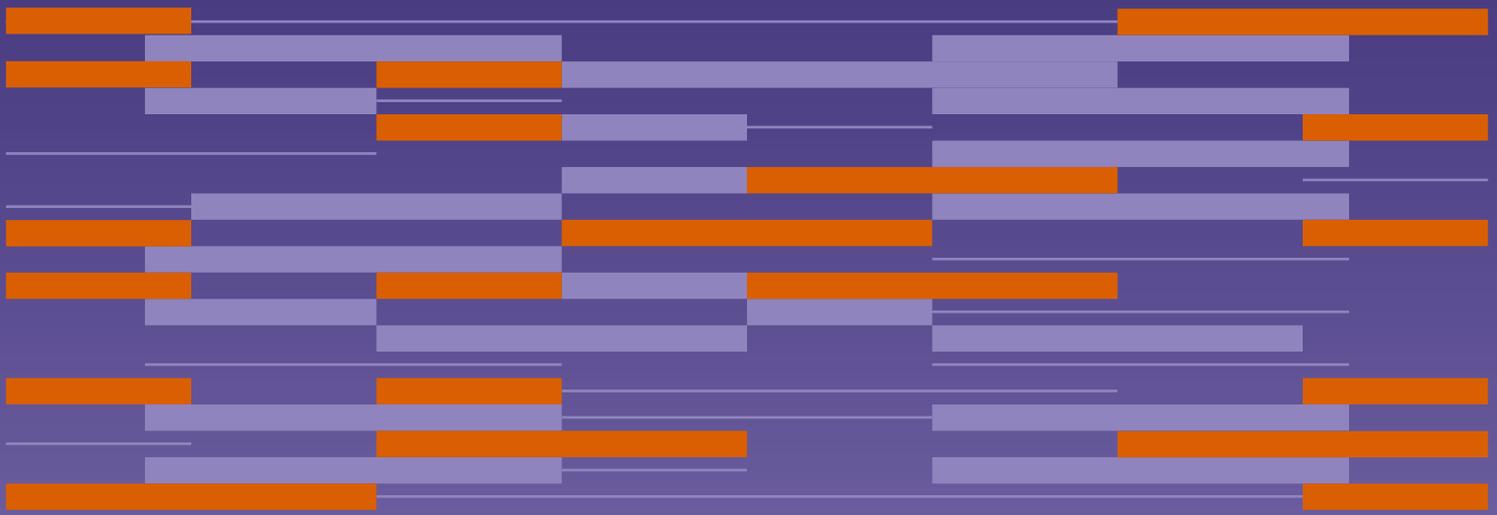


COUNTRY COORDINATING MECHANISMS
OVERSIGHT



LIST OF TERMS AND ABBREVIATIONS

CBO	community-based organizations
CCM	Country Coordinating Mechanism
CRN+	Caribbean Regional Network of People Living with HIV/AIDS
CRSF	Caribbean Regional Strategic Framework
LFA	Local Fund Agents
M&E	monitoring and evaluation
MoH	Ministry of Health
NAC	National AIDS Council
NGO	nongovernmental organizations
ORAS	Andean Regional Health Organization
PAMAFRO	Andean Region GF Project (Malaria Control in Border Areas of the Andean Countries: A Community Approach)
PANCAP	Pan Caribbean Partnership Against HIV/AIDS
PLWHA	people living with HIV/AIDS
PR	Principal Recipient
RCC	Rolling Continuation Channel
RCM	Regional Coordinating Mechanism
SWAp	sector-wide approach
TB	tuberculosis
TNCM	Tanzania National Coordinating Mechanism

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O verseeing grant implementation is a core responsibility of the Country Coordinating Mechanism (CCM). CCMs are required to put in place an oversight plan to ensure that activities are implemented and that resources are used as specified in the grant agreement. Oversight is a critical element in ensuring accountability of grant implementation. However, this is a major undertaking, and while several CCMs have evolved processes and systems that can be considered examples of best practice for oversight, many are still struggling to overcome challenges in exercising this oversight function.

Case studies of seven CCMs and two multicountry regional coordinating mechanisms (RCMs) examined the extent to which these CCMs are fulfilling their oversight responsibilities and identified some of the factors that can support or impede the implementation of effective oversight.

Best-practice models of oversight are characterized by the following elements:

- CCM leadership and dynamic civil society participation with well-structured governance and oversight processes;
- good communication and reporting between CCM and other actors;
- a CCM supported by a strong secretariat and technical sub-committees;
- effective Principal Recipient (PR) supervision over sub-recipient grant implementation.

Key challenges to oversight include:

- a lack of understanding of the CCM's oversight role and how it complements the PR's management and monitoring of grant implementation;
- the expanded role of CCMs, which are increasingly assuming new multisector-wide responsibilities to scale up country responses to HIV/AIDS, TB and malaria and other priority diseases;
- ensuring meaningful participation of a broad range of stakeholders, including civil society and non-CCM members in the oversight process;
- resolving communication issues between CCMs and PRs and establishing communication channels between the CCMs and the Local Fund Agents (LFAs) to strengthen CCM oversight capacity;
- strengthening CCM secretariats to support CCM oversight.



GRUPOS SOLIDARIOS
Actividad 3
Clase 1 TE - Fase II

Overseeing grant implementation is a core responsibility of the CCM. The development of an oversight plan and management tools to supervise the progress of PRs is critical for ensuring appropriate accountability for grant implementation, and to assist the PR in areas beyond its control or mandate. It is also a requirement for grant eligibility.¹

The purpose of oversight is to ensure that activities are implemented and resources are used as specified in the grant agreement. This may involve providing strategic direction to PRs where needed, ensuring compliance with Global Fund policies and procedures, establishing financial controls and following up on key recommendations.² CCMs must also be able to ensure that there is broad participation in grant oversight, from non-CCM member stakeholders as well as from members.

To provide effective oversight, CCMs need to be able to see and understand how grant implementation is progressing at a macro level, and to be able to identify and respond to challenges and issues by making appropriate recommendations to the PRs. Oversight is a major responsibility – particularly as the number of grants overseen by each CCM increases – and it is being fulfilled with varying degrees of success.

While several CCMs have evolved oversight processes and procedures that can be considered examples of best practice, many are still struggling

to overcome challenges in exercising this function.

Study Design and Methodology

Case studies were conducted in seven CCMs and two RCMs to examine how they are fulfilling their oversight responsibilities and to highlight the challenges they face in doing so. The discussion below addresses grant oversight issues and describes approaches, models, tools, best practices and key lessons learned. It also identifies some of the challenges faced and actions being planned or taken to address these issues.

The case studies, which were conducted between September and November 2007, focused on CCMs in **Bulgaria, Ethiopia, Kenya, Peru, Tajikistan, Tanzania** and **Zambia**, and on the RCMs in the Caribbean region and the Andean region.

Following a desk review of relevant documents, independent consultants visited each country or region to conduct interviews and discussions with key stakeholders, including CCM members and representatives of the PRs.

Respondents were asked to describe the roles of the respective stakeholders in the oversight process, the oversight mechanisms and processes that had been developed and the extent to which they were applied. They were also asked to identify constraints and obstacles to the implementation of oversight, and how these could be resolved.

¹ *Guidelines on the Purpose, Structure, Composition and Funding of Country Coordinating Mechanisms and Requirements for Grant Eligibility ("CCM Guidelines")*. Global Fund. Available at www.theglobalfund.org/en/policies

² *Guidance Paper on CCM Oversight*. See Global Fund. Available at www.theglobalfund.org/documents/ccm/guidancepaperonccmoversight.pdf

The Global Fund's guidance on funding and governance states that CCMs and RCMs are responsible for the selection and oversight of the PR, while implementation responsibility lies with the PR, which in turn oversees sub-recipients.³ The CCM's oversight role is therefore intended to focus on long-term grant performance, including governance and accountability issues, while the PR is responsible for monitoring and evaluating the day-to-day implementation of the program. It is up to each country to determine the level of oversight required and how it will be exercised.

The CCMs and RCMs in the study have evolved various models for governance and oversight of grant implementation. The model adopted in each case is closely related to the governance and grant history of the CCM concerned. The number of PRs involved, as well as the management model used to monitor the performance of sub-recipients, also has an impact on how oversight is planned for and implemented by the CCM. As the number of grants and phases being implemented increases, more complex oversight models are probably needed.

The case studies reflect the broad range of grant implementation contexts found across Global Fund recipient countries. Out of the seven country case studies, only **Bulgaria** and **Peru** have a single PR. All the other countries have two or more

PRs. In all cases, with the exception of **Ethiopia**, the PRs are drawn from both the government and nongovernment sectors.

The Caribbean RCM, the Caribbean Executive Board of the Pan Caribbean Partnership Against HIV/AIDS (PANCAP), has responsibility for oversight of the grants managed by PANCAP and Caribbean Regional Network of People Living with HIV/AIDS (CRN+). The Andean RCM oversees one PR, Andean Regional Health Organization (ORAS)/Malaria Control in Border Areas of the Andean Countries: A Community Approach (PAMAFRO).

Models of Oversight

Best practice models of oversight include the following elements: i) CCM leadership and dynamic civil society participation, with well-structured governance and oversight processes; ii) a CCM supported by a strong secretariat; iii) good CCM-PR communication and reporting; and iv) effective PR supervision over sub-recipient grant implementation, complemented by administrative and managerial skills and systems to monitor and evaluate grant performance. Some of these elements are apparent in the oversight models used in **Bulgaria**, **Peru** and **Ethiopia**, which are summarized in Figure 1, together with details of what is working and what is in need of further development.

Of the seven countries studied, four CCMs (**Bulgaria**, **Ethiopia**, **Peru** and **Tanzania**) have developed and are

using sound oversight procedures. This was achieved in part through the training of CCM members, which vastly improved their understanding of the different roles involved. This suggests that merely posting procedures and rules on a website may not be enough. In the other three countries (**Kenya**, **Tajikistan** and **Zambia**) the CCM manual and other official documents are silent on the oversight role of the CCM. This contributes to a lack of understanding by CCM members and the perception that this function is the mandate of the PR.

In the two RCMs, most of the oversight is delegated: in the Caribbean region, oversight is delegated to an ad hoc committee and in the Andean region, oversight is delegated to the PR.

In the Caribbean region, two key bodies of the governance and oversight framework have been developed. The first, which is in the early stages of implementation, is a program oversight committee with authority to fast-track, act, and report to the RCM. The second is a monitoring team of technical experts to support the oversight committee. One of the oversight tools used is the PANCAP Implementation Performance System, a performance tracking tool. However, strict application of its output has been lacking, and it tends to report on process indicators and not outcome indicators. At present, the only system for receiving data on program performance are the reports submitted by the PR.

³In fact, the Revised CCM Guidelines say that CCMs are responsible for "nominating" PRs. Final selection is negotiated between the Global Fund Secretariat and the CCM during contract negotiation. While CCMs technically nominate PRs, this is viewed as a selection event (at proposal development) barring any subsequent mitigating factors (i.e. technical incapacities) that would make the nominee an inappropriate choice.

In the Andean RCM, oversight is carried out at the regional level through quarterly assembly meetings, annual regional ministerial meetings, and by direct reports from the PR (ORAS/PAMAFRO). Its project management team exercises oversight of program performance of each country unit and their respective sub-recipients. It also maintains satisfactory communication channels through access to country coordinating units via videoconference and teleconference. This is complemented by day-to-day contact, via e-mail and voice-over-internet protocol/telephone, between ORAS/PAMAFRO and the community agents in the malaria-affected areas of the Amazon region. Accounting and financial management functions are outsourced to a financial consulting firm.

Communication Tools and Mechanisms

Good communication is instrumental to program performance and oversight. As noted in the **Bulgaria** case study, “Once successful implementation is factored in, it becomes understandable that the interplay between the CCM and the PR is geared more toward cooperation rather than an arm’s-length relationship”. Several CCMs and PRs have developed systems to enhance access to information and facilitate communication between all stakeholders.

- In **Tanzania**, the “Executive Dashboard” is an innovative instrument for enhancing CCM decision-making.⁴ It is designed to provide user-

friendly, timely and well-synthesized information to the CCM, enabling members to make informed decisions based on valid data. The dashboard also promotes participation of all constituencies in the CCM. This instrument can enhance access to information by partners either through a CCM website or by e-mailing the reports to a wide range of stakeholders.

- In **Peru**, the PR has established a web-based monitoring and evaluation (M&E) system that can be accessed online by the sub-recipients.
- To help address communication problems in **Tajikistan**, the CCM appointed a full-time CCM secretariat, established a CCM website, and streamlined regular circulation of CCM and Global Fund documentation and reports.
- In **Zambia**, the CCM has initiated PR reporting at every CCM meeting, which they anticipate will encourage the LFA to attend more meetings. The CCM believes that increased interaction with the LFA will enhance oversight and transparency.

Structures and Oversight Support Sub-committees/technical working groups

In every country except **Bulgaria**, CCMs report the existence of standing or ad hoc committees that play various oversight roles:

- To improve the oversight function, the CCM in **Zambia** established two sub-committees: the Finance

and Audit Subcommittee and the Monitoring and Evaluation Subcommittee. These sub-committees serve to deepen the oversight function of the CCM. Other CCMs have established program-oriented technical committees and interagency coordinating committees for malaria, TB and HIV/AIDS.

- The Caribbean RCM established technical working groups to provide technical guidance to the RCM on the implementation of the Caribbean Regional Strategic Framework (CRSF)⁵ and management of the various grants. Each technical working group is comprised of a maximum of eight experts in the relevant area of focus. At least one member of each group is drawn from the core institutions with designated responsibility for implementing the relevant priority area within the CRSF: advocacy, policy development and legislation; care, treatment and support; prevention; and regional and national capacity building.
- In the Caribbean RCM, PANCAP formed a Program Oversight Committee, which is supported by the technical capacity of a monitoring team that will promote effectiveness in oversight. However, improvements are still needed in the management of the relationship between the PR and the sub-recipients and in the performance review and monitoring of sub-recipients.

⁴A “dashboard” is a tool, initially developed by consultants from Grant Management Solutions, that gathers key financial management and logistical information a CCM should know about the progress of all grants. Like the dashboard of a car, the driver quickly looks at and keeps tabs on important information like speed, amount of petrol, engine temperature, etc. The dashboard doesn’t tell the driver the intricate state of each piston, or the carburetor, tire pressure, etc.; it just notes key indicators to keep the car rolling along.

⁵The CRSF includes seven priority areas that were consistent with many of the existing national strategic plans and would later underpin the strategic plan for the CRN+ 2003-2007.

Figure 1: Selected CCM Oversight Models

OVERSIGHT PROCESS		KEY ACTORS AND IMPLEMENTATION, BY COUNTRY
Type of Activity	Detailed Scope of Activity	Bulgaria Oversight Model
CCM/PR Meetings	<ul style="list-style-type: none"> • Review of activities performed in the previous period, including reports on programmatic and financial implementation, on the implementation of the procurement plan and on the selection of sub-recipients, as well as any other document relevant to implementation • Submission of quarterly progress updates and annual performance reports, highlighting the results achieved and the reasons for any discrepancies • Outline of work plan for the following quarter 	<p>CCM has strong political leadership, with direct involvement of a Deputy Prime Minister as Chair and top-level representation from government representatives on the CCM.</p> <p>CCM meetings are convened by the Chair on a quarterly basis to ensure oversight of implementation. Extraordinary meetings can be initiated by any CCM member. The agenda and relevant materials are circulated in advance; at least two-thirds of all members must be present for the meeting to be valid.</p>
Coordination and Decision-Making	<ul style="list-style-type: none"> • Governance instruments/tools used by the CCM to guide decision-making processes • Systems or processes used by the CCM to resolve any disputes and or disagreements in program implementation • Addressing problems and bottlenecks beyond the competence and authority of PRs (feedback loops from oversight procedures) • Systems for early identification of problems/bottlenecks in grant implementation 	<p>When a CCM decision is needed, the issue is flagged in advance by the secretariat. If consensus cannot be reached, CCM members vote on a simple majority basis. The secretariat follows up on CCM decisions and reports on the issue in the following meetings. The process is documented in the minutes, which are submitted for approval at the next CCM meeting.</p> <p>The model is intended to allow for early identification of potential bottlenecks and to increase transparency of patterns of grant implementation by the PR.</p> <p>Despite CCM members' attendance, real debate is limited.</p>
CCM Secretariat Support	<ul style="list-style-type: none"> • The CCM secretariat/administrative arrangements to support CCM governance 	<p>The secretariat to the National Committee on AIDS and Sexually-Transmitted Infection Prevention serves at the same time as the project management unit of the PR, as CCM secretariat and as the focal point for policy development working groups.</p> <p>The presence of a strong and credible secretariat is mentioned as a positive element. As a result, however, CCM members tend to make decisions based on their trust in the secretariat, rather than on the outcome of a true policy debate.</p> <p>A small team of long-term external consultants plays a major role vis-à-vis the PR in ensuring multi-stakeholder inputs to coordination.</p>
Sub-recipient Oversight and Field Visits	<ul style="list-style-type: none"> • Oversight systems and tools used to supervise and monitor sub-recipient grant performance • Communication between PR and sub-recipients 	<p>Long-term consultants are hired by the PR to oversee the implementation of specific grant components.</p>

Ethiopia Oversight Model	Peru Oversight Model
<p>Participation of PRs and sub-recipients and multiple stakeholders in the CCM, including strong civil society participation and participation of non-CCM members.</p> <p>Structured oversight and reporting systems.</p> <p>Monthly CCM-PR meetings for oral reporting on implementation progress.</p> <p>Quarterly monitoring meetings with written reports submitted by PRs to the CCM on grant progress.</p>	<p>Strong civil society participation and involvement in CCM deliberations, with effective advocacy for their respective constituencies. This contributes to CCM oversight of implementation.</p> <p>Bi-weekly meetings between CCM Executive Secretariat and PR, as well as unscheduled emergency meetings when needed.</p> <p>Quarterly and special meetings of CCM and PR</p>
<p>Joint setting of agenda items, finalization of minutes and consensus approaches to decision-making and proposal development.</p> <p>CCM members review oral, quarterly and field visit reports and provide their opinions on the implementation of programs.</p> <p>Structured oversight and report-back systems.</p> <p>On-site validation and oversight visits</p> <p>Strong civil society participation</p> <p>Transparent and inclusive approach by CCM in the execution of its functions and responsibilities</p>	<p>Ad hoc reports and requests for clarification in lieu of sound planning and communication procedures that would provide opportunities to prevent and resolve the critical roadblocks that currently dominate the biweekly meeting agenda.</p> <p>CCM Executive secretariat exercises its oversight role of the PR on emerging issues related to implementation and the PR-sub-recipient to address conflicts and unsolved problems.</p> <p>Ad hoc conflict resolution system with the parties involved, and additional reporting and analysis requested of the PR on the matter.</p>
<p>Joint setting of agenda items, finalization of minutes and consensus approaches to decision-making and proposal development.</p> <p>CCM members review oral, quarterly and field visit reports and provide their opinions on the implementation of programs.</p> <p>Structured oversight and report-back systems.</p> <p>On-site validation and oversight visits</p> <p>Strong civil society participation</p> <p>Transparent and inclusive approach by CCM in the execution of its functions and responsibilities</p>	<p>The CCM Executive Secretariat includes representatives of the Ministry of Health (MoH) and other ministries; civil society representatives (NGOs working in HIV/AIDS and TB); a representative of each of the diseases; and a representative from the development partners.</p> <p>Day-to-day secretariat operations are supported by a full-time administrative assistant and a technical secretary hired under a temporary service contract.</p> <p>The CCM Executive Secretariat lacks capacity to analyze PR reports to support CCM decision making.</p> <p>Resources are insufficient for financial management assessments and multisectoral program M&E.</p>
<p>Field monitoring visits undertaken by teams consisting of CCM members and non-CCM members on a six-monthly basis. Checklist used as oversight tool i) objectives of the field monitoring; ii) methods to be applied; iii) timing and frequency of site visits; iii) team composition; iv) site visit components; v) CCM member allocation to teams; vi) regions for visits (each team with to three to four regions).</p> <p>The CCM has provision for the commissioning of an external impartial evaluation team to assess progress made for every grant.</p>	<p>Sub-recipient oversight is carried out by the PR through on-site visits (CCM members rarely participate), monthly monitoring meetings and quarterly meetings between the PR and sub-recipients with the LFA's participation. Quarterly feedback meeting is regarded as a best practice.</p> <p>PR's sound oversight system for sub-recipients/consortia includes: i) web-based M&E accessible online by the sub-recipients; ii) program management system; iv) financial M&E; and v) evaluation procedures to maintain up-to-date performance indicators, baseline and annual measurements for research and reporting.</p>

Instead of standing or ad hoc committees, **Bulgaria** has appointed short-term policy-development working groups, for the following reasons: i) informal working groups can be established for specific short-term purposes such as the preparation of a grant proposal or the selection of new CCM members; and ii) by not establishing working groups, the different responsibilities entrusted to the CCM are placed at the same hierarchical level without formal subordination of one to another.

Country Coordinating Mechanism secretariats

All the CCMs and RCMs studied had some form of permanent secretariats, some stronger than others. All secretariats were supporting CCM oversight functions, and most were performing technical, administrative and financial functions. The case studies strongly point to the need for, and positive outcomes demonstrated by, having a full-time secretariat; this was observed in particular in **Tajikistan** after the secretariat was established in 2006.

- The **Ethiopia, Kenya, Tajikistan** and **Peru** CCMs have their own secretariat, two of them hosted in the MoH. In the other three countries, the National AIDS Councils (NACs) acted as secretariat to the CCM.
- In the case of **Zambia**, the NAC has a close relationship with the CCM, acting as its secretariat and even functioning as a sub-recipient. In **Bulgaria**, the NAC secretariat provides strong support to the CCM. In **Tanzania**, the National Coordinat-

ing Mechanism Secretariat (TNCM) is hosted by the **Tanzania** Commission for AIDS.

- **Kenya** has poor communication throughout their grant management systems. CCM members complain a of lack of transparency on the part of the CCM secretariat. The lack of information flow has pushed the sub-recipients, NGOs and community-based organizations (CBOs) to communicate directly with the Global Fund Secretariat and this has created mistrust and internal conflicts.
- In the two RCMs, secretariat duties are performed by the secretariat of the regional entity concerned: PAN-CAP's Program Coordinating Unit in the Caribbean, and ORAS for the Andean RCM. ORAS, through the PAMAFRO project, is also the PR responsible for grant management.

Secretariat autonomy

- In **Bulgaria**, where secretariat services are provided by the PR project management units, the inherent risk of conflict of interest is mitigated not only by the formal regulations adopted, but also by a high level of transparency on all policy decisions.
- In **Kenya**, the CCM Chair is the Permanent Secretary of the MoH, and the secretariat staff is seconded from the MoH. Most of the funding, including all salaries, office space, equipment and office utilities are provided by the MoH. In the opinion of CCM members interviewed, this arrangement makes it impossible for the CCM secretariat to be indepen-

dent of the MoH, which is also a sub-recipient.

- In **Zambia**, the CCM secretariat (NAC) is increasingly providing direct support services to the PR. Governance and support arrangements in the CCM ensure that conflicts of interest are minimized. The utilization of in-country NAC structures for the CCM secretariat and functional support appears to be a well-functioning governance arrangement and may be worthy of consideration in other grant recipient countries.

Role of Civil Society and Non-CCM Members in Grant Oversight

Civil society plays a significant role in governance and oversight. In many of the CCMs, NGOs and other civil society members have served as Vice-Chair of the CCM.

- In **Zambia**, initial perceptions of government dominance have dissipated, particularly with the change of the Chair from a government PR to the academic sector. Non-CCM members are permitted to attend CCM meetings and report back to their constituencies. **Zambia** has a strong and vibrant civil society sector and half of the PRs are from this sector. The civil society PRs have a significant number of sub-recipients, which must serve as a best-practice example for other Global Fund recipient countries.
- In **Tajikistan**, the CCM developed partner fora for consultations with the wider community working in the areas of HIV/AIDS, TB and malaria.

This consultation system involves from 50 to 70 stakeholders and provides an opportunity for non-CCM members to share information and experiences and to contribute to the decisions of the CCM. The partner fora have also been used as a system for sharing experiences and best practices between different partners.

- Civil society is represented on the Caribbean RCM. However, the Program Coordinating Unit and others feel that they should be more “vocal” (read: active). The process for selecting civil society members has not been documented, but anecdotally, the indications are that they were all selected by their own organizations to be their representatives on the RCM. The technical working groups, which are drawn from the core institution with designated responsibility for implementing the relevant priority area within the CRSF, provide the RCM with the opportunity to access expert advice and assistance from non-CCM members.
- The civil society representatives of the Andean RCM board are nominated annually by their peers from the other participating countries and submitted to the President of the Andean RCM for accreditation on the board. The Chair and Vice-Chair are elected annually and rotate between governmental and civil society representatives.
- The **Ethiopia** CCM's inclusion of non-CCM members in the oversight and monitoring process could be considered an example of best practice because: i) the CCM has

adopted an open door policy for non-CCM members to participate both in meetings and in providing oversight reports for Global Fund programs; ii) the inclusion of civil society sub-recipients as members of the CCM ensures that the CCM is in direct contact with a significant proportion of program implementers; iii) the organization and composition of the field monitoring teams, as well as their team spirit and enthusiasm, can be considered best practice. The teams receive oral progress reports from regional, district and village levels as well as from community members and beneficiaries of Global Fund programs; iv) roughly 60 percent of all Global Fund grants are disbursed to civil society; v) the participation of civil society groups enhances the CCM's oversight capacity.

- The collective policy dialogue and constituency representation in the **Peru** CCM allows for direct civil society participation in oversight and decision-making processes at the General Assembly and Executive Secretariat levels. The HIV/AIDS NGOs represented on the CCM, including the current CCM Vice-President, have reinforced the role of NGOs and networks of people affected by the diseases. Constituents at the network level meet regularly with their representatives on the CCM and within their own organizations as well to discuss policy and program implementation issues, or to elect their representative on the CCM. Information exchange goes both ways between the CCM and

the networks and their civil society constituencies and to the people living with HIV/AIDS (PLWHA) and TB communities. The Executive Secretariat invites non-CCM members from civil society to participate as needed on ad hoc technical committees.

- Approaches in **Bulgaria, Kenya** and **Tanzania** make it difficult for non-CCM members to participate. In **Bulgaria**, CCM meetings are not open to outsiders. Consequently, non-CCM members can only exercise oversight through the CCM members representing their constituency. **Kenya** has no system to ensure that information is disseminated to the other Global Fund partners and to the general public. This has made it very difficult for those outside the CCM to follow up and participate in Global Fund grant implementation and oversight. In **Tanzania**, there are no clear procedures for communicating with the members of the constituencies represented on the TNCM. Non-TNCM members therefore have limited opportunities to contribute to oversight of the Global Fund grants. To overcome the lack of communication channels, the non-government representatives on the CCM have taken a number of initiatives to consult and communicate with their constituents.

Good Governance in Grant Oversight Practice

In **Ethiopia** and **Tanzania**, the principles of transparency, accountability and participation are addressed in the CCM by-laws. In addition, the duties

and responsibilities of the CCM are clearly defined. In **Tanzania**, the TNCM members have a good understanding of these principles.

In **Zambia**, respondents felt that there were no inherent conflicts of interest in the governance and support arrangements in the CCM. However, civil society CCM members felt that they were held more accountable for performance than their government counterparts, and in turn, were held more accountable by their constituents.

Policies in **Bulgaria** explicitly state that CCM members are barred from voting on any issue associated with the implementation of a component or sub-component of their own organization's program implementation

In **Peru**, the CCM raised questions about the ethical performance of some of the sub-recipient/consortium members. Given the complex level of participation of civil society members in decision-making (in the CCM) and implementation, the CCM is enforcing ethical standards of behavior to correct potential conflicts of interest. The Executive Secretariat has requested that the PR provide a list of all the individuals contracted as consultants or community advisors, or who are directly contracted by sub-recipients to carry out Global Fund program activities. This list will facilitate the screening of those participating in the technical committees in charge of selection, purchasing or other decision-making processes, as well as those who are

contracted by multiple sub-recipients and whose time allocation exceeds acceptable working hours.

The Caribbean RCM has proposed that conflict of interest issues be resolved either through the intervention of the Chair of the RCM or through the establishment of a tribunal to deal with such matters. Among the pressing issues requiring attention is the definition of criteria for PR selection, which needs to be included in the RCM by-laws.

Assessing Grant Performance

The evidence from the case studies reflects the successes and failures of the different CCMs in obtaining Phase 2 renewals.

- **Bulgaria's** CCM grant program performance demonstrated "outstanding results in all service delivery areas", according to the Grant Scorecard issued by the Global Fund Secretariat in September 2005. As a consequence of this excellent performance in Phase 1, the grant was extended without hesitation. Other CCMs with multiple phases approved are **Tajikistan, Kenya** and **Ethiopia**. These countries had mixed reviews, depending on the PR and the disease.
- In **Tanzania**, the PRs carried out the evaluation of the performance of the grants and submitted the reports to the TNCM secretariat for submission to the Global Fund. The TNCM does not have guidelines in place to show how it could play a more enhanced role during the Phase 2 renewal process.
- In the Caribbean RCM, the CRN+

proposal was prepared with input from the technical team assigned by the RCM and with limited support from the sub-recipients. There were a number of items which required attention, but the review process was truncated and lacked the necessary depth of analysis. When the decision of "No Go" was communicated to the RCM, they were able to respond quickly, with UNAIDS support, and assign a technical team to work with the PR.

- **Zambia** experienced two different outcomes from the request for continued funding. A "No Go" for the Phase 2 extension of one grant served to galvanize the CCM into reviewing its oversight role. The malaria grant, however, qualified for Rolling Continuation Channel (RCC) funding. This was a clear signal of implementation success in the malaria program.
- In **Peru**, the PR (with CCM approval), established a "conditional ratification process" to assess the sub-recipients' grant performance for Phase 2 renewals. The process required all consortia responsible for Phase 1 objectives to submit expressions of interest and supporting documentation to participate in the conditional ratification for Phase 2. The adapted process allowed the CCM and the PR to execute the second phase of the Global Fund-supported HIV/TB program and, by ratifying the incumbent consortiums, they were able to both benefit from the experience gained and provide continuity for each of the project objectives.



Best practices

CCMs and PRs in several countries have developed tools and ways of working that have contributed to good oversight practice. With adaptation to the local context, many of these practices could be replicated elsewhere.

- In Ethiopia and Tanzania the duties and responsibilities (including oversight roles) of the CCM, the secretariat and the PRs are clearly defined in the CCM by-laws.
- Structured oversight and reporting mechanisms have been developed in **Ethiopia, Peru, Zambia** and **Tajikistan** that include monthly and quarterly meetings with regular PR updates on grant progress; relevant and digestible information circulated well in advance of meetings; technical oversight by sub-committees and regular site visits.
- In **Tanzania** the Executive Dashboard is designed to generate manageable information that can be accessed by a wide range of stakeholders to inform decision making.
- The finance and audit and M&E sub-committees established by the CCM in **Zambia** have provided a means for the CCM to exercise more in-depth oversight.
- The web-based monitoring and reporting system established by the PR in **Peru** for sub-recipient oversight is easily accessible by the sub-recipient and provides the PR and the CCM with an impressive and regularly updated accountability mechanism to monitor performance indicators in the different phases of implementation.
- In **Tajikistan**, the CCM has estab-

lished partner fora, a consultation mechanism that provides an opportunity for non-CCM members to share information and feedback and contribute to the decisions of the CCM.

- The **Ethiopia** CCM has adopted an inclusive approach to oversight by ensuring that non-CCM members participate in meetings and field monitoring visits and contribute to oversight reports. This approach fosters transparency and ultimately credibility of program implementation.
- In **Zambia** non-CCM members attend CCM meetings and report back to their constituencies.

Evolving Issues and Challenges

Clarity of roles and lines of communication

Without governance tools and mechanisms that state clear oversight responsibilities, the issue of oversight is left open to interpretation by the CCM and the PRs. In some countries, for example, the CCM members interviewed felt that the oversight role was the PR's mandate.

Where there are existing imbalances in power between the CCM and the PR, the lack of clarity over roles and responsibilities acts as a further impediment to effective oversight. For example, in **Kenya** the PR is the Ministry of Finance, which makes it difficult for the CCM to enforce policies. This problem is compounded by the fact that the **Kenya** CCM is not a legally recognized entity.

In **Tanzania**, the challenge has been in implementing the CCM governance

structures and instruments that have been developed. Of the structures specified, only the Executive Committee has been put into practice.

Good communication is critical to effective grant oversight, but physical barriers or lack of access to technological resources may put some sectors and constituencies at a disadvantage. In **Tanzania**, the government and development partners are able to routinely communicate with their CCM members using e-mail or other communications technology. Non-government sectors, which may have fewer technological resources, are not able to communicate with their members with the same frequency.

Only a few of the CCMs understand the need to communicate with the LFA on poor performance issues. While most of the PRs organize periodic performance monitoring meetings with the LFA and participate in data validation through field visits and auditing processes, there is very limited communication between the CCMs and the LFAs. Better communication between these two actors, however, could serve as an early warning system between the Global Fund and the CCM or RCM. For example, in the Caribbean region, improving the lines of communication to the RCM, the LFA and the Global Fund would enable grant performance issues to be handled more proactively.

Reporting requirements

A number of CCMs stated that Global Fund reporting requirements were com-

plex and time-consuming, particularly in countries with multiple grants. In countries with multiple PRs such as **Zambia** and **Tanzania**, the situation has generated complex matrices for data collection. A contributing factor is the large number of government and NGO sub-recipients that require additional technical support and dedicated staff. In **Zambia**, while the increased number of PRs should increase absorptive capacity, an additional layer of complexity may be required to handle the oversight of a total of 15 “grant components”. Multiple grants increase the number of PR reports and time spent on complying with LFA auditing and evaluation requirements, which takes away from grant implementation. Since **Zambia** was one of the countries chosen as a pilot for the Global Fund grant consolidation program, solutions are expected soon. The **Ethiopia** CCM would also benefit from the consolidation of various grants.

Expanded role of the Country Coordinating Mechanism

As the CCMs and RCMs scale up their programs and succeed in obtaining new awards in future grant rounds, the demands of reporting on multiple grants and different phases of implementation could potentially exceed CCM oversight capacity and affect PR performance. CCMs and PRs will have to significantly improve their efficiency to cope with the simultaneous management of multiple Global Fund rounds. The contractual reporting and M&E obligations for the Global Fund and other development partners – with different reporting and M&E indicators – present a significant

challenge. This is in spite of the ongoing harmonization efforts by development partners under the “Three Ones” principle.⁶ The new role of the CCM with respect to other projects funded by development partners, and how this relates to the overall monitoring of the national responses to the three diseases, needs to be addressed.

- The **Ethiopia** and **Zambia** CCMs report an urgent need to develop mechanisms to better integrate Global Fund activities into broader multisectoral national development agendas. In **Zambia**, several multisectoral structures and partnership frameworks exist for health policy, planning and implementation, such as sector-wide approaches (SWAps), international health partnerships, etc. Integration proponents state that focusing on only three diseases frustrates efforts to address health holistically. Complying with the different planning cycles and reporting requirements of both the Global Fund and the National Strategic Framework for the health sector also results in a high transaction cost. The CCM is aware of the need to integrate activities, both to enhance grant performance and to scale up activities in order to achieve more substantive results and benefit from new Global Fund initiatives such as the RCC.
- In **Tajikistan**, the CCM has assumed the functions and responsibilities of the national coordinating bodies for the three diseases and focuses on the monitoring of the national response to these. While this expanded oversight approach may be considered a positive example of the integration of

internationally and nationally funded programs, it has resulted in a shift of CCM focus to the performance of the government sector (e.g., the maintenance of laboratory services and the operation of hospitals). This has diluted the CCM's high-level strategic role and some partners (particularly civil society organizations and multilateral and bilateral agencies) have been excluded from the discourse. It has also affected how the Global Fund grants are understood, the level of funding available and how it could be allocated.

Communication with the Global Fund

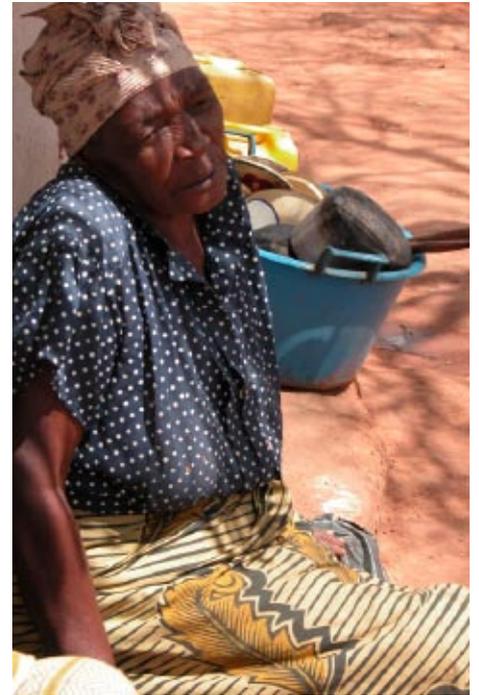
In **Kenya**, the CCM's oversight capacity has been constrained by poor communication between the CCM and the PR. This seems to have stemmed from the fact that not just the PR, but also the sub-recipients communicate directly with the Global Fund Secretariat on issues that could be resolved locally through the CCM. The CCM feels that its authority, and in turn its ability to perform effective oversight, has been undermined.

To improve its oversight role, the **Zambia** CCM issued strong recommendations to the Global Fund Secretariat to maintain strong, direct links with the CCM and not just the PRs. More frequent visits by Fund Portfolio Managers and an earnest attempt to constantly review Global Fund processes could help to simplify reporting. Grant consolidation may in future also assist in improving grant performance.

Secretariat strengthening

Many CCM secretariats lack the capacity to support CCMs effectively. Without proper planning and timely sharing of documentation, CCM meeting effectiveness and communication – both of which are critical to oversight – are limited. To perform their oversight role effectively, CCMs also need through technical capacity – either through the secretariat or through technical sub-committees – to understand basic concepts related to program monitoring, impact evaluation, financial analysis and auditing.

Putting such capacity in place requires adequate funding. Until recently, the resources available from the Global Fund for the strengthening of the CCM and secretariat were only available for two years, for one time. This policy restricted the scope of CCMs to formulate and implement sound oversight plans and to generate the analysis and strategic information reporting needed for effective oversight. The recently revised Global Fund policy on CCM funding which allows CCMs to apply for support for administrative costs from a separate pool of funds goes some way towards addressing this issue. However, to further assure the future sustainability of CCM secretariats, the Global Fund could forge agreements with governments to establish recurrent financing mechanisms for CCMs in addition to the resources available from the Global Fund. Such funds are critical to the establishment of strong, competent secretariats that can work closely with CCM partners in overseeing PRs.





Examination of the oversight practices of the Country Coordinating Mechanisms and Regional Coordinating Mechanisms has led to the following recommendations for CCMs:

- Develop and disseminate written guidelines on oversight. New and existing CCM members and other key stakeholders should be trained or refreshed on grant oversight. Such training should cover i) the definition and scope of CCM oversight; ii) the respective oversight roles and responsibilities of the CCM, PRs, sub-recipients, LFAs and other stakeholders and the lines of communication between them; and iii) oversight tools, mechanisms and good practices.
- Strengthen CCM secretariats so that they can play an effective role in oversight. Among other things, they should be able to ensure that key information is collected and disseminated to all stakeholders in a timely manner and in a form that is easily managed and understood.
- Support the dissemination and replication of best practices outlined in this report. The Global Fund should consider providing various opportunities for this, such as regional workshops, coordination fora and in-country training where necessary, as well as through publication on the Global Fund website.

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