

Country Coordinating Mechanism Policy Including Principles and Requirements

As approved by the Global Fund Board on 10 May 2018

Purpose and Structure

1. This document sets forth the principles and requirements for Coordinating Mechanisms (CMs), which include Country Coordinating Mechanisms, Regional Coordinating Mechanisms (RCM), and in certain cases non-CCMs and Regional Organizations (RO). We will refer to these mechanisms generically in this document as CCMs. The document provides guidelines on the CCM's role in Global Fund processes. This document also defines the policies that the Global Fund will apply to appraise CCM performance.
2. These guidelines remain grounded in the core principles of good governance outlined in the Global Fund Framework Document and express a commitment to country-led and driven programs that ensure participation of multiple interested stakeholders. These guidelines support national ownership, respect the central role of government, and encourage coordination with, and building upon, existing structures wherever possible.

Core Principles of the Global Fund

3. The [Global Fund Framework Document](https://www.theglobalfund.org/media/6019/core_globalfund_framework_en.pdf)¹ establishes a number of **core principles** which the Global Fund seeks to apply in all of its policies and decisions. These core principles are at the heart of the CCM model and express the Global Fund's commitment to support programs that:
 - i. Reflect *national ownership*, and respect country-led implementation processes;
 - ii. Focus on the creation, development and expansion of *partnerships among all relevant stakeholders within a country, and across all sectors of society*,

¹ https://www.theglobalfund.org/media/6019/core_globalfund_framework_en.pdf

including governments, civil society², multilateral and bilateral agencies, and the private sector where all members have an equal voice;

- iii. Strengthen the participation of communities and people, particularly those affected by the three diseases;
 - iv. Aim to eliminate stigmatization of and discrimination against those infected and affected by the three diseases, especially for women, children and vulnerable groups;
 - v. 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
 - vi. Promote *transparency* and *accountability*.
4. The Global Fund recognizes the importance of different national contexts, governance systems and government operating procedures. The Global Fund also recognizes the leading role of governments in coordinating overall health programs in their countries, as well as their role in planning, implementing and providing resources for programs.
 5. In addition, 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, which call for “harmonized and aligned aid delivery.”
 6. 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 Populations.³The Global Fund retains a right to choose not to finance or support activities that violate human rights as defined in the United Nations’ [Universal Declaration of Human Rights](#)⁴.

² See “Definition of the Term Civil Society” Sixteenth Board Meeting; Kunming, China, 12 – 13 November 2007 GF/B16/6.

³ As defined in the [Global Fund Key Populations Action Plan 2014 – 2017](#), approved by the Board in the [STC Policy](#)

⁴ See the Global Fund’s publication [Focus on Human Rights](#)

Types of Coordinating Mechanisms

7. The Global Fund requires government and non-government stakeholders at the country, regional level and sub-national levels, as appropriate, to define a clear mechanism for the coordination of their joint efforts to access and utilize the Global Fund financing. Given the diversity of the Global Fund portfolio, a variety of coordinating mechanisms may be formed as appropriate to the situation. Country Coordinating Mechanisms, Regional Coordinating Mechanisms and non-CCMs are all described below.

Country Coordinating Mechanisms

8. CCMs are mechanisms for public-private partnership in the coordination of national disease programs at country level. CCM members⁵ represent the interests of country-level stakeholders in the fight against HIV, TB, and malaria. As individuals, CCM members are accountable to the core constituency and, as a group, the CCM is accountable to the nation (through its identified reporting channels, including i.e., core legislative body). CCMs may be formed from existing national structures but must meet at minimum the CCM Eligibility Requirements described below.

Regional Coordinating Mechanisms

9. The Global Fund may make funding available on a regional or multi-country level. Regional or multi-country applicants can either be a Regional Coordinating Mechanism (RCM) or a Regional Organization (RO).
10. RCMs are coordination mechanisms at the regional level, representing more than one country. RCMs are subject to the Eligibility Requirements and are eligible for CCM funding.
11. ROs are not subject to the Eligibility Requirements, although it is strongly recommended that they implement them to the extent possible. ROs are not eligible for CCM funding and are organizations which can demonstrate the following characteristics:
 - a) Be a legally registered entity;
 - b) Not be a United Nations, multilateral or bilateral agency; and
 - c) Demonstrate broad regional stakeholder consultation and involvement;

⁵ Guidelines on CCM constituency representation are set forth in Annex 1.

Non-CCMs

12. In exceptional situations, the CCM may not be in the position to carry out its core functions as described below or to fulfill the Eligibility Requirements. In such cases, the Global Fund could accept “non-CCM” funding requests⁶ where compliance with the Eligibility Requirements *is not required*, provided that those exceptional circumstances are:
 - i. Countries without a legitimate government;
 - ii. 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
 - iii. 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.

Principles for Coordinating Mechanisms

13. The following principles shall guide the activities of coordinating mechanisms.
14. **Partnership.** CCMs should (a) be effective fora for bringing together key stakeholders; (b) seek active engagement in their national context, with balanced and well-qualified representation across geographies, genders, expertise, sectors, and other factors as appropriate; and (c) ensure effective representation and the flow of information to and from the CCM members and constituencies. See Annex 1 for guidelines on CCM constituency representation.
15. **Engagement of key populations⁷ people living with or affected by diseases and civil society.** Each CCM should establish a mechanism to engage key populations, people living with or affected by diseases and civil society in a way that allows their input and voices to be heard. Such engagement should continue throughout the grant lifecycle to provide input to strengthen the delivery of programs and achievement of targets.
16. **Oversight.** CCMs should oversee the performance of the PRs to ensure that agreed targets are met. Through transparent CCM oversight, PRs are held accountable to all country stakeholders. CCMs should regularly review performance of grants in

⁶ Funding of non-CCM funding requests would come from the country allocation.

⁷ As defined in the [Global Fund Key Populations Action Plan 2014 - 2017](#). [Also, as per the STC policy. https://www.theglobalfund.org/media/4221/bm35_04-sustainabilitytransitionandcofinancing_policy_en.pdf]

collaboration with the PRs, and bring together all the necessary stakeholders, including Global Fund Secretariat staff. CCMs should oversee grants, support PRs to address risks and bottlenecks and initiate the replacement of consistently poorly performing PRs. Effective oversight efforts should drive improvements in grant performance in support of national programs.

17. **Building on national structures.** CCMs should be at the highest level responsible for multi-partner and multi-sectoral development planning in a country. In a majority of countries, an existing mechanism could fulfill the CCM functions. Where this is not the case, the CCM should make efforts to proactively coordinate activities with the other mechanisms. Any structure fulfilling the CCM role should meet the Eligibility Requirements.
18. **Sustainability and transition.** CCMs play an important role in encouraging countries to implement sustainable programs and supporting transition preparedness. Aligned with principles set forth in [The Global Fund's Sustainability, Transition and Co-financing \(STC\) Policy](#) and [Guidance Note on the Sustainability, Transition, and Co-Financing of Programs Supported by the Global Fund](#), CCMs should work with countries to strengthen the sustainability of the Global Fund financed programs and prepare for transition towards domestic financing. Planning for sustainability is an integral part of program design and should be taken into account by CCMs when developing funding requests regardless of where they are on the development continuum and regardless of economic status. Successful transitions take time, and therefore CCMs should encourage early and proactive transition and sustainability planning among partners and with the government even multiple allocation cycles prior to transition from Global Fund financing.
19. **Good governance.** CCMs and CCM Secretariats are expected to operate in a way that is aligned with principles of good governance, including transparency of information, equality among members, accountability, and conflict of interest management. Transparency depends on the timely, equal and comprehensive sharing of information. Equality among members requires that all members of a CCM are equal partners, with full rights to expression and involvement in decision-making in line with their areas of expertise. Accountability means that CCMs should hold CCM members, CCM leadership and CCM Secretariat accountable for good performance. Conflict of interest should be managed in such a way that decisions made are objective and credible.
20. **Differentiation.** CCMs operate in different contexts which may require tailored approach and different performance expectations for what CCMs should achieve. For example, CCMs for countries approaching transition from GF funding may need to focus on different activities and be measured in a different way than CCMs based in challenging operating environments. To be aligned with the Global Fund strategy, expectations of CCMs should be differentiated to support stronger strategic

engagement by the Global Fund and partners and sets appropriate requirements or performance standards for different types of CCMs.

Core Functions and Eligibility Requirements

21. All CCMs shall fulfil the following **core functions** while upholding the principles outlined in these guidelines:
- i. Coordinate the development and submission of funding requests;
 - ii. Nominate the Principal Recipient(s) and monitor their performance;⁸
 - iii. Oversee implementation of the approved programs, including the closure process;
 - iv. Endorse any program's revision request (as defined in Global Fund operational policies); and
 - v. Ensure linkages and consistency between the Global Fund financed programs, and other national health and development programs.
22. There are six requirements for CCM eligibility for funding⁹, which are based on the CCM's core functions (Eligibility Requirements). **CCMs must meet *each of these Eligibility Requirements to be eligible for Global Fund financing***. The Eligibility Requirements apply equally to RCMs.
23. The Eligibility Requirements are set forth below:

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

- i. Coordinate the development of all funding requests 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 funding request; and
- ii. Clearly document efforts to engage Key Populations¹⁰ in the development of funding requests.

Requirement 2: The Global Fund **requires** all CCMs¹¹ to:

- i. Nominate one or more PR(s) at the time of submission of the funding request(s);
- ii. Document a transparent process for the nomination of all new and continuing PR(s) based on clearly defined and objective criteria; and

⁸ Except in some cases where the Global Fund's [Additional Safeguard Policy](#) is applied. In some cases, the CCM also nominates and finalizes together with the PR the sub-recipients.

⁹ Both for submitting a funding request to access a country allocation as well as for CCM Funding.

¹⁰ As defined in the [Global Fund Key Populations Action Plan 2014 – 2017](#), approved by the Board in the [STC Policy](#)

¹¹ Except in some cases where the Global Fund's [Additional Safeguard Policy](#) is applied.

- iii. Document the management of any conflicts of interest that may affect the PR(s) nomination process.

Requirement 3: Recognizing the importance of **oversight**, the Global Fund **requires** all CCMs to submit and follow an oversight plan for all Global Fund approved financing. 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 Key Populations.

Requirement 4: The Global Fund **requires** all CCMs, based on epidemiological as well as human rights and gender considerations, to show evidence of membership of:

- i. people that are both living with and representing people living with HIV;
- ii. people affected¹² by and representing people affected by tuberculosis¹³ and malaria¹⁴; and
- iii. people from and representing Key Populations¹⁵.

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 such constituency. This requirement applies to all non-government members, including those members selected pursuant to Requirement 4 above, but not to multilateral and bilateral partners.

Requirement 6: To support CCMs' leadership role of setting a tone and example of abiding by the highest standards of ethics and integrity, the Global Fund **requires** all CCMs to:

- i. Approve and adopt the [Code of Ethical Conduct for CCM Members](#);
- ii. Develop or update, as necessary, and publish a Conflict of Interest Policy that applies to all CCM members, alternates, and CCM Secretariat staff; and
- iii. Enforce the Code of Ethical Conduct and apply the Conflict of Interest Policy throughout the life of Global Fund grants.

24. The Global Fund Secretariat screens all applicants for Global Fund financing on CCM compliance with the Eligibility Requirements. Compliance with requirements 1 and 2 is assessed at the time of submission of the funding request. Compliance with requirements 3 to 6 is assessed *both* at the time of submission of the funding request and on a yearly basis throughout the period of Global Fund financing. Continued compliance with all Eligibility Requirements throughout program implementation is a condition to access Global Fund financing (including CCM funding).

¹² Either people who have lived with these diseases in the past or who come from communities where the diseases are endemic.

¹³ In countries where tuberculosis is a public health problem or funding is requested or has previously been approved for tuberculosis.

¹⁴ In countries where there is on-going evidence of malaria transmission or funding is requested or has previously been approved for malaria.

¹⁵ The Secretariat may waive the requirement of representation of key populations as it deems appropriate to protect individuals.

CCM Performance Management and Performance-Based Funding

25. The Global Fund Secretariat is responsible for overseeing the operational performance management of CCMs relative to the Principles for Coordinating Mechanisms and the Eligibility Requirements outlined above. The Secretariat works collaboratively with CCMs to assess the CCM maturity against the CCM principles and the Eligibility Requirements on a regular (risk-based) frequency and agrees, if necessary, on timelines for improvements through improvement plans. The Secretariat will actively engage with CCMs, as resources allow, throughout the grant cycle to improve performance around the CCM principles.
26. CCMs may undergo various forms of appraisal by the Global Fund, including but not limited to the following activities:
 - i. CCM Eligibility and Performance Assessment;
 - ii. Ongoing appraisal of CCMs' fulfillment of the Eligibility Requirements and progress with performance by the Global Fund Secretariat;
 - iii. Performance reporting relating to CCM funding; and
 - iv. Assessments by the OIG, particularly for CCMs in more challenging environments.
27. **CCM Maturity.** CCMs are expected to progress along maturity levels based on clear criteria to move from one level to another. They should aim to achieve the highest maturity level although not all CCMs may be able to achieve it. Activities or requirements for maturity levels will be differentiated as appropriate based on country context, as activities expected of a CCMs in a transitioning country may be different from those expected of a CCM in a challenging operating environment. They may also be adjusted to reflect changes to the Global Fund's strategic priorities.
28. **Performance-Based Funding.** The Global Fund offers funds to CCMs through performance-based funding agreements tied to achievement of agreed performance objectives and progress in maturity. CCMs report on progress on the performance objectives at the time of funding disbursements, which are reviewed by the Secretariat.
29. **Technical support.** Pending availability of funding, the Global Fund and partners may offer technical support to CCMs to help them increase their maturity level or improve performance aligned with their improvement plans.
30. **Progress updates to the Committees and Board.** The Global Fund Secretariat will report to the Global Fund Committees and Board about progress in increasing CCM performance and maturity levels on a regular basis.

CCM Legal Status and Authority

31. CCMs should examine their national legal systems to determine the best organizational form. The Global Fund does not require for CCMs to be legally registered or incorporated. Currently CCMs may be legal entities if appropriate depending on local laws and context.
32. Principal Recipients have certain ongoing obligations to their respective CCMs, and CCMs have certain core functions with respect to Global Fund-financed programs, including the following¹⁶:
 - i. The CCM nominates Principal Recipients and are consulted on the decision or may decide to change Principal Recipients¹⁷;
 - ii. The CCM coordinates the submission of funding requests to the Global Fund and oversees the implementation of programs financed by the Global Fund;
 - iii. Principal Recipients must cooperate with the CCM and regularly discuss plans, share information regarding program performance and communicate on program-related matters; and
 - iv. Upon the expiry or termination of a grant, Principal Recipients consults with the CCM in the preparation of a plan for the transfer and use of assets purchased with Global Fund grant funds.

Reporting Issues to the Global Fund Secretariat

33. Individual CCM members, their Alternates, and CCM Secretariat staff have a duty to report perceived weaknesses in CCM structure and performance, including 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 Eligibility Requirements and difficulties or slow progress with meeting the standards described in this document should be brought to the attention of the Global Fund Secretariat without delay.
34. 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 the presence of such weaknesses is confirmed, the response will be determined on a case by case basis.

¹⁶ The obligations of Principal Recipients with respect to the CCM are set forth in the [Global Fund Grant Regulations \(2014\)](#).

¹⁷ Except in some cases where the Global Fund's [Additional Safeguard Policy](#) is applied.

Ethics, Integrity and the Global Fund Policy to Combat Fraud and Corruption

35. As described in Eligibility Requirement 6 above, the CCM, CCM Members, Alternates, and CCM Secretariat staff are expected to set a tone and lead by example in abiding by the highest standards of ethics and integrity. In the event that the Global Fund Secretariat has reasonable concerns regarding the standards of ethics and integrity of a CCM, CCM Member, Alternate or CCM Secretariat staff, the Global Fund Secretariat reserves the right to respond appropriately, which may include requesting removal of the individual from CCM- and/or Global Fund-related matters.
36. The CCM and CCM Members, their Alternates, and CCM Secretariat staff are “Covered Parties” under the Global Fund Policy to Combat Fraud and Corruption (PCFC)¹⁸. As such, they are bound to adhere to certain obligations in relation to “Covered Activities”¹⁹, including (i) compliance with the PCFC²⁰, (ii) the ban on prohibited practices,²¹ and (iii) a duty to report suspicion or knowledge of prohibited practices to the Office of the Inspector General.²²
37. In the event of violation of the Global Fund Policy to Combat Fraud and Corruption by the CCM, CCM Members, their Alternates and/or CCM Secretariat staff, the Global Fund will respond firmly to such instances with appropriate and adequate measures that could include disciplinary actions, recovery of funds, termination or freezing of grants, referrals to supranational and/or national administrative, civil or criminal authorities, formal letters of censure, conditional continued engagement, debarment, and/or other compensatory or punitive remedies as may be available and applicable.

¹⁸https://www.theglobalfund.org/media/7063/bm38_06-policycombatfraudcorruption_report_en.pdf

¹⁹ Defined as “all activities the Global Fund, directly or indirectly, through grant implementers or other Counterparties, engages in (e.g., governance processes, Secretariat operations, partner engagements, policy discussions, convening activities) or finances, in whole or in part, whether through grant programs or any other form of payment, worldwide.” (PCFC Para. 2.1)

²⁰ PCFC Para. 5.1.

²¹ PCFC Para. 5.2.

²² PCFC Para. 5.4.

Annex 1 of CCM Policy

Guidelines on CCM Constituency Representation

For each CCM, it is necessary to consider the types of government, civil society, private sector and other 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 request and grant oversight. This annex is intended to provide an indication of the possible options and, in particular, to provide guidance for CCMs wishing to strengthen and/or improve the representation of civil society and the private sector. This list of examples is not exclusive. CCMs can and should decide which sectors are most relevant to include in their particular contexts.

Government Representatives

Governments within implementing countries define the legal and policy environment within which national responses to the three diseases are developed. Governments also manage a large share of the health infrastructure and work force in each country. Their role, therefore, in providing support for an empowering environment, advocacy, oversight, and implementation, particularly with national ministries and disease-specific agencies such as National AIDS Councils or disease control centers, is key. The involvement of governments with partners is also central towards coordination and improving aid effectiveness. Government representatives may include, but are not limited to, individuals representing: Ministries of Health, Finance and Planning, Women's and Social Affairs, International Cooperation and Interior.

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 populations:** Key populations in the context of HIV, TB and malaria as defined in the Global Fund Key Populations Action Plan 2014 - 2017.

- iii. **Women and girls:** 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 requests 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 with 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 requests 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 with the three diseases:** national NGOs working with 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, including 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 Key Populations. They are increasingly becoming involved in implementation and provide a valuable role in the development of effective funding requests.
- 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 Populations 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.

Other Constituencies

Multilateral and bilateral international partners working in-country. Multilateral and bilateral partners serve many roles including providing policy and normative guidance, assisting with gap analyses towards a shared understanding of and commitment to ‘knowing your epidemic’, and providing expertise, such as in the field of gender. Such partners can broker and coordinate technical, management and financial support; and facilitate the involvement of civil society and the private sector within Global Fund structures and processes – including funding request development and advocacy. Multilateral and bilateral partners frequently contribute to strengthening monitoring and evaluation, oversight, and coordinating assistance towards harmonization and alignment. Participation of multilateral and bilateral partners, including representatives from Global Fund donor governments is therefore encouraged.

ANNEX 2 OF CCM POLICY

Exerpts from: Global Fund Policy to Combat Fraud and Corruption

2. SCOPE OF APPLICATION

- 2.1 Covered Activities.** This Policy applies to “Global Fund Activities,” which are all activities the Global Fund, directly or indirectly, through grant implementers or other Counterparties, engages in (e.g., governance processes, Secretariat operations, partner engagements, policy discussions, convening activities) or finances, in whole or in part, whether through grant programs or any other form of payment, worldwide.
- 2.2 Covered Parties.** This Policy covers the following institutions and individuals, collectively referred to as “Covered Parties”:
- a. **Governance Level.** Global Fund governance officials, including members of the Board, alternates, focal points, members of any committee, task force, the Technical Review Panel, the Technical Evaluation Reference Group, or any other advisory or affiliate body of the Global Fund;
 - b. **The Secretariat and OIG.** Secretariat and OIG, including its employees, secondees, and interns employed directly or indirectly by the Global Fund;
 - c. **Implementers.** Institutions and individuals who, directly or indirectly, (i) receive Global Fund financing through grants or (ii) are involved in the implementation or oversight of Global Fund grant programs (including members and employees of Country Coordinating Mechanisms); and the directors, officers, employees, affiliates and agents of the foregoing;
 - d. **Counterparties.** Contractual counterparties to the Global Fund or to Implementers, on a commercial basis or otherwise (including, without limitation, vendors, consultants whether individuals or entities, Local Fund Agents, and other providers of goods and/or services) and the directors, officers, employees, affiliates, agents, contractors and sub-contractors of the foregoing.

4. Prohibited PRACTICES

- 4.1** The Global Fund collectively refers to Corrupt Practices, Fraudulent Practices, Coercive Practices, Collusive Practices, Abusive Practices, Obstructive Practices, Retaliation, Money Laundering, and Financing of Terrorism as “Prohibited Practices.”
- 4.2 Corrupt Practices.** A Corrupt Practice is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.^[1] Corrupt Practices include, but are not limited to, bribery, kickbacks and facilitation payments in connection with a Global Fund Activity.^[2] For the avoidance of doubt, facilitation payments are considered corrupt practices as well.
- 4.3 Fraudulent Practices.** A Fraudulent Practice is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation. For avoidance of doubt, this includes without limitation health product substitution and counterfeiting, as well as misrepresentation or manipulation of any information arising from or relating to Global Fund Activities such as proposals, plans, evaluations, invoices, signatures, performance data, epidemiological data, reports, and audits.
- 4.4 Coercive Practices.** A Coercive Practice is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party. For avoidance of doubt, this includes without limitation reputational or other impairment or harm, as well as physical harm.
- 4.5 Collusive Practices.** A Collusive Practice is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party. For avoidance of doubt, this includes without limitation arrangements involving Global Fund governance officials, staff and/or third parties which are intended to, or may have the effect of or result in, circumvention of Global Fund policies, regulations or procedures.
- 4.6 Abusive Practices.** Abusive Practices include the theft, misappropriation, embezzlement, waste or improper use of property, either committed intentionally or through reckless disregard. For avoidance of doubt, this includes without limitation diversion of Global Fund money, as well as assets purchased with Global Fund money, including health products.

^[1] A “party” can be a Covered Person or any other individual or institution.

^[2] Facilitation payments are payments made in connection with a Global Fund Activity to a public official to secure or expedite the performance of a certain routine action.

- 4.7 Obstructive Practices.** An Obstructive Practice is (i) deliberately destroying, falsifying, altering or concealing evidence material to an inquiry by the Global Fund,^[3] or making false statements in order to materially impede a Global Fund inquiry into allegations of Prohibited Practices; (ii) threatening, harassing or intimidating any party to prevent it from disclosing, or as retaliation for disclosing, its knowledge of matters relevant to a Global Fund inquiry or from pursuing the inquiry; (iii) engaging in acts which impede the exercise of the Global Fund's access rights, including the access rights described in this Policy; or (iv) failing to comply with the duty to report as defined in the Whistleblowing Policy,^[4] or under relevant obligations including para. 5.4 of this Policy, in a timely manner.
- 4.8 Retaliation.** Retaliation is any intentional or reckless act of discrimination, reprisal, harm, harassment or retribution, direct or indirect, which is recommended, threatened, or taken against anyone who either refuses in good faith to participate in the facilitation or commission of any Prohibited Practice, or who in good faith reports suspicion or knowledge of Prohibited Practices to the appropriate channels in the Global Fund or within Implementers or Counterparties.
- 4.9 Money Laundering.** Money Laundering is: (i) the conversion or transfer of property, directly or indirectly, knowing that such property^[5] is derived from criminal activity, or helping any person who is involved in such activities evade the legal consequences of their actions; (ii) concealing or disguising the illicit origin, source, location, disposition, movement or ownership of property knowing that such property is derived from criminal activity; or (iii) the acquisition, possession or use of property, knowing at time of receipt that such property is derived from criminal activity.
- 4.10 Financing of Terrorism.** Financing of Terrorism is the provision or collection of funds by any means, directly or indirectly, with the intention that they should be used or in the knowledge that they are or will be used, in full or in part, in order to carry out acts of terrorism. For the avoidance of doubt, this includes without limitation the provision or collection of funds in contravention of the United

^[3] For avoidance of doubt, the destruction, falsification, alteration or concealment of evidence in contravention of contractual obligations to maintain books, records, or other information will be among the circumstances deemed to constitute deliberately and materially impeding a Global Fund inquiry.

^[4] Whistle-blowing Policy and Procedures for the Global Fund to Fight AIDS, Tuberculosis, and Malaria (the "Whistleblowing Policy"). As adopted at the Thirteenth Board meeting in April 2006 (Document GF/B13/6) and amended at the Twenty-Third Board meeting in May 2011 (Decision Point GF/B23/DP19) and at the Thirtieth Board meeting in November 2013 (Decision Point GF/B30/DP4), and may be further amended from time to time.

^[5] Property means assets of every kind, whether corporeal or incorporeal, movable or immovable, tangible or intangible, and legal documents or instruments evidencing title to, or interest in, such assets.

Nations Security Council resolutions and sanctions applicable to the financing of terrorism.^[6]

5. Requirements

- 5.1 **Compliance.** Compliance with this Policy is the ethical and professional responsibility of every Covered Party. Each Covered Party which is an entity must ensure compliance with this Policy in its organization. Each Covered Party who is an individual is expected to lead by example by adhering to, respecting and communicating this Policy in connection with (i) her/his own activities, (ii) the activities of any employees s/he supervises, and (iii) where possible, in relation to the activities of Implementers and Counterparties with whom s/he works, at the outset of the relationship and on an ongoing basis thereafter.
- 5.2 **Ban on Prohibited Practices.** No Covered Party may, directly or indirectly, participate, aid, abet or conspire with another in the facilitation or commission of any Prohibited Practice in connection with Global Fund Activities. The Global Fund will make determinations of Prohibited Practices consistent with its administrative standard of evidence, of “balance of probabilities” and does not require that an act be completed or succeed in its purpose in order for the act to constitute a Prohibited Practice.^[7] As part of its response to Prohibited Practices, the Secretariat will maintain a sanctions process ensuring due process and accountabilities.
- 5.3 **Emphasis on Conflict of Interest.** Recognizing that conflicts of interest are often at the root of Prohibited Practices, the Global Fund includes prevention, detection and response to the failure to declare a conflict of interest as an obligation,^[8] in accordance with its Anti-Corruption Framework.
- 5.4 **Duty to Report.** The Global Fund, in its dealings with Covered Parties, applies and enforces a duty to report suspicion or knowledge of Prohibited Practices in Global Fund Activities. Implementation of the duty to report will take into account the Whistle-blowing Policy^[9] and other appropriate instruments.

^[6] Accordingly, providing funds to or collecting funds for such a sanctioned entity or individual shall be deemed to constitute an intention that funds should be used, in full or in part, in order to carry out acts of terrorism.

^[7] For example, agreeing to accept a bribe (*quid pro quo*) from another party constitutes a corrupt practice, whether or not a payment or exchange of value is actually made or an improper purpose achieved. Similarly, to constitute Financing of Terrorism, it shall not be necessary that an act of terrorism be completed.

^[8] Obligations relating to Conflict of Interest are outlined, among other documents, in the Policy on Ethics and Conflict of Interest for Global Fund Institutions, approved 10-11 October 2002, as amended at the Eighteenth Board Meeting (GF/B18/8) and at the Twenty-Seventh Meeting (GF/B27/DP05), and may be further amended from time to time.

^[9] See supra footnote 10.

- 5.5 **Protection Against Retaliation.** The Global Fund implements and maintains processes to prevent, detect and respond to any retaliation against any Covered Party who, consistent with the Global Fund’s E&I Framework^[10] and the Whistleblowing Policy,^[11] either refuses in good faith to participate in the facilitation or commission of any Prohibited Practice, or who in good faith reports suspicion or knowledge of Prohibited Practices to the appropriate channels in the Global Fund.
- 5.6 **Right to Access.** The Global Fund must be able to directly oversee and verify all aspects of Global Fund activities, including for the purpose of preventing, detecting and responding to Prohibited Practices. To this aim, all Covered Parties must collaborate, participate and enable related activities, notably by granting unfettered access to the Global Fund and its representatives to any records, individuals and sites linked to Global Fund Activities. This will notably be done through contractual instruments making this duty applicable by the Secretariat to all Covered Parties.

[10] See supra footnote 3, para 12: “The Global Fund commits to protecting those who identify and report, in good faith, violations of the organization’s policies or other acts of fraud, corruption, or dishonesty from retaliation or reprisal, including through the procedures set forth in the Whistleblowing Policies and Procedures approved by the Board.”

[11] See supra footnote 10, para. 8: “The Global Fund will not tolerate any retaliation... against a whistle-blower or its relatives or associates by any person because the whistle-blower has made a disclosure under this policy in good faith, reasonably believing it to be true.”