engage CCMs in these activities, and recommends that CCMs facilitate them as necessary to avoid delays in financing. These activities include but are not limited to:
- i. **Grant negotiation and signing:** Once funding applications are approved, the Global Fund negotiates a grant agreement to be signed with each PR. The grant agreement is the basis upon which funds may be disbursed. CCM oversight of the grant-signing processes ensures that program outcomes remain in line with the original proposal submission. No grant agreement will be signed by the Global Fund without endorsement by the CCM Chair or Vice-Chair, and a member of civil society on the CCM.
 - ii. **Routine PR audits:** On an annual basis, PRs are required to undergo an independent audit. CCMs should facilitate the audit process, if appropriate, and should review audit findings to identify potential risks to program implementation.
 - iii. **Country Audits of Global Fund Grants:** By way of sampling, or if irregularities are detected, the Global Fund's Office of the Inspector General may launch a comprehensive audit of a country portfolio. As with routine audits, CCMs should support this process and review its findings.

Core Function: Completing Periodic Program Reviews and Requests for Continued Funding

38. The Global Fund applies the principle of “performance-based funding” by linking access to resources to the achievement of results. A core function of CCMs is completing *Periodic Reviews* of programs coupled with *Requests for Continued Funding* from the Global Fund.
39. The timing of *Periodic Reviews* will be established by the CCM in coordination with PRs and the Global Fund Secretariat. The Global Fund recommends that CCMs take advantage of the Global Fund grant architecture by scheduling *Periodic Reviews*:
- i. for all PRs implementing in the same disease area at the same time to enhance the CCM's ability to adopt a program-based perspective of funds under its oversight and
 - ii. at the same time as in-country reviews of relevant national programs to improve sharing of information across programs with different sources of funding.
40. The Global Fund also recommends that CCMs take advantage of *Periodic Reviews* and *Requests for Continued Funding* to carefully consider:
- i. reallocation of funds between program activities if necessary based on epidemiological updates and past program performance;
 - ii. reallocation of funds between program activities to address capacity building and technical assistance needs of PRs; and

iii. changes to implementation arrangements where PR or SR performance is a persistent challenge.

41. CCMs should note that all CCM requirements - including requirements related to the development of funding applications and the nomination (*or renewal*) of PRs - must be met throughout the life of Global Fund grants. CCM compliance with all six requirements is systematically reviewed when requests for continued funding are submitted to the Global Fund Secretariat.

Section 4: Multi-stakeholder Engagement through CCMs

CCM Composition

42. CCMs are mechanisms for public-private partnership in the governance of national disease programs. They should seek active engagement of all stakeholders relevant to the fight against the three diseases in their national context.

43. The Global Fund sets the following **CCM standards** for composition:

i. All CCMs may include members representing the following constituencies:

A. Government:

- The health sector including the Ministry of Health and other relevant government bodies
- Relevant non-health sector government bodies such as Ministries of Finance, Planning, Social Affairs, International Cooperation or Interior
- Parliamentary representatives
- The Judiciary

B. Non-Government Constituencies (see operational definitions in annex 1):

- The private sector
- People living with HIV
- People affected by TB and/or by malaria where relevant
- NGOs (including local NGOs, community-based organizations, and independent watchdog organizations)
- International NGOs
- Employee Associations and Trade Unions
- Key population groups¹⁵ - and in particular populations most-at-risk for HIV or their representative organizations
- Religious/Faith-Based organizations involved in the response to AIDS, TB or malaria

C. Other constituencies:

- Multilateral and bilateral international partners working in-country; and
- The academic sector (which can be government or non-government)

¹⁵ Key population groups include: women and girls, youth, men who have sex with men, transgender persons, people who inject drugs, male and female and transgender sex workers and their clients, prisoners, refugees and migrants, people living with HIV, adolescents and young people, vulnerable children and orphans, and populations of humanitarian concern.

- ii. Membership of CCMs should comprise a minimum of 40% representation of the non-government constituencies listed above (multilateral and bilateral partners are not counted within this 40%).
- iii. CCMs should ensure that CCMs possess strong expertise on gender equality and integrate this knowledge to the effective response to the three diseases. The CCM should have equal representation of men and women. The Global Fund's Gender Equality strategy provides additional guidance in this regard.
- iv. CCMs should ensure the representation of key affected populations (refer to footnote 2) - and in particular populations most-at-risk for HIV - taking into account the socio-epidemiology of the three diseases and the national context. The Global Fund Sexual Orientation and Gender Identities strategy provides additional guidance in this regard for populations most-at-risk for HIV.
- v. CCMs should ensure balanced geographical representation particularly from state/provinces/districts affected by the disease(s) for which the CCM is requesting Global Fund financing. Larger countries can consider sub-national CCMs as an option.
- vi. CCMs should submit to the Global Fund Secretariat, periodically and on request, the CCM membership list with details including each CCM member's name, organization, sector represented and contact information. The Global Fund will make this information publically available, unless otherwise agreed with the relevant CCM member. To ensure CCM membership details are continuously up to date, the CCM should notify the Global Fund Secretariat of any changes.

44. Requirement 4: The Global Fund requires all CCMs to show evidence of membership of people living with HIV and of people affected by TB or malaria (where funding is requested or has previously been approved for the respective disease). People affected by TB or malaria include people who have lived with these diseases in the past or who come from communities where the diseases are endemic.

CCM Member Roles and Responsibilities

- 45. Each CCM member represents the interests of their entire constituency, and not those of their own individual self or organization. The Global Fund has published Guidelines on Constituency Processes for its own Board which operates in a similar way to CCMs. These Guidelines offer useful parallels on constituency processes which can be applied by CCM members.
- 46. The Global Fund sets the following standards with respect to CCM member roles:
 - i. CCM members should share information with their constituents in an open and timely manner, and should respond to requests for additional information.
 - ii. CCM members should consult their constituents regularly so that they can reflect their views and concerns in CCM decisions and meetings.

47. The role and function of each CCM member will be agreed upon among country stakeholders. The Global Fund Partnership Strategy (available at www.theglobalfund.org) provides guidance on specific country-level partnership roles agreed by stakeholders represented at the Global Fund Board. In addition, the Global Fund offers the following recommendations for specific member roles:

- i. Government members should be mandated by, represent the views of, and report back to the senior leadership of the government. Government members have an important role in coordinating CCM activities and decisions with other national programs, acting as a liaison between the CCM and government agencies, and ensuring program sustainability.
- ii. The private sector can share expertise and resources with CCMs, and can act as a powerful advocate for disease programs, particularly on issues related to economic development. For example, representatives from the private health care sector can provide insight into the design of programs which can best leverage private health care services to complement the public health system. As well, they can identify appropriate practitioners and clinics to involve in grant implementation.
- iii. Additional guidance on the role of the private sector in CCMs is available through this [link](#).
- iv. Civil society partners including NGOs, people living with or affected by the three diseases and key population groups should maintain strong ties to their communities, in order to provide feedback on the quality and impact of programs. Independent civil society actors not involved in program implementation can play a valuable watchdog role, and can advocate for community interests. Additional guidance on the role of civil society in CCMs is available in the [Making Global Fund CCMs work through Full Engagement of Civil Society](#) and the [Guidelines for Improving CCMs through Greater PLHIV Involvement](#).
- v. Multilateral and bilateral partners, including the United Nations, are essential as providers of technical and management assistance to the CCM. Their role should be country-partnership driven, and they are well positioned to facilitate harmonization of CCM activities with other foreign aid initiatives in the country.

CCM Member Selection

48. **Requirement 5:** The Global Fund requires all CCM members representing non-government constituencies to be selected by their own constituencies based on a documented, transparent process, developed within each constituency. This requirement applies to all ~~civil society~~ **non-government** members including those members representing people living with or affected by the three diseases, but not to multilateral and bilateral partners.

49. In addition, the Global Fund sets the following **CCM standards** for selection of CCM members:

- i. CCM members representing people living with or affected by the three diseases should be selected by a constituency where one exists.

- ii. CCM member selection by their own constituency should be based on clear criteria, and should take into account relevant experience in working with AIDS, TB or malaria and the member's ability to network with their constituency. Documentation of the CCM member selection process should be made publicly available.
 - iii. CCMs should publish membership details, and constituencies should develop terms of reference for their members, and review member performance to ensure accountability to the constituency. Sample terms of reference are available [here](#).
 - iv. CCMs should allow constituencies to replace members whose performance is unsatisfactory (e.g. members who do not attend or do not share information).
 - v. members should undergo training periodically and for orientation at the start of their term to stay informed of Global Fund policies and of the status of HIV, TB and malaria programs in their countries.
50. The Global Fund also **recommends** the following practices relating to CCM membership:
- i. member terms should be limited to two or three years, with rules for renewal, to allow increased access to representation.
 - ii. CCM members should follow a staggered schedule for membership renewal (for example, one third of members to be renewed per year) to preserve CCM institutional memory.
 - iii. each constituency should select alternate member for every seat, to increase transparency and to facilitate quorum at CCM meetings.
51. Additional reading on member selection processes can be found in the Global Fund's Governance and Civil Society Participation themed report, and in the Aidspan Guide to Building and Running an Effective CCM.

Section 5: CCM Structure

The CCM Secretariat

52. The CCM Secretariat has an administrative function and supports the execution of decisions made by the CCM. CCM duties involve extensive coordination of information and of meeting logistics. The Global Fund therefore sets the following **CCM standards** relating to CCM secretariats:
- i. Every CCM should establish a CCM secretariat to provide administrative functions to the CCM.
 - ii. The CCM should have adequate human and financial resources, taking advantage of the Global Fund's CCM funding policy as necessary to help support its operating costs.
 - iii. The CCM secretariat should be, ideally, independent of PR and SR offices to limit conflicts of interest (see section 6), and its staff should be accountable to the CCM as a whole, and not to any one constituency or member.
 - iv. CCM secretariat staff should have clear terms of reference, be selected through a transparent and documented process based on capacity for the role,

and be evaluated on a regular basis, with participation of all CCM constituencies.

53. The following activities are **recommended** as important CCM secretariat duties:

- i. Produce, archive and circulate minutes of all CCM meetings.
- ii. Ensure CCM membership details are up to date and publicly available, and inform the Global Fund Secretariat of any changes.
- iii. Coordinate logistics for CCM meetings, and oversight visits.
- iv. Assist the CCM in the production of its annual work plan and calendar of meetings.
- v. Coordinate the documentation and dissemination of important CCM processes such as proposal development, PR nomination, and member selection processes for example.
- vi. Facilitate the participation of all CCM members in CCM meetings and decision making processes.

CCM organizational structure

54. The Global Fund **recommends** that CCMs carefully consider their organizational structure. Many CCMs choose to have permanent committees or working groups with executive or technical functions. Examples of different CCM structures are available through this [link](#). In determining their structure, the Global Fund **recommends** that CCMs:

- i. Aim for the number of members that achieves balance between representation and efficiency.
- ii. Consider the organizational structure that will allow them to perform optimally in accordance with these guidelines.
- iii. Define and document the organization, terms of reference and operating procedures of the entire CCM and of each committee or working group. These terms of reference should be endorsed by all CCM constituencies and made publicly available.
- iv. Ensure that committees or working groups do not replace the function of the larger CCM.

Section 6: Good Governance Principles and Practice

Good Governance: Management of Conflict of Interest

55. Conflicts of interest arise where the individual or organizational interests of CCM members influence or could potentially influence their decision-making. The mere perception of conflict of interest can damage the credibility of CCMs and the programs they oversee. Actual, potential or apparent conflicts of interest are expected in all decision-making bodies and should be managed to ensure that decisions made are objective and credible.

56. **Requirement 6:** To ensure adequate management of conflict of interest, the Global Fund **requires** all CCMs to:

- i. Develop and publish a policy to manage conflict of interest that applies to all CCM members, across all CCM functions. The policy must state that CCM members will periodically declare conflicts of interest affecting themselves or other CCM members. The policy must state and CCMs must document that members will not take part in decisions where there is an obvious conflict of interest, including decisions related to oversight, and selection or financing PRs or SRs.
- ii. Apply their conflict of interest policy throughout the life of Global Fund grants, and present documented evidence of its application to the Global Fund on request.

57. The Global Fund recognizes that there is an inherent conflict of interest when SRs and PRs are CCM members with decision-making authority.

58. The Global Fund understands that CCMs must consider the role of PRs and SRs according to their national context and **recommends** a non-voting role for these actors.

~~59. Good governance practices suggest that PRs and SRs refrain from any decision-making related to their interests in resource allocation and/or oversight.~~

59. Country experiences and good practices for the management of conflict of interest in CCMs are available in the Global Fund's themed report on Conflict of Interest.

60. All CCM stakeholders should note that through article 28 (c) of the Global Fund's grant agreement, PRs are legally obligated to disclose actual, apparent or potential conflicts of interest affecting any persons affiliated with the PR(s) or with SRs, the LFA or the CCM.

Good Governance: Equality Among Members

61. The Global Fund considers all members of a CCM to be equal partners, with full rights to expression and involvement in decision-making in line with their areas of expertise. The Global Fund defines the following **standards** to help CCMs ensure that CCM decisions fairly reflect the interests of all members:

- a. CCMs should elect their Chairs and Vice-Chairs in accordance with the election procedures agreed by the CCM members. In general good governance involves periodic change of leadership. Election procedures should consider term limits for Chair and Vice-Chair positions and rotation of leadership positions amongst constituencies.
- b. CCMs should elect Chairs and Vice-Chairs from different constituencies (i.e. government and non-government).

62. The Global Fund **recommends** the following good practices to help CCMs ensure that decisions reflect the voices of all CCM members and constituencies:

- a. CCM members - and in particular Chairs and Vice-Chairs - are encouraged to support a culture of fair and open discussion in CCM meetings, and equal participation in decision making by all members (where no conflict of interest is involved). The themed report on Partnership and Leadership provides additional guidance.
- b. CCMs are encouraged to consider voting by secret ballot, as necessary, to manage influence of member decisions by other members. Good practices on voting process can be found through this link.

63. Unequal or unfair treatment of CCM members may be reported to the Global Fund Secretariat and will be reviewed (see Section 10).

Good Governance: Transparency

64. To promote accountability, and to ensure that any misuse of funds is prevented, it is essential that CCMs seek transparency in all of their processes. Full transparency gives credibility to programs and promotes public trust and stronger performance. Transparency depends on the timely, equal and comprehensive sharing of information, and is essential for effective constituency engagement.

65. The Global Fund therefore sets the following **standards** for CCM transparency:

- a. Every CCM should publish and follow a communication strategy for sharing information with stakeholder constituencies and with the general public. The plan should define the activities that will be used to disseminate information on Global Fund financing opportunities, on CCM discussions and decisions, and on the performance of programs financed by the Global Fund or the approval of an application for funding.
- b. Every CCM should publish and follow its work plan for the year to allow constituencies time to plan ahead and prepare. The work plan should provide a schedule of CCM meetings, key oversight activities, and important events such as the planned submission of an application for funding, periodic reviews and requests for continued funding.

66. Based on accumulated experience, good practices in communication and transparency are available in a themed report on Governance and Civil Society Participation. The Global Fund **recommends** the following activities to enhance sharing of information with all stakeholders outside the CCM:

- a. Establish CCM websites to post important CCM documents and announcements publicly. Non-electronic mass media may be used where web-sites are not considered the most accessible channel for stakeholders. Important CCM documents include for example, CCM operating procedures, and documents demonstrating CCM compliance with the requirements.
- b. Announce confirmed dates and agendas ahead of CCM meetings (minimum two weeks), and promptly publish meeting minutes, and feedback from the review of reports or from oversight visits. CCM meeting minutes should be clear and concise so as to facilitate access to information, and should reflect different perspectives around decisions taken. All minutes should be forwarded to the Global Fund Secretariat.

Section 7: Aid Effectiveness Principles and Practice

67. As signatory to the 2005 *Paris Declaration on Aid Effectiveness* and to the 2008 *Accra Agenda for Action*, the Global Fund is fully committed to seeing Aid Effectiveness principles applied through CCMs. This section offers practical guidance and examples of how CCMs can apply aid effectiveness principles through their core functions. Additional guidance on this topic is available through the Global Fund's themed report on *Harmonization and Alignment*.
68. The Global Fund **recommends** that CCMs apply Aid Effectiveness principles and actions through the **development of funding applications**:
- i. in a fully inclusive manner to ensure that approaches are harmonized and coordinated with existing in-country aid modalities including common funding mechanisms and SWAs as appropriate;
 - ii. that are aligned with national strategies and policies, and reflected in national budgets;
 - iii. that draw on targets, indicators and reporting forms included in the national monitoring and evaluation plan and that are acceptable and relevant to all partners in-country;
 - iv. that are coordinated with national cycles to reduce transaction costs and reporting burden;
 - v. in a fully inclusive manner to enhance country ownership and accountability;
 - vi. where appropriate and where sufficient capacity exists, nominate national systems as the default option when selecting implementation arrangements; and
 - vii. include systems-strengthening measures (for procurement, finance or monitoring and evaluation) as part of the proposal as needed.
69. The Global Fund also **recommends** that CCMs apply the Aid Effectiveness principles and actions by selecting **implementation arrangements** that:
- i. Build national capacities by preferentially nominating national PRs where possible.
 - ii. Build national capacities by implementing Dual Track Financing and Health and Community Systems Strengthening policies.
 - iii. Align performance and reporting schedules of all implementers to agreed national cycles.
70. Furthermore, to apply Aid Effectiveness through their **oversight** function, the Global Fund **recommends** that CCMs should:
- i. ensure that members disseminate oversight information within their constituencies;
 - ii. align program reviews with national review cycles;
 - iii. participate in national program reviews where feasible to increase accountability of Global Fund-financed programs;
 - iv. promote accountability and national ownership by engaging a broad and representative range of country stakeholders in the oversight role; and
 - v. ensure communication and transparent reporting of Global Fund financing in national budget documentation and/or with national planning authorities.

71. In a number of countries, CCM core functions have been assigned to existing multi-stakeholder national bodies. The Global Fund encourages this approach as appropriate to the national context ***provided*** the requirements for CCM eligibility are met. CCMs are encouraged to contact the Global Fund CCM team at ccm@theglobalfund.org for assistance with the use of existing national mechanism as CCMs.

Section 8: CCM Eligibility for Funding

72. As described in section one, and highlighted in text boxes throughout this document, the Global Fund defines six requirements as criteria of CCM eligibility for funding. **CCMs must meet each one of these requirements to be eligible for Global Fund financing.** The requirements relate to:

- a. Processes for development of funding applications (requirement 1)
- b. Processes for nomination of PRs (requirement 2)
- c. Oversight planning and implementation (requirement 3)
- d. Processes for non-government CCM member selection (requirement 4)
- e. CCM membership of affected communities (requirement 5)
- f. Management of conflict of interest on CCMs (requirement 6)

73. The Global Fund Secretariat screens all applicants on CCM compliance with the requirements. Compliance with requirements 1 and 2 is assessed at the time of submission of funding applications, including mid-term requests for continued funding. Compliance with requirements 3 to 6 is assessed **both** at the time of submission of new funding applications, and throughout the period of Global Fund financing. Non-compliance may lead to rejection of funding applications, or suspension of funding.

74. The six requirements for CCM eligibility apply equally to sub-national CCMs and to Regional Coordinating Mechanisms (RCMs). Additional information on the CCM Eligibility requirements is provided in the **Clarifications on Minimum Requirements** document, and best practices on meeting the six requirements are detailed in the **Screening Review Panel reports**.

75. As mentioned above, compliance with the CCM standards defined in this document is assessed throughout the life of Global Fund grants. Broad or persistent non-compliance with CCM standards without justification may negatively affect access to funding.

Non-CCM Applications

76. Under exceptional conditions, the Global Fund will accept non-CCM applications where compliance with the six requirements **is not required**. These exceptional circumstances are limited to:

- a. Countries without a legitimate government; or
- b. Countries in conflict, facing natural disasters, or in complex emergency situations (identified by the Global Fund through reference to international declarations such as those of the United Nations Office for the Coordination of Humanitarian Affairs); or
- c. Countries that suppress or have not established partnerships with civil society and non-governmental organizations. These circumstances include a CCM's failure or refusal to consider a civil society or non-governmental organization proposal, particularly those targeting highly marginalized and/or criminalized groups, for inclusion into the national composite CCM proposal.

77. For multi-country applicants, Regional Organization (RO) applications are an alternative to RCM applications. Non-CCM and RO applicants are not bound to the six requirements for CCM eligibility or the multi-stakeholder model described in these guidelines. A single organization can independently submit a non-CCM application for example - if at least one of the three exceptions in paragraph 73 is met. More information on non-CCM and RO applications can be found at www.theglobalfund.org.

78. Applicant eligibility related to country income levels is detailed at www.theglobalfund.org

Section 9: CCM Financial and Technical Assistance

Technical Assistance

79. The Global Fund Secretariat and technical partners provide technical support to CCMs in the following ways:

- a. Facilitation and/or funding of CCM technical support visits by partners.
- b. Direct support visits by Global Fund staff specialized in CCMs.
- c. The review of CCM governing documents for feedback.
- d. The development of CCM support tools including the CCM oversight tool.
- e. The organization of CCM-focused regional workshops to facilitate the exchange of best practices within regions.

80. To explore additional opportunities for CCM technical support, please contact the CCM team in the Global Fund Secretariat at ccm@theglobalfund.org.

81. In collaboration with technical partners, the Global Fund has developed the following support resources which CCMs may find useful, and are available at the Global Fund CCM webpage at www.theglobalfund.org:

- a. support tools including the CCM oversight tool.
- b. Documented good and best practices for CCMs, and themed reports and focused studies on CCM topics of interest.
- c. reports of CCM regional meetings and other relevant fora.
- d. CCM funding (see below).

CCM Funding Assistance

82. The Global Fund offers opportunities for financial support to CCMs through two channels:

- a. Basic CCM funding offers a one year grant for up to US\$ 50,000 per year.
- b. Expanded CCM funding offers a two year grant, and allows CCMs to access larger amounts of annual funding linked to measurable performance in four

priority areas (CCM oversight, engagement of constituencies, aid effectiveness and gender).

83. CCMs interested in applying for CCM funding should download the relevant application forms through the CCM Policy section of the Global Fund website. The CCM funding policy is described in full detail at the same website address.
84. CCMs are encouraged to seek additional sources of CCM funding from domestic and international partners in-country.

Section 10: CCM Performance Assessment

CCM Performance Assessment

85. CCMs may undergo various forms of performance assessment by the Global Fund, including:
- a. Ongoing assessment of CCM compliance with requirements and standards by the Global Fund Secretariat.
 - b. Performance reporting relating to CCM Funding (see paragraph 79 above).
 - c. Assessments by the OIG, particularly for CCMs in more challenging environments.
86. The Global Fund recommends that CCMs complete a self-assessment using the self-assessment tool every 2-3 years. The self-assessment tool is optional.

Communication with the Secretariat

87. Individual CCM members are encouraged to communicate perceived weaknesses in CCM structure and performance (e.g. lack of transparency, conflict of interest, poor oversight) to the Global Fund Secretariat, on a confidential basis if necessary. In particular, issues of non-compliance with CCM requirements and standards described in this document, should be brought to the attention of the Global Fund Secretariat without delay through the following points of contact:
- a. Email: ccm@theglobalfund.org
 - b. Fax: +41 58 791 1701 (Please include "Attention: CCM Team" at the top of your message)
 - c. Direct contact with Global Fund staff in meetings
 - d. Mail: The Global Fund to Fight AIDS (CCM Team), Tuberculosis and Malaria, Chemin de Blandonnet 8, 1214 Vernier - Geneva, Switzerland
88. It should be noted that PRs are legally obligated through grant agreements to report issues of corruption or conflict interest to the Global Fund.
89. Where CCM weaknesses are brought to the attention of the Global Fund, the Secretariat will further assess the complaint drawing on the assistance of the LFA as

necessary. If allegations are confirmed, response measures will be determined on a case by case basis.

90. Irregularities and misconduct may also be reported directly to the Office of the Inspector General at the Global Fund. The In-country Whistle Blowing Policy of the Global Fund provides additional guidance in this regard.

Annex 1 to CCM Guidelines

Guidelines on Types of Civil Society and Private Sector Representation Most Relevant to the Work of CCMs

For each CCM, it is necessary to consider the types of civil society and private sector representatives who would be valuable to the CCM at present and in the future, as the role and importance of partnership among these sectors increases, particularly in the development of funding applications and grant oversight. This annex is intended to provide guidance for CCMs wishing to strengthen and/or improve the representation of civil society and the private sector.

Civil Society Representatives

The kinds of civil society representatives who would be integral to the work of CCMs would ideally include, but would not be limited to, individuals or organizations representing:

- i. **Watchdog organizations:** Beyond service delivery, non-governmental, non-profit organizations play a unique role in maximizing health results through advocacy and mobilization. The Global Fund recognizes that civil society has an essential contribution to make in informing and improving public policy through its activities around policy monitoring, analysis, advice and advocacy. The presence of independent watchdog organizations in the CCM is especially desirable for the purposes of grant oversight, conflict of interest management and policy coherence.
- ii. **Key Population Groups:** Key population groups include: women and girls, youth, men who have sex with men, transgender persons, people who inject drugs, male and female and transgender sex workers and their clients, prisoners, refugees and migrants, people living with HIV, adolescents and young people, vulnerable children and orphans, and populations of humanitarian concern.
- iii. **Women's organizations:** women and young girls are often most affected by the three diseases and are particularly vulnerable due to physiological and socio-economic factors. It is important that women's organizations, as well as other organizations, representing the concerns of women, are well-represented on CCMs to ensure that programmatic issues relating to gender are reflected in funding applications to the Global Fund.
- iv. **Children and Young People:** Children and young people should be represented on the CCM, through youth groups, organizations, national and international NGOs working with children and young people infected and affected by the three diseases. The Global Fund encourages CCMs to preferably include young people themselves through representatives of organizations established and led by young people.
- v. **Experienced International NGOs working in the three diseases:** International non-governmental organizations (INGOs) are valuable to CCMs as they generally have strong connections with community stakeholders and vulnerable populations; they have experience in implementation and are well-placed to contribute valuable insight into the development of funding applications and the determination of programmatic activities; INGOs may also have strong relationships with other sectors, including governments and multi/bilateral organizations which are valuable to partnership building. Some INGOs are also well-placed to further support the participation of vulnerable and marginalized groups on CCMs, through capacity building or support towards the attendance of hard-to-reach groups.
- vi. **Experienced national NGOs working in the three diseases:** National NGOs working in the three diseases know in particular the needs of communities outside of large urban areas and understand the disparate needs of key populations. They are often involved in the delivery of services as well as in prevention and education programs; they have strong community networks and are often aware of additional initiatives being conducted in a given setting.

- vii. **Charitable Organizations (i.e. Religious and Faith-Based Organizations):** In many settings charitable organizations, most often referred to as religious and faith-based organizations, play a vital role in reaching communities infected and affected by the three diseases. These organizations provide crucial services and are often instrumental in convincing political leaders at the national, regional and local levels to prioritize the needs of affected populations. They are increasingly becoming involved in implementation and provide a valuable role in the development of effective funding applications.
- viii. **Academia:** members from academic institutions bring a range of knowledge of the epidemics, as well as social, political and cultural determinants involved in fighting the three diseases, including knowledge of key affected groups as well as insight into demographic factors and potential challenges to scaling up activities.

Private Sector Representatives

Given the breadth of expertise and resources that the private sector can provide, CCMs can benefit greatly from including companies and organizations that represent the most relevant facets of the private sector, which include, but are not limited to, the following kinds of organizations:

- i. **Large for-profit companies with a proven commitment to fighting the three diseases:** a wide range of large national or multinational companies have pioneered company-specific responses to fight HIV/AIDS, TB and malaria. Representatives from these companies can provide leadership and expertise to CCMs and implementers, and can draw on the significant resources of their companies in supporting the scale-up of national programs.
- ii. **Organizations representing small and medium-sized enterprises (SMEs) and the informal sector:** In most developing countries, the majority of private enterprises are subsistence micro-enterprises concentrated in the informal sector. SMEs and the informal sector account for an average of over 50% of all economic activity and thus can give a voice to the majority of people who are economically active in most countries. Representatives from these sectors can support the design and implementation of programs which are relevant to a very large share of the economy and workforce.
- iii. **Business associations to fight HIV/AIDS, TB and Malaria:** In many affected countries, as well as internationally, socially responsible companies have formed associations and networks to combat the three diseases. Their goal is often to promote and support the implementation of health programs in the workplace (and the community more broadly) and to draw on the collective expertise and resources of member companies in supporting local, national and international efforts to combat the three diseases. These associations can provide insight into using private sector expertise and infrastructure to reach severely affected communities, and draw on their networks of companies to support and participate in the more efficient and effective design and implementation of programs.
- iv. **Representatives from exposed industries:** Certain industries are more affected by the three diseases, including transportation, agriculture, oil and gas and mining. For-profit companies, business coalitions and/or employer associations who represent the exposed industries can offer insight and support for sector-specific interventions that can reach higher risk groups of workers and their communities.
- v. **Private practitioners and for profit clinics:** In many affected countries, the private health care sector provides services to large parts of the population and thus plays a vital role in the scale-up of national interventions. Representatives from this sector can provide valuable insight into the design of programs which can best leverage private health care services to complement the public health system as well as identify appropriate practitioners and clinics to involve in grant implementation.

- vi. ***Charitable foundations established by corporations:*** Many large private philanthropic foundations or foundations established by companies have extensive experience in supporting HIV/AIDS, TB and malaria programs in different country contexts. These organizations can be an invaluable source of international expertise, as well as provide resources to support CCMs and program implementation.

Last approved by the Global Fund Board: [xx] 2010 Electronic links last updated: [xx] 2010

COUNTRY COORDINATING MECHANISM (CCM)¹⁶ FUNDING POLICY¹⁷

Overview of CCM Funding

1. The purpose of the CCM Funding Policy is to enable CCMs to meet their intended purpose and role as defined in the “Guidelines and Requirements for Country Coordinating Mechanisms.”¹⁸
2. The Global Fund recognizes the important role of CCMs in the Global Fund architecture (including their central role in proposal development and submission and grant oversight) as outlined in the Global Fund’s Framework Document. In order to fulfill their responsibilities, CCMs inevitably incur administrative costs and may not have the independent resources to cover these costs.
3. The Global Fund has established a separate pool of funds to finance CCM costs through a direct line item in the Secretariat’s budget. CCMs may not draw directly from approved grant funds to support CCM costs except in the situation where the CCM’s request for funding for administrative costs for up to two years was approved by the Global Fund Secretariat prior to 13 November 2007. Such CCMs may continue to use grant funds to support CCM costs until the end of the approved term of such CCM funding and may then apply for continued funding to begin upon expiry of the approved term.
4. The CCM Funding Policy will be administered by the Secretariat under the oversight of the Portfolio and Implementation Committee.

Parameters for CCM Funding

5. CCMs (or other national bodies that meet the minimum CCM eligibility requirements and have taken on the role and function of the CCM) may receive funding as long as there is at least one active grant under implementation. A grant is considered active from the approval of a funding proposal through to the end of grant closure.
6. CCM funding requests may be classified as “Basic” or “Expanded” CCM funding:
 - i. Basic funding requests will cover eligible costs for a single year period, and are limited to a maximum amount of US\$ 50,000;
 - ii. Expanded funding requests will cover eligible costs for a two-year period, and may exceed US\$ 50,000 per year. For amounts exceeding US\$ 100,000 per year, the CCM must demonstrate that it has mobilized 20% of the amount exceeding US\$ 100,000 from sources other than the Global Fund for the same CCM budget period.

¹⁶For the purposes of this policy, the term Country Coordinating Mechanisms or “CCMs” includes regional CCMs and sub-CCMs. Regional Coordinating Mechanisms (“RCMs”) and Sub-CCMs will be treated as separate from the CCM for the country or countries in which they operate for the purposes of applying for, receiving and using CCM funding.

¹⁷The PIC decision point contained in GF/B22/5 amends this policy.

¹⁸ GF/B16/7, Revision 1, Attachment 1

7. Funding requests may be submitted annually under Basic funding, and biennially under Expanded funding. There is no limit to the number of times that a CCM may apply for funding.
8. The period covered by a new funding request shall not overlap with periods for which the Global Fund is already providing CCM funding support.
9. In reviewing a request for CCM funding, the Global Fund Secretariat will take into consideration whether the costs to be supported are consistent with national salary scales and local operating costs.
10. CCMs using the CCM funding policy for Expanded funding must submit the following documents to the Secretariat:
 - a. As part of the CCM funding application:
 - i. a detailed two-year budget outlining costs to be supported and planned expenditure as part of the application. Budgets must be classified by cost category, as well as by the following CCM functional areas: oversight, constituency engagement, alignment with country structures and processes, capacity building, other.
 - ii. a two-year work plan consistent with the budget, and including defined activities and performance targets measurable using the core set of CCM indicators provided by the Secretariat.
 - b. During implementation at the tenth month point, and at the twenty second month point of the CCM funding period:
 - i. an expenditure report with costs broken down by financial cost category (salaries, administration, meetings, consultations, communications, translation, program oversight and others) as well as CCM functional area;
 - ii. a performance report describing progress towards planned targets.
11. CCMs using the CCM funding policy for Basic funding must submit the following documents to the Secretariat:
 - a. As part of the CCM funding application: a detailed budget outlining costs to be supported and planned expenditure. Budgets must be classified by cost category, as well as CCM functional area, as detailed in para.10.a.i.
 - b. During implementation at the tenth month point of the CCM funding period: an expenditure report with costs broken down by financial cost category as well as CCM functional area, as detailed in para.10. a.i
12. Under either funding model, the Secretariat may request the CCM to complete the CCM self-assessment questionnaire as needed.
13. Eligible costs may include the following items:
 - i. **Salary of CCM secretariat staff.** CCM funding shall not be used for the salary of CCM members.
 - ii. **CCM consultancy fees.** Consultancy fees may be used for technical support for core CCM functions such as civil society participation, program oversight

and alignment with other national bodies. CCM funding cannot be used for hiring consultants to write proposals for Global Fund financing. Terms of reference for consultants hired by the CCM must include a specific clause prohibiting the writing of proposals by the consultant hired.

- iii. **Office expenses** including rent, equipment and supplies, excluding vehicle purchase or long term lease.
- iv. **CCM meeting expenses**, including travel costs for members (and non-members invited by the CCM) to attend CCM meetings and/or oversight visits.
- v. **Communication and information dissemination** (e.g., call for proposals, periodic reports of implementation status, minutes of meetings, establishing and updating a website or newsletter and translation of key information).
- vi. **Organization and facilitation of meetings** and workshops on CCM capacity building, or topics related to CCM core functions. This includes facilitation of constituency consultation (e.g. civil society) and processes to promote and improve the quality of stakeholder participation, including travel costs for civil society participation.

Application Process

- 14. A CCM that wishes to receive funding support may submit an application for funding to the Secretariat at any time, supported by the documents listed in paragraphs 10 and 11 above, as applicable.
- 15. In order to ensure the transparency and accountability of funding flows to all stakeholders, all CCM constituencies should participate in the development of the budget and work plan and all members must sign the funding request. This sign-off will be considered demonstration that all stakeholders have had meaningful input into the budgetary needs of the CCM and to testify that they are in accord with how CCM funding streams will meet their needs. For added transparency, the Secretariat will post the costed CCM work plan on the Global Fund website.
- 16. A CCM using the previous funding policy (US\$ 43,000 limit) may request to terminate the funding agreement before its end date, to reapply for Basic or Expanded CCM funding. If the request is approved by the Secretariat, unspent funds from the terminated agreement will be transferred to the new funding agreement.

Implementation, Reporting and Oversight

- 17. The Global Fund and the CCM will consult to identify a suitable disbursement arrangement that i) is accountable, transparent and verifiable, including by the LFA and ii) facilitates access to eligible CCM funding by civil society members of the CCM (as specified in paragraph 13).
- 18. CCMs must commit to use Global Fund funding solely for the purposes described in the funding request and in accordance with the approved budget. Material changes to the budget will require Global Fund approval.
- 19. In cases where the CCM is not an incorporated body or separate legal entity, the CCM should nominate another entity to provide the commitment referred to in paragraph 18 above, and to be accountable for the use of the CCM funding and the management of

the funds as described in paragraph 17 above. This commitment will be documented in a short agreement and be signed by an authorized representative of the CCM.

20. Disbursement and activity reports of CCM funding (including reporting by the CCM on access to CCM funding by civil society and other NGO stakeholders) must be provided to the Global Fund on an agreed periodic basis as described in paragraph 10 and 11 above. These reports will be subject to LFA review and verification.
21. When necessary, CCM funding policy processes will be adapted by the Secretariat to facilitate implementation and simplify processes, while ensuring that the main concepts and principles of the policy are maintained.
22. *The Secretariat may waive the requirement that every CCM member must sign the funding request when it determines, based upon reasonable evidence that there is endorsement from a majority of the CCM, that there is adequate balance of endorsements among various groups represented in the CCM, and that the absence of signatures does not represent a no-confidence vote by non-signatory CCM members.*

GUIDANCE ON LOCATION OF FURTHER INFORMATION

The table below indicates where further information on items dealt with in this report can be found:

Where indicated documents are available on the Governance Extranet:

<http://extranet.theglobalfund.org/cme/default.aspx>

Item:	Further information available:
1. Part 2	GF/PIC03/02: Exceptional Bridge Funding for Round 10 Annex 1: Exceptional Extension of CoS Funding GF/B14/DP11: Continuation of Services Policy
2. Part 3	GF/PIC03/04: Review of the CCM Guidelines CCM Funding Policy Revision (Presentation) Annex 2: Guidelines and Requirements for Country Coordinating Mechanisms Annex 3: CCM Funding Policy (Revised, 28 October 2010)
3. Part 4	Operations and Portfolio Update (Presentation) Updates on Architecture Implementation (Presentation) Updates on NSA Implementation (Presentation) GF/PIC3/03: Technical Assistance - Follow-up to the Extraordinary Meeting GF/PIC03/06: Proposal Form Simplification in Advance of Round 11 GF/PIC03/07: Value for Money Progress Report GF/PIC03/08: Prevention of Treatment Disruptions and Stock-outs Challenges and Recommendations for the Global Fund in dealing with Humanitarian Emergencies (Presentation)