

39th Board Meeting

CCM Evolution: CCM Code of Conduct, CCM Policy and Level of Ambition

GF/B39/04 – Revision 1
09-10 May 2018, Skopje

Board Decision

Purpose of the paper: to present the Board with the Ethics and Governance and Strategy Committees' recommended decision points on CCM Code of Conduct, CCM Policy, level of ambition and use of funds to evolve CCMs, for Board decision.

Decision

Board Decision Point: GF/B39/DP09: CCM Evolution: Code of Conduct for CCMs and CCM Policy

The Board:

- 1. Notes the recommendation of the Ethics and Governance Committee of a Code of Conduct for Country Coordinating Mechanisms (the “CCM Code”), developed in furtherance of the Ethics and Integrity Framework adopted by the Board at its 32nd Meeting (GF/B32/DP09);***
- 2. Approves the CCM Code, as presented in Annex 4 in GF/B39/04 – Revision 1;***
- 3. Based on the recommendation of the Strategy Committee (“SC”), decides that no less than the amount of USD 1,219,700 should be made available over a three year period to fund the implementation and enforcement of the CCM Code, as described in GF/B39/04 – Revision 1;***
- 4. Recognizes that the Audit and Finance Committee approved USD 50 million as available sources of funds (“Available Funds”) to finance prioritized and costed areas of need on the register of unfunded quality demand, as per GF/AFC04/DP01, and based on the recommendation of the SC, (i) decides that the amount of USD 1,219,700 of such Available Funds be used instead to fund the implementation and enforcement of the CCM Code, and (ii) decides to add CCMs as a “Strategic Initiative” to the list of catalytic investment priorities presented in Table 1 of GF/B36/04 – Revision 2;***
- 5. Based on the recommendation of the SC, decides to replace the Guidelines and Requirements for Country Coordinating Mechanisms, as approved by the Board under GF/B23/DP17, with the CCM Policy as set out in Annex 3 of GF/B39/04 – Revision 1 (the “CCM Policy”); and***
- 6. Delegates authority to the SC to approve amendments to the CCM Policy, and requests the Secretariat to operationalize the CCM Policy and regularly report on its implementation to the SC.***

Budgetary implications: USD 1,219,700.

Decision

Board Decision Point: GF/B39/DP10: CCM Evolution: Funding for Near-Term Implementation

The Board:

- 1. Recognizes the inherent value and essential function of Country Coordinating Mechanisms (“CCMs”) in the Global Fund architecture and acknowledges the need to evolve CCMs to align with the Global Fund Strategy 2017-2022: Investing to End Epidemics;***
- 2. Recognizes that the Audit and Finance Committee approved USD 50 million as available sources of funds (“Available Funds”) to finance prioritized and costed areas of need on the register of unfunded quality demand, as per GF/AFCo4/DP01;***
- 3. Based on the recommendation of the Strategy Committee (“SC”), decides that the amount of USD 3.85 million of such Available Funds be used instead to fund a phased roll-out of the evolution of Country Coordinating Mechanisms (the “CCM Evolution”) in 2018 and 2019 under the CCM Strategic Initiative, consistent with the interventions and activities under the “intermediate” approach, as detailed in GF/B39/04 – Revision 1;***
- 4. Requests the Secretariat (1) to develop a set of draft indicators for consultation with the SC at its July 2018 meeting, including near term (process and output) and longer term (outcome and impact) indicators, and (2) to regularly report to the SC on the operationalization of the CCM Evolution;***
- 5. Directs the SC (1) to utilize the near term results (referenced in part 4 above) as one of the inputs to inform the type of activities and the level of funding for CCM Evolution in the 2020-2022 allocation period, and (2) during the development of the allocation methodology for this period, to discuss the level of funding needed to scale the activities and number of CCMs; and***
- 6. Asks the Board, Secretariat and partners at country level to support the effective implementation of CCM Evolution, and in particular asks the Secretariat to drive the execution of CCM Evolution through consistent engagement of relevant parts of the organization and with an appropriate mix of resources, both staff and financial, from both current and future allocations.***

Budgetary implications: USD 3.85 million, funded through available sources of funds identified by the Audit and Finance Committee under GF/AFCo4/DP01.

Executive Summary

Context

In 2017, the Board asked the Secretariat to embark on a CCM Evolution project, to examine how to evolve the current CCM model to better deliver on the Global Fund Strategy 2017-2022. This project also incorporated a parallel initiative that aimed to strengthen CCM ethics, primarily through the issuance and operationalization of the Code of Ethical Conduct for CCM Members (hereafter “the Code of Conduct”) in order to achieve a holistic and coherent approach to CCMs. In Phases I and II, the Secretariat analyzed data on CCM functionality and performance, and then held stakeholder consultations through workshops, questionnaires, meetings, and document review eliciting feedback. This led to Phase III where options for improved and differentiated CCM models were developed and shared for feedback. In total, over 264 partners and the leadership of 84 CCMs, with input from their members, have contributed their feedback to the Secretariat on how to strengthen CCMs. Finally, the CCM Evolution findings and recommendations were presented to all three governing Committees during their March meetings.

Questions this paper addresses

- A. What are the main changes needed to evolve CCMs in line with the Global Fund Strategy 2017 - 2022?
- B. What decisions were recommended by the EGC and SC to implement the CCM Evolution?

Conclusions

- A. There are three main changes needed to evolve CCMs: 1) differentiate CCMs according to context into Standard CCMs, Transition Preparedness CCMs and CCMs in Challenging Contexts, 2) improve CCM performance in key areas, including the approval, introduction and enforcement of a Code of Conduct and 3) introduce CCM maturity levels tailored to different types of CCMs. (See pages 8 – 11)
- B. In order to implement the changes proposed to evolve CCMs, two decisions are needed from the Board:
 1. **Decision Point 1** (See pages 11 -13)
 - a. Approval of the CCM Code of Conduct (as set forth at Annex 4).
 - b. Approval of USD 1,219,700 in funding for the operationalization of the CCM Code of Conduct through the use of funds from Asset and Liability Management (ALM).
 - c. Approval of a) the revision of the *Guidelines and Requirements for Country Coordinating Mechanisms* (now referred to as the CCM Policy, as set forth at Annex 3), and
 - d. Delegation of authority to SC to approve future changes to the CCM Policy.
 2. **Decision Point 2:** Approval of USD 3.85 million in funding to support a phased roll-out of the “Intermediate” level of ambition for the CCM evolution through the use of funds from ALM. The SC considered the levels of ambition for CCM evolution

that were developed by the Secretariat and recommends that CCMs be evolved in a phased manner consistent with the “intermediate” approach, as described in more detail in this paper. A phased roll-out of the “Intermediate” option will allow targeted technical and financial support to key countries to implement activities aimed at increasing their maturity in oversight, Key Populations (KP) engagement, linkages and CCM functioning for 16 CCMs. (See pages 13 – 18)

Input Sought

The Board is requested to approve the recommended changes and decision points to evolve CCMs, as described in this paper.

Input Received

CCM Evolution was discussed by the Ethics and Governance Committee (EGC), Strategy Committee (SC) and Audit and Finance Committee (AFC) during their respective meetings in March 2018. The EGC, as the lead committee for CCMs, met virtually in April 2018, at the conclusion of all the committee meetings to discuss how best to present a package of decisions to the Board. The key inputs were as follows:

i. The **EGC** recognized weaknesses in CCMs in addressing ethical behavior and recommended the approval of the Code of Conduct and its integration into the CCM policy as an Eligibility Requirement, and supported the roll-out of a credible plan for enforcing this. They endorsed the maturity levels and differentiation, and discussed the value of moving a CCM from basic to oversight, or oversight to engaged levels of maturity. They requested the Secretariat to propose a way to measure the benefit of the investment in CCMs over time.

ii. The **SC** affirmed the value of CCMs as part of the Global Fund business model, endorsed the maturity levels and differentiation, and recommended replacing the CCM Guidelines with the CCM Policy. The SC debated the level of ambition for CCMs. Two perspectives emerged: one viewed CCMs as key to the Global Fund model and requiring increased investment, while others felt that the link between CCM performance and improved grant performance was uncertain and therefore, it was better to prioritize funding for critical country priorities. They debated near-term funding options and felt that given uncertainty around funding from Strategic Initiatives (SIs) or Partners, the available funds identified by the AFC in July 2017 through asset and liability management (ALM) was the best option. Furthermore, it was indicated that supporting CCMs requires more than additional financial resources, such as political will or country commitment. The need to move forward with the operationalization of the CCM Code of Conduct was emphasized and it was agreed that this should not be delayed any longer. Both Decision Points passed with two-thirds majority vote but were not unanimous.

iii. The **AFC** discussed the value for money of CCMs, particularly the relationship between CCMs and grant performance. They felt more evidence was needed to assess the value for money. This included wanting to better understand the criteria for selecting and prioritizing countries for investment through the Evolution process, and the assurance mechanisms in place to ensure that desired improvements will be achieved. Two differing perspectives emerged on value for money: 1) some commented that without stronger evidence of value for money, it would be difficult to support the recommended amount for CCM Evolution and 2)

others supported a more ambitious option for CCM evolution, arguing CCMs added value beyond grant performance including country ownership, coordination and stakeholder engagement, all of which are important for Global Fund's Strategic Objectives and the Global Sustainable Development Goals. In discussing the near-term funding options, there was a recognition of the challenges of choosing both ALM and SIs funds.

Following receipt of this input, the SC further discussed the approach to evolving CCMs, through both teleconference and in-person meetings in April and May 2018.

Secretariat Opinion

The Secretariat sees CCMs as a critical part of the Global Fund business model, and essential to ensuring partnership, engagement and oversight throughout the grant lifecycle. We also recognize the importance of ensuring that CCMs have a strong Code of Conduct that supports ethical and effective behavior of individual members.

Therefore, on Decision Point 1, the Secretariat supports the recommendation to approve the CCM Code of Conduct and the CCM Policy and secure appropriate funding for implementation from ALM up to the end of 2019 (amounting to approximately \$1.2 million).

Regarding the version of Decision Point 2 that was initially recommended to the Board, the Secretariat notes the input from the Committees and specifically the concerns expressed by some members of SC and AFC (as described above). We would support a phased approach to implementation to balance the desire expressed by some constituencies for an ambitious approach and the concerns raised by others about implementation feasibility and return on investment, particularly in comparison to items on the UQD list. For our part, we are concerned about the potential impact on our ability to fulfill priority needs on the UQD list, including scale-up of ARV treatment, support where recent TB prevalence studies have shown higher burden than that used in the allocations, response to malaria resurgence in Central Africa, as well as RSSH and any emergency needs described in the Countries in Crisis Board decision. A more limited and phased approach would entail the introduction of a range of appropriate metrics to evaluate the interventions, thus enabling the Board to make more informed decisions about how to refine and align the investment in CCM evolution with the next allocation cycle. (See pages 18 – 19)

Considering the above, the Secretariat supports the revised Decision Point 2 that has been recommended to the Board, as set forth in this paper.

Report

What is the need or opportunity?

1. The Secretariat carried out an analysis of its business model in high-risk countries, assessed possible alternative options, and presented a summary of the findings to the Committees and Board in October/November 2016.¹ The report concluded that there were strong advantages of the Global Fund's current business model but that three main challenges

¹ GF/B36/28, "Review of the Global Fund Business Model", November 2016

should be addressed, one of which was strengthening country coordinating mechanisms (CCMs).²

2. The report noted that many of the key challenges CCMs face were also identified in the OIG audit of CCMs³: insufficient CCM involvement in oversight of grants, variable engagement and empowerment of Civil Society, including Key Populations, on CCMs, and inappropriate linkages with key actors in country, whether this is due to lack of effective ties with key governance bodies within the country, or having ties that create conflict of interest situations within the CCM. With the advent of the Global Fund Strategy 2017 - 2022, it became clear that the CCM's role needed to evolve. Within this report, we will outline how with the knowledge gained throughout this process, we can provide clearer guidance for CCMs, and also, subject to funding, can target our investments to proactively requiring certain activities that may lead to increased CCM performance. This supports the overall aim of the Global Fund Secretariat to enhance how CCMs can evolve to best deliver on the Global Fund Strategy.

3. An analysis carried out by the Secretariat during Phase I of the project found that 1) CCM performance improves when the performance criteria are clear and measured, as demonstrated by the improvements in performance from 2014 to 2016, 2) however, while CCM Performance improved, it still lags in civil society engagement and oversight, 3) CCM performance has a small but positive correlation with grant performance (7.4%) and is correlated with several factors the Global Fund can influence (amount of CCM funding, turnover of CCM members and size of CCM) and 4) there is a strong correlation between low performing CCMs and Challenging Operating Environments ("COEs"). These countries have difficulties to implement the CCM model. These findings helped shaped the subsequent work.

4. In parallel, some of the partner funds previously available to support performance improvement of CCMs are being refocused into other priority areas. The closure of Grant Management Solutions (GMS), the organization through which the United States channeled part of their 5% technical assistance funds, has reduced by almost 80% the funds for technical support to CCMs from 2016 to 2018. GMS played a critical role in training consultants to have the necessary knowledge of the Global Fund, and appropriate skills, to be able to provide high quality assistance to CCMs.⁴

What consultations were undertaken?

5. Prior to the Committee meetings, the recommendations emerging from the CCM Evolution project have been shaped by ongoing and extensive consultations during each phase of the project, including with respect to the introduction of the Code of Conduct. The initial phases consisted of a literature review of 30 countries, questionnaires gathered from 107 multi and bi-lateral partners and Local Fund Agents, and 18 contributors from Watchdogs, Technical Platforms and Key Population groups.

² The other two were: 1) partner engagement and portfolio management and 2) risk management

³ GF-OIG-16-004, [Audit](#) Report, "The Global Fund Country Coordinating Mechanism", 25 February 2016.

⁴ https://gmsproject.org/wp-content/uploads/2017/12/GMS_Final-Report-2017-12-14-1.pdf

Moreover, in-person meetings were held with the Community, Rights and Gender Advisory Committee which comprises 20 partners and a CCM Working Group with a total of 22 participants. CCMs themselves were also involved through five regional workshops (in Cambodia, Ethiopia, Ukraine, Cote d'Ivoire and Panama) where 179 people representing 66 CCMs participated to provide input on differentiation for CCMs, strengthening CCM functioning, oversight, engagement, linkages with national structures and ethics. Six CCMs provided input electronically. All CCMs were electronically provided with the results of consultations, including on how ethics could be operationalized. In the last phase, CCMs were again consulted broadly on the requirements appropriate for different types of CCMs. All 4,500 members were invited to give feedback by email and 33 CCMs responded. Three information calls were held for CCMs in English, French and Spanish to facilitate this process. Civil society groups were given the opportunity to provide feedback via the CRG technical platform and four Key Populations groups took advantage of this.

Finally, Board and Committees members were consulted via email and through telephone conferences, and another CCM Working Group meeting was convened, to provide input on the latest thinking.

What do we propose to do and why?

What is our aim?

6. We aim to introduce three major improvements, subject to availability of funding. They are: I) differentiate CCMs according to context, II) improve CCM performance in key areas and III) introduce CCM maturity levels tailored to different types of CCMs.

I) Differentiate CCMs. CCMs operate in very different environments. The approach to working with them needs to be tailored to the context. For example, there is a strong correlation between low performing CCMs and those in a COE. Furthermore, CCMs in transition- preparedness countries can play a critical role but they need to shift the focus of their activities to transition preparedness. Based on the results from our analysis and consultations, we are recommending 3 different categories of CCMs:

- **Standard CCMs:** Standard CCMs are those that do not fall into the Transition Preparedness or Challenging Environments categories. Often these CCMs belong to countries that have at least one disease that is “severe” or “extreme” and where Global Fund pays for a large share of the national response. This covers about 30 countries, such as Malawi, Cameroon and Togo.
- **CCMs in Transition-Preparedness Countries:** Countries that are preparing to transition from Global Fund financing. In this category, Global Fund investment often makes up a small proportion of the total needed, compared to national government funding, but can be a significant percentage of overall funding for specific interventions, including those for key and vulnerable populations. This covers about 55 countries⁵ at various stages of the transitioning pathway. It includes those who are currently “transitioning” (i.e., where all three disease components are receiving transition funding and / or are no longer eligible), such as Albania. It also includes those where the STC Policy emphasizes the need to “prepare for transition”, all Upper Middle Income countries regardless of disease burden (like Colombia), and lower

⁵ Please note that the approximate number of countries in the “Transition Preparedness” CCMs model varies slightly from the “transition preparedness” cohort of the STC Policy. This is due to the fact that the STC Policy functions in terms of *disease components*, whereas the analysis of CCMs is based on *countries*.

middle income countries with a disease component that is low or moderate disease burden.

- **Challenging Contexts CCMs:** This group is composed of countries that are under the “Additional Safeguard Policy” and/or categorized as “Challenging Operating Environments”⁶. Flexibility will be awarded to these CCMs however good governance principles will still be strictly monitored such as civil society engagement. There are currently 23 countries in this category, like the Central African Republic and Zimbabwe. This category will also include CCMs that are in countries in an “Acute Emergency” setting⁷ and will be managed on a case-by-case basis.

The country examples provided above are for illustrative purposes as CCMs categorization will be reviewed and validated based on contextual factors. The Secretariat will set CCM categorization approximately once every three years, although changes may be implemented in exceptional cases. All CCMs will have to comply with a minimum set of Eligibility Requirements as outlined in the CCM Policy (please refer to Annex 3 of this report).

II) Improve CCM performance in key areas. Based on findings from an analysis of CCMs and feedback from key stakeholders (including CCM members), the CCM Evolution aims to strengthen the following areas:

- CCM Functioning** (including CCM Secretariat). Embedding stronger activities which have demonstrated to improve CCM functioning; including meaningful management of conflict of interest and stepping up ethical obligations as well as responsibilities associated with the recently approved Policy to Combat Fraud and Corruption, all of which are incorporated into the Code of Conduct, which is being submitted to the Board for approval. The Code of Conduct is available in Annex 4, and Annex 5 provides an overview of the proposed operationalization and enforcement approach.
- Oversight.** CCMs oversee the performance of the PRs to ensure that they will achieve the agreed targets. Effective oversight efforts should lead to improvements in grant performance in support of national programs. For further information on the role of CCMs in oversight and related risk management, please refer to Annex 1 of the attached presentation (as set forth in Annex 1).
- Engagement.** CCMs should improve communication, stronger coordination and improved participation by all type of CCM members and their constituency members, with a special focus on key populations,⁸ people living with or affected by diseases and civil society.
- Linkages and sustainability.** CCMs should have robust interfaces and linkages with national bodies. CCMs need to review their anchorage and legal status. CCMs should work with countries to strengthen the sustainability of Global Fund financed programs and support successful transition towards full domestic financing and management of the national disease response.

⁶ As defined in the Challenging Operating Environments Policy, GF/B35/03

https://www.theglobalfund.org/media/4220/bm35_03-challengingoperatingenvironments_policy_en.pdf

⁷ An emergency situation in a country is defined as one in which an event or a series of events has resulted in a critical threat to the health, safety, security or well-being of a large group of people. It can be the result of an armed conflict and coup d'état, natural disasters, epidemics or famine, and often involves population displacement.

https://www.theglobalfund.org/media/4220/bm35_03challengingoperatingenvironments_policy_en.pdf

⁸ As defined in the [Global Fund Key Populations Action Plan 2014 – 2017](#), approved by the Board in the [STC Policy](#)

III) Introduce maturity levels. A key finding from the consultations was that CCMs operated at different maturity levels. CCMs are expected to progress along maturity levels based on clear criteria to move from one level to another. Activities or requirements for maturity levels will be differentiated, as appropriate, based on country context, as activities expected of a CCM in a transitioning country may be different from those expected of a CCM in a challenging operating environment. Below we describe each maturity level in a generic sense.

- 1) **Basic Governance CCMs** are working to develop basic governance practices, such as Conflict of Interest management and information transparency. They frequently coordinate Global Fund programs only around funding applications, and face challenges to get the coordination platform to function as a multi-sectoral platform.
- 2) **Oversight or Engaged CCMs** have strong governance structures, effectively engage with PRs, implement an adequate level of oversight over the programs throughout the grant lifecycle, and ensure adequate technical assistance to address bottlenecks.
- 3) **Strategic CCMs** fulfil requirements of program oversight, receive government cofinancing to operate, optimize Global Fund funds and mobilize other funds to increase program coverage, professionalize oversight and have impact on grant ratings, act as/link to/embed in coordinating body for national programs, and plan for post-Global Fund in terms of sustainability, for example having a budget allocation in the national budget and/or branding to attract private sector funding.

As an illustration, the Secretariat estimates that half of standard CCMs are at the Basic Governance maturity level, one-third are in the Oversight or Engaged level, and the remaining 17% are in a Strategic maturity level.

The Secretariat will work collaboratively with CCMs to assess the CCM maturity against the CCM Principles and the Eligibility Requirements on a regular (risk-based) frequency and agree on timelines for improvements. CCMs should aim to achieve the highest level, i.e. the most well-performing and strategically engaged level, although not all CCMs may be able to achieve it. Performance will be measured along the maturity levels and CCM Funding will be aligned to support this progression accordingly. Subject to adequate available resources for performance management, improvements should be seen within a three-year timeline – a baseline assessment would be carried out at the deployment phase and periodic assessments to measure progress (based on the current Eligibility and Performance Assessment Framework). The Secretariat will develop metrics to assess CCM performance whether improvements in CCMs are leading to the expected results during the phased implementation in 2018 and 2019.

What are the risks and proposed mitigations?

7. There are several risks associated with implementing the changes for CCM evolution.

- a. **CCM adoption.** CCMs may not understand or agree with the change in strategic direction and are therefore slow to adopt the changes.

Mitigation: All CCMs have been consulted twice during the design phase and given an opportunity to provide feedback and input. This has kept them involved and informed at each step of the process. The changes will be tied to CCM Performance Based Funding as CCMs will be incentivized to meet performance targets.

- b. **Limits to CCM maturity.** There may be limits to the level of maturity that some CCMs can achieve, regardless of the resources invested in them. *Mitigation:* The Secretariat will closely track progress of CCMs over time. If the Secretariat sees that some CCMs are not able to progress, there are a variety of options that can be employed. Some options could include coordinated technical support and political advocacy from the Global Fund and partners, introduction of stronger performance-based funding measures; agreement that the CCM should focus on maintaining its current maturity.
- c. **Backwards progress of CCMs.** Well-performing CCMs may begin to struggle when new members are elected or a new CCM Secretariat is recruited. *Mitigation:* First, in operationalizing the CCM Policy (as set forth in Annex 3), consultations recommended that 1) CCM alternates will become CCM members following their term, ensuring good knowledge transfer; 2) stronger CCM performance management systems are introduced to regularly evaluate performance of CCM members, CCM leadership and the CCM Secretariat and 3) CCM members serve for three year terms, aligned with grant lifecycle, instead of the two year terms as many CCMs have.

What decisions are needed?

8. Two Decision Points have been recommended to evolve CCMs, as set forth on pages 2 and 3 of this paper, and as summarized below:

1. Decision Point 1

- Approval of the CCM Code of Conduct.
- Approval of funding for the operationalization of the CCM Code of Conduct through the use of funds from Asset and Liability Management (ALM).
- Approval of (a) revision of the *Guidelines and Requirements for Country Coordinating Mechanisms* (now referred to as the CCM Policy, as set forth at Annex 3), and (b) delegation of authority to SC to approve future changes.

2. **Decision Point 2:** Approval of funding to support a phased roll-out of the “Intermediate” level of ambition for the CCM evolution through the use of funds from ALM.

Decision Point 1: Approval of CCM Code of Conduct (as set forth at Annex 4)

8.1 As mentioned above, the Code of Conduct was originally recommended by the EGC in May 2017 and re-recommended in April 2018, under GF/EGCo6/EDPo2.

The Proposed Code of Ethical Conduct for CCM Members, which is set forth at Annex 4, strengthens the ethical accountabilities for CCMs. Consistent with the Ethics and Integrity Framework,⁹ it sets a Board-mandated “tone at the top” regarding ethical expectations of CCMs as critical governance bodies within the Global Fund ecosystem. It concretely articulates how the Global Fund’s values of duty of care, accountability, integrity, and dignity and respect are expected to be translated into appropriate behavior at the CCM level. Moreover, it places

⁹ The Ethics and Integrity Framework, as approved by the Board in November 2014 under Decision Point GF/B32/DP09 and as set forth in GF/B32/18 – Revision 1, as may be amended from time to time

concrete obligations on individual CCM Members, including to share and reflect information with constituents; responsibly use CCM assets; comply with all relevant policies, especially Conflict of Interest Policies; and to prevent, detect, and respond to fraud and corruption, in line with the recently-approved Policy to Combat Fraud and Corruption¹⁰ and report it to the Global Fund.

The Code of Conduct and its operationalization were fully integrated into the consultation process undertaken by the CCM Evolution initiative.

Decision Point 1: Funding for the operationalization of the CCM Code of Conduct through the use of funds from ALM

8.2 The SC recommended to the Board that the amount of USD 1,219,700 be made available over a three year period to operationalize the CCM Code of Conduct. The SC recommended that the source of this funding would be the available funds identified by the AFC in July 2017 through asset and liability management (ALM). If the funding is approved, the Code of Conduct would be operationalized as described under the moderate option description in Annex 5 (attached).

As part of this decision, the Board is also requested to approve the addition of CCMs as a “Strategic Initiative” to the list of catalytic investment priorities to allow the Secretariat to utilize these funds for CCMs.

Decision Point 1: Approval of the revision of the Guidelines and Requirements for Country Coordinating Mechanisms (now referred to as the CCM Policy, as set forth at Annex 3) and delegation of authority to SC to approve future changes

8.3 The revised CCM Policy (formerly Guidelines and Requirements for CCMs) reflects the changes recommended from the CCM Evolution, mainly describing the differentiated models, the concept of the maturity levels, and introduction of the Code of Ethical Conduct. It presents CCM principles and gives greater clarity on CCM performance management. The proposed changes also elevate the focus of the document to policy-level issues critical for the Board and Committees to oversee. Once the Policy is approved, the Global Fund Secretariat will develop operational guidance accordingly.

A full table of the changes made to the Guidelines and Requirements for CCMs can be found in Annex 2.

The SC recommends that the Board delegate authority to the SC to approve amendments to the CCM Policy in the future and to the Secretariat to operationalize the CCM Policy and regularly report on its implementation to the SC. This will focus the SC on setting the strategic direction for CCMs and monitoring implementation, while allowing the Secretariat to ensure that it can rapidly adapt guidance and best practices based on operational learnings as it implements. Significant amendments related to the scope and overall mandate of CCMs could still be approved by the Board, at the discretion of the SC. The EGC will be updated as appropriate in its role as lead Committee on CCMs.

¹⁰ The Global Fund Policy to Combat Fraud and Corruption, as approved by the Board in November 2017 under Decision Point GF/B38/DP09, as may be amended from time to time

Decision Point 2: Funding to support level of ambition for CCM evolution

8.4 Four options were proposed to the SC around the level of ambition the Secretariat should have regarding CCM Evolution, each of which has an accompanying level of funding recommendation. The level of ambition is the extent of the scope and number of countries the Secretariat can actively support to integrate these changes operationally. The **Strategy Committee selected a phased roll-out of the Intermediate option** for the level of ambition, as set forth in Table 1 below, and recommended that the amount of USD 3.85 million be made available to implement CCM Evolution in 2018 and 2019. The SC recommended that the source of this funding would be the available funds identified by the AFC in July 2017 through asset and liability management (ALM).

Table 1: Levels of Ambition – Details of Option Recommended by the SC

| | |
|--|---|
| Intermediate | This option covers all activities listed in the “moderate” option (described below) plus a broader scope of activities including, (i) high level of technical assistance to provide orientation programs and carry out performance assessments, (ii) civil society trainings to strengthen the role and leadership of Key Populations (iii) budget support and TA to CCMs for transition preparedness, evaluating their best institutional anchorage and best options to optimize coordination and integration of CCM functions into existing bodies, and (iv) fully embedding the Code of Conduct into Standard CCMs and COE CCMs. For more details of the added activities for the intermediate option, please refer to the attached presentation (as set forth in Annex 1). |
| <i>Details of Other Options Considered by SC</i> | |
| Status Quo | CCM differentiation and maturity levels would not be introduced to evolve the CCM model in the near term given the lack of resources. There would be no changes to the existing CCM Guidelines, except for an update to Eligibility Requirement 6 to incorporate Code of Conduct for CCM Members. CCMs would continue to operate with the same set of rules (documented in the current CCM Guidelines) and receive technical assistance limited to existing Secretariat and partner funding. CCM performance would continue to be monitored as funding allows in accordance in the existing CCM Guidelines, which focus on civil society/Key Population engagement, oversight, governance and conflict of interest. In 2019, CCMs could be considered holistically as one of the priorities to be funded from the next Replenishment and financed beginning in 2020 if the Board agrees to prioritize CCMs above competing demands. |

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| Moderate | This option offers a package of activities which would allow us to introduce: (i) CCM differentiation, (ii) enhanced performance requirements aligned with maturity levels, and (iii) strengthened ethics requirements (Code of Conduct and enhanced conflict of interest requirements) through updated guidance and performance management tools, and then communicate and train CCMs in these changes. There would be in-depth technical support to a limited number of CCMs to implement key changes, such as Code of Conduct roll-out, and technical experts to support CCMs on robust oversight (for 50% CCMs) of PR performance. It would also include a pilot of transitioning funds to CCMs after Global Fund grants end for a maximum period of three years to explore whether funding CCMs can contribute to improved transitions. |
| Ambitious | This is the most comprehensive option that would include all activities listed in the “intermediate” option for 75% of CCMs/year, resulting in a higher level Executive Secretaries with increased salary allowances, increased support to CCMs to evaluate what their best institutional anchorage should be, and a Code of Conduct with an enhanced training program. The oversight activities are as per the intermediate option for additional 45% of CCMs/year. |

As noted above, the **Strategy Committee selected a phased roll-out of the Intermediate option** for the level of ambition. The phased approach would run until the end of 2019, with the following characteristics:

- **Phased approach to learn lessons.** The Secretariat, with the support of partners, would roll-out the proposed activities in the intermediate option to a limited set of countries (no more than 16) in 2018 and 2019. Based on lessons learned, and the availability of future funding, the Secretariat could scale up implementation to a greater number of countries in the next allocation cycle.
- **Activities in all improvement areas.** The Secretariat would include activities for the four key dimensions where improvements are needed: 1) reinforcing effective CCM functioning, 2) strengthening engagement of CCM constituencies (especially key populations and PLWD), 3) strengthening oversight and 4) enhancing linkages with national systems. See Figure 1 below for an overview of illustrative activities to be tested.
- **Select different types of CCMs.** CCMs would be selected from each differentiation category (CCMs in Standard, Transition Preparedness and Challenging Contexts) and at different levels of maturity so that the Secretariat can assess whether the recommended activities are effective in different settings.
- **Metrics.** The Secretariat would introduce a range of appropriate metrics to evaluate the interventions. Using these metrics, the Secretariat would conduct a baselining exercise in summer 2018 and an assessment of initial results to allow for a performance-based discussion regarding the next funding cycle. Metrics would, given the available timelines, be of “Process”, “Outcome” or “Intermediate” indicators. See Annex 1 for an overview of illustrative metrics.

The results and lessons learned from the first phase would inform the next round of Committee discussions. They would enable the Board to make more informed decisions about how to refine and align the investment in the CCM evolution in the next allocation cycle. Funds from the next allocation cycle could then be available, pending Board approval, to continue the implementation of the CCM Evolution in 2020 and beyond.

Figure 1 : What would you be Buying?

Oversight (Cost covers implementation for 16 CCMs):

- Equipping each CCM Secretariat with an 'Oversight Officer' (if not already the case), with the purpose of supporting the oversight operations and risk management plan follow up.
- Equipping each CCM with a consultant (5 days a month) to guide the CCM Oversight Committee in its process and dynamics.
- Equipping each CCM with tools to ensure proper oversight function (including, where available, follow up on Risk assurance plan).
- Providing the opportunity to access technical support to support the transition (for Transition Preparedness CCMs).

Linkages (Cost covers implementation for 16 CCMs):

- Supporting each CCM (provision of technical support) to conduct (1) an analysis of the existing coordinating platforms and (2) their first annual meeting with the other platforms in order to agree upon a set of deliverables for the year.
- Supporting each CCM (provision of technical support) to conduct (1) an analysis of the existing coordinating platforms and (2) the design of how the CCM functions (and GF principles) can be streamlined in the future coordination platform. This includes in particular how Civil Society can play a role in coordination and oversight after the GF era (for Transition Preparedness CCMs).

Engagement (Cost covers implementation for 16 CCMs):

- Arranging for civil society providers to deliver trainings to civil society organizations (mostly south-to-south), including key and vulnerable populations to strengthen their leadership and to enable them to play their roles as CCM members.
- Engaging with existing "Community Based Monitoring" entities (wherever available) so that they can monitor CCM performance.
- Providing 'South-to-South' opportunities (workshops) to exchange and learn about how to manage transition planning, design and execution (for Transition Preparedness CCMs).

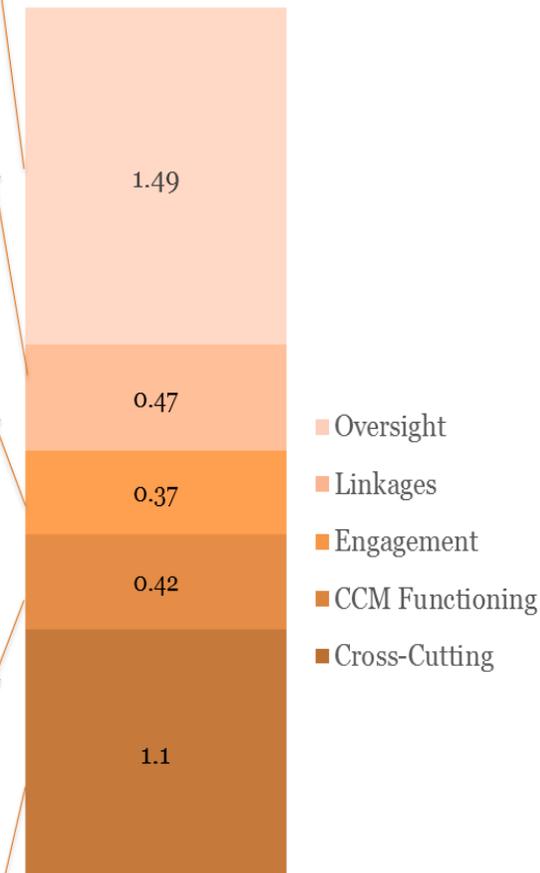
CCM Functioning (Cost covers implementation for 16 CCMs):

- Providing each CCM with a leadership training for the Executive committee members.
- Training each CCM Secretariat on supporting functions and relevant processes and tools.
- Ensuring the GF Secretariat (CT and/or CCM Hub) participates in at least one CCM plenary meeting and 2 oversight committee meetings per year.
- Assessment and update of CCM Composition to include new stakeholders, including Ministry of Finance/Planning/Budget, etc. who can support with the type of coordination, collaboration, domestic resource mobilization, integration and health and financing required to strengthen sustainability of the national response. Training each CCM Secretariat on supporting functions and relevant processes and tools (for Transition Preparedness CCMs).

Cross-Cutting (Cost covers implementation for 16 CCMs):

- Training consultants for CCMs on new EPA, transition support and conducting eligibility and performance assessments
- Additional Global Fund Secretariat support, including consultant to support measurement framework; data collection and analysis; development of tools, guidance and training materials and project management support.

\$ 3.85



Cost (2018-2019)

Years - Cost in Millions (USD)

Given the above, what are the positives and negatives of each option?

The benefits of a phased approach are that it:

- Makes some immediate interventions to strengthen CCM performance;
- Allows the Secretariat to focus support for greater impact on a smaller number of CCMs;
- Tests a range of interventions proposed in the intermediate and ambitious options;
- Enables a progressive roll-out adapting to lessons learned;
- Constrains the diversion of funds from unmet programmatic needs on the Register of Unfunded Quality Demand; and
- Aligns the CCM Evolution project with the funding cycle and potentially alternative funding modalities.

The downsides of a phased approach are that it:

- Still diverts funding from critical country-level priorities on the Register of Unfunded Quality Demand to CCMs; and
- Limits implementation to only the countries selected for this phase, thus delaying the roll-out to all CCMs.

Regarding the four levels of ambition considered by the Committees:

8.5.1.1 The positives of the **status-quo option** are that the Global Fund is not diverting funds from scaling up critical programs in-country towards CCMs which have a less direct contribution to achieving impact. It also does not disrupt CCMs in the middle of an allocation period by introducing key changes mid-cycle. Finally, it allows a holistic discussion to take place about how the Global Fund should prioritize its funding for all initiatives in 2019 rather than considering one option in isolation. On the other hand, this delays the opportunity to bring CCM performance to the next level and empower them to play a critical role in delivering the Global Fund strategy. It means the Global Fund will not be able, in the near term, to implement the shift in the strategic direction that Global Fund is promoting for CCMs -- for example, the Sustainability, Transition and Co-Financing Policy¹¹ calls for CCMs to lead the Transition Readiness Assessment – or recent TERG findings¹² about the need for CCMs to play a stronger role in issues related to adolescent girls and young women. In relation to the Code of Conduct, while it may be adopted, no training or conflict of interest management would be funded. This poses an institutional risk as it leaves the Global Fund vulnerable in cases where CCM members breach the Global Fund’s ethical standards.

8.5.2 The positives of the **moderate option** are that it would allow the Secretariat to introduce the differentiated CCM model, through updated guidance and communications, and the Code of Conduct, and gives much needed investment into the Oversight function by allowing 50% of CCMs to access funds to be able to hire experts on a consultancy basis for the Oversight Committee. It would also fund basic training in the Code of Conduct and materially strengthen conflict of interest management. Aside from the status-quo option, this option is the lowest cost option, thus ensuring the majority of Global Fund financing continue to be focused on in-country programmatic activities. In terms of negatives, it restricts the Global Fund Secretariat from actively implementing the changes in-country. CCM members serve for defined terms, often voluntarily, and therefore, it may not be reasonable for the Global Fund to expect higher performance without providing the necessary support. In particular, a limited update on the implementation of the Code of Conduct is an institutional risk as it leaves the

¹¹ https://www.theglobalfund.org/media/4221/bm35_04-sustainabilitytransitionandcofinancing_policy_en.pdf?u=636488964090000000

¹² See GF/B39/13.

Global Fund vulnerable in cases where CCM members breach the Global Fund's ethical standards. The desired improvements would be constrained to a small percentage of "early adopter" CCMs who would implement the changes without needing additional support and would provide minimal support to 5 transition-preparedness CCMs.

8.5.3 The **intermediate option** has the benefit of granting key financial leverage to support CCMs in areas that are of strategic importance. It can cover strengthening activities in CCM Functioning, Engagement, National Linkages, Oversight and Ethics, for a key segment of the Global Fund portfolio. The desired improvement of a full roll-out of the intermediate option is to show progress for a significant number of CCMs, particularly in oversight, throughout the grant lifecycle which is linked to improved grant performance and also, where relevant, improved transition preparedness. The significant downside however is that it diverts funds from critical scale-up of activities at country level.

8.5.4 The **ambitious option** has the advantage of being the most comprehensive package and can include items of a more strategic nature. Concretely, it would cover 75% of countries and technical assistance for integration and coordination between the CCM and existing national bodies. It is an ambitious target that comes with a high price tag. The decision to proceed with this option would require a consideration of the competing priorities for Global Fund finances and as importantly, a strong commitment from the CCMs to prove the return on investment.

Approach to funding Code of Conduct operationalization and implementation of CCM evolution?

8.6 Evolving CCMs will require resources in addition to those available through the Secretariat's operating expenses (OpEx). Given the recent Board decision that the Global Fund must absorb the Global Health Campus one-off costs within the US\$ 900 million 3 year funding envelope for operating expenses, funding the CCM evolution through OpEx would not be feasible. The Secretariat is not suggesting an increase to the operating expenses. The current allocated resources in OpEx for CCM funding for 2018 are US\$9.5 million (through grants that go directly to CCMs in-country), US\$700,000 for technical support, and five staff members (Full Term Equivalents) in the CCM Hub.

As a phased roll-out of the intermediate option is recommended for the implementation of CCM Evolution, the Strategy Committee debated three potential sources of funds to cover implementation in the near term, and recommends that unutilized funds determined through Asset and Liability Management should be used:

8.7.1(SC Recommended Option) Unutilized funds determined through Asset and Liability Management. The AFC has approved US\$50 million in available funding for financing prioritized and costed areas of need on the register of unfunded quality demand, according to the prioritization framework approved by the SC in June 2017¹². A portion of these funds could be used for CCMs, provided that the Board approves a different use of this available funding. The benefit of this option is that funds are currently available to begin implementation in 2018. The obvious disadvantage is that it diverts funds from critical country needs on the register of unfunded quality demand that could

¹² GF/SC04/DP02.

drive bigger impact in country. The opportunity costs of funding the CCM Evolution implementation has to be considered with these activities in mind, a sample subset of which can be found in the attached slide-deck. This is the approach recommended by the SC to fund implementation of both the Code of Conduct and the CCM evolution, which also involves the need for the Board to approve a new Strategic Initiative for CCMs to allow the Secretariat to utilize the funds for CCMs.

8.7.2 Potential unabsorbed funds from 2017-2019 Strategic Initiatives. CCM Evolution could be added to the list of Strategic Initiatives (SI) (subject to Board approval) and funded with unused catalytic investment funds, as determined by the Strategy Committee in consultation with the AFC. The advantages of this option are that it (1) puts to use funds that may not otherwise be fully utilized, (2) could fit well within the definition of SI, (3) does not remove funds from countries and (4) introduces CCM Evolution as an initiative to be funded by catalytic funding, potentially paving the way for 2020-2022 Strategic Initiative funding. The drawback is that there may be very limited funds available in the near term since implementation of the SIs began in 2017 and there are likely few areas where there is under-absorption at this early stage. It is possible that the Global Fund will not be able to access these funds until mid-2019 and it will be difficult to estimate until nearer that timeframe how much could potentially be available. In addition, it could redirect funds from critical SIs that could potentially absorb any unused funds.

8.7.3 Partner Funds. Partners could be asked to contribute to the CCM Evolution implementation specifically, in addition to their current allocations of technical assistance to CCMs. This is a possible option thanks to the strong partnership links that have been already established to support CCMs. However, it is uncertain how much funding would be available and whether the use of funds may be targeted to the priorities of each individual partner as opposed to holistically funding Evolution activities. As mentioned in the introduction of this report, there is a smaller pool of funds from partners focused on strengthening CCM performance. Furthermore, it may not be administratively possible for our partners to re-allocate finances in the near term.

Further details of activities and their costs (including the break-down of funds for Global Fund Secretariat, Technical Assistance and CCM funding), and the desired improvements can be found in the attached presentation (as set forth in Annex 1).

[Which does the Secretariat recommend, considering the benefits and risks of the options discussed by the Committees?](#)

9. The Secretariat sees CCMs as a critical part of the Global Fund business model, and essential to ensuring partnership, engagement and oversight throughout the grant lifecycle. We also recognize the importance of ensuring that CCMs have a strong Code of Conduct that supports ethical and effective behavior of individual members. The Secretariat supports strengthening CCMs and will implement the rollout of the Code of Conduct and the CCM evolution approach in accordance with the final decision of the Board.

The Secretariat also recognizes that 1) funding CCMs at this time would require reallocation of funds from critical unfunded programmatic needs since there is no capacity in Opex; 2) we need to provide more evidence of the effectiveness and value for money of investing in CCMs; and 3) whatever we do now should be used to inform a broader rethink of the approach to CCM funding for the next allocation cycle.

Therefore, on Decision Point 1, the Secretariat supports the recommendation to approve the CCM Code of Conduct and the CCM Policy and secure appropriate funding for implementation from ALM for three years (amounting to approximately \$1.2 million).

Regarding the version of Decision Point 2 that was initially recommended to the Board, the Secretariat notes the input from the Committees and specifically the concerns expressed by some members of SC and AFC (as described above). We would support a phased approach to implementation to balance the desire expressed by some constituencies for an ambitious approach and the concerns raised by others about implementation feasibility and return on investment, particularly in comparison to items on the UQD list. For our part, we are concerned about the potential impact on our ability to fulfill priority needs on the UQD list, including scale-up of ARV treatment, support where recent TB prevalence studies have shown higher burden than that used in the allocations, response to malaria resurgence in Central Africa, as well as RSSH and any emergency needs described in the Countries in Crisis Board decision. We would support a phased implementation of the intermediate option, for example, focused on a smaller number of CCMs (perhaps in the range of 12-16). This would enable us to test some of the interventions in the intermediate option that are not included in the moderate option. A more limited and phased approach would entail the introduction of a range of appropriate metrics to evaluate the interventions, thus enabling the Board to make more informed decisions about how to refine and align the investment in CCM evolution with the next allocation cycle (although given the timing of the interventions and the nature of the CCM role, such metrics will inevitably be qualitative and preliminary). An option with a cost of around \$4 million until the end of 2019, with the funds secured from ALM, would seem to be a strong commitment to the important issue of CCMs while ensuring sufficient funds remaining for critical needs on the Register of UQD.

Such an approach would thus allow the Global Fund to:

1. Make some immediate interventions to strengthen CCM performance
2. Test the full range of interventions proposed in the intermediate option;
3. Enable a progressive roll-out adapting to lessons learned;
4. Constrain the diversion of funds from unmet programmatic needs on the Register of Unfunded Quality Demand; and
5. Align the CCM Evolution project with the funding cycle and potentially alternative funding modalities.

The results would inform the next round of Committee and Board discussions and decisions in the second half of 2019.

Considering the above, the Secretariat supports the revised Decision Point 2 that has been recommended to the Board, as set forth in this paper.

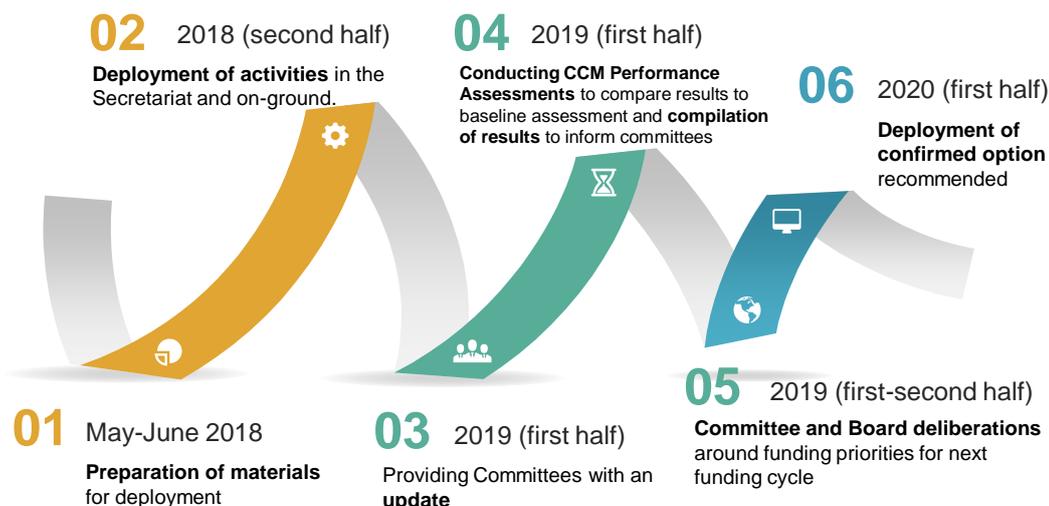
What do we need to do next to progress?

What is required to progress the proposal?

10. Below are the steps required to roll out the CCM Evolution:

Illustrative timeline of next steps

Implementation with 16 countries can continue throughout this allocation period



What is the Board asked to do next?

- 11.** The Board is asked to approve the Decision Points set out at the beginning of this paper. Future decisions, such as aligning the CCM Funding Policy with the changes, will be submitted to the SC as they have the delegated authority to make revisions to this policy, with overall guidance provided by the EGC. Similarly, status updates will be provided to both Committees who can report to the Board as relevant.

What would be the impact of delaying or rejecting the decisions to progress?

- 12.** The impact of delaying or rejecting the set of decisions related to CCMs would limit the contributions that CCMs can bring in implementing the Global Fund Strategy in the near term. The Secretariat's analysis and consultations show that while CCMs have made significant progress, they continue to face challenges, particularly in the areas of oversight and engagement. On the other hand, investments now in CCMs means funds are diverted from critical country priorities to scale up interventions against the three diseases.

Recommendation

The Ethics and Governance Committee and the Strategy Committee recommends the Decision Points presented on pages 2 and 3 to the Board.

This document is part of an internal deliberative process of the Global Fund and as such cannot be made public until after the Board Meeting

Annexes

The following items can be found in Annex:

Annex 1

[Pre-read PowerPoint document on CCM Evolution](#)

Annex 2

CCM Policy: Table of Changes (previously entitled “Guidelines and Requirements for Country Coordinating Mechanisms”) – see attached

Annex 3 – Policy document for approval

CCM Policy (previously entitled “Guidelines and Requirements for Country Coordinating Mechanisms”) – see attached

Annex 4 – Policy document for approval

Code of Ethical Conduct for CCM Members – see attached

Annex 5

Operationalization of the Code of Conduct – see attached

Annex 6 – Summary of Committee Input

Deliberations from EGC, SC and AFC in March 2018

Deliberations from EGC in October 2017

October 2017 SC Chair’s Summary Notes, GF/SC05/20

<https://tgf.sharepoint.com/sites/ESOBAA1/GFBC/StrategyCommitteeSC/SC%20Meetings/5th%20SC%20Meeting%2011-13%20October%202017/GF%20SC05%2020%20Chair's%20Summary%20Notes.pdf>

July 2017 EGC Committee Chair & Vice-Chair's High-Level Report, GF-EGC04-13

https://tgf.sharepoint.com/sites/ESOBAA1/GFBC/_layouts/15/DocIdRedir.aspx?ID=W54V3UNNTYHT-1275396797-290

June 2017 SC Chair’s Summary Notes, GF SC04 12

https://tgf.sharepoint.com/sites/ESOBAA1/GFBC/_layouts/15/DocIdRedir.aspx?ID=W54V3UNNTYHT-1011520143-351

Annex 7 – Relevant Past Board Decisions

| Relevant past Decision Point | Summary and Impact |
|---|---|
| GF/B35/DP03: Response to Office of the Inspector General 2015 Annual Opinion and Risk Management Report and Assurance Statement (April 2016) | The Board called on the Secretariat to review the business model in high-risk countries and present possible options to the Board after review by the Standing Committees. |
| GF/B23/DP17: Revised Country Coordinating Mechanisms Guidelines (May 2011) | The Board approved the revised Guidelines and Requirements for Country Coordinating Mechanisms. |
| GF/B20/DP12: Review of CCM Guidelines (November 2009) | The Board delegated authority to the Portfolio and Implementation Committee (PIC) to approve changes to the Guidelines and Requirements for Country Coordinating Mechanisms, further providing that if the PIC considers that material changes to any of the six CCM eligibility requirements are needed, the PIC will make a recommendation to the Board for approval. |
| GF/B19/DP20: Country Coordinating Mechanisms (CCM) Funding Policy (May 2009) | The Board approved in principle a new funding model for CCMs which allowed for increased budget amounts and flexible funding modalities on the basis of certain key objectives. |
| GF/B16/DP19: Guidelines on the Purpose, Structure, Composition and Funding of Country Coordinating Mechanisms and Requirements for Grant Eligibility (November 2007) | The Board approved the Guidelines on the Purpose, Structure, Composition and Funding of Country Coordinating Mechanisms and Requirements for Grant Eligibility and approved an allocation for CCM Funding for the period ending 31 December 2008. The Board requests that the Secretariat include the expected annual CCM Funding maximum as part of the annual budget that is reviewed by the Finance and Audit Committee. |

Annex 2: CCM Policy: Table of Changes (previously entitled “Guidelines and Requirements for Country Coordinating Mechanisms”)

Purpose:

1. The table below highlights areas where changes have been made to the Country Coordinating Mechanisms Guidelines. Minor changes to language for clarity are not highlighted. Re-ordering and re-numbering of existing paragraphs are also not highlighted unless relevant to the rationale for revision.

| Area | Current policy reference and change (if applicable) | Rationale for revision | Revised policy reference |
|------------------------------|---|--|--------------------------|
| Introducing Differentiation | Not applicable | Outcome of the CCM Evolution consultations | Paragraph 20 |
| Concept of Maturity Levels | Not applicable | Outcome of the CCM Evolution consultations | Paragraph 28 |
| Inclusion of Code of Conduct | Requirement 6 (revised) | <p>In light of the approved text of the Ethical Code of Conduct for CCM members by the EGC.</p> <p>This has been revised to request CCMs to:</p> <ul style="list-style-type: none"> • Approve and adopt the Code of Conduct for CCM Members and ensure members, alternates, and CCM secretariat staff are trained and certify adherence to the Code in addition to the Conflict of Interest Policy stipulated in requirement 6. | Paragraph 24 |

| Area | Current policy reference and change (if applicable) | Rationale for revision | Revised policy reference |
|---|---|--|--|
| Streamlining and re-organization of the CCM Policy | Not applicable | Clarifies the principles, requirements and guidelines and removes duplicative text. Good practices previously included in the CCM Guidelines are moved to operational guidance. (forthcoming) | Core Principles of the Global Fund– Paragraph 3 Principles for Coordinating Mechanisms – Paragraph 13 Core Functions and Eligibility Requirements – Paragraph 21 |
| Describes CCM performance management | Not applicable | Greater clarity on CCM performance management | CCM Performance Management and Performance-Based Funding – Paragraph 26 |
| Updated guidance on Ethics, Integrity and the Global Fund Policy to Combat Fraud and Corruption | Paragraph 96 | To align with the Global Fund Policy to Combat Fraud and Corruption, as approved by the Board in November 2017 under decision point GF/B38/DPO9 | Paragraph 36 |
| Updating definition for Key Populations | Footnote # 6 on page 4, Key Populations | To align the definition for Key Populations with the definition in the Global Fund Key Populations Action 2014-2017 as per Board approved STC policy GF/B35/04 | Footnotes #16 and #23 |
| Addition in principle of Sustainability and Transition considerations | Not applicable | Gives an overview of the role of CCMs with regards to STC to align with the Board approved STC policy GF/B35/04 | Paragraph 18 |

| Area | Current policy reference and change (if applicable) | Rationale for revision | Revised policy reference |
|---|--|--|---|
| Removal of Executive Summary | Page 1 | Simplified structure makes this redundant | Not applicable |
| Simplified levels of guidelines: Requirements, Minimum Standards, Standards and Recommendations | Introduced in the Executive Summary | Two levels of guidance are described – principles and Eligibility Requirements | Principles for Coordinating Mechanisms – Paragraph 13 Core Functions and Eligibility Requirements – Paragraph 21 |
| Updating term “concept note” | Throughout the document | Updated term is now “funding application” | Through-out the document |

Changes to the CCM Policy following the Strategy Committee (please refer to Strategy Committee Notes)

| Area | Rationale for revision | Reference of Revision |
|---|---|---|
| Revising definition of oversight principle | Revision based on suggested language change coming out of SC meeting | Principles for Coordinating Mechanisms – Paragraph 16 |
| Updating CCM Performance Management and Performance-Based Funding | Updating description post SC to include Secretariat engagement with CCMs to improve performance around CCM principles | CCM Performance Management and Performance-Based Funding – Paragraph 25 |
| Updating definition of CCM Legal Status and Authority | Updating definition post SC to include CCMs may be legal entities depending on local laws and context | CCM Legal Status and Authority – Paragraph 31 |

Annex 3: COUNTRY COORDINATING MECHANISM POLICY

Including Principles and Requirements

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](#)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*, 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;

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

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

- 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.

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

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](#)

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

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;

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.

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

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 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.

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]

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 requires 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:

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.

- 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
- 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
- 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:

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.

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.

- i. Approve and adopt the Code of Ethical Conduct for CCM Members [link forthcoming];
 - 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).

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.

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

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.

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

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.

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

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

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.

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.

^[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.

^[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.

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

[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.

[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.

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.

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

[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.

[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.”

suspicion or knowledge of Prohibited Practices to the appropriate channels in the Global Fund.

5.7 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.

Annex 4

My Code

My Responsibility

Code of Ethical Conduct for Country Coordinating Mechanism Members

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Country Coordinating Mechanism Members' Duties

This Code of Conduct outlines how individual CCM Members (including Regional Coordinating Mechanisms, Alternates, and CCM Secretariat employees) should perform their duties, which are outlined in the Guidelines and Requirements for CCMs and internal CCM policies. CCM Members are **required** to:

- Read, be familiar and comply with this Code
- Certify, upon the Global Fund's request, commitment to act in line with this Code in their roles as CCM Members
- Act ethically and as positive role models in the context of their membership on the CCM
- Support anyone who raises concerns about violations of this Code or the CCM Guidelines
- Raise questions and concerns if they become aware of possible violations of CCM Guidelines, CCM Policies, this Code, or any integrity-related laws.

This Code of Conduct expects CCM Members to:

- **Act consistently with their duty of care**
- **Act accountably**
- **Act with integrity**
- **Act with dignity & respect**
- **Speak out**

If CCM Members have a question about how to abide by this Code, or if they have a concern or suspicion that others may not be abiding by this Code, they are **required** to actively uphold the Code by speaking out:

CCM Chair, Executive & Ethics Committee Responsibilities

- Encourage CCM Members to know the Code and all other governing documents: (CCM Guidelines, CCM Conflict of Interest Policy and CCM Bylaws)
- Ensure that CCM members receive the Code and the CCM Conflict of Interest Policy, read them, and ensure the policies' enforcement consistently and fairly
- Make sure no one is punished or hurt for raising Code-related concerns or questions
- Create a respectful and inclusive CCM environment with active and effective contributions by all members and with transparent and equitable decision-making

CCM Secretariat Employees

CCM employees are **required** to provide timely, professional, and transparent support to all members of the CCM, including responsible management of information, budgets, and CCM meeting minutes.

- Where possible, raising the matter within the CCM.
- In parallel, alerting the Global Fund.

The Global Fund will not tolerate any form of retaliation against those who act consistently with this Code and speak out.

The CCM – A Unique Forum for Advancing Public Health

CCMs are mechanisms for public-private partnership in the governance of HIV, Tuberculosis, and Malaria national disease programs. CCMs request financing from the Global Fund on behalf of the country and provide strategic oversight to ensure effective and strategic implementation of the program.

An effective CCM is central to the Global Fund’s mission of “investing the world’s money to end AIDS, tuberculosis and malaria.” It is a unique country-level forum that brings together actors from all sectors, including affected populations, and other public health fora (e.g., for health system strengthening) to achieve the vision of a world free from the burden of these three diseases.

The Global Fund model is founded on certain principles, underpinned by a series of ethical values:

Global Fund Principles

Country Ownership
Partnership
Transparency
Performance Based Funding

Global Fund Ethical Values

Duty of Care
Accountability
Integrity
Dignity and Respect

As the main governance body charged with securing Global Fund financing and overseeing program success, the CCM is expected to embody the same principles and values. Ethical, transparent, and responsible decision-making by CCMs is key for program success at country level.

Code Enforcement

This Code is incorporated as a component of Eligibility Requirement 6 of the Guidelines and Requirements for Country Coordinating Mechanisms. Consequently, the Global Fund will monitor CCM's enforcement of this Code as a condition for access to Global Fund financing, and CCM Members' adherence to the expectations set in this Code will inform the Global Fund's appraisal of overall CCM performance.

The CCM is **required** to enforce individual member compliance with this Code, while ensuring fairness and due process. Consequences should be proportional and may include removal from decisions, leadership roles, or the CCM.

CCM Members' Values

Duty of Care

CCM Members' duty of care is first and foremost to people living with, affected, or at risk of contracting AIDS/HIV, Malaria, and Tuberculosis.

CCM Members' obligations towards their constituency and stakeholders are expected to support, not undermine, this broader public health interest to end the epidemics.

CCM Members are expected to ensure that Global Fund resources are used efficiently and wisely to achieve maximum impact by:

- Submitting funding requests that are designed to propose the most effective mix of interventions, including most effectively targeting key populations, as aligned with the National Strategic Plan/Investment Case
- Ensuring that implementers and systems are capable of implementing the grant
- Overseeing effective and timely implementation of grants with careful and appropriate use of resources in order to attain or surpass anticipated results
- Speaking out if the above activities are not happening

Accountability

CCM Members are accountable to the people they represent, and as a group, the CCM is also accountable to the mission of ending the epidemics within its country.

CCM Members are therefore expected to:

Be transparent

Prepare and actively participate in the CCM

Be responsible stewards of CCM assets

Manage information responsibly

Transparency

Since the CCM is a public body representing public health and stakeholder interests, CCM Members need to be open with the public, especially with those they represent, and to represent their constituents' views at the CCM. CCM Members are therefore **required** to:

- Share received information with constituents early enough and with enough detail to enable constructive feedback in time to influence a decision
- Collect and reflect constituents' views and concerns at CCM meetings, while retaining the duty of care to the broader public health interest
- Update constituents on CCM decisions, in particular when constituents provided input

Preparation and Active Participation

CCM Members are expected to take their role on the CCM seriously:

- Regularly attend CCM meetings on time
- Prepare for meetings by reading background material and by fulfilling commitments made in prior meetings
- Ensure CCM decisions are properly documented
- Cooperate fully with the implementers and the Global Fund

CCM Members are **required** to actively hold implementers accountable by engaging in grant oversight, including by:

- Proactively making field visits (taking personal safety into consideration) and attending disease-related meetings
- Contributing feedback from constituencies on access, quality, and equity of grant sponsored services
- Participating in analysis of grant results and investigation of problems through dialogue with the implementers
- Contributing to efforts to solve problems which surpass the authority or capacity of the implementers
- Proactively identifying ways to improve the CCM's work

Responsible use of CCM assets

The funds, office space, equipment, and transport offered to the CCM is intended to ensure that the CCM is fully functional. CCM Members are stewards of these assets, so they are **required**:

- Not to use CCM assets for personal or needs unrelated to CCM activities

- To ensure the assets are not damaged, misused, or lost
- To speak out if they are concerned that assets are being inappropriately used

Responsible Information Management

CCM Members are expected to balance transparency with confidentiality. They do this by:

- Not sharing information that the CCM or Global Fund formally determine is confidential
- When information is not confidential, ensuring that it is made available to constituencies and the public
- Ensuring other CCM Members know and follow the rules on confidentiality
- Responsibly using and protecting computer IDs and passwords
- Remaining vigilant against cyber-attacks and scams and reporting them immediately to CCM leadership

Integrity

*CCM Members are expected to act with
Impartiality,
Truthfulness and Accuracy,
Fairness and Consistency, and
Honesty.*

As CCM Members make decisions, they are expected to prioritize the best interests of the populations affected by the three diseases.

Impartiality and Avoiding Conflicts of Interest

CCM Members have important connections outside of their role on the CCM, such as:

- Other roles in other organizations
- Responsibilities towards friends and family
- Membership in a political party or government
- Owning a company or NGO, or sitting on boards of directors

CCM Members also may be offered or seek to offer gifts, including benefits, travel costs and honours outside of their roles as a CCM Members.

These connections or gifts could create the impression of influence on CCM Members in:

- Making decisions that are not in the best interest of public health needs
- Inappropriately using CCM time or resources
- Sharing confidential CCM information
- Violating policies or integrity-related laws (such as anti-fraud or corruption laws)

CCM Members are expected to avoid perceived, potential, and real conflict of interest of this kind, CCM Members are **required** to comply with their Conflict of Interest Policy. In line with this policy, CCM Members **must**:

- Immediately disclose to the CCM any potential or actual conflict of interests
- Periodically declare conflicts of interests affecting anyone on the CCM
- Not accept or give gifts in connection with their CCM Member role

In the case of a conflict or the perception of one, CCM Members are **required** to follow the CCM Conflict of Interest Policy, including by:

- Recusing themselves from discussions, decisions, and voting where there is a conflict of interest, including decisions related to oversight and selecting or financing of implementers
- Speaking out if they are worried that a CCM colleague has connections and is not disclosing them or managing them properly

Truthfulness and Accuracy

Important public health investment decisions are made on the basis of information and data such as:

- The nature and size of the disease burden
- The nature and scale of impact of interventions
- The nature and type of barriers to accessing health services for most affected and marginalized populations
- The pace and quality of program implementation

- The costs of interventions
- The reliability and quality of public health systems
- The reliability and quality of implementers

Therefore, CCM Members are expected to ensure that this information is accurately and completely reported and used. CCM Members are also **required** to speak out if they have concerns that data or information is influenced by unintentional or intentional errors such as manipulation, inflation, miscounting, incomplete, or incorrect statements.

Fairness & Consistency

| Reference Document | Provides Guidance on: |
|---|---|
| Guidelines and Requirements for CCMs* | <ul style="list-style-type: none"> • The role and core functions of CCMs and their membership • The six requirements for CCM funding eligibility • Good governance principles and practice • The process for reviewing CCM performance • Technical and financial assistance available to CCMs • Standards which the Global Fund considers vital for effective CCM performance, and recommendations based on good practice |
| The Code of Conduct for Recipients** | <ul style="list-style-type: none"> • The principles and standards of conduct for all recipients of Global Fund grants |
| The Policy on Ethics and Conflict of Interest** | <ul style="list-style-type: none"> • Identification of actual or potential conflicts of interest • The responsibility to disclose actual or potential conflicts of interest, and the procedure for addressing such conflicts |
| The Whistle-Blowing Policy and Procedures** | <ul style="list-style-type: none"> • The Global Fund’s confidential procedures for reporting possible misconduct or irregularities so that appropriate remedial action can be taken |

CCM Members are **required** to abide by and apply Global Fund and CCM rules, guidelines, codes or polices fairly and consistently. If a CCM Member has concerns that CCM rules, guidelines, codes or polices are not being followed, s/he has a **duty** to speak out.

Relevant Global Fund Policies for CCMs

| | |
|---|---|
| <p>CCM Funding Policy*** Guidelines for CCM Funding*** CCM Funding Step-by-Step Guide***</p> | <ul style="list-style-type: none"> • Instructions on how to apply for CCM funding from the Global Fund, the eligible uses of CCM funding, and how expenditures should be tracked by CCMs |
| <p>* Accessible at http://www.theglobalfund.org/en/ccm/guidelines/ ** Accessible at http://www.theglobalfund.org/en/governance/ *** Accessible at http://www.theglobalfund.org/en/ccm/funding/</p> | |

Honesty

CCM Members must guard against misuse of resources, fraud and corruption and, in particular, comply with the Global Fund Policy to Combat Fraud and Corruption. They must not tolerate or take part in any arrangements to divert, falsely report, or use Global Fund funds, assets, or data for anything other than the intended purpose, especially not for personal, criminal or political purposes. CCM Members are **required** to support efforts that:

- **Prevent corruption:** Make sure Global Fund funds are used properly
- **Detect corruption:** Actively condemn if others engage in corruption

- **Stand up to corruption:** Speak out when they have a suspicion of corruption

The Global Fund prohibits and addresses all forms of fraud and corruption.

The Global Fund's Policy to Combat Fraud and Corruption outlines specific "Prohibited Practices" which all CCM Members are **required** to prevent, detect, and report.

The following practices are prohibited:

- **Corrupt Practices:** Bribes, kickbacks, and influencing decisions in exchange for favors
- **Fraudulent Practices:** Lying about use of funds or information used to make funding decisions
- **Coercive Practices:** Intimidating or threatening someone to improperly influence them
- **Collusive Practices:** Whenever two or more collaborate to carry out Prohibited Practices
- **Abusive Practices:** Theft, embezzlement, or intentional waste
- **Obstructive Practices:** Failing to report Prohibited Practices to the Global Fund despite suspicion or knowledge, or blocking the Global Fund from finding evidence of Prohibited Practices
- **Retaliation:** Harming or seeking to harm anyone who either refuses to engage in Prohibited Practices or in good faith reports it.
- **Money Laundering:** Managing or moving funds that are connected to criminal activity
- **Financing of Terrorism:** Managing or moving funds that are intended to finance terrorism

Dignity & Respect

Members of the CCM treat people with dignity and respect by Upholding the dignity of beneficiaries, and Respecting colleagues.

Ensuring respect for human rights, including non-discrimination

CCM Members are **required** to ensure that programs financed by the Global Fund are designed to promote dignity, respect and empowerment of people and communities affected by HIV/AIDS, Tuberculosis and Malaria, as well as key and vulnerable segment populations, especially if they may suffer from stigma or marginalization.

Ensuring an atmosphere of mutual respect

In interactions with fellow CCM Members, Implementers, and Global Fund staff, CCM Members are expected to maintain an enabling environment guided by mutual respect.

CCM Members are therefore expected to practice and promote respectful deliberations, decision-making, and social interactions in all CCM-related settings. They are expected to treat colleagues with courtesy and respect, without harassment, or physical or verbal abuse, and not exert undue influence on their activities. They are expected to ensure that the debates reserve sufficient time for all to speak, and that decisions are made after thorough consideration of the views expressed by all CCM Members.

CCM Members are **required** to abstain from all forms of bullying, harassment and discrimination.

Speaking Out

What does it mean to speak out?

In its most general form, to speak out means to raise questions, concerns, or share knowledge of situations where this Code or other policies are not being adequately upheld. CCM Members are encouraged to support one another and hold one another accountable by proactively discussing whether their decision-making and behaviour are consistent with this Code. If initial efforts yield insufficient change, CCM Members are **required** to raise their concerns more formally within the CCM governance structure as well as with the Global Fund.

Can speaking out help?

By speaking out, CCM Members give others the chance to take action and to support them:

- **Asking for clarifications or advice** increases a member's chances of doing the right thing.
- **Pointing out** behavior that is inconsistent with this Code may influence the behavior of colleagues.
- **Raising the matter formally** to the CCM allows the CCM to respond appropriately and to strengthen the ethical culture of the CCM.
- **Escalating** the matter to the Global Fund allows for:
 - Receiving confidential advice from the Ethics Officer or the OIG
 - Protection of the speaker's identity
 - Global Fund intervention at an operational level
 - A fact finding exercise to be undertaken
 - If appropriate, penalties to be initiated
 - If appropriate, law enforcement to be informed

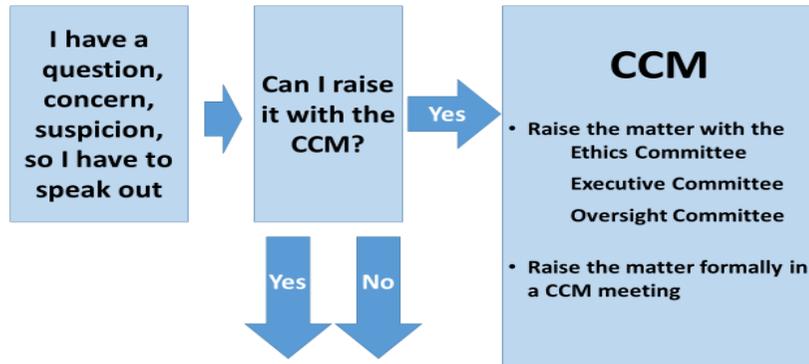
CCM Members have a duty to report.

The CCM as a body is **required** to immediately report suspicion or knowledge of all forms of fraud and corruption (defined as Prohibited Practices) to the Global Fund. Therefore, if a CCM Member has suspicion or knowledge of Prohibited Practices in Global Fund activities, s/he also has a **duty** to report this information, either through formal CCM channels, or directly to the Global Fund. Note that failure to report suspicion or knowledge of prohibited practices is itself the prohibited practice of “obstruction.”

The Global Fund has made confidential and/or anonymous reporting and advisory services available to CCM Members through the channels described in the schematic below. Under the Global Fund’s Whistleblowing Policy, those reporting any wrongdoing to the OIG may do so anonymously or confidentially and the Global Fund maintains processes to prevent, detect, and respond to any retaliation against reporting.

How can I report or seek confidential advice?

Speaking out takes courage and strength of character, so your decision to take action is greatly appreciated and will be acted on with respect and sensitivity to your personal security.



The Global Fund

For General Advice

- Your FPM
- CCM Hub ccm@theglobalfund.org

For Confidential Advice:

- Ethics Officer
ethics@theglobalfund.org

To Report Wrongdoing:



Confidential OIG hotline:
<http://www.ispeakoutnow.org>
+1 704 541 6918 (free service)

Here are the practical steps:

- You have **multiple channels** of speaking up available within the CCM, whether it be with a fellow member, a committee chair or vice chair, or a member of the Executive Committee or the CCM Secretariat. You might also consider contacting the Local Fund Agent. Please reach out to the channel you are most comfortable with.
- You are **required** to report directly to the Global Fund (1) if you have a suspicion or knowledge of Prohibited Practices; (2) if you cannot speak out within the CCM, or (3) if your efforts to date have resulted in inadequate response. You may contact various channels within the Global Fund Secretariat, such as the Country Team, the FPM, the CCM Hub, the Ethics Officer, or the OIG. Please reach out to the channel you are most comfortable with.
- If you have **concerns about retaliation** or fear for your personal or family's safety for speaking out, do so confidentially (e.g., to the Global Fund Ethics Officer) or through the Global Fund's "I Speak Out Now" hotline, where you can report confidentially, anonymously, or claim whistleblower status.
- Any time you speak with someone, **provide details**:
 - ✓ What happened? ✓ Names of everyone involved
 - ✓ Where? ✓ Why is this a problem?
 - ✓ When? ✓ Other information
- **If possible, keep written records of what you said to who, when and the responses you got.** This will allow you to demonstrate you held up your duty to report.
- **Don't stop** speaking up: If the problem continues or repeats, speak to another channel.

Annex 5: Operationalization of the Code of Conduct

1. Why has the Global Fund decided to create a Code of Conduct for CCM Members?

In 2015, the Global Fund Board approved an “Ethics and Integrity Framework” that calls for all members of the Global Fund environment to be held to a Code of Conduct. Codes of Conduct already exist for the Board, Global Fund Staff, Implementers, and even Suppliers. CCMs play a critical role in Global Fund governance and program oversight, so it is important that CCM members demonstrate high ethical standards – a Code of Conduct sets them out.

2. The Code of Conduct was brought to the Board in 2017. What happened since then?

The EGC unanimously approved the Code of Ethical Conduct for CCMs in March 2017 under **GF/EGCo3/DPo3**. The May 2017 Board recommended that the Code of Conduct be integrated into the broader CCM Evolution Project, that the substance of the Code and its operationalization and enforcement be consulted with CCMs, and that it be brought forward as part of a comprehensive package. This has been done in 2017. As a result, this proposal brings forward the Code, an adjusted ER6 and eligibility criteria, and budgeted options for roll-out and operationalization. As there have been no substantive changes to the Code of Conduct as a result of the consultations, the EGC’s approved version can proceed to the Board for a vote along with the remainder of the CCM Evolution Project.

3. Upon signing the Code of Conduct, what do CCM Members and Secretariat Staff commit to?

They commit to the highest standards of ethics and integrity in their role as leaders in the public health community. This means they commit to (1) fulfil their duty of care as a CCM member, (2) act accountably, (3) communicate transparently, (4) and conduct themselves with integrity. These values appear in all Global Fund codes of conduct. The Code explains what each of these phrases mean in the CCM context.

Signatories also committing to hold other members of the CCM, Implementers, and the Global Fund Secretariat Staff to the same standards. So, if they see an issue, or have a question, they are committing to speak up about it, first within the CCM, and if the matter is not resolved, to the Global Fund. If they have suspicion or knowledge of serious misconduct, like fraud or corruption, in relation to Global Fund Grants, they are reconfirming their duty to report this to the Global Fund, consistent with the Global Fund Policy to Combat Fraud and Corruption, which was approved in November 2017. This duty applies to everyone in the Global Fund environment.

4. How does the proposed differentiation model apply to the Ethics Requirements?

There are no changes to the Conflict of Interest requirements already established under the current CCM Guidelines in Eligibility Requirement 6. The Global Fund will make all new requirements mandatory for Standard CCMs and CCMs in Challenging Environments; these will be recommended for CCMs in Transitioning Countries.

5. How will the Code of Conduct be operationalized?

CCMs have recommended that the Global Fund undertake the following activities to bring the Code of Conduct into force.

- i. **Train:** Train CCM members and CCM secretariat staff on the Code of Conduct and in conflict of interest management. Design the training to account for local languages and weak internet connection.
- ii. **Certify:** Once trained, CCM members should sign that they have read, understood, and commit to abide by the Code.
- iii. **Appoint an Ethics Focal Point:** CCMs should appoint someone to oversee Code of Conduct operationalization and conflict of interest management.
- iv. **Embed into Eligibility Requirement 6:** Incorporate the above requirements into the CCM Guidelines by expanding the Eligibility Requirement that presently relates to conflict of interest management to one that relates to ethics more broadly.

6. How will Conflict of Interest Management be Strengthened?

Managing conflict of interest is a core to acting with integrity, so the Code of Conduct reinforces the existing obligation to comply with CCM Conflict of Interest Policies. During consultations, CCMs have expressed the need for additional support in conflict of interest management. As a result, resources permitting, trainings will include deeper dives on conflict of interest management, including sharing of best practices and working through case studies.

Also, the following adjustments are proposed on a differentiated basis for certain CCMs and in relation to certain CCM leadership roles (e.g., Chair, Vice Chair, Oversight Committee members, PR selection committee members, Ethics Committee/Official):

- i. **Disclose Conflicts:** The Global Fund will provide standard disclosure forms for CCM leadership to report information relating to themselves, associated persons and institutions regarding roles and affiliations, as well as ongoing audits, reviews, investigations, legal disputes, administrative and criminal sanctions. These forms will be confidentially reviewed by Ethics Focal Point and the Global Fund's Ethics Office.
- ii. **Map Affiliations:** Principle Recipients are presently required to submit to the Global Fund "Implementation Arrangement Maps"—organograms of all implementers involved in a grant. On a differentiated basis, CCM members will be required to plot themselves onto the maps, demonstrating their affiliations with implementers as per forthcoming Global Fund guidance. These Maps will be made public to facilitate mutual accountability, as well as submitted to the Global Fund Country Team. Access to Implementation Arrangement Maps will also empower CCMs to fulfil their oversight function with greater probity.

Eligibility Requirement 6 of the CCM Guidelines has been adjusted to require CCMs to update their Conflict of Interest Policy to reflect the above.

7. How will the different financing options impact Code of Conduct operationalization and strengthening of Conflict of Interest management?

If the Committees or Board choose to stay with the Status Quo in relation to the CCM Evolution Initiative, the Code of Conduct for CCMs will proceed as was originally planned, separately from the Initiative, albeit without financing its operationalization. The Secretariat will put forward the Code of Conduct for Board approval along with appropriate adjustments to the existing CCM guidelines under Eligibility Requirement 6 so that the Code comes into force.

The remaining three budget proposals account for the bare minimum required to operationalize and enforce the Code of Conduct, namely:

- i. Code of Conduct publication, translation, and distribution,
- ii. Distribution of guidelines on updating (a) Conflict of Interest Policies and (b) appointment of an Ethics Focal Point and (c) conflict of interest disclosure forms for CCM leadership;
- iii. Compliance checks of the above
- iv. Development of software and guidelines for affiliation mapping.
- v. Development of e-module for training in Ethics

To achieve the greatest improvement of CCM performance, not only in Ethics but also in Oversight and Community Engagement, enhanced engagement on a country-by-country basis is required. This has been budgeted per country, such that with increased funding, more CCMs can be reached. Enhanced engagement includes:

- i. Technical assistance to (a) ensure that CCMs obtain accurate organograms and other core Global Fund Grant documents from PRs, (b) facilitate collective mapping of CCM member affiliations onto these organograms, and (c) using this exercise as a practical case study of how conflicts should be constructively managed while ensuring inclusiveness of stakeholders—in particular communities.
- ii. Local, focused Integrity Due Diligence of CCM Membership for the Secretariat to perform background checks on CCM Members for the purpose of detecting whether they pose an integrity risk to the CCM or Grants.
- iii. Financing an independent Ethics Focal Point who can fulfil the function of managing conflicts of interest and serve as a first point of contact for Code of Conduct matters free from the pressures inherent of to CCM Membership or CCM Secretariat functioning (under intermediate and ambitious budget options only).

The following table illustrates what coverage of Global Fund allocation amounts can be achieved with enhanced engagement under the three proposed budgets.

| | Moderate | Intermediate | Ambitious |
|-----------------------------------|-----------------|---------------------|------------------|
| # countries/year for 3 years | 4 (12 total) | 8 (total 24) | 10 (30 total) |
| % GF allocation coverage achieved | 54% | 75% | 81% |
| TOTAL Year 1 | \$ 580,300 | \$ 1,280,300 | \$ 1,540,300 |
| TOTAL Recurrent | \$ 319,700 | \$ 779,700 | \$ 979,700 |

8. What will the Global Fund's role be in enforcing the Code of Conduct?

The Global Fund has redrafted ER6 to obligate CCMs to enforce the Code of Conduct vis-a-vis their own members and secretariat staff. Under this redraft, if Global Fund determines that the CCM is unable to adequately manage serious, chronic or large-scale violations of the Code, it will deem the CCM to not be in compliance with ER6.