



## COUNTRY COORDINATING MECHANISM MODEL CCM SECRETARIAT FUNDING

At the inception of the Global Fund, principles of national ownership and additionality guided policies that restricted Country Coordinating Mechanism (CCM) financing. CCMs were expected to consolidate resources in ways that would facilitate mainstreaming programs and structures. In-country donor partners and national governments were expected to cover CCM administrative costs. However, it became apparent that CCMs required assistance on a scale that was rarely forthcoming, and that resource deficits jeopardized their intended role in governance and oversight. As a result, the Global Fund changed policy on two occasions. Following Round 5, CCMs were permitted to apply for a non-renewable lump sum for two years provided they indicated a sustainability plan. Allocations were theoretically based on the size and number of grant components, but in reality, regional-based ceilings set by the Global Fund Secretariat (from US\$ 25,000 to US\$ 50,000), were more commonly applied. As many CCMs continued to have financial difficulties, the Global Fund

Board ruled at its sixteenth meeting (Nov 2007) that CCMs could apply for funding on an annual basis for up to a maximum of US\$ 43,000.<sup>1</sup> Historically, PRs frequently came forward to support the work of CCMs, particularly in countries with smaller grants and limited institutional capacities. Elsewhere, Ministries of Health, National AIDS Committees, or other development partners (e.g. the United Nations Development Programme (UNDP)), acted in the same capacity. But in general, where CCMs were able to secure funding, the trend was to establish a secretariat exclusively dedicated to its work - both for reasons of efficiency and independence. To examine experiences and challenges faced by CCMs in this area, case studies were conducted in **Cambodia, Honduras** and **Mali**.

In all three countries, similar constraints were reported prior to establishing CCM Secretariats: CCM members were bogged down with logistics and struggled with processing large volumes of information. As funds came in to

cover administrative and technical functions, perceptions of the value added by CCMs increased. **Cambodia's** CCM is regarded as being highly functional. This is attributed in part to resources, but also to the fact that its secretariat undertakes tasks that go well beyond administrative functions. These include: i) preparing and coordinating the submission, review and revisions of proposals to the Global Fund; ii) assisting CCM governance and management functions, including communications with external stakeholders; iii) analyzing and summarizing information to assist decision-making, iv) translating documents into the local language; and v) acting as the focal point for communications between the Global Fund Portfolio Manager and the CCM. The case studies demonstrated that CCMs were supported through various actors - donors, development partners, governments, and nongovernmental organizations (NGOs), have all made significant contributions. In **Cambodia**, GTZ came forward with assistance for

<sup>1</sup> The US\$ 43,000 figure was based on an analysis of funding requests for CCM activities included in the Round 6 proposals and a survey on CCM funding. The case studies predate this policy change.

office space, running costs and consultants. UNDP, the Joint United Nations Programme on HIV/AIDS (UNAIDS), the World Health Organization (WHO), and the United States Agency for International Development (USAID) provided technical support for proposal development, assistance with oversight, and preparation of guidelines and tools for governance, including a monitoring and evaluation (M&E) plan for the work of the Principal Recipient (PR) and sub-recipients. In addition, the Ministry of Health provided assistants, consultants and support for workshops and training. In **Honduras**, the CCM obtained direct and indirect support from the PR (UNDP), USAID, UNAIDS and the Global Fund. While **Mali**'s CCM received assistance from the Global Fund, it was supplemented by other development partners such as USAID, the Ministry of Health, WHO and the French Technical Cooperation Programme. Work plans and expenditure details were not available for examination.

However, estimates of the annual budgets for CCMs indicated a wide range (**Cambodia** - US\$ 78,500; **Honduras** - US\$ 695,000; **Mali** - US\$ 65,000). It was noted that **Cambodia**'s success had been possible with a relatively modest budget, while the CCM secretariat in **Mali** had a single permanent member of staff and was stated to be struggling with basic support functions. Finance streams remained precarious and ad hoc – a telling sign was that none of the three CCMs had access to a bank account. Besides the obvious difficulties with planning, delays with pledged funds were also experienced due to donors rerouting finances via other bodies. In **Honduras**, the Global Fund channels finances through the PR (UNDP), while USAID uses Grant Management Solutions (a USAID-financed entity). In **Mali**, delays in rerouting Global Fund finances through the Department of Administration and Finance led to holding up the salary of the single staff member.

None of the CCMs were deemed to have made a concerted effort to find sustainable solutions. Furthermore, there were instances of fatigue with current arrangements. As an example, donor support for the CCM in **Honduras** was reported to be dwindling. This appeared to be linked in part to perceptions of fund misuse. In **Mali**, however, goodwill remained and partners appeared willing to continue support. Questions of ownership also emerged. Some CCM members in **Honduras** wished for less dependence on international finances. Whereas elsewhere, it was government support that was perceived in a negative light. Concerns appeared to stem from questions as to the professionalism/accountability of CCM resource deployment and the influence of benefactors in the work of the CCM. Aiming for multiple finance streams emerged as a key recommendation to satisfy requirements for financial stability and safeguarding the independence of CCMs.

## RECOMMENDATIONS

CCM Secretariats should develop budgets and business plans with defined goals and outputs

Increase the resource mobilization skills of CCM Secretariats

Map potential sources of CCM Secretariat funding

Galvanize CCM members to help raise funds to support CCM Secretariats

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