

## **Country Coordinating Mechanisms (CCMs): Operationalizing CCM Basic Principles**

### **1 Background and context**

- 1.1 Ensuring country-level participation of a broad range of actors through the Country Coordination Mechanism (CCM) is a central principle for the Global Fund. The Fund reflects the concept of public-private partnership in the structure of its governing Board; it requires that similar partnerships be utilized at country level, first to prepare and then to oversee the implementation of proposals financed by Global Fund resources.
  - 1.1.1 A wide range of existing groups and partnerships already exist in many countries. The Fund should build upon and strengthen these mechanisms in seeking effective and empowered CCMs, which bring private and non-governmental partners together with public institutions in program planning, resource allocation, and implementation processes.
  - 1.1.2 The principle that all stakeholders must participate in combating the AIDS, TB and malaria threats facing their societies seems obvious. However, given historical, cultural and societal differences, making such a concept work in practice is challenging. The Global Fund, as a financing mechanism, is beginning to use its substantial resources as an incentive to broaden partnerships and to strengthen country-level coordination mechanisms through the creation (where they do not exist) and strengthening (where they do) of partnerships to plan and to implement programs to benefit affected populations. The CCM embodies the country partnership concept, taking a variety of forms and showing different stages of development in countries to date.
- 1.2 A second critical principle of the Global Fund is reliance on an independent, expert review of proposals to determine technical feasibility; adherence to proven, best-practice approaches; and developmental and contextual relevance to the specific country situation. This process is managed by an independent Technical Review Panel (TRP) that reviews proposals developed by CCMs. As designed, the TRP review is preceded by a screening of proposals for eligibility, conducted by the Secretariat. During this process to date, dialogue or feedback from CCMs was limited to administrative clarifications. No substantive review of CCMs themselves was conducted, beyond information contained in the final written proposal. Neither does the TRP have access to independently verifiable information on the developmental and

contextual relevance of the proposed organisational arrangements in the proposal to the specific country situation, such as the presence of National AIDS Councils or/and other commissions and their relationship to the CCM in the country. To enrich the TRP review, it would be helpful to develop a mechanism to feed the necessary contextual information into the proposal review and approval process.

- 1.3 A third principle established by the Global Fund is the importance of financial and program accountability, with a focus on results. The TRP only reviews written proposals. To date, it has no ability to assess the real context in which implementation will occur, nor does it have any continuing oversight responsibilities. Independent oversight before and during implementation is required to ensure accountability, measure results and document impact to confirm that information is accurate, that partners are doing what they have agreed to do, and that resources are allocated to the intended purposes. In this sense, the Fund shares the same concerns as its multilateral and bilateral development partners. With these partners, the Fund aspires to encourage the creation of local mechanisms that can ease the local burden of such oversight, through agreed procedures and auditing arrangements and through transparent information on overall resource flows. However, until proven local capacity for independent oversight of the use of Global Fund resources and the reported program results can be demonstrated, the Local Fund Agent (LFA) mechanisms has been developed.

## **2 CCM basic principles**

- 2.1 The Transitional Working Group (TWG) developed specific recommendations on CCMs in the Framework Document, which sets out the basic principles upon which Global Fund processes should be based. The TWG: (1) developed guidelines for CCM composition; (2) recommended that there be an assessment in the proposal process to determine whether CCMs meet these representational standards; and (3) recommended that there be ongoing monitoring of CCMs throughout the full program cycle to ensure they are functioning well. Relevant statements from the Framework Document include the extracts below:
  - 2.1.1 On CCM composition (Framework Document section 8a):  
“The Fund will work with a country coordination and partnership mechanism that should include broad representation from governments, NGOs, civil society, multilateral and bilateral agencies and the private sector.”
  - 2.1.2 On CCM processes (Framework Document section 8f and 8g): “Proposals for funding should be submitted to the Fund through the country partnership mechanism. The Technical Review Panel will only recommend funding Coordinated

Country Proposals, which reflect genuine, broad participation and ownership of all interested groups. The Fund will also consider proposals arising from partnerships in circumstances such as:

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

2.1.3 On CCM monitoring (Framework Document section 11d):  
“The monitoring and evaluation will include an assessment of the functioning of the CCM and the processes of developing the CCP, including the functioning of partnerships at country level.”

2.2 Basic principles of CCMs have also been articulated in the proposals process, particularly in the Guidelines for Proposals (section II, paragraphs 8-32), the proposal form itself, as well as the TRP reporting form. The latter requests verification that the proposal enables the development, strengthening and expansion of government/private/NGO partnerships (point 3: soundness of approach); and evidence that the proposal has been approved by a CCM that seeks to strengthen the participation of communities and people, particularly those infected and directly affected by the three diseases (paragraph 3: potential for sustainability).

2.3 Most recently, language has been added to the Grant Agreement, which sets out a legal contract between the Fund and a Principal Recipient (PR), which requires the PR to acknowledge the roles of the CCM and to communicate transparently with the CCM over the course of program implementation. It also specifies that additional responsibilities vis-à-vis the CCM may be specified in Implementation Letters, to be agreed subsequent to the Grant Agreement. The relevant text from the Grant Agreement template is attached in Appendix I. In addition, CCM representatives are required to acknowledge the Grant Agreement by co-signing with the Fund and the PR; both the CCM Chair (or alternate, to ensure that the constituency represented is distinct from the PR) and a civil society representative act in this capacity.

### **3 Problem analysis**

3.1 In the context of the rapidly expanding AIDS, TB and malaria epidemics, particularly in resource-poor settings, competition for resources is significant. Unequal relationships and concern regarding government control over resource allocation in some countries can hinder the creation of open, inclusive and transparent partnerships. Substantial workloads for government personnel and many community groups; multiple and sometimes competing

priorities; limited numbers of local staff with proposal development and program implementation experience; and short time frames required for Global Fund proposal development have resulted in a wide range of CCM experiences. Ensuring true public-private partnership with government agencies remains a challenge.

- 3.2 Feedback to date indicates the strongest proposals were received from CCMs in situations where a problem identification, strategy development, and implementing partner identification process had already been done with the participation of a wide range of partners – prior to the establishment of requirements specific to the Global Fund. In some cases, CCMs functioned as a clearinghouse that received, reviewed and in some way repackaged project ideas from multiple partners into a Global Fund proposal. This experience demonstrates that the Fund is best positioned for success insofar as it can build on and act in a manner complementary to other related partnerships in-country. Also, there is a major benefit in having consensus-based national strategies in place to facilitate synergies across different funding and coordination mechanisms.
- 3.3 At the country level, however, many questions remain about how CCMs were created, who nominated the members and, most importantly, how decisions on final proposals were made and by whom. These questions have been highlighted by a number of reviews of CCM performance and their efforts to ensure a participatory process, particularly with NGOs and civil society.<sup>1</sup> These reviews have identified the need to ensure broader and more transparent dissemination of information among CCM members; the lack of robust engagement with NGOs beyond consultation, i.e. in decision making processes regarding proposal development; the preference for the choice of NGO representatives to be based on constituency processes rather than appointment; and the willingness for NGOs to play the PR role.
- 3.4 Substantially more information about CCMs was submitted with Round 2 proposals than present in Round 1 applications. These data have been analysed by the Secretariat, yielding the findings presented in Appendix II. The statistical information itself suggests, on average, fair representation of multiple sectors. However, there is a wide range in composition across CCMs. Moreover, little of the quantitative information available can be used to draw conclusion on CCM processes. The data does reveal strong bias towards public sector, whether government or multi/bilateral agencies, in selection of CCM Chairs and Vice Chairs, as well as in the nomination of PRs.

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<sup>1</sup> For example, the International Council of AIDS Service Organizations prepared a “Global Fund Update for NGOs and Civil Society” in June 2002, available at <http://www.icaso.org/gfatm/Global%20Fund-E-2002.pdf>. The International HIV/AIDS Alliance prepared a review paper on “NGO Participation in the Global Fund” in October 2002, available at [http://www.aidsalliance.org/\\_docs/\\_languages/\\_eng/\\_content/\\_3\\_publications/download/Policy/NGO%20Participation.pdf](http://www.aidsalliance.org/_docs/_languages/_eng/_content/_3_publications/download/Policy/NGO%20Participation.pdf).

Also, representation from Ministries of Finance and Multilateral Development Banks is limited, despite the strong need for Global Fund programs to be well coordinated with relevant national and international monetary and fiscal policies.

3.5 At the request of the Governance & Partnership Committee, UNAIDS authored a paper on “CCM[s] and the Broader Country Level Coordination Context,” which is attached as Appendix III. It encourages the Fund to take an active role to ensure the inclusion of partners in the CCM process, particularly those that would not otherwise be captured in existing national structures for coordination. The findings also affirm the need for harmonization among donor requirements on recipients and the importance of ensuring programs and processes that are complementary to existing poverty reduction efforts, including Poverty Reduction Strategies and sector-wide approaches to fighting diseases of poverty, particularly HIV/AIDS. The review encourages the Fund and CCMs to “act in ways that avoid creating new inefficiencies through undermining or duplicating existing efforts and overloading scarce country level capacity.”

3.6 The challenges posed by CCMs in practice require further attention by the Global Fund and its partners (including Board Members and constituencies) as they improve guidelines for proposal development, technical review, and implementation procedures and guidelines. To best shape these basic operations – which together form the basis of fund portfolio management – the Fund must identify minimum standards for CCM composition and functioning, according to the Fund’s principles, and operationalizing the framework through which these standards can be monitored and tied to both proposal evaluation and ongoing results-based disbursement. To achieve these objectives, the Fund should also leverage its partners, particularly those in-country. At the same time, the Fund must recognize and appreciate a number of relevant constraints to date:

3.6.1 There has not been capacity to evaluate CCMs at the level of the Secretariat. While passive review of CCM information has been possible, proactive and in-depth analysis and, particularly, assessment has not been feasible.

3.6.2 Local Fund Agents (LFA) role and functions were not conceived to monitor CCMs. The purpose of LFA arrangements is (1) to ensure up-front that PRs have the necessary capacities and systems to successfully implement approved CCM proposals, and (2) to monitor throughout program implementation each PR’s use of grant proceeds for accountability. For the PR assessment, CCMs will be encouraged to present already existing assessments to the Global Fund to avoid duplication of efforts. However, LFA’s service contracts with the Fund, while remaining focused on the contractual arrangement between the Fund and PRs and on the expenditure

and results of funding. These arrangements could include some monitoring of CCMs processes at their different stages but this would require a change to currently conceived LFA arrangements and current contracts. ,

#### **4 Operationalization of CCM basic principles**

- 4.1 There is a need to develop clear minimum standards for CCMs in two core areas, as described below. This should include approaches to build on and relate to other existing mechanisms for coordinated responses to the three diseases and to the broader national development agenda including the Millennium Development Goals and Poverty Reduction Strategy Papers. Minimum standards should also clarify the operating procedures required to meet essential functions of the Global Fund. Care must be taken to avoid prescribed, blueprint solutions that do not take into account specific country context, which may cause duplication, excessive overhead costs and fragmentation in the national institutional framework.
  - 4.1.1 *CCM composition and stakeholder inclusion*, with particular attention to non-public constituencies (specifically, NGOs and community-based organizations; people living with the diseases; religious/faith-based groups; academic & educational organizations; and the private sector) and to substantial linkages with other donor and local financing mechanisms. This includes not only representation, but substantial participatory engagement in decision-making processes for proposal development and resource allocation.
  - 4.1.2 *CCM effectiveness and engagement during implementation*. This implies consistent efforts to review and to harmonize local programs, including those supported by the Global Fund and other partners to ensure appropriate and necessary monitoring & evaluation of and technical assistance for such programs. This also captures the need for transparent ongoing communication among the CCM members and dissemination of information pertinent to financed programs.
- 4.2 According to the principles of the Global Fund, as reviewed in section 2, CCMs should be subject to both upfront evaluation and ongoing monitoring by the Global Fund:
  - 4.2.1 *Upfront evaluation* should serve as part of the process which precedes Board approval, including Secretariat screening for proposal eligibility and TRP review of proposal quality.
  - 4.2.2 *Ongoing monitoring* would be conducted over the lifetime of a grant. The findings of such efforts could contribute to local processes to strengthen partnership and program coordination.

- 4.3 In order to operationalize an evaluation and monitoring framework for CCMs, a number of components must be specified:
- 4.3.1 *Minimum standards* should provide a normative basis for any evaluations of CCMs and should be based on clear explanations of the basic and expected functions of CCMs vis-à-vis the Fund.
  - 4.3.2 *Objective indicators* must be specified in order for CCMs to be fairly and transparently judged against the standards set, and these must be practical given the capacity for such evaluation.
  - 4.3.3 *Evaluation systems* include delineation of responsibility for evaluating CCMs, both upfront and on an ongoing basis, and should outline likely capacity requirements for these processes.
  - 4.3.4 *Relevant outputs* to the evaluation, i.e. what are the consequences to evaluations of CCMs which do not attain the minimum standards set by the Fund, and how can they be enforced?
- 4.4 The Global Fund could approve by the conclusion of the January 2003 Board Meeting USD 1.5 billion of funding over two years on the basis of CCM proposals from 85 countries (on the basis of Round 1 approvals and Round 2 TRP recommendations). Within a year of implementation, by the end of 2003, the CCMs coordinating the implementation of these programs should be subject to agreed standards and monitoring. A third round of proposals will be announced before the end of March 2003; this call for proposals should specify clearer expectations for CCMs, based on the above criteria in advance of a complete framework for CCM evaluation and monitoring.

## **5 Recommendations to the Fourth Board Meeting**

In order to operationalize CCM monitoring and evaluation, the following policies will apply to CCMs submitting Proposals in round 3. CCMs with Proposals approved from round 1 and 2, which are not submitting to round 3 will be required to adapt their operations to these policies by the end of 2003.

- 5.1 Recognizing the need for representative and efficient CCM membership, the Board is requested to approve the following policies on CCM composition:
  - 5.1.1 CCMs should include at least one representative from each of the following sectors or institutions; exceptions may be

possible on a case-by-case basis but must be justified to the Fund, as evaluated by the Secretariat in screening proposals for eligibility:

- i) Ministry of Health;
- ii) Ministry of Finance;
- iii) UN agency;
- iv) Multilateral development bank;
- v) Bilateral agency;
- vi) NGO or community-based organization;
- vii) Communities living with the diseases;
- viii) Religious/faith-based groups;
- ix) Academic/educational organization; and
- x) Private sector.

5.1.2 No more than 50% of CCM membership should consist of representatives of “public institutions”, specifically government and bi/multilateral agencies.

5.1.3 CCMs should specify a Chair and a Vice Chair in addition to two focal points. One of the focal points should be a representative of civil society or the private sector (including the sectors referenced in 5.1.1.vi to 5.1.1.x above). In addition, on a rotating basis, to be specified by the CCM, either the Chair or the Vice Chair should be a representative of one of these non-public sectors.

5.1.4 CCMs consisting of more than 25 members should designate an Executive Committee for more frequent meetings and decision making, if necessary, and the public/non-public representation of constituencies on this Executive Committee should be equivalent to that of the entire CCM.

5.2 Recognizing the need for transparent and participatory CCM operations, the Board is requested to approve the following policies on CCM processes:

5.2.1 CCMs must issue a public call for proposals OR a call for interest to civil society and private sector organizations (including the sectors referenced in 5.1.1.vi to 5.1.1.x above) who wish to be included in the overall CCM proposal to the Global Fund; the proposal to the Fund must include the minutes of the meeting(s) in which the CCM adjudicated which organizations to include in the national proposal.

5.2.2 CCMs should specify policies on constituency operations that allow constituencies to choose their own representatives to the CCM, on the basis of agreed overall membership.

5.2.3 Formal correspondence between the Global Fund and the CCM of a given country should copy all members of the CCM.



For this purpose, CCMs will be required to disclose the email addresses of all CCM members, for the creation of an electronic CCM distribution list. Only email addresses of CCM focal points will be disclosed publicly by the Global Fund.

- 5.2.4 Nomination of PRs by CCMs should be based on a transparent CCM-wide evaluation of candidate organizations from both public and non-public sectors, on the basis of terms of reference for PR roles and responsibilities provided by the Global Fund.
  - 5.2.5 As grant negotiation and implementation proceed, fiduciary arrangements should include the monitoring of CCM performance as one of the indicators of proposal sustainability.
- 5.3 Recognizing the need for a CCM evaluation and monitoring framework, the Board is requested to:
- 5.3.1 Affirm the importance of local ownership of CCM processes and encourage action by partners of the Global Fund to ensure inclusive and effective CCMs in-country which can best benefit aspired beneficiaries of Fund grants: communities living with and affected by HIV/AIDS, tuberculosis and malaria.
  - 5.3.2 Affirm that CCMs should leverage existing mechanisms for donor and development coordination whenever possible and should not, in attempting to service the needs of the Global Fund, duplicate local efforts or undermine scarce country capacity.
  - 5.3.3 Include CCM inclusiveness and effectiveness evaluation as a part of the Monitoring and Evaluation Plan to be drafted by the Secretariat.
  - 5.3.3 Instruct the Secretariat to work with the Governance & Partnership Committee to develop a CCM Handbook to better communicate the Fund's principles for country coordination directly to CCMs and to better enable collaboration with partners to achieve minimum CCM standards, which would be specified in such a Handbook.
  - 5.3.4 Request the NGO Delegations of the Board (Southern NGOs; Northern NGOs; Communities Living with the Diseases) to lead an effort to provide a CCM evaluation and monitoring framework which specifies objective indicators, evaluation systems and relevant outputs, on the basis of the minimum standards articulated in the CCM Handbook. This effort should be based on consultation and collaboration with the Secretariat, to best advise on practical realities of Fund

operations, and other Board constituencies, particularly those which provide existing bilateral and multilateral support in-country. The proposed framework should be first presented to and endorsed by the Governance & Partnership Committee.

**Appendix I:  
Excerpt from template Grant Agreement with PRs**

E. PROGRAM OVERSIGHT AND COORDINATION

1. The Country Coordinating Mechanism

a. The Principal Recipient hereby acknowledges that

i. the Country Coordinating Mechanism (of which the Principal Recipient is a part) is the group that coordinates the submission of proposals to the Global Fund from the Host Country and monitors the implementation of activities under approved programs;

ii. the Country Coordinating Mechanism functions as a forum to promote true partnership development and participation of multiple constituencies, including Host Country governmental entities, donors, nongovernmental organizations, faith-based organizations and the private sector;

iii. the Country Coordinating Mechanism should encourage multisectoral program approaches and ensure linkages and consistency between Global Fund assistance and other development and health assistance programs, including but not limited to multilateral loans, bilateral grants, Poverty Reduction Strategy Programs, and sector-wide assistance programs; and

iv. the Country Coordinating Mechanism should encourage its partners to mobilize broadly to fight diseases of poverty, to seek increased financial resources and technical assistance for that purpose, and to ensure the sustainability of local programs, including those supported by the Global Fund.

b. The Principal Recipient shall actively assist the Country Coordinating Mechanism to meet regularly to discuss plans, share information and communicate on Global Fund issues. The Principal Recipient shall keep the Country Coordinating Mechanism continuously informed about the Program and the Principal Recipient's management thereof and shall furnish to the Country Coordinating Mechanism such reports and information as the Country Coordinating Mechanism may reasonably request. The Principal Recipient understands that the Global Fund may, in its discretion, share information with the Country Coordinating Mechanism.

c. The Parties may agree in Implementation Letters on additional responsibilities of the Principal Recipient with respect to the Country Coordinating Mechanism.

## **Appendix II: Secretariat analysis of CCMs following Round 2**

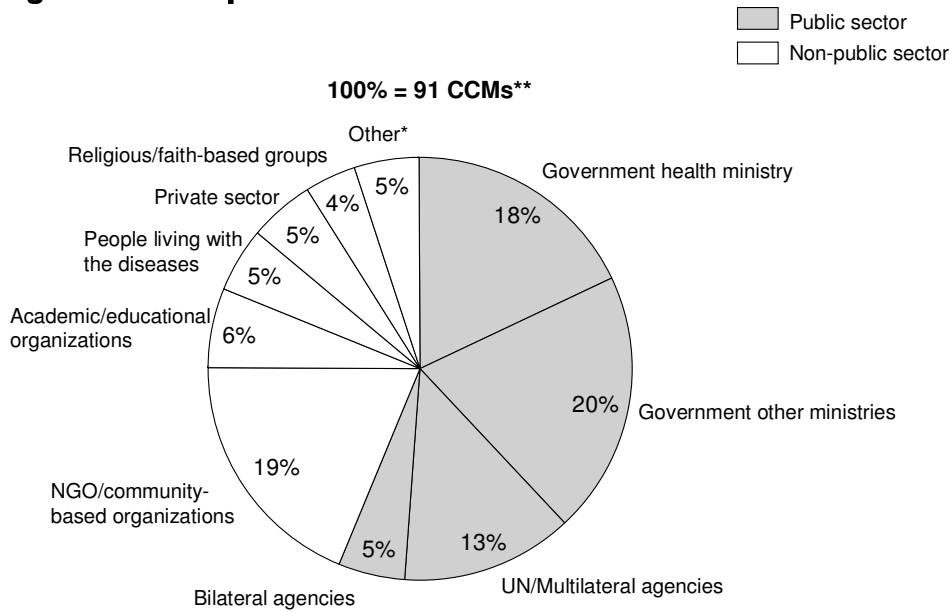
### INTRODUCTION

1. As part of the overall report to the Board on Country Coordinating Mechanisms, this analysis aims to shed light on the actual composition of CCMs, their representation by sector, their chairmanship, as well as preliminary information on suggested Principal Recipients.
2. The information presented is based on Round 2 proposals only. In Round 1, the information provided on CCMs was not detailed enough to be used for an analysis. Further, most CCMs from Round 1 have resubmitted. There are about a dozen which have not and which must be subsequently included in this analysis.
3. All Round 2 CCMs are included in this analysis with the exception of South-Sudan and Somalia, which are not representative due to the particular political situation.
4. These figures are indicative and should not be interpreted as demonstrating either the effectiveness or efficiency of certain CCMs. Initial feedback from countries warns us that what is presented in proposals in terms of CCM membership may not reflect the working realities on the ground. Further, it is important to note that it was not always straightforward to determine in which sector each CCM member belonged to as in about one-third of the cases the number of members in the summary listing did not tally with the list of individual CCM members. The signed list was taken as the basis of the analysis.

### AVERAGE COMPOSITION OF CCM

5. Of the 91 CCMs analysed, the average representation of the different sectors is relatively well balanced. Indeed, the government sectors (health and others) represent 38% of CCM membership. Multilateral and bilateral institutions represent, on average, 18%. Combined, these “public” entities make up just over 50% of the average CCM membership, the balance being composed of civil society sectors. (*Exhibit 1*)
6. Examining CCMs by region gives us a relatively consistent average. The share of “public” entities varies from a low of 51% in the Americas to a high of 64% in the Eastern Mediterranean region. (*Exhibit 2*)

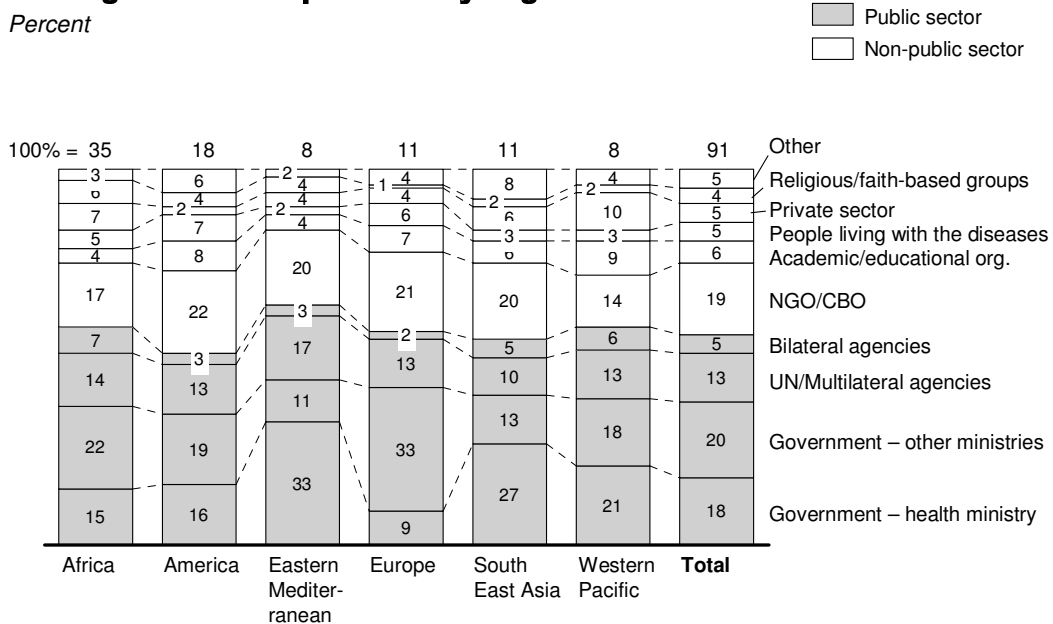
**EXHIBIT 1  
Average CCM compositions**



\* Other includes mainly red cross and red crescent societies  
 \*\* Excluding South Sudan (Sub-CCM) and Somalia, which are not representative due to the particular political situation

**EXHIBIT 2  
Average CCM composition by region**

Percent



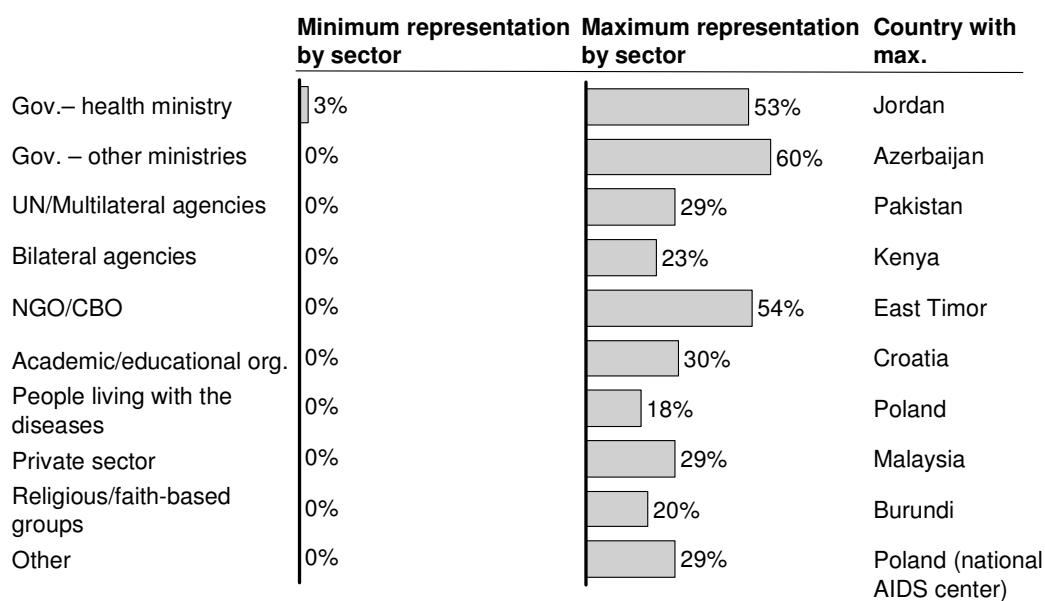
**SECTOR REPRESENTATION**

7. While on average CCMs may seem very balanced, there are large differences between them. The following exhibit shows the minimum and

maximum share of representation by each sector. There are no CCMs without the Ministry of Health, for example. However there are a number of CCMs that do not include one or more of the other groups. (*Exhibit 3*)

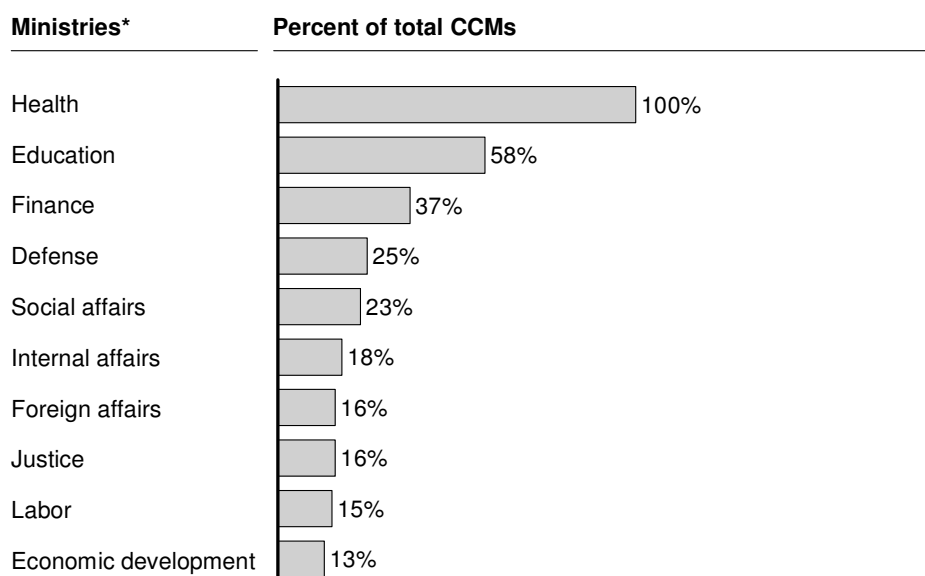
8. With regards to the maximum, this exhibit shows that single sectors do, in fact, dominate some CCMs. If health and other ministries are joined, the maximum share within a CCM would 74%, in the Maldives. A few countries have between 50% and 70% of government representation in CCMs but the vast majority are below the 50% mark. (*Exhibit 3*)

**EXHIBIT 3  
Minimum and maximum representation by sector**



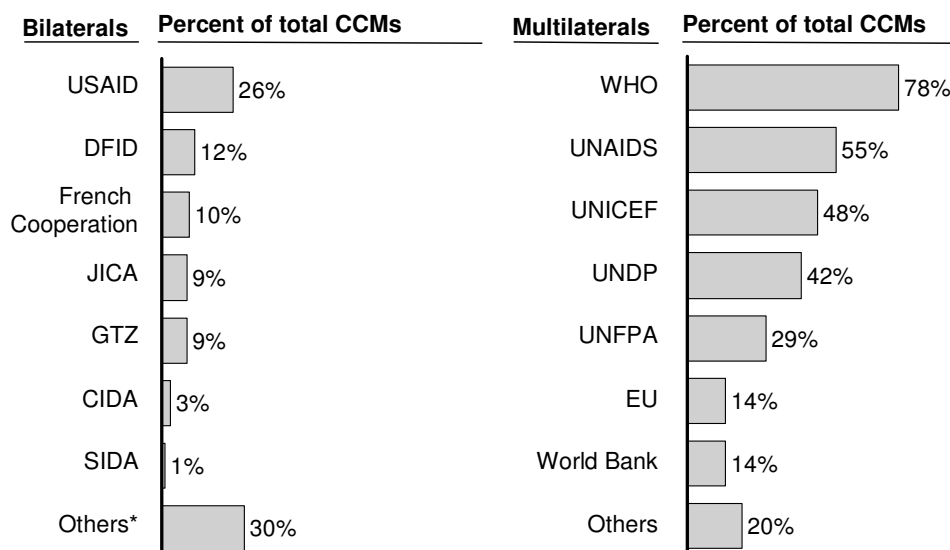
9. Within government representation, CCM vary greatly in terms of the number and ministries being represented. The next exhibit shows some of the more frequently reoccurring ministries within CCMs. Of concern is the relatively low participation from Ministries of Finance, given the need to ensure consistency with Global Fund grant processes and overall fiscal and monetary policies of recipient countries. (*Exhibit 4*)
10. Involvement from bilaterals and multilaterals in CCMs varies greatly. With regards to bilaterals, they are only selectively present in CCMs. USAID, which is a member of 26% of CCMs is the most widely represented. Multilaterals are more widely represented, with WHO being a member of 78% of CCMs and UNAIDS 55%. Interestingly, the World Bank is only a member of 14% of CCMs though it is a significant source of resources for many recipients. (*Exhibit 5*)

**EXHIBIT 4**  
**Representation of ministries in CCMs**



\* Other ministries present in some CCMs include sport, transport, agriculture, information, family, tourism, culture

**EXHIBIT 5**  
**Representation of bilateral and multilateral institutions in CCMs**

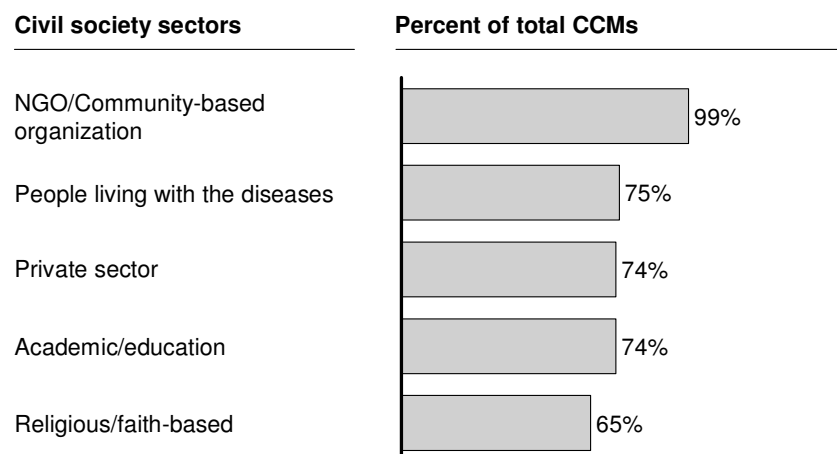


\* Includes embassies of some of the countries mentioned in the above chart (e.g., US, UK, France)

11. In terms of civil society, the sheer numbers suggest consistent representation. In all but one CCM there are members from NGOs and/or community-based organisations. In roughly three quarters of all CCMs, we find members from the people living with the diseases, the private sector,

academic/educational institutions. Again, this is a formal view of CCM membership and it may not reflect the actual role they play within CCMs or the degree of their engagement in CCM processes. (*Exhibit 6*)

**EXHIBIT 6**  
**Representation of civil society in CCMs**

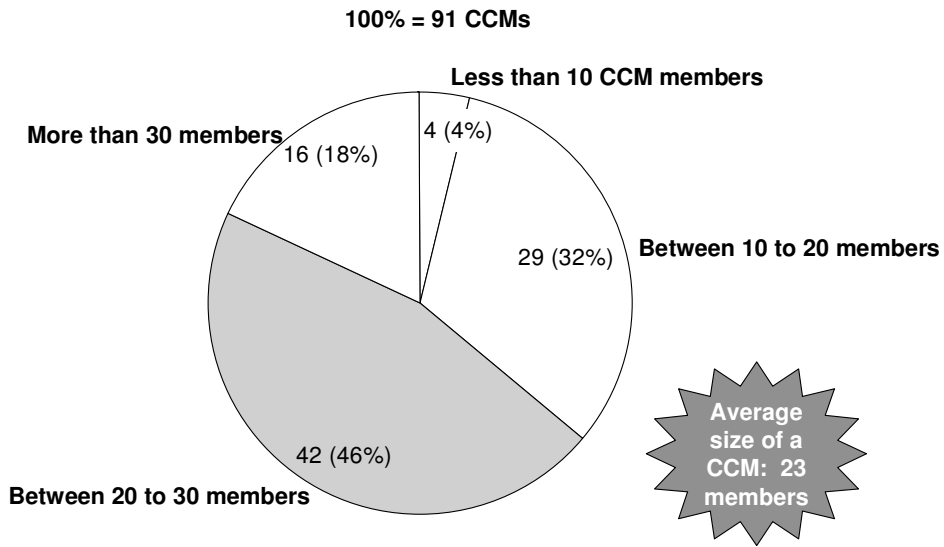


**SIZE AND CHAIRMANSHIP OF CCM**

12. There is a large variation in the size of CCMs. They range from 7 members in Cost Rica to as many as 54 members in the Central African Republic. Exhibit 7 shows the variation in size, with about half of CCMs comprised of between 20 and 30 members. (*Exhibit 7*)
  
13. All CCMs are chaired by a government official, either from the ministry of health or from another ministry. While the Vice-Chairmanship is more open to other sectors of CCMs, it is still largely dominated by government, with less than a quarter of Vice-chairs drawing from non-public sectors. (*Exhibit 8*)



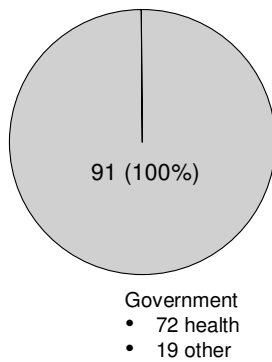
**EXHIBIT 7  
Size of CCMs**



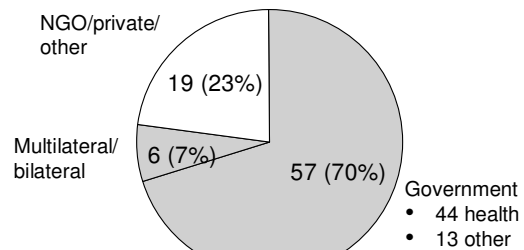
**EXHIBIT 8  
Chairmanship of CCMs**

Public sector  
Non-public sector

**Chair of CCM by major sector**  
100% = 91 CCMs



**Vice-chair of CCM by major sector**  
100% = 82 CCMs\*



\* 9 CCMs did not specify who was the Vice-Chairman of their CCM

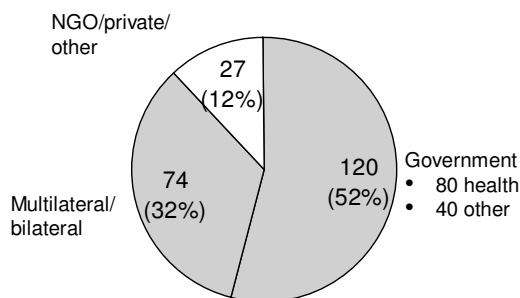
## SUGGESTED PRINCIPAL RECIPIENTS (PRs)

14. In Round 2, applicants were asked to specify for each component a suggested Principal Recipient(s). In a majority of cases, the suggested PRs are public entities, either government or international institutions. Only 12% of suggested PRs are from the civil society sector. (*Exhibit 9*) If we take into account only recommended components, the share of civil society PRs decreases due somewhat to the fact that most of the regional NGO proposals are not recommended for funding.
15. While the guidelines allowed for several PRs per component, only 50% of submitted components contained suggestions for second PRs. Like first PRs, the suggestions for second PRs are dominated by government or bi/multilateral agencies. In a majority of cases where an NGO/CBO is suggested as second PR, the first PR is a governmental entity.

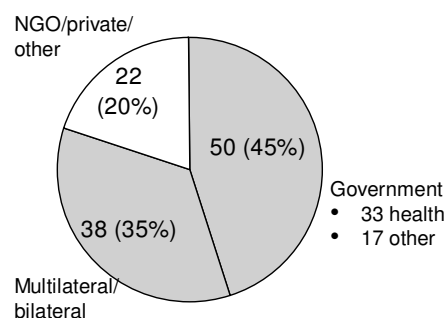
### EXHIBIT 9 Suggested Principal Recipients

Public sector  
Non-public sector

**First PR suggestion by major sector**  
100% = 221 components\*



**Second PR suggestion by major sector**  
100% = 110 components\*



\* 8 components did not specify any PR; 111 did not suggest a second PR

## **Appendix III:**

### **CCMs and the Broader Country Level Coordination Context**

*Completed by UNAIDS at the request of the Governance & Partnership Committee*

## **Background**

The Governance and Partnership Committee of the Global Fund has been mandated by the Global Fund Board to report on the inclusiveness and effectiveness of CCMs. This Board Committee requested UNAIDS to provide information on the coordination between CCMs and other on-going coordination activities at the country level to fight the three diseases, with special attention to national ownership and integration with national health policies and poverty reduction strategies. This Paper seeks to meet this request, and is based on available information in the UNAIDS Secretariat on country level processes and practices, both in terms of the broader development context and the three diseases, and with a special focus on the country level mechanisms specifically related to HIV/AIDS.

### **A. The country level co-ordination context**

#### *1. The GFATM and country level co-ordination*

Among its underlying principles, the GFATM has stated that it will "base its work on programs that reflect national ownership and respect country partnership-led formulation and implementation processes", it will "strengthen and reflect high-level, sustained political involvement and commitment in making allocations of its resources". Similarly, it will "build on, complement and co-ordinate with existing regional and national programs (including governments, public/private partnerships, NGOs and civil society initiatives) in support of national policies, priorities and partnerships, including Poverty Reduction Strategies and sector-wide approaches". In this, it will "focus on the creation, development and expansion of government/private/NGO partnerships," as stated in the guidelines for proposals (Geneva July 2002), "it will build on existing co-ordination mechanisms and promote new and innovative partnerships".

The Country Co-ordinating Mechanism (CCM) is central to the design of GFATM. None of the roles, responsibilities or structural characteristics of CCMs as spelled out in the GFATM Guidelines for Proposals is, however, unique to the GFATM.

The country level environment, in terms of co-ordination and public-private partnerships, is getting increasingly crowded. It is also increasingly recognised that there is no size or model that fits all countries. There may therefore be a number of ways whereby existing mechanisms can be adapted to fit the GFATM needs.

*It is the mandatory principle of broad inclusion of civil society actors and specific interest groups both in decision making and as beneficiaries, and the*

*capacity to undertake the mandated CCM functions in relating to the Fund that should be the key concerns for the Fund Secretariat and Board.*

## **2. Country level ownership and co-ordination is a "best practice" development issue**

National ownership and country level multi-stakeholder consensus building and co-ordination is now commonly accepted as key to effective poverty eradication and to making external aid work. The OECD DAC has established general agreement among OECD countries on best donor practice to this effect. The Multilateral Financing Institutions has taken the lead in promoting and supporting nationally owned development frameworks in ODA eligible countries, with a high level of alignment among external donors, such as Poverty Reduction Strategies and Medium Term Expenditure Frameworks. The UN is responding to the overall call for reduced transaction costs and duplication and for alignment with this broad consensus on best practices through its commitment to UN reform and a common UN Development Framework (UNDAF).

This means that the more traditional aid approach, through isolated project funding, multiple reporting requirements and heavy administrative burden on the recipient countries is gradually being replaced by co-ordination frameworks where a number of donors participate together under national leadership. It is noted that country ownership and capacity to manage these processes is growing. While the administrative burden is still heavy and the consultative processes very time consuming, they are largely seen to be worth the effort. The main benefit is increased transparency in terms of overall resource flows in the public sector, providing a platform for increased accountability to the citizens as well as to donors.

Broad participation of civil society has been a major challenge in the process towards best practice country ownership and co-ordination. While the participation in the PRSP processes has increased in many countries, it is still a challenge to ensure that strategic policy processes are inclusive and policy choice defended and accounted for through open democratic processes.

In addition, countries with the greatest burden in facing HIV/AIDS, TB and Malaria have a widely different mix of national and external resources in their development spending, as well as in the number and profile of development partners. There is also great variation in the way the economy and the decision-making processes are structured, such as in the degree of privatisation and the level and modality for decentralisation.

The Global Fund offers its new opportunities in this context. Through mobilising and pooling additional resources at the global level and targeting these resources to critical country level barriers to development, such as HIV/AIDS, TB and Malaria, the Fund can serve to speed up action, leverage broader partnerships and set standards that can drive accountability and transparency.

As a financing mechanism, the Global Fund also faces a number of limitations. In as much as it represents a partnership, it also needs to rely on partnerships. It cannot take on the whole task of enabling systems and processes and of building in-country capacity on its own. For its resources to be truly additional and its leverage to lead to sustained improvements, it has to tailor its country level approaches to an optimal fit with the broader, best practice development framework. It must build on and strengthen what works, and take the lead in leveraging new options and alliances where required. This also applies to country level co-ordination. *The Fund must act in ways that avoid creating new inefficiencies through undermining or duplicating existing efforts and overloading scarce country level capacity.*

In this complex situation; the crowded environment for co-ordination in many countries, the wide variation across countries and the very specific need for tailor-made approaches to communication and relationship building among country level actors, the Fund needs a flexible framework for the CCM. At the global level there is a need for clear definitions of the mandatory CCM membership and functions in relating to the Fund, while organisational forms and operative procedures should be developed in each country, with the view to optimise linkages and relationships.

### **3. Public-Private Partnerships driving accelerated, targeted responses**

An increasing number of public-private partnerships exist, established to accelerate specific, targeted responses. The polio eradication campaign and the Global Alliance on Vaccine and immunisation (GAVI) are among these initiatives. More directly associated with the GFATM are Roll Back Malaria and Stop TB. All of these depend on some kind of co-ordinating mechanisms at country level.

In the health sector, there is now substantial experience in how such global partnerships can fit into to broader health sector programme support in the context of sector wide approaches to health system development and service delivery (SWAPs), basket funding and health sector reform.

Each of these efforts has a distinct profile of public-private mix, ranging from largely public service provision, such as immunisation and TB, to much more private and home based action, such as in the case of malaria. Common to all the initiatives is the challenge of moving from supply driven approaches to approaches that build on sustained demand by the population affected/at risk.

HIV/AIDS has by far the greatest potential for mobilising strong interest groups and civil society organisations in demand of action. The response required is much more demanding on the health sector and at the same time much broader than service delivery through the health sector.

In a special way the HIV/AIDS response does require engagement by the full range of actors in society. A range of different partnerships and interest groups focussing on HIV/AIDS are likely to co-exist in a country, and the

challenge is as much to stimulate diversity and creativity in the civil society response as it is to streamline and harmonise action.

The CCM, representing a common arena for these very different co-ordination challenges in relation to the Global Fund, needs to find ways to operate that allow best possible function and linkages for an effective response to the three diseases. Effective linkages need to be designed in each case to the health and broader development framework, and in the case of HIV/AIDS to the framework that is being developed for the national HIV/AIDS response in each country. This can only be done at the country level and in the context of broader in-country partnerships. At the same time the GFATM can break new ground and open up for new ways of doing business that will have positive spin-off effects also for other partnerships.

## **B. Country experiences in coordination of national responses to HIV/AIDS.**

Since the beginning of the fight against HIV/AIDS, a number of institutional mechanisms have been established for coordination purpose reflecting need to move from a purely health sector driven response to multisectoral and partnerships approach. The following steps can be described:

- National AIDS Control Programmes (NACPs) were first established within MoH; then the National AIDS Committees were set up from within MoH to respond to the growing concern for a multisectoral approach.
- Coordination among development partners was achieved through UN Theme Groups that played a major role when UNAIDS was established.
- As more partners got involved in HIV/AIDS and the need for coordination became more imperative, Theme Groups were expanded to include bilateral donors, some government ministries, especially health.
- Calls for government leadership and coordination of national response to HIV/AIDS led to the establishment of National AIDS Councils or Commissions.

### ***1. National Aids Councils/Commissions (NAC) and other HIV/AIDS related partnerships***

As of December 31, 2002, in some countries the NACs are becoming quite effective in meeting the many multisectoral challenges, in others, their establishment has taken longer and they are only starting to become operational. Experience with NACs is growing, and a number of challenges that have been met are being resolved at country level.

In accordance with the decisions of Abuja and UNGASS, NACs should have direct access to the highest policy making body in a country, through regular reporting and dialogue. In all countries where established, it is within NACs mandate to provide overall leadership in the fight against HIV/AIDS, on the

basis of a government approved national strategic framework. A core mandate of co-ordination and oversight, aligning all actors for effective response within the national strategic framework, is a common feature of all NACs.

How this core mandate is further expanded, expressed and made operational, varies from country to country. NACs are generally expected to generate vision and drive the HIV/AIDS agenda nation-wide, advice governments on policy and mobilise a broad response from all segments of society.

While strategic information management, broad co-ordination and oversight, monitoring and reporting on the overall national response represent core tasks, the role of the NACs in financing and implementation varies considerably. A main challenge for the NACs in this respect is to bring the operative implications of the strategic framework of the HIV/AIDS response on to the arenas of decision making for poverty eradication and development priorities, and for setting the parameters for the overall national expenditure framework. Similarly, to drive appropriate action by all line ministries within clear roles and responsibilities and with budgets and authority to act.

The location of NACs enables them to work under the guidance of the highest possible political office of the land, and provides access to the highest level of decision-making according to the policy and institutional framework of each country. Ensuring clarity of mandate, effective relationships to operative line ministries and civil society actors and authority to act continues to be the overriding concern.

A range of structural options are being used by NACs, including various combinations of a national council, a national executive secretariat, sector-specific or theme specific committees or working groups, line-ministry managed AIDS programmes, and regional, provincial or district collaborative arenas for AIDS action with broad participation from civil society.

While a number of these structures are in place, the structures are often not matched with access to resources, information and actual ability to co-ordinate. Bilateral donor agencies have largely supported NGO-based responses, and there is still work to do to get a national overview of resource flows and actual, ongoing activities. Multiple international NGOs and Foundations are as important drivers of the response as are the public sector actors. Co-ordination efforts need to optimise this situation, rather than stifle initiatives through excessive centralisation or control measures. On the other side, effective use of scarce resources and the need to build a sustained response, including accelerated and equitable access to information, care, treatment and support, demand willingness on all parties to collaborate, share information and be mutually accountable.

*The NACs are intended to serve functions that cannot easily be undertaken by any alternative mechanism. They are however also vulnerable in the sense that they do not have the power of money and must be actively developed, enabled and empowered, watched and corrected by all stakeholders.*

In some countries there are efforts to make arrangements for basket funding mechanisms for the NACs and the NAC Secretariats. Some of the NACs also have been given the role of managing resources earmarked for civil society action.

The World Bank MAP programmes are commonly associated with the NAC structure, and will increasingly be seen to play a role within the institutional architecture for AIDS action in countries.

## ***2. The UN country-level HIV/AIDS response***

The UN Theme Group on HIV/AIDS (UNTG) was identified by ECOSOC as the principal country-level structure embodying UNAIDS. It was encouraged as a means to mobilize the UN response and promote consistency with other collective UN instruments such as the Common Country Assessment (CCA) and the UN Development Assistance Framework (UNDAF).

The UNTG was designed to solve the problem of ineffectiveness due to lack of coordination within the UN system. It was argued that poor results arose from overlapping mandates of agencies, lack of complementarity, and inconsistency of technical and policy advice on AIDS issues. The UNTG was to ensure that UN programs were focused on issues that reflected country priorities and to co-ordinate interaction with partners with a single voice, making clear what could be expected from the UN system. Joint programming was hoped for, if not universally expected.

In many countries, the UNTG has been expanded to include bilateral donor partners, and in different ways also key national interest groups such as PLWHA and NGO stakeholders, moving on to an Extended Theme Group and Partnership Forum concepts. The concept of the International Partnership Against HIV/AIDS in Africa (IPAA) highlighted the need for a broader involvement of the partners, especially the Civil Society, the Private Sector and the People Living with HIV/AIDS (PLWHA).

UNAIDS has been promoting, as a strategy for national response, the establishment of partnership forums. To date such strengthened co-ordination partnership forums, owned and led by National structures and including multi and bilateral organisations, community and private sectors have been established in 20 countries. Examples are Uganda, South Africa, Tanzania, Ghana, Burundi, Madagascar and Togo among others.

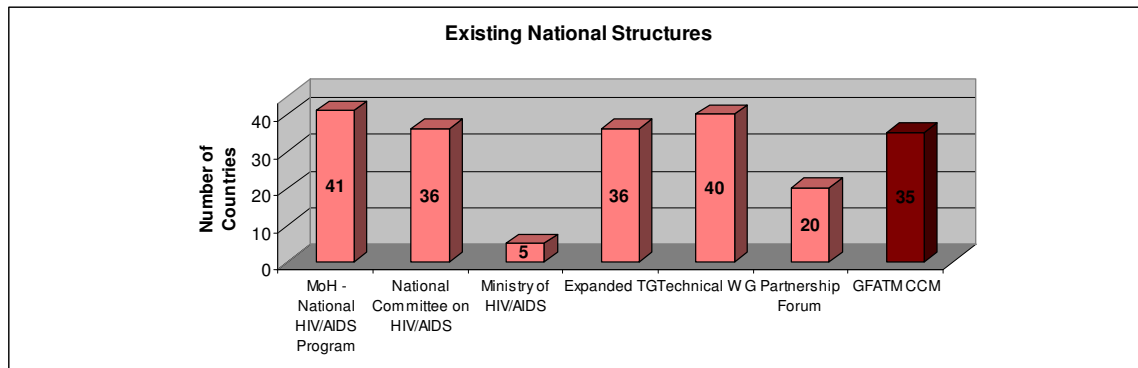
The establishment of the GFATM is based on the same principles of country led multi-sector and multi-partnerships for co-ordination of HIV/AIDS interventions. The establishment of the CCM is therefore a unique opportunity to involve these different actors and has led many countries to speed up this co-ordination process.

Nation-wide Partnership Forums will increasingly become associated with NACs as they grow in convening capacity. The UNTG, on the other hand, is likely to remain a structure that serves co-ordination within the UN family at the country level. As the institutional framework for the AIDS response



becomes more established, the Expanded Theme Groups that are now convening external support agencies and other partners will be replaced by country-led co-ordinating mechanisms.

### National Structures in Sub-Saharan Africa



In responding to the new context and the 2002 evaluation of UNAIDS, priority tasks related to engagement in country level co-ordination will include

- Fostering public accountability of the national response to all actors – government, citizens and beneficiaries, civil society organizations and investors – by focusing on goal setting and monitoring of performance (for example in relation to UNGASS) and using the UN’s convening authority, neutral positioning and credibility with communities.
- Partnership building and social mobilization, including reaching out to civil society, to the private sector, to non-traditional development partners, and all actors who can have significant impact on the spread and impact of HIV/AIDS.
- Using the UN’s “honest broker” positioning to draw actors into participatory public policy discussions, assuring the participation of all actors and creating space for civil society.
- Mobilization of technical assistance for capacity development in response to needs and requests of country-level actors (civil society as well as government)
- The collection, analysis and production of strategic information as the foundation for ensuring that public policy debate about the response to the epidemic is founded in the reality of the situation facing countries.

The UN will also further mobilise its potential for contributions to effective linkages and relationships among key country level players, where it has a distinct comparative advantage because of its multiple in-country working relationships. Examples are the health sector relationship to the MOH (WHO), the governance and development framework relationship (UNDP and the WB) and the multisectoral aids response relationship (UNAIDS to NACs).

### **3. CCM and national HIV/AIDS co-ordination**

The Global Fund principles underline the need to relate to existing organisational infrastructure in the countries receiving support, and rely on partners to continue their work on capacity building, health system development and poverty eradication. The Fund does not intend to replace what is already being done in the national HIV/AIDS response, but rather add on to it, accelerate and improve it. It is not business as usual, neither is it business in isolation from or in competition with the usual. This has important implications for the way CCMs relate to the rest of the institutional framework at country level, in all its diversity and complexity.

Within the CCM are the partners that are also parties to other parts of the institutional response. The PRs identified within the CCM become important players within this broader framework, given their additional responsibility and accountability in relation to the Global Fund. Beneficiaries from resources through the Global Fund are also competing for resources through other parts of the institutional framework. This may not the least apply to the actors in civil society. Most of the new and additional opportunities provided by the new global initiatives are offered as new options for NGOs and other civil society actors.

CCM must therefore be transparent in its decision-making and interaction with the Global Fund, also in relating to the broader partnerships and the institutions with responsibility for nation-wide oversight. It must work in relation to the same overall national strategic framework as the other players and at the same time seek to break new ground in accelerating and widening the response.

Specifically the relationship between the CCM, the NACs or equivalents and the related line ministry programmes (SWAPs, Roll Back Malaria, Stop TB and others) must be clearly defined, along with reporting lines for resource flows, information management, participation within nation-wide monitoring and evaluation systems etc.

*CCM accountability should therefore be directed both to the Global Fund as donor, and to the end users in the country. In the interest of the end users, the multiple inputs towards effective action must be managed so that the one hand does not undermine the other and so that overhead and transaction costs in time, management capacity and finance are kept to a minimum.*

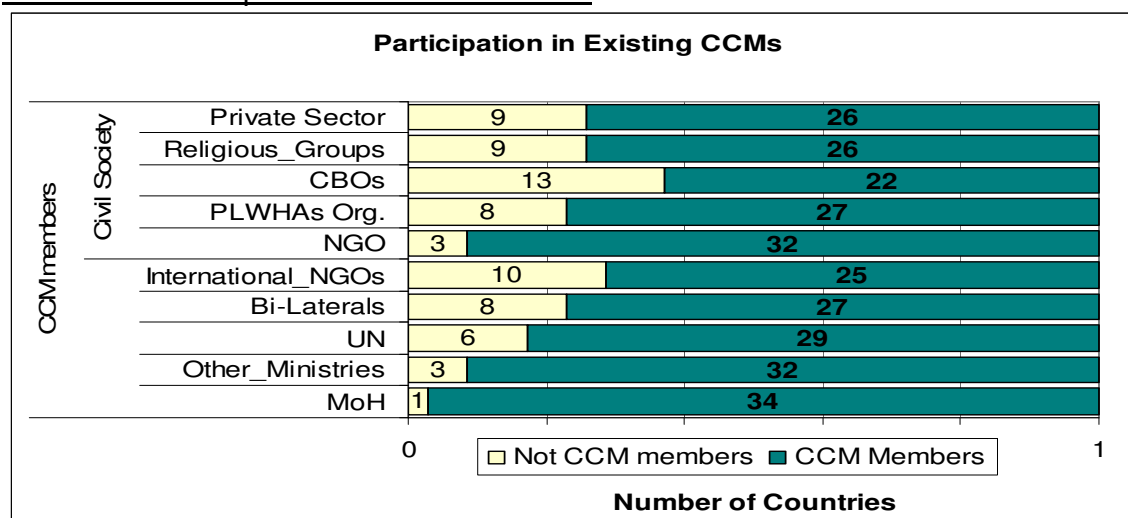
Key Global Fund Partners at the country level are available to advise the Global Fund Secretariat on the proper functioning of these relationships. In particular, multilateral organisations with a seat in the Global Fund Board and country representation such as UNAIDS, WHO and the WB, could be invited to report regularly on linkages and relationships in country level co-ordination for responding to the three diseases, including the position and function of the CCM. Representatives of communities living with the three diseases could in a similar way be mobilised for watch functions. These are stakeholders with high interest in making the system function as a whole.

Review of CCMs in the broader co-ordination context after the first year of establishment demonstrates that all these structures are in a build up phase, seeking to find their way to meet the Global Fund requirements and at the same time fit into the broader country level frameworks. In some countries there continues to be a perceived lack of clarity, associated with a structure that has not yet proven its value, credibility and responsiveness. In other countries where broader co-ordination mechanisms are well established, the CCM has easily found its place in ways that serve the mandatory GF principles and the functions required.

The **establishment of the CCMs** varies according to the countries:

- In some countries in all the regions (Africa, Asia, Latin America, Eastern Europe) the CCM was established on an already active NAC; this has avoided the creation of a new structure for co-ordination while keeping a multi-sectoral approach. Good examples are: Burundi, Malawi, Zimbabwe and Cape Verde, Uganda among others.
- Some countries have established CCMs under the leadership of MoH due to lack of NAC (Angola, Sao Tome, Gabon, Guinea Bissau).

CCM membership in Sub-Saharan Africa:



Source: UNAIDS survey September 2002

The existence of operational NACs or Partnership Forums prior to the establishment of CCMs has in many cases been a positive factor for the strengthening of the co-ordination mechanisms not only for HIV/AIDS, but also for Malaria and TB. The existence of a national strategic plan to build proposals on for the CCMs has also added quality and speed to the proposal process. The value of building on existing structures in order to enhance synergies between partners has thereby clearly been demonstrated. In some countries CCMs are establishing subcommittees for Malaria and TB.

In terms of **CCM composition**, the participation of the different groups of partners, from the institutions and from the civil society varies from country to country. In some countries that have used the National coordination body (NAC) as the CCM, the international partners are not represented yet. The representation of the civil society is mainly done through NGOs. Organisations of PLWHAs are still not fully represented and involved. This might often be related to the persisting high level of discrimination and stigma.

### **C. Key areas to consider in a broader assessment of CCMs**

The main principles of GFATM are: (1) national ownership, (2) additionality to existing national programmes or frameworks and (3) respect of country partnership-led formulation and implementation processes. The CCM structure and function are meant to reflect and “operationalize” these principles. Based upon the experiences described within this document, which focus on CCM relationships to National AIDS Councils, there arise several key areas for further consideration and analysis in a broader, more comprehensive assessment of CCMs.

#### **National Ownership**

“National ownership” is intended to reflect a collective engagement between government and civil society, i.e., a genuine public-private partnership. This is different from other development processes (e.g., PRSPs, SWAPs), that are primarily concerned with the actions of governments. Civil society and the private sector may be consulted and receive resources, but government - and most usually economic oversight rather than line ministries - are firmly in control. The CCMs are meant to be fundamentally different by dealing directly with a public-private coalition.

It would be useful to explore how widely this difference is understood and how successfully it is occurring. Given existing and potential tensions, the challenge is to balance the role of government with those of other constituencies.

#### **Additionality to existing national programmes or framework:**

In the past few years, national authorities have been establishing National AIDS Commissions/Councils (NACs) and Partnership Forums with the support of the UN system, bilateral organisations and donors. Designed to promote multi-sector responses and broad-based partnerships, these mechanisms are functioning increasingly well but face formidable obstacles. They often lack financial viability and must be actively supported by all stakeholders in order to efficiently achieve their mandate. The CCMs strengthen the credibility of multi-partner forums and offer an opportunity to get this important concept implemented. To do this, CCMs must avoid creating new inefficiencies through undermining and duplicating existing efforts and “overloading” national capacities. In other words, they should build on existing country-led coordinating bodies, such as NACs and Partnership

Forums. As this document indicates, there is both positive and negative experience in this regard.

It is important to further investigate how CCMs can strengthen rather than weaken existing coordination bodies, while also realizing their full potential as innovative, path-breaking mechanisms for public-private collaboration.

### **Respect for country partnership:**

The establishment of the CCM is a unique opportunity to involve more actors – especially civil society, the private sector and People Living with HIV/AIDS (PLWHA) – and provide stronger support to human rights issues. As the previous paragraph suggests, it can also help to strengthen existing coordination mechanisms and speed up the coordination process. A more in-depth assessment of CCMs should gauge the actual level and scope of participation of non-government actors in the CCM. This includes exploring issues of stigma, discrimination or other impediments to true participation, particularly with regard to PLWHAs. Indicators may need to be developed to monitor and evaluate the quality of participation by various members (especially marginalised civil society). A series of country studies could be done to determine whether current limitations to “full” participation reflect societal or policy impediments or, alternatively, problems related to effectiveness, competence, representation or accountability, particularly as they relate to civil society, private sector, faith-based communities, etc.

The entire process of GFATM competition has brought a new energy for national-level planning and partnerships. This has generated examples of positive cohesion, but also the possibility of coercion. Specifically, the current process, with the prospect of funding as its ultimate goal, might put undue pressure upon individuals and constituents to agree or acquiesce to proposals and/or other CCM decisions. The CCM has the responsibility of monitoring these concerns and to ensure that constituents are engaging freely and without threat of penalty or sanction for expressing dissent or opposing views.

### **CCM life-span issues:**

Country-level operational structures of the GFATM have evolved rapidly during the past 12 months. In many cases, CCMs were constituted with short notice and with the expectation of time-limited purposes and terms. It is now clearer that CCMs should be prepared to serve at least two purposes - proposal development and programme monitoring – and that a slightly longer-range view of its mandates may be necessary. This may also require different types of competencies than was originally anticipated.

An assessment of CCMs should look at the various phases and develop clearer guidelines for their further development and operations. It will be important to explore the extent to which CCM mandates, composition and make-up are consistent with the longer-term set of responsibilities they are expected to fulfil (i.e., monitoring of implementation, as well as development

of proposals). In this regard, the importance of non-duplication with existing mechanisms becomes increasingly important.

*UNAIDS stands ready to collaborate with the Global Fund Secretariat in conducting a more in-depth assessment of CCMs that answers these and other questions. On the basis of such an assessment, a comprehensive set of guidelines for CCM operations could be developed.*

*Any question or request for additional information can be addressed to the Africa Division, UNAIDS Department of Country and Regional Support, Geneva.*

*13 January 2003*