



Independent observer  
of the Global Fund

# Conflict of Interest in Country Coordinating Mechanisms: An Aidspan Survey

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From Respondents to Aidspan's survey

*"Being in conflict – i.e.[exists] when you have fiduciary, pecuniary or programme interests in any core business of the Global Fund from proposal development through to grants arrangements and fund distribution [and therefore] where there is [an] opportunity to influence your organisation's interest."*

*"For me conflict of interest can be defined as if am sitting on a committee that is at the same time deciding my fate."*

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## General Preface

Aidspan ([www.aidspan.org](http://www.aidspan.org)) is an international NGO based in Nairobi, Kenya, whose mission is to reinforce the effectiveness of the Global Fund. Aidspan performs this mission by serving as an independent watchdog of the Fund, and by providing services that can benefit all countries wishing to obtain and make effective use of Global Fund financing.

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## Acronyms

<b>CCM</b>	Country Coordinating Mechanisms
<b>COI</b>	Conflict Of Interest
<b>CSO</b>	Civil Society Organization
<b>NGO</b>	Non-Governmental Organisation
<b>PRs</b>	Principal Recipients
<b>RCC</b>	Rolling Continuation Channel
<b>RCM</b>	Regional Coordinating Mechanisms
<b>SRs</b>	Sub-Recipients
<b>SSRs</b>	Sub Sub-Recipients

## Preface to the Study of COI and CCMs.

CCMs are integral to the Global Fund's model of health financing. They are essential to the Fund's effective functioning because the Fund a) does not have offices in implementing countries and b) relies on commitments by these countries to take ownership of how money is used and how effectively decisions are made. The intention of the CCM Model is to encourage the establishment of a representative body composed of interested and relevant stakeholders who, based on national priorities, jointly develop and submit funding requests to the Global Fund, oversee approved grants and help identify agencies to manage those grants.

CCMs are structured into blocks called *sectors* or *constituencies*. These dictate how CCM membership selection is done. Members are elected or nominated either as Voting Members or as Alternates. All are governed by Global Fund's key principles such as always working through well-documented and transparent processes. The Fund provides [CCM guidelines and minimum requirements](#) to measure them by.

Each CCM has a Secretariat that handles day-to-day operations for CCM members and coordinates their activities, communication and documentation. How a Secretariat is created or staffed varies but tends to be either by CCM members' vote or appointed by the CCM Chair. The majority of the Secretariats sit within a government office such as the National Aids Programme office or Ministry of Health. For more on the CCM model, roles and responsibilities see <http://www.theglobalfund.org/en/ccm/>.

In November 2013, the Fund announced a revision of its Minimum Requirements for CCMs. Although the updated policy does not make changes to the Conflicts of Interest component, it does introduce opportunities for more rigorous assessment of how these policies are applied. This will be done through [Performance Assessments](#) and through the application of an additional set of standards. This has been timed to coincide with the launch of the [New Funding Model](#), which is to occur towards the end of first quarter of 2014.

*Minimum requirements for Country Coordinating Mechanisms (CCM), Sub-CCMs, Regional Coordinating Mechanisms (RCM) and Regional Organizations*

### **6. Conflict of interest**

To ensure adequate management of conflict of interest, the Global Fund requires all CCMs to:

- i. Develop and publish a policy to manage conflict of interest that applies to all CCM members, across all CCM functions. The policy must state that CCM members will periodically declare conflicts of interest affecting themselves or other CCM members. The policy must state, and CCMs must document, that members will not take part in decisions where there is an obvious conflict of interest, including decisions related to oversight and selection or financing PRs or SRs.
- ii. Apply their conflict of interest policy throughout the life of Global Fund grants, and present documented evidence of its application to the Global Fund on request.

*Source: Global Fund [Guidelines and Requirements for Country Coordinating Mechanisms](#)*

This statement (Box 1. [left]) shows the COI policy as currently stated.

We believe that the results we publish can be a useful baseline for future assessments of improvements made on COI management in CCMs and also highlight the key focus areas for countries beginning the process of strengthening their COI policies and activities. Nairobi, December 2013.

## 1. Executive summary

This report summarises findings from 33 interviews with members of Global Fund country coordinating mechanisms (CCMs) in Burundi, Cambodia, Ethiopia, India, Nigeria, Uganda and Zimbabwe, and with others in those countries who are observers of the CCM. The interviews were conducted in late 2012.

The aim of the study was to explore the nature of conflict of interest (COI) on CCMs; to assess the extent to which respondents identified COI on CCMs as a problem; and to determine how CCMs were resolving potential conflicts.

The presence of principal recipients and other implementers on the CCM was considered by most respondents as potentially the most serious form of COI. Most respondents said that “this could be a conflict,” even if they did not always provide concrete examples. The COI manifested itself in different ways, such as (a) CCM members from implementing organisations favouring their organisations; and (b) two or more organisations represented on the CCM competing for the position of PR. Respondents said that having a PR as chair or vice-chair of the CCM is another frequent source of COI.

Also flagged as COI were CCM members representing donors and development agencies; and the CCM Secretariat. This latter body is usually housed inside a government office, which by practice is often a principal or sub-recipient of the funds.

Five out of the seven CCMs had a COI policy in place. The most common feature of these policies was a requirement that members recuse themselves when the CCM deals with issues that could put them into a conflict between the interest of the organisation they represent and their role as CCM member.

Respondents said that on many CCMs, the COI policy existed “only on paper.” Only a few respondents recalled instances in which CCM members had actually recused themselves from discussions or decisions.

## 2. Introduction and Rationale

Managing conflict of interest (COI) in country coordinating mechanisms is an issue of critical importance to the effective implementation of the Global Fund’s innovative country-led model of programme management. Failure to manage COI on CCMs could lead to biased decision-making and even corruption, and could negatively affect the success of grant implementation.

Until 2011, the Global Fund only required the chair and vice-chair of the CCM to declare any COI. After the 2011 introduction of the new guidelines, however, that requirement extended to all members of CCMs.

These developments prompted Aidspace’s decision to survey CCMs to develop baseline information about how COIs are being managed by CCMs before the full implementation of the new CCM guidelines.

A survey of CCMs in seven countries was conducted in 2012: Burundi, Cambodia, Ethiopia, India, Nigeria, Uganda and Zimbabwe. The survey aimed to explore the nature of COI experienced on CCMs and to: (a) define the problem; (b) assess the extent to which CCM members and others identified COI as a problem; and (c) assess how CCMs were dealing with the problem. The survey did not attempt to measure how much COI existed within CCMs.

Another survey is expected to be conducted in 2015.

## Conflict of interest defined

Conflicts of interest are defined in the context of CCMs below:

*In general, a conflict of interest occurs when CCM members use their position to advance personal ambitions or the interests of the institution or sector they represent in a way that biases or excludes others, or is detrimental to the efficiency of the overall programme.<sup>1</sup>*

*A conflict of exists when a CCM member's status, private affairs or financial interest are in conflict with his/her duties and responsibilities.<sup>2</sup>*

*Conflicts of interest on the CCM can arise whenever members of the CCM participate in discussions and decisions in which they have a personal interest or in which the organisation they represent has an interest.<sup>3</sup>*

## Typical COI situations on CCMs

The possibility of a conflict of interest within the CCM mechanism was recognised early on at the Global Fund, particularly with respect to the leadership roles on the CCM and the potential for abuse by principal recipients.

Other potential COIs include:

- when representatives of PRs or prospective PRs sit on the CCM (or a committee of the CCM) and participate in discussions or decisions on the selection of PRs, on evaluating PRs, or on other matters in which they have a direct interest;
- when representatives of sub-recipients (SRs) or prospective SRs sit on the CCM (or a committee of the CCM) and participate in discussions or decisions on the selection of PRs and SRs, on contracts for SRs, or on other matters in which they have a direct interest;
- when representatives of an organisation sit on the CCM (or a committee of the CCM) and participate in discussions or decisions concerning a submission from that same organisation for possible inclusion in the CCM's proposal to the Global Fund; and
- when CCM Secretariats are housed in a government department and advance the interests of that particular department, or the government in general.

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<sup>1</sup>Global Fund, *Clarifications on CCM Minimum Requirements: Round 8*, 2008, p.5. available via <http://www.csathubs.org/?file=110>

<sup>2</sup>From the Kenya CCM, as quoted in Global Fund, *Country Coordinating Mechanisms: Conflict of Interest*, 2008, p.8. A copy of this report can be obtained by searching for the title on the Global Fund website.

<sup>3</sup>Country coordinating Mechanisms: *Conflict of Interest*. [www.theglobalfund.org/en/ccm/guidelines](http://www.theglobalfund.org/en/ccm/guidelines)

It should be noted that CCM Secretariats often are hosted by a government department, but the COI would only arise if they shared space with another organisation represented by the CCM.

Although in 2008 the Global Fund published case studies on COI in three CCMs, to our knowledge there has been no systematic attempt to identify the many potential COIs in CCMs. Also, there has been little or no documentation of situations where COIs have led to problems, such as biased decisions. Interviews for this report yielded examples of both.

## Guidance issued on COI

The Global Fund adopted six minimum requirements for CCMs to meet to be eligible for funding. Requirement 6 refers to COI:

**Requirement 6:** To ensure adequate management of COI, the Global Fund **requires** all CCMs to:

- i. Develop and publish a policy to manage COI that applies to all CCM members, across all CCM functions. The policy must state that CCM members will periodically declare conflicts of interest affecting themselves or other CCM members. The policy must state, and CCMs must document, that members will not take part in decisions where there is an obvious COI, including decisions related to oversight and selection or financing PRs or SRs.
- ii. Apply their COI policy throughout the life of Global Fund grants, and present documented evidence of its application to the Global Fund on request.”<sup>4</sup>

The Global Fund has issued additional guidance concerning situations where the chair or vice-chair is from the same entity that is serving as PR:<sup>5</sup>

“To avoid COI, it is recommended that PRs and chairs or vice chairs of CCMs not be the same entity. When the PRs and chair or vice chairs of the CCM are the same entity, the CCM must have a written plan in place to mitigate this inherent COI. This plan must be documented and made public to ensure the highest levels of transparency and integrity. This plan should include, at a minimum, that the PR, or prospective PR, shall [recuse himself] from participation at the CCM meeting and shall not be present during deliberations or decisions related to the CCM’s monitoring and oversight of the PR, such as decisions related to:

- the selection of the PR;
- PR renewal for Phase 2;
- a substantial reprogramming of grant funds; and
- those that have a financial impact on the PR, such as contracts with other entities, including sub-recipients.”<sup>6</sup>

For other COI situations, the Global Fund has given the following guidance:

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<sup>4</sup> Global Fund, *Guidance and Requirements for Country Coordinating Mechanisms* ://[www.theglobalfund.org/en/ccm/guidelines/](http://www.theglobalfund.org/en/ccm/guidelines/).

<sup>5</sup> This guidance was provided in several publications, including FAQs prepared for Round 8.

<sup>6</sup> Global Fund, *Guidelines on the Purpose, Structure, Composition and Funding of Country Coordinating Mechanisms and Requirements for Grant Eligibility*, undated, but issued at the time of the launch of Round 8. Previous versions of the guidelines contained the same language. The guidelines are currently being revised.

“Increasingly, more and more CCM members represent institutions that are also sub-recipients.... [I]t is highly recommended that COI policies are designed to apply to all members of the CCM. This COI plan must be documented and publicly available to ensure the highest levels of transparency and integrity. This plan should include, at a minimum, a provision that the PR and (preferably Sub-Recipients (SR), too), or prospective PR and SR shall not participate at CCM meetings during:

- 1) any deliberations or decisions related to the CCM’s monitoring and oversight of the PR;
- 2) the selection of the PR;
- 3) PR renewal for Phase 2;
- 4) substantial reprogramming of grant funds;
- 5) decisions that have a financial impact on the PR such as contracts with other entities, including sub-recipients.”<sup>7</sup>

### Results from previous COI research

Research commissioned by the Global Fund identified the following strategies for effective management of COI on CCMs:

- annual disclosure of conflicts of interest by CCM members
- recusal of members with declared COI from CCM discussions and decision-making related to their interests
- creation of an ethics sub-committee to oversee all ethical issues that arise within the CCM.

In a report on COI case studies from Kenya, Jamaica and Zimbabwe, the Global Fund said that “[t]he potential for conflicts of interest is considerable, particularly as CCM members increasingly become recipients of funds and are responsible for implementation.”<sup>8</sup>

Factors that could impede the ability of CCMs to implement COI policies included:

- the vested interests of, and the interdependent relationships between, CCM members
- instances in which the NGO sector is perceived to be allied with opposition to the ruling political party, or where tensions and mutual mistrust between the public sector and civil society run deep
- competition for funds as a matter of survival for CCM members themselves, e.g. in countries with pervasive economic and political uncertainties
- inclusion of stakeholders on CCMs which have a longstanding reputation for corruption

## 3. Methodology

Seven CCMs were selected from different regions of the world. A total of 33 respondents participated in the survey, five from five CCMs and four from each of the other two CCMs. The respondents were selected using the following criteria: 1) they had to be residents of the country the CCM operated in; 2) they had to have knowledge and/or experience of how the CCM functions; 3) at least three respondents

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<sup>7</sup> Global Fund, *Clarifications on CCM Minimum Requirements: Round 8*.

<sup>8</sup> Global Fund, *Country Coordinating Mechanisms: Conflict of Interest*.

in each country had to be members of the CCM; and 4) not more than two respondents in each country had to be non-members of the CCM.

The interviews were done either in-person or by telephone.

## Distribution of respondents

Civil society/faith-based organisations/people living with the disease	19
International non-governmental organisations	3
Multilateral agencies	2
CCM chairs, vice-chairs or secretariats	2
Government	2
Other national institutions (trade union)	1
Other	4
<b>Total</b>	<b>33</b>

## Informed Consent

All respondents were instructed as to the aims of the survey, and were told that their participation was voluntary and that they could withdraw at any time. They were told that neither their names nor their organisation's names would be made public. All those who were invited gave their consent to participate.

## 4. Results

The Aidsplan survey revealed that the majority of respondents are not only aware of the problem of conflicts of interest, but also have a clear understanding of how to define it. Nearly all of the respondents were convinced that conflicts of interest are a serious challenge for CCMs.

Nearly all respondents, 29 out of 33, were aware of their CCM's COI policy.

Only three of the 33 survey respondents claimed that no COI has ever occurred in their CCM; two others said that COI was rare. Of the three respondents who said that there was no COI, one was an executive secretary of a CCM secretariat and the other a CCM chair. Eighteen respondents identified COI as a problem on their CCM and could list a number of concrete examples.

### 4.1. PRs and SRs on CCMs

The presence of PRs, SRs on the CCM was perceived by a majority of respondents as the most serious COI. One respondent said:

*“All constituencies have interests in being Fund recipients, which has an underlying conflict of interest. Deliberate efforts need to be made to mitigate this.”*

Another respondent said:

*“The fundamental problem is that they are at the same time PRs and SR and CCM members. Some of their organisations have had to separate activities because of the complexities of implementing the grant and continuing their core functions; why is it then these same organisations want to be PRs and CCM members at the same time? PRs should not be members of the CCM. This is the major conflict of interest on the CCM. Civil society has all its PRs on the CCM. This is the problem.”*

Having PRs and SRs on CCM manifests itself in different ways:

- CCM members from PRs and SRs favouring their organisations
- Two civil society organisations on the CCM competing for the position of PR
- Having a PR or SR as chair or vice-chair of the CCM
- Having a majority of PRs and SRs on the CCM
- CCM members aiming to become SRs and sub-SRs
- A non-governmental PR controlling the proposal writing process
- PRs and SRs as part of the M&E and CCM oversight process

Each of these is described below.

#### **4.1.1 CCM members from PRs and SRs favouring their organisations**

According to the COI guidelines from the Global Fund, and many of the COI policies of the CCMs themselves, when a CCM member is from a PR or SR and their organisation is being discussed at a CCM meeting, the CCM member should recuse step out of the discussion. Responses from the Aidspace survey suggest that this is not happening consistently. One respondent said:

*“The organisations on the CCM don’t consider others when awarding Global Fund money and only select their organisations as PR or SR.”*

One respondent implied that people on the CCM use their position to give themselves an unfair advantage:

*“PR and SR selection; consultant hiring; awarding of contracts; only having announcements advertised in the capital’s papers. Those outside of the capital are always last to get the information; how do people from the province in the north compete with people from the capital?”*

#### **4.1.2 Two civil society organisations on the CCM competing for the position of PR**

Challenges may arise when civil society organisations (CSOs) represented on the CCM competes to become a principal recipient. In one instance, described by Aidspace survey respondents, the CCM’s

vice-chair represented one of the organisations.. The conflict unfolded during the Round 8 nomination process for a civil society PR for the HIV grant.

1. Organisation X, a CSO, expressed a desire to be selected as civil society.
2. The head of X was vice-chair of the CCM at the time of PR identification.
3. The CCM decided to ask CSOs outside the CCM recommend a PR for the grant.
4. The CSOs recommended Organisation Y.
5. X contested this, saying that Y did not have the capacity to be PR. Then X applied directly to the CCM to become PR.
6. The CCM put in place a technical committee to review both applications.
7. The technical committee proposed X.
8. The CCM “compromised “by selecting X as PR and Y as an SR.
9. The head of X stepped down from his position as vice-chair of the CCM soon after his organisation was nominated PR. However, the head of Y remained a member of the CCM.
10. Then the head of Y, now an SR, was appointed as the new CCM vice-chair. He also sat on the CCM’s M&E Committee.
11. Y maintained that the head of X unfairly used the position of vice-chair to influence the choice of PR.

The animosity between the heads of X and Y created tensions and divisions in the CCM. Some said that this had a negative effect on the implementation of the grant, but no details were given. The authors feel that this needs to be elaborated on and requires further study.

Here is what two of the respondents had to say about this particular situation:

*“Yes, it causes delays in making decisions. Disputes arising from conflicts of interest take too much time to solve. Conflicts of interest also arouse suspicion among CCM members, because you always think someone is trying to use their position for their own benefit. Relationships between CCM members have also deteriorated: some people who were friends no longer talk to each other, it is bad. It has created camps, different positions, on the CCM; with some members taking one side and others taking another.”*

.....

*“The CCM has spent too much time managing this conflict. The CCM was obliged not to authorise disbursement because of the conflict of interest [of the Vice chair]. The fundamental problem is that they are at the same time PRs or SRs and CCM members. PRs should not be members of the CCM. This is the major conflict of interest. This is the problem.”*

#### **4.1.3 Having a PR or SR as chair or vice-chair of the CCM**

The same CCM described above was also enmeshed in another COI that originated with the problem of having a PR or SR in a senior leadership position: this time, as the vice-chair of the CCM.

Respondents reported delays in decision-making owing to the need for the vice-chair to repeatedly recuse himself which led to meetings being postponed until someone else was available to chair. CCM members were also put in the uncomfortable position of being forced to pick sides.

In another country, the CCM chair – a government representative – allegedly used his role to manipulate the PR selection process. This is how one respondent described it:

*“An example is when the CCM chair pushes to have the government receive Global Fund grants at the expense of other CCM members. For instance, with the decision to award the Rolling Continuation Channel (RCC) grant to the government. The chair said that only those who were part of the Round 2 Global Fund grant bid would be allowed to apply for the RCC. Of course, [since] only government PRs were involved in our Round 2 application, this was a clear manipulation to keep others out [of the RCC application] and is a conflict of interest.”*

This view was endorsed by another respondent from that country.

One respondent said that in cases of conflicts between an SR and the government PR, the chair cannot be neutral because he is also the minister of health. Another respondent summarised the dilemma with government in one sentence:

*“You can’t tell the minister to remove himself from a meeting because of conflict of interest, how?”*

#### **4.1.4 Having a majority of PRs and SRs on the CCM**

Respondents from one CCM said that all but two CCM members came from PRs or SRs, and that this constituted a huge COI. They said that if all members who have a COI were to recuse themselves for a particular discussion that would leave the CCM without the necessary quorum to make decisions.

One respondent said that the COI manifested itself in the selection of PRs and SRs and was not well managed because nobody followed the CCM’s COI policy. This view was confirmed by other respondents in that country. One respondent said that the conflict affected the CCM’s work because,

*“the PRs and SRs are all helping each other. They don’t accept criticism and mainly focus on convincing the Global Fund to release more funds.”*

Two other respondents from the same country said that the presence of too many PRs on the CCM was an impediment for the functioning of the CCM. One said it caused problems because “everyone tried to cover everyone.” He suggested having no PRs at all on the CCM as a solution to the problem. In his opinion, even the existing policy of recusal did not help in managing those situations.

One respondent said that having nearly all CCM members in conflicting roles meant that decisions that should have been taken inside the CCM ended up being made outside the CCM.

One respondent painted a slightly different view of how conflicts of interest are handled. He said his organisation had to relinquish its CCM membership a few years ago because it also was a PR and that,

*“sometimes people see mischief in this, even when there may not be any.”*

#### **4.1.5 CCM members aiming to become SRs and SSRs**

Respondents from one country reflected on COI they had experienced when CCM members aimed to become SRs or sub-SRs, using their position to lobby their colleagues and trying to influence the proposal writing to their advantage. One respondent said:

*“There is not much conflict of interest in the current CCM, but for the selection of SRs and SSRs from among CCM members. This is the biggest problem with conflict of interest and I don’t think anything is being done about it. People are already lobbying for the positions. ... almost all CCM members want to be SSRs or SRs to receive money from the Global Fund.”*

Another respondent said:

*“The problem is that CCM members are also players seeking Global Fund money. The most common conflict of interest issues are during submission of the proposal such as selection of the PR and SR nominations. ... There is a conflict of interest in the selection of PRs and SRs, and also in the decisions to distribute funds to civil society organisations. Everybody wants to become either a PR or SR and this affects CCM performance.”*

#### **4.1.6 A non-governmental PR controlling the proposal writing process**

Three of the five respondents from one country said that the functioning of their CCM has been affected by attempts by the PR to impose their decisions on the CCM and manipulate the outcomes of CCM decisions. The biggest problem came when it was time to select a consultant to write the grant proposal for Round 11.

The multilateral agency that hired the consultant did so without the consent of the CCM and required that the consultant report directly to them, rather than to the CCM, in order to ensure that the same PR was reselected, the respondents said:

*“There was a conflict of interest when choosing a consultant for Round 11 proposal because the consultant was hired by [ML PR] who is already PR. Having [ML PR] as an automatic PR is also a conflict of interest issue because they undermine the CCM and deal directly with the Global Fund.”*

.....

*“The UN family on the CCM have a conflict of interest as they want it [the ML PR] to continue being PR. [ML PR] has taken control of Round 11 proposal writing with their consultant being the lead writer. They [ML PR] don’t even want the Secretariat to be involved, we had to fight to get the Secretariat involved. That is an obvious conflict of interest.”*

.....

*“We have a problem with development partners. Can’t they just help and not dictate what is supposed to be done? They drive the whole process, leaving out the stakeholders. They are writing draft Round 11 proposal now, but they have not involved all stakeholders, they have not even approached us. There is a conflict of interest with the consultant writing the Round 11 proposal as the consultant has been hired by [ML PR] and is working for their interests and not the interests of [our country]. They are writing the Round 11 proposal behind our backs.”*

#### 4.1.7 PRs and SRs as part of the M&E and CCM oversight process

Having implementers responsible for oversight over their own programmes was identified as a COI by several respondents from one country that seemed to suffer under a strong government position that was difficult for the CCM to challenge.

One respondent identified having PRs and SRs on the CCM as a COI because,

*“having PRs and SRs assess each other’s performance as members of the CCM, this is highly irregular; non CCM members should be financed by the Global Fund to do this.”*

One respondent mentioned this as a problem, mainly for the public sector,

*“where the recipient, accounting officer, monitoring and evaluation (M&E) are all rolled into one.”*

The same phenomenon was described by two other respondents. One said that the oversight committee containing PRs and SRs, could not be effective. The other said that,

*“the majority of our PRs and SRs are members of the CCM so when decisions on grant oversight are to be made, they do it in closed forums. We from the oversight committee never know what they discuss. They only come to defend their decisions to us after they have reached agreement together.”*

#### 4.2 COI on the part of the CCM Secretariat

Two examples of this type of COI were identified by respondents:

- Executive secretary promoting his CSO as SR
- CCM secretariat favouring government

Each example is described below.

##### 4.2.1 Executive Secretary promoting his CSO as SR

One respondent described a case where the executive secretary of the CCM secretariat used his position to promote his own CSO as a sub-recipient:

*“The executive secretary of the CCM has used his position to make his NGO an SR on two grants. We have protested and even written to the Global Fund but nothing has been done. The Global Fund says this is a country matter.”*

This COI – according to respondent – has not been solved because,

*“now the executive secretary is moving funds to his NGO by making it an SR on two grants, and he wants it to be SR on a third grant.”*

##### 4.2.2 CCM secretariat favouring government

Seven respondents – including four from one country – identified cases where the CCM secretariat was favouring the government because the secretariat was housed in the ministry of health.

One respondent said:

*“There is a conflict of interest with the secretariat. They are not treating all CCM members fairly, (and) only concentrate on the ministry’s agenda first....The CCM secretariat should work for everybody the same and not treat people from the ministry of health different from others.”*

Another respondent said:

*“Having the CCM secretariat housed by the ministry of health is a conflict of interest. The secretariat is first serving the MoH and then the CCM second.”*

One respondent said that when he asked for information, the secretariat told him that he had to get authorisation from the chair, i.e. the minister of health, before they could share this information.

### **4.3 COI on the part of donors and multilateral agencies**

Some respondents reported that donor agencies and multilateral partners did not deal adequately with their own conflicts of interest. One respondent alleged that international stakeholders themselves favoured their own local partners on the CCM.

One respondent said that

*“The CCM is led by bilateral/UN agencies as they are seen as independent, and having technical competency. [They are] English speakers and have money so they can hire consultants....Actually they are not independent as they are affiliated with government and support government....Some bi- and multilaterals are on NGO boards and it is obvious that they protect [these] organisations. This has been articulated in the CCM minutes.”*

Another respondent said that the international agencies favoured their partners when voting on proposals:

*“A lot of conflict of interest is caused by international development partners. UNAIDS, USAID and WHO are dominant and take advantage of limited leadership and limited capacity of civil society.... If proposals are reviewed by them, they vote for the NGOs they fund.”*

Other: COI due to weak guidelines or policies

Various observations were shared on other factors that perpetuated COIs, for instance when guidelines on COI are not explicit, or when COIs are not clearly identified or defined. This gave members no basis to argue for effective or consistent implementation, even where it was noted. The same is noted where processes are either unclear or considered compromised, such as proposal development or the selection of PRs and SRs.

One respondent noted:

*“...guidelines were not explicit – feedback was not provided on member constituency issues, pertinent issues were not easily addressable, in depth analysis of causes of problems with subsequent recommendations were inefficient.”*

*“[Our country] still has a problem with accountability. We haven’t learned much from past mistakes. Skills and competence and a deliberate effort to focus on and identify COI are still lacking.”*

Another respondent also shared that CCM members may themselves have insufficient information or knowledge on existing COI policies or are in a CCM that has made little effort to communicate this existence.

*“...struggled to get information - throwing stakeholders from one person to the next people”*

*“Information is acquired by virtue of the relationship one has with who sits on the CCM. If they are ignorant, we [non-CCM stakeholders] are too. That’s a problem.”*

#### **4.4 How COI affects CCM performance**

About half of the respondents agreed that COIs, and how they are dealt with, affect the CCM’s performance:

*“Delays in making decisions and disputes arising from conflicts of interest take too much time to solve. Conflict of interest also arouses suspicion among CCM members, because you always think someone is trying to use their position for their own benefit. Relationships between CCM members have also deteriorated. Some people who were friends no longer talk to each other, it is bad. It has created camps, different positions, on the CCM; with some members taking one side and others taking another.”*

.....

*“Yes, sometimes meetings are postponed because the chair – who is the minister of health and a busy person – cannot attend and the vice-chair, who is also a sub-recipient, cannot chair a meeting because of this conflict of interest. It is difficult to be recipient of a grant and oversee the grant. Although it is not easy to avoid having PRs as part of the CCM because they are all key players in health sector it is difficult to have PRs also serving as CCM members.”*

.....

*“The CCM has spent too much time managing this conflict. It was obliged not to authorise disbursement because of the conflict of interest. The fundamental problem is that they are at the same time PRs or SRs and CCM members.”*

.....

*“There are too many power plays on the CCM because of this conflict of interest. It is unfortunate but most of this is from the civil society representatives on the CCM. They [have] eleven out of the twenty-two seats, but they are all fighting to be either PR or SR. It is a big problem, this conflict of interest on the CCM.”*

## 4.5 How COI has been managed

The survey paints a mixed picture of how well-managed COIs have been. Some respondents who identified serious COI situations said that the CCM had dealt positively with the problem, but a majority of respondents said that the conflicts they identified had not been addressed. Many respondents said the existing COI policy is “only on paper” and lacks effective implementation.

About a third of the people interviewed said that the existing policy on COI is not effective. Only seven of the 33 respondents found something positive to say about their policy. In three cases, respondents mentioned that they had recused themselves because of a COI. One representative of an NGO network on a CCM said that they were the only one to ever do this on their CCM:

*“No one has ever moved out of a meeting because of an apparent conflict of interest, nor has anyone ever declared an existing conflict of interest. Our organisation had been nominated to sit in a disease programme review for malaria. We declared a conflict of interest and stepped out – we were going to be submitting a proposal. No one else did.”*

One respondent said:

*“I was on the board of directors of an NGO, and a CCM member claims this is a conflict of interest. In 2008/2009 we voted on PRs, including NGO PRs. I did not vote but I did sit in the room. Following that, I did not attend any of the meetings [when there was a conflict of interest].”*

One respondent described a situation where a CCM member was asked to recuse himself, as follows:

*“Yes, this conflict of interest situation has been managed following the Global Fund recommendations.... The procedure is that when conflict of interest situations arise then the members who have a direct interest are asked to leave the discussion and not to take part in the decision-making.”*

However, this respondent went on to say:

*“Because decisions in the CCM are made by consensus, it often involves power plays and even though the interested parties may be out of the room, they still have sympathisers in the meetings who push their agenda. So just having the interested parties leave the room does not necessarily remove their influence in the matter.”*

One respondent pointed out that the process of managing COI on their CCM had robbed the CCM of well-qualified members:

*“As a result of the guidelines on conflict of interest, we have eliminated many interested and experienced public health professionals who could readily participate in the oversight committee (OC). A few of the OC members are not from the health sector, are not interested in health so they cannot talk as a representative of the health system.”*

## 4.6 Suggestions for management of conflicts of interest

Respondents put forward several suggestions for how COI should be managed:

*“[PRs and SRs] can bring to the CCM information on the bottlenecks and help us to understand the problems on implementation. Not to have them on the CCM makes the technical discussions less productive. But ... PRs should not be allowed in discussions involving reallocation of grants.”*

.....

*“The Global Fund Secretariat should ... make sure the conflict of interest policy is being implemented. Could they make it a part of reporting requirements, asking CCMs whether they have had any reported conflict of interests during the past quarter, with criteria to determine conflict of interests?”*

.....

*“Grant recipients should be ex officio members only, with no voting power. Permanent Secretaries from the health ministry should have a clear delineation from the recipient department.”*

.....

*“In order to avoid conflicts of interest, we have invited people from other sectors. It is difficult to find people with strong technical competency, not working in HIV. So we have selected members with agricultural experience, or experience in gender-based violence [programming]. It is challenging during proposal development and review, as they are not familiar with the disease.”*

## 4.7 Awareness of Global Fund guidelines on COI

The survey yielded a mixed picture on awareness of the 2011 CCM guidelines of the Global Fund, which included a stricter policy on COI. Only about half of the respondents said they had heard of the new guidelines. In one country, none of the four respondents were aware of the new guidelines.

There were also mixed views concerning whether the guidelines would lead to something positive. One respondent said:

*“Yes, it has made a difference since the CCM has to adhere, or members are forced to address issues. [The CCM] can be made more effective by increasing knowledge on conflict of interest, by ensuring implementation of conflict of interest.”*

However, the majority of those interviewed were sceptical or downright negative, fearing the guidelines would lack implementation.

## 5. Discussion

The Aidsplan survey revealed that most people who participate in CCMs, or who know CCMs well, believe that COI on the CCM is a serious problem. Having representatives of PRs and SRs on CCMs is by far the most common form of COI. Other COI concern the role of the chair and vice-chair, the operations of the CCM secretariat and the role of representatives of donors and multilateral agencies sitting on CCMs.

Most of those interviewed for this study said that COI is not well managed on their CCM.

Several recommendations have emerged from these consultations, including the need for a more clear definition of the process identifying, and responding to, a COI.

To pose a few basic questions:

1. Most people would agree that a CCM member representing PR X should not participate in discussions at the CCM table (or on an oversight committee) concerning PR X. But is it all right for the representative of PR X to participate in discussions of other grants for the same disease (involving other PRs)? In most situations, this might not constitute a COI. But it could constitute a COI if there was competition among the PRs. Does each situation need to be separately assessed to determine whether there is a COI?
2. Is it acceptable for the representative of PR X to participate in the discussion of grants – including the selection of PRs – for other diseases (or for health systems strengthening)? What if PR X was also managing a grant for one or the other of the other diseases (or health systems strengthening)? Again, does this mean as soon as there is a PR on the CCM, each situation need to be separately assessed in relation to COI?

On the other hand, one could argue that it is just not right to have PRs and SRs on the CCM assessing each other's performance.

Fundamentally, these challenges reflect the need for the Global Fund to determine definitively whether representatives of grant recipients – including SRs and PRs – should be able to sit on the CCM. Some countries argue that to exclude them unilaterally would make it difficult, if not impossible, to constitute a representative CCM.

Another critical issue is the role on the CCM of technical partners, multilateral agencies and donors. While most COI appear to emerge due to government and civil society PRs and SRs, there is concern about preferential treatment being given to NGOs that receive support from these multinational partners.

Many respondents to the survey identified problems caused by an imbalance of power on CCMs as examples of COI. COI and balance of power are two quite different things, but they sometimes come together. This was reflected in the comment of one respondent who said:

*“You can’t tell the minister [who was chair of the CCM] to remove himself from a meeting because of conflict of interest, how?”*

In conclusion, this survey shows that some COIs are obvious while others are less so. It suggests there are COIs policies on paper that are theoretically well understood by CCM members. However these policies are only sporadically followed in practice, and many members of the CCMs that were interviewed in Aidspace’s sample showed a need for further training on how to avoid COI more consistently. CCM members need guidance not only on what do to in a COI situation, but also on how to recognise when a situation represents a COI. The study also shows a link between COIs and how other CCM processes are managed and how inconsistency, inefficiency or lack of clarity can perpetuate COIs. The comments shared highlight the need for COI policies that are explicit, and thence adequately implemented.

## **Appendix I - List of survey questions**

The following are the questions used by interviewers for this survey:

1. What is your understanding of COI?
2. In your opinion, does COI rank as a major problem affecting CCM performance?
3. What kinds of COI arise in your CCM?
4. How has COI affected CCM performance?
5. For each kind of COI, was it managed successfully? How?
6. Does the CCM have a COI policy? In your opinion is it adequate? Please give some examples of how it has been applied.
7. Are you aware that the new CCM guidelines contain new requirements for the COI policy? Has this made a difference?