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The Aidspan Guide on the Roles and Responsibilities of CCMs in Grant Oversight

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by

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Preface

This guide is one of over a dozen free Aidspan publications written for those applying for, implementing, or supporting grants from the *Global Fund to Fight AIDS, Tuberculosis and Malaria* (the Global Fund). The following is a list of Aidspan's more recent publications:

- ***Global Fund Observer***: A free email newsletter providing news, analysis and commentary to over 8,000 subscribers in 170 countries (102 issues over the past five years; currently available in English only)
- ***Aidspan Report: Key Strengths of Round 8 Proposals to the Global Fund*** (February 2009; available in English, French, Spanish and Russian)
- ***Aidspan Report: An Analysis of Global Fund Grant Ratings*** (November 2008; available in English only)
- ***Aidspan White Paper: Scaling Up To Meet the Need: Overcoming Barriers to the Development of Bold Global Fund-Financed Programs*** (April 2008; available in English only)
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- ***The Aidspan Guide to Round 8 Applications to the Global Fund – Volume 1: Getting a Head Start*** (January 2008; available in English, French and Spanish)
- ***The Aidspan Guide to Round 8 Applications to the Global Fund – Volume 2: The Applications Process and the Proposal Form*** (March 2008; available in English, French and Spanish)
- ***Aidspan Documents for In-Country Submissions*** (December 2007; available in English, French, Spanish and Russian)
- ***The Aidspan Guide to Building and Running an Effective Country Coordinating Mechanism (CCM)*** (Second edition September 2007; available in English, French and Spanish)
- ***The Aidspan Guide to Understanding Global Fund Processes for Grant Implementation – Volume 1: From Grant Approval to Signing the Grant Agreement*** (First edition December 2005; originally titled “*The Aidspan Guide to Effective Implementation of Global Fund Grants*”; available in English only)
- ***The Aidspan Guide to Understanding Global Fund Processes for Grant Implementation – Volume 2: From First Disbursement to Phase 2 Renewal*** (November 2007; available in English, French and Spanish)

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Aidspan

Aidspan is a non-governmental organisation originally based in New York, U.S., but since mid-2007 based in Nairobi, Kenya. Its mission is to reinforce the effectiveness of the *Global Fund to Fight AIDS, Tuberculosis and Malaria*. 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.

Aidspan also publishes the *Global Fund Observer (GFO)* newsletter, an independent email-based source of news, analysis and commentary about the Global Fund. To receive GFO at no charge, send an email to receive-gfo-newsletter@aidspan.org. The subject line and text area can be left blank.

Aidspan finances its work primarily through grants from foundations. Aidspan does not accept Global Fund money, perform paid consulting work, or charge for any of its products.

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Some of the ideas in this guide are based on the pioneering work done on CCM oversight by Management Sciences for Health, a non-profit international health organisation, and particularly one of its projects: Grant Management Solutions (GMS). Aidspan wishes to acknowledge the contribution of the GMS team.

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If you find this report useful, or if you have appreciated *Global Fund Observer* or any other Aidspan publication, *please let us know*. Feedback of all kinds is always helpful.

Chapter 1: Introduction and Background

This chapter describes the purpose of this guide and its target audience. It contains a note on terminology, outlines the contents of the guide, and explains why oversight is important. The chapter also describes the roles and responsibilities of the CCM and the other key players that make up the Global Fund in-country architecture. Finally, the chapter explains how the CCM represents the national interest, and summarises the guidance on grant oversight provided by the Global Fund.

Purpose of This Guide

Even after eight rounds of the Global Fund, many country coordinating mechanisms (CCMs) have not paid much attention to their grant oversight role, and have focused instead on developing proposals and securing funding. These CCMs are only now starting to look at what they need to do concerning oversight. For this reason, and because oversight is not easy to do, there is very little guidance available, and few, if any, of what could be called “best practices.” It might be more accurate to say that a few “promising practices” have begun to emerge.

This guide attempts to fill some of the gap by providing fairly basic advice on how a CCM can plan and implement grant oversight. Where we have been able to find real-life examples of oversight in action, we have included these in the guide. As more and more CCMs gain experience with oversight, it should be possible to produce a more detailed guide and provide more examples.

Target Audience

The primary target audience for this guide is CCMs. The guide will also be of interest to principal recipients (PRs) and large sub-recipients (SRs), as well as other stakeholders who are not on the CCM but who have an interest in the functioning of the CCM.

Terminology

In the context of this guide, the term “oversight” means high-level monitoring by CCMs of grant implementation. This is further discussed in the section on “What CCM Oversight Entails” in *Chapter 2: The CCM’s Grant Oversight Role*.

In this guide, the term “CCM oversight” refers to the oversight that the CCM does; it does *not* refer to oversight of the CCM by another body.

The terms “grant implementation” and “grant oversight” are shorthand. Rather than saying “grant implementation,” we should be saying “implementation of programmes funded by grants received from the Global Fund.” But because that is a mouthful, we say “grant implementation” for short. Similarly, we say “grant oversight” instead of “oversight of programmes implemented with funding received from the Global Fund.”

In the context of this guide, the term “architecture” refers to the various Global Fund-related institutions in each country. We use the term “key players” to describe the main bodies that make up this architecture – i.e., the CCM, PRs, SRs and the local fund agent (LFA). This is discussed in more detail below in the section on “Where the CCM fits in the Global Fund’s In-Country Architecture.”

The term “stakeholders” includes the key players but it is broader than that. It also encompasses all bodies and organisations that are involved in implementing Global Fund grants, or that have a keen interest in how the grants are implemented.

Contents of This Guide

The balance of **Chapter 1: Introduction and Background** explains why oversight is important, describes where the CCM fits in the in-country Global Fund architecture, discusses the roles and responsibilities of the key players in that architecture, describes the CCM’s role as representing the national interest, and summarises the guidance on grant oversight provided by the Global Fund.

Chapter 2: The CCM’s Grant Oversight Role provides a rationale for why the CCM should oversee grant implementation; explains that the CCM has the authority and responsibility to do oversight; indicates what CCM oversight entails; discusses the need for the CCM and the PR to work together; and describes what role the Global Fund secretariat plays in grant oversight.

Chapter 3: How the CCM Can Organise Itself To Do Oversight provides options for how the CCM can structure itself to carry out its oversight responsibilities, and discusses the financial implications of doing oversight.

Chapter 4: Developing the CCM’s Oversight Strategy explains how to go about developing an oversight strategy and implementing it. It covers what the CCM can monitor, ways in which the information can be collected, and how the information can be reviewed.

Chapter 5: Problem Identification and Resolution discusses what is involved in investigating problems, and how CCMs can go about resolving problems.

Chapter 6: Reporting and Communications explains how transparency, regular reporting and maintaining good communications are essential elements of the oversight process.

In **Chapter 7: Technical Support**, examples are provided of where TS may be required to enable the CCM to carry out its oversight activities, or to resolve problems identified through the oversight process.

Chapter 8: Obstacles to Effective CCM Oversight explores how proper oversight can be negatively affected when partnerships are not working well and when there are unresolved conflicts of interest. The chapter also lists other obstacles that relate in general to the way the CCM operates, and which can affect CCM oversight.

Annex I: Tracking Indicators is designed to supplement information contained in Chapter 4. The annex defines what indicators are, provides information on the different types of indicators, and discusses the need for the CCM to decide which indicators to track.

Annex II: Contents of the PU/DR describes how the Progress Update and Disbursement Request is organised.

Annex III: Page from a Sample Dashboard illustrates what a dashboard looks like.

Annex IV: Extracts from Oversight Documents Used by Individual CCMs contains extracts from documents in use in Nigeria and Tanzania.

Why Oversight Is Important

Oversight is important in order to ensure that the grants are being implemented as planned, and that the grant is reaching people in need of the interventions. It is important in order to ensure that PRs and SRs are held accountable with respect to how Global Fund moneys are being used.

Oversight is also important in order to ensure that problems and potential problems are identified and addressed at an early stage – i.e., before they grow into major problems that can affect continued financing for the grant, or financing for new proposals.

Where the CCM Fits in the Global Fund's In-Country Architecture

The key players in the Global Fund's in-country architecture are CCMs, PRs, SRs and LFAs. Their responsibilities are described below.

Country Coordinating Mechanisms (CCMs)

CCMs are independent, national bodies, made up of representatives of many of the major stakeholders in the fight against AIDS, TB and malaria. The CCM Guidelines¹ state that

[t]he Global Fund recognizes that only through a country-driven, coordinated and multi-sector approach involving all relevant partners will additional resources have a significant impact on the reduction of infections, illness and death from the three diseases. Thus, a variety of actors, each with unique skills, background and experience, must be involved in the development of proposals and decisions on the allocation and utilization of Global Fund financial resources....

The main responsibilities of CCMs are as follows:

- prepare and submit proposals to the Global Fund;
- for each proposal, nominate the PR(s) who will be responsible for implementing the programme(s), should the proposal be approved;
- for each proposal, select the SR(s) who will be involved in the implementation of the programme(s), should the proposal be approved;²
- oversee the implementation of grants financed by the Global Fund;
- approve any major changes in grant implementation plans that have been proposed by the PR and, when necessary, submit requests to the Global Fund for re-programming of an approved grant; and
- submit to the Global Fund requests for continued funding for the second phase of each approved grant.³

¹ The full title of the CCM Guidelines is "Guidelines on the Purpose, Structure, Composition and Funding of Country Coordinating Mechanisms and Requirements for Grant Eligibility." The guidelines are available at www.theglobalfund.org/en/ccm/guidelines/?lang=en.

² It is possible for the SRs to be selected after the proposal is approved, but the Global Fund encourages applicants to identify the SRs in the proposal itself. It is also possible to delegate SR selection to the nominated PRs, providing the CCM ensures that the process for SR selection is fair and transparent.

³ When it makes its request for continued funding, the CCM may nominate a PR other than the one that served in the first phase of the grant. In fact, the CCM can ask for a change of PR anytime during the grant implementation cycle.

The CCM does not formally report to anyone, but by its very nature – because it is a multi-sectoral body – its members are accountable to a wide range of stakeholders, including national authorities responsible for health, and communities affected by the diseases.

Principal Recipients (PRs)

The PR is the organisation that is directly responsible for implementation of the grant. It reports directly to the Global Fund Secretariat. The PR implements a grant either through its own organisations or through SRs, or by a combination of both. The PR provides the Global Fund on a regular basis with updates on the progress of the grant. Disbursements from the Fund to the PR are dependent on the latter being able to demonstrate good progress towards meeting the objectives and targets of the grant.

Sub-Recipients (SRs)

SRs are organisations that implement portions of a grant under contracts from a PR. They report to the PR that has contracted them. Many grants also have sub-sub-recipients (SSRs) implementing very specific portions of a grant and reporting to an SR.

Local Fund Agents (LFAs)

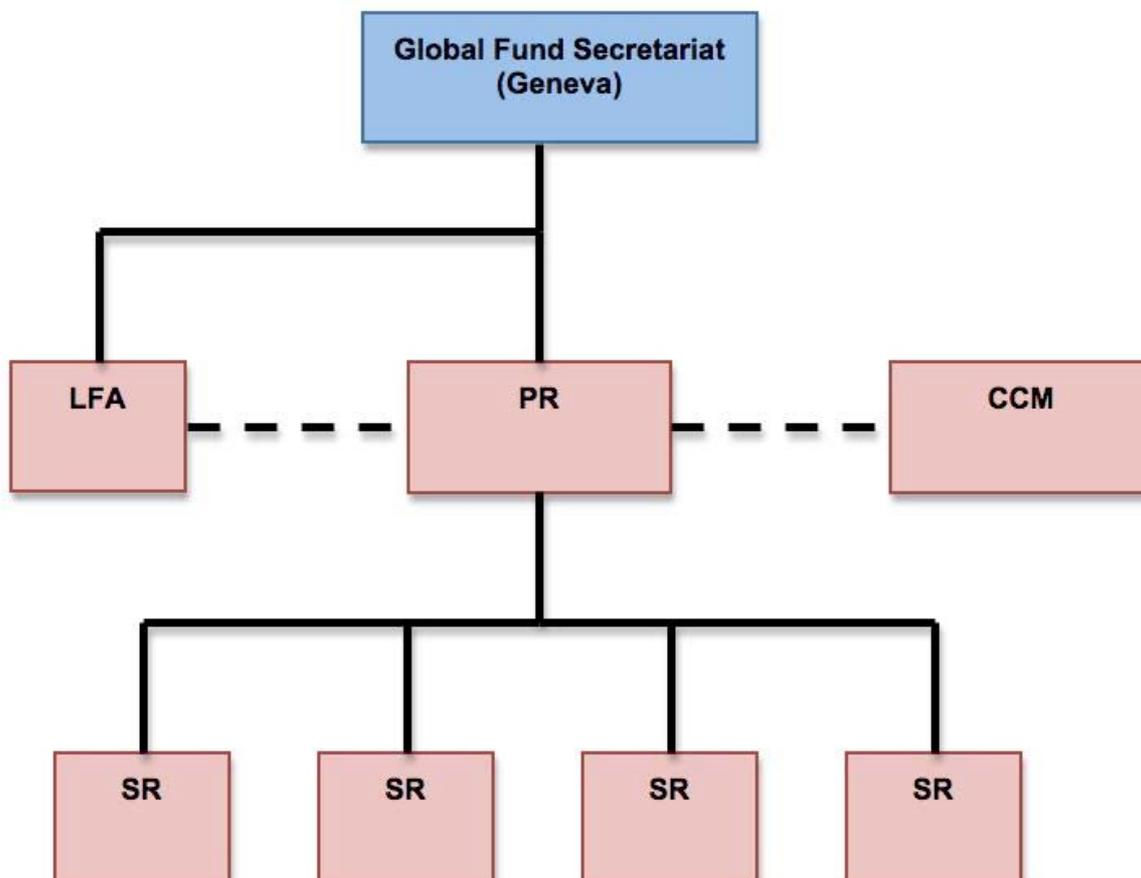
Because the Global Fund does not have in-country staff, the Global Fund Secretariat contracts with one or more LFAs in each country. The LFA is accountable only to the Global Fund, and not to any in-country institution. The role of the LFA is to serve as the Fund's "eyes and ears" within the country, evaluating the financial management and administrative capacity of the nominated PR, monitoring the performance of the PR, and making recommendations to the Global Fund Secretariat. The LFA speaks *to* the Global Fund Secretariat, but does not speak *for* it. Thus, while PRs are required to provide LFAs with certain information, the LFA does not exercise any authority over the PR. Also, there is no formal reporting relationship between the LFA and the CCM.

Understanding the Roles, Responsibilities and Reporting Relationships

The roles, responsibilities and reporting relationships described in the previous section are unique to the Global Fund. They are not found in any other setting. Any discussion of the CCM's oversight role has to start with an acknowledgement of this fact.

The diagram on the following page describes the reporting relationships for grant implementation, and shows where the CCM fits in.

Reporting Relationships for Grant Implementation in the Global Fund In-Country Architecture



The solid lines indicate a direct reporting relationship. The dotted lines signify that there is an informal relationship between the entities (that does not involve one entity formally reporting to the other).

Note: As indicated above, there is no formal relationship between the LFA and the CCM. It is possible that in some countries there is an informal relationship between these two bodies, although Global Fund guidance severely restricts what the LFA can say to the CCM about the grants it monitors.

CCMs Acting in the National Interest

Although the CCM comes to the Global Fund looking for money, and although the Global Fund sets rules that the CCM has to follow if it wants its proposals to be considered for funding, the CCM is not formally part of the Global Fund. It does not report to the Global Fund Secretariat.

Therefore, the CCM should see itself (and should be seen by others) as a body that represents the national interest, as opposed to one that is simply fulfilling the requirements of the Global Fund.

The Global Fund itself frequently refers to the national role played by the CCM. On the CCM page of the Fund's website, the Fund says that CCMs "are central to the Global Fund's commitment to local ownership."⁴ In its CCM Guidelines, the Fund says:

- that "[w]herever possible, CCMs should build on and be linked to existing mechanisms for planning at the national level and be consistent with national strategic plans";
- that the CCM "should function as a national consensus group"; and
- that the CCM "should be responsive to all national stakeholders."⁵

In the template for the Grant Agreement that the Global Fund signs with the PR, the Fund says that "the Country Coordinating Mechanism should encourage multi-sectoral program approaches and ensure linkages and consistency between Global Fund assistance and other development and health assistance programs."⁶

Representing the national interest also means that CCM members should be thinking about what is best for the country as opposed to what is best for their own particular sectors or organisations.

Global Fund Guidance for CCMs on Grant Oversight

The Global Fund Board has established minimum requirements that CCMs have to meet before their proposals will be considered for funding. The following minimum requirements are relevant to the CCM's role in grant oversight:

CCMs are required to put into place and maintain transparent, documented processes (a) to oversee programme implementation; and (b) to ensure the input of a broad range of stakeholders, including CCM members and non-members, in the grant oversight process.⁷

The Global Fund Secretariat has interpreted these requirements to mean that the CCM must have a written plan in place for grant oversight.

In mid-2008, the Global Fund released a *Guidance Paper on CCM Oversight*. This nine-page, undated paper is available in six languages at www.theglobalfund.org/en/ccm/guidelines/?lang=en. The guidance paper describes six areas of CCM oversight: proposal development; grant negotiation; grant implementation; Phase 2 renewal and the development of rolling continuation channel proposals; donor coordination and alignment with health systems; and grant closure. The largest part of the guidance paper is devoted to the oversight of grant implementation. The paper suggests several ways in which grant oversight can be done, and uses examples from the field to illustrate its points.

⁴ See <http://www.theglobalfund.org/en/ccm/?lang=en>.

⁵ CCM Guidelines (see note 1).

⁶ Global Fund, *Program Grant Agreement*, available at www.theglobalfund.org/documents/lfa/BeforeGrantImplementation/Standard_Form_Grant_Agreement.pdf.

⁷ The minimum requirements are described in the Fund's CCM Guidelines (see note 1).

The guidance paper suggests that the CCM's oversight plan include the following basic features:

- a governance manual or equivalent that, among other things, spells out in generic terms how the CCM will conduct oversight;
- the establishment of CCM committees to focus on specific areas of oversight;
- regularly scheduled oversight activities, with responsibilities and timelines identified; and
- procedures to ensure that, if required, remedial actions are undertaken and followed up.

The guidance paper draws a distinction between oversight, which it describes as a macro-level or big-picture activity – and monitoring and evaluation, which it says is a micro-level or more detailed activity, and which is the responsibility of the PR, and not the CCM.

The guidance paper suggests that in performing their oversight role, CCMs should focus on a small number of overarching questions, and it spells them out.

The Global Fund also provides guidance on the CCM's oversight role in its CCM Guidelines document. The CCM Guidelines call for the development of a CCM oversight workplan, “coordinated with the PR” which, it says, could include periodic site visits; the regular submission and review of reports from the PR; the development of a mechanism to ensure that follow-up action is taken when implementation problems are identified; and having the CCM facilitate the provision of technical support (TS) to address implementation problems.

The *Aidspace Guide on the Roles and Responsibilities of CCMs in Grant Oversight* (this publication) uses some of the guidance provided by the Global Fund, but goes into considerably more detail.

Chapter 2: The CCM's Grant Oversight Role

This chapter discusses why the CCM should oversee grant implementation and explains how the Global Fund's core principles support this role. The chapter describes the need for the CCM to understand that it has the authority and responsibility to do oversight. The chapter also explains what CCM oversight entails, and discusses the need for the CCM and the PR to work together. Finally, the chapter describes what role the Global Fund Secretariat plays in grant oversight.

Why the CCM Should Oversee Grant Implementation

If the CCM were a board of directors of an organisation, and if it were implementing a grant received from the Global Fund, it would not be hard to determine what the CCM's oversight responsibilities would be. The CCM would be directly responsible for the success of the grant. It would need to put in place monitoring and evaluation activities sufficient to satisfy itself (and the Global Fund) that the grant was on schedule and was achieving its targets.

But the CCM is not a board of directors. As we indicated above, although the CCM is responsible for developing the proposal that led to the grant being awarded, it is not responsible for implementation of the grant. One might ask: Since the PR is responsible for the implementation of the grant, why then does the CCM need to be involved at all in grant oversight? There are a number of reasons, including the following:

1. Global Fund grants are a very significant part of the national response, and the CCM represents the country's interests in effectively fighting the three diseases. Thus, the CCM has a vested interest in seeing that each grant succeeds. The CCM needs to know how the grant is progressing, and how the PR is doing.
2. A CCM that is not fully informed on how the grant is doing will have a very difficult time generating a successful request for continued funding (or requests for re-programming of a grant).⁸
3. When it submits the request for continued funding for Phase 2 of a grant, the CCM is required to rate grant performance and comment on the performance of the PR. If it is not fully informed on how a grant is performing, the CCM will not be able to fulfil these functions. Nor will the CCM be in a position to assess whether a change in PR is required.
4. During the time that the grant is being implemented (usually five years), the CCM will likely be generating new proposals for the same disease. The CCM has to be able to judge how existing Global Fund grants fit into the national picture. The CCM cannot adequately fulfil this responsibility unless it knows how the grants (and the PRs) are performing.
5. When the grant is finished, the CCM may want to submit another proposal continuing some or all of the activities of the grant. Again, to do a good job of this, the CCM has to know how the grant and PR(s) performed.

In short, therefore, the CCM has a very important role to play throughout the grant cycle, from the development of the initial proposal through to the implementation of the grant. That role includes monitoring the progress of the grant and the performance of the PR.

⁸ Sometimes most of the work involved in preparing the request for continued funding is done by the PR, but officially this is the CCM's responsibility, and the CCM still has to sign-off.

How the Global Fund’s Core Principles Support the CCM Oversight Role

Any discussion of the CCM’s oversight role has to take into account some of the basic principles by which the Global Fund operates. Two of the core principles of the Global Fund are country ownership and multi-sectoral partnerships.

Country ownership. The Global Fund believes that the major stakeholders in-country must assess what the gaps are in its disease strategies, what the priorities are for addressing those gaps, and what implementation strategies should be included in proposals to the Global Fund. The Global Fund does not try to dictate the contents of proposals. Since the CCM generates proposals and represents the national interest, it follows that the CCM will want to monitor the implementation of programmes funded as a result of its proposals.

Multi-sectoral partnerships. The Global Funds believes that a successful response to the challenges posed by the three diseases requires a response from all major stakeholders, working together in partnership. This means that the various stakeholders must be well represented on the CCM. It also means that the key players in the Global Fund’s in-country architecture must work together on the implementation of each grant.

Understanding these core principles, particularly the one about partnerships, is vitally important. The CCM is itself a partnership. PRs are almost always represented on CCMs (even if in a non-voting capacity) and so should consider themselves as part of this partnership.

Understanding the CCM’s Role

It is very important that CCMs understand that they have the responsibility and the authority to oversee grant implementation. The authority comes from various Global Fund documents, including: the CCM Guidelines, which outline the CCM minimum requirements; and the *Guidance Paper on CCM Oversight*, which requires that the CCM develop an oversight plan – see “Global Fund Guidance for CCMs on Grant Oversight” in *Chapter 1: Introduction and Background* for details.

The authority also comes from the Grant Agreement that the PR signs with the Global Fund. The Grant Agreement explicitly says that “the Principal Recipient implements the Program on behalf of the CCM and not on behalf of the Global Fund.” The Grant Agreement also identifies several obligations that the PR has vis-à-vis the CCM:

The Principal Recipient shall keep the Country Coordinating Mechanism continuously informed about the Program and the Principal Recipient’s management thereof and shall furnish to the Country Coordinating Mechanism such reports and information as the Country Coordinating Mechanism may reasonably request. The Principal Recipient understands that the Global Fund may, in its discretion, share information with the Country Coordinating Mechanism.

Understanding roles

In a case study conducted on the CCM in Tajikistan, one of the key issues identified concerning grant oversight was a “lack of knowledge of what is expected from CCM members, what they can and cannot do and to what extent they can influence the course of the existing GF projects.”

(EPOS Health Consultants, *CCM Oversight: Tajikistan*, Global Fund, January 2008.)

The Principal Recipient and the Global Fund, at the request of either or of the Country Coordinating Mechanism, will exchange views on the progress of the Program, the performance of obligations under this Agreement, and the performance of any consultants, contractors, or suppliers engaged in the Program, and other matters relating to the Program.⁹

All CCM members should have a thorough understanding of what role the CCM will play in overseeing grant performance. The role should be described in writing – preferably enshrined in the CCM’s TOR or governance manual – so that when new members of the CCM come on board, they will be properly informed. If the CCM has a formal orientation programme for new members, the CCM’s grant oversight role should be one of the topics covered.

There are other ways of familiarising CCM members with the CCM’s oversight responsibilities – such as organising a special meeting of the CCM, perhaps as a retreat. This might be appropriate when the CCM is in the process of defining its role and developing its oversight plan.

What CCM Oversight Entails

It is the responsibility of the CCM to oversee the PR, but not to implement the grant. Thus, the oversight carried out by the CCM should be at a high level. The CCM should not be involved in the day-to-day management of the grant.

To provide effective oversight, CCMs need to be able to see and understand how grant implementation is progressing; and to identify and respond to problems by making recommendations to the PRs or taking action itself.

Keeping track of performance

Oversight of grant implementation usually means looking at programme and financial results, as well as management and administrative processes.

It is up to each CCM to define what information it requires for each grant to fulfil its oversight role. We suggest that, at a minimum, the CCM will want to have enough information to be able to determine:

1. Where is the money?
2. Where are the drugs (or other products)?
3. Is the grant being implemented on schedule?
4. Are the targets being met?
5. Is the PR managing the grant effectively?

Determining what information the CCM requires is further discussed in *Chapter 4: Developing the CCM’s Oversight Strategy*.

Identifying and addressing problems

In the course of keeping track of how a grant is performing, the CCM may identify problems. Part of the CCM’s oversight role involves helping the PR to address these problems. Some problems may be small enough that raising the issue with the PR is the only action that is

⁹ Global Fund, *Program Grant Agreement*.

required. Other problems may be more complex, and may require that a process be put into place to identify the solution to each problem and to work with the PR to implement the solution. In some instances, the CCM may be better placed than the PR to implement the solution.

This is further discussed in *Chapter 5: Problem Identification and Resolution*.

The Need for the CCM and the PR To Work Together

The CCM and the PR must see themselves as working together towards the same ends. The PR gets many things from the CCM, including (a) multi-sectoral support; (b) assistance in focusing on national priorities; and (c) continuity of funding. The CCM gets from the PR a major contribution to effectively fighting the three diseases.

It would be very easy for the PR to resent any intrusion from the CCM, since the PR formally reports to the Global Fund, and no one really wants to have two masters. It would be very easy for the CCM to resent the PR, if the PR is not sharing information with the CCM. But the fact of the matter is that the “lives” of the CCM and PR are intertwined. One is dependent on the other, and both have a vested interest in seeing that the grant succeeds.

If the grant is to succeed, the PR and CCM must have a good working relationship.

The oversight role of the CCM is an important part of that relationship. This means that the CCM and the PR should develop an understanding of how the CCM is going to carry out its oversight role, and what information it needs from the PR to do so. It also means that the PR needs to see the CCM as a useful resource should the PR run into any problems in the implementation phase. We explain how all of this can work in this guide.

For some CCMs, it may be enough for the CCM and the PR to have an informal understanding of how the CCM will carry out its oversight activities. However, other CCMs may prefer to have a written agreement with the PR. Either way, the PR needs to be clear on how the CCM is going to do oversight, and what information the PR needs to provide to the CCM for that purpose.

Role of the Global Fund Secretariat in Grant Oversight

The Global Fund also has a role in overseeing grants (as does any donor). This does not remove the need for CCMs to do oversight, but CCMs should be aware of what the Secretariat does to fulfil its role.

The Secretariat does oversight primarily in four ways: (1) by reviewing the progress reports filed by the PR – mainly the Progress Updates and Disbursement Requests (PU/DRs);¹⁰ (2) by having each fund portfolio manager (FPM) maintain regular contact with the PRs in the portfolio of grants that the FPM monitors; (3) by having the FPM conduct country visits; and (4) by learning about potential problems from CCMs or partner organisations (e.g., U.N. agencies, other donors, civil society organisations).

When the Secretariat reviews the PU/DR, it routinely sends a “management letter” to the PR outlining the decision concerning how much money is to be disbursed for the following reporting period, cataloguing any issues the Secretariat might have identified, and asking for action on anything that may be outstanding from previous communications. Some FPMs

¹⁰ These are reviewed by both the LFA, acting on behalf of the Global Fund, and the Secretariat.

copy the CCMs on management letters sent to the PR, but currently this is not a requirement.¹¹

If the grant is behind schedule, the Secretariat may reduce the amount of money it disburses for the next reporting period. Again, such a decision may be communicated to the CCM, but there is no requirement to do so.¹² If the grant is seriously behind schedule, the Secretariat may investigate and may ask for changes in one or more areas (e.g., procurement, M&E, financial management, programme management).

If the Secretariat is aware of problems in grant implementation as a result of information received from partner organisations, or as a result of the FPM country visits, it usually draws these to the attention of the PR, the CCM and other relevant parties (such as SRs or government ministries).

The Secretariat also performs a more in-depth analysis of grant performance at the time of Phase 2 Renewal.

Sometimes the Global Fund Secretariat and the CCM will be looking at the same numbers. However, it is important to point out that:

1. The CCM has access to more sources of information on the grant than the Global Fund Secretariat.
2. When reviewing the PU/DRs, the Secretariat looks primarily at the key performance indicators, which are usually quantitative. The CCM is in a position to do both quantitative and qualitative monitoring.¹³
3. The Secretariat focuses mainly on national numbers. The CCM can look at how these numbers break down (e.g., by district or population).
4. Often, the CCM is in a position to identify problems before the Secretariat is able to do so.
5. The CCM is better positioned than the Secretariat to probe for answers when a problem is identified.
6. Often, the CCM is better placed than the Secretariat to take action to resolve a problem. Problems are usually better addressed locally.
7. Each FPM manages, on average, 17 grants, and so cannot spend too much time on any one grant.

¹¹ This may become a requirement in a new communications protocol being developed by the Fund.

¹² Ibid.

¹³ An example of a quantitative indicator would be the number of health care workers trained on HIV-related stigma and discrimination. Qualitative monitoring might look at the quality of the training that was conducted.

Chapter 3: How the CCM Can Organise Itself To Do Oversight

This chapter provides options for how the CCM can structure itself to carry out its oversight responsibilities, and discusses the financial implications of doing oversight.

Determining the Best Structure

The CCM needs to decide how it will structure itself to carry out its oversight responsibilities. Grant oversight is one of the core responsibilities of the CCM, so all members share in this responsibility. Each time the CCM discusses a grant, it is, in effect, doing oversight.

Here are five options the CCM can consider:

1. Oversight is done by the full CCM during CCM meetings.
2. The CCM assigns responsibility for oversight to the CCM Secretariat.
3. The CCM creates an oversight committee.
4. The CCM creates an oversight committee, and a sub-committee (or technical working group) for each disease.
5. The CCM creates an oversight committee and two sub-committees, one to do programmatic oversight, and the other to do financial oversight.

We believe that most CCMs will probably find it too unwieldy to have all of the detailed oversight work done by the entire CCM, especially in the case of very large CCMs or CCMs with numerous grants. Not only is the work very time-consuming, but this approach does not allow for the investigation of problems before the full CCM meeting.

If the CCM decides that the CCM Secretariat should do oversight, it would be important to ensure that the Secretariat has the necessary capability; it may be necessary to add a position or two to the Secretariat's staffing complement. Using the CCM Secretariat to carry out oversight could raise some conflict of interest issues. (This is further explored in *Chapter 8: Obstacles to Effective CCM Oversight*.)

It is likely that most CCMs will decide to limit the role of the CCM Secretariat to providing support on oversight to the CCM, or to the committee and/or sub-committees that are charged with responsibility for oversight.¹⁴

We believe that most CCMs will decide to create an oversight committee, with or without sub-committees.¹⁵ The advantage of this approach is that it provides time to analyse reports, identify and investigate problems, and summarise issues for the full CCM. For this approach to work, however, it requires timely reporting

Caribbean RCM

The regional coordinating mechanism (RCM) in the Caribbean region has established two bodies to carry out oversight: a programme oversight committee and a monitoring team of technical experts which reports to the committee. Together, the two bodies act as a rapid response team to support regional programmes experiencing implementation problems. The RCM says that this will "greatly expand its capacity for identifying and resolving problems and bottlenecks."

(J. Morain-Webb, EPOS Health Consultants, *CCM Oversight: CRN+*, Global Fund, October 2008.)

¹⁴ Whichever role the CCM Secretariat plays in oversight, it should be described in the Secretariat's terms of reference (TOR) or procedures and, if necessary, in a job description.

¹⁵ In the balance of this guide, we have assumed that this will be the case.

by the PR (well before CCM meetings), significant work for the committee members, and (almost certainly) additional resources.

Creating just an oversight committee (without the sub-committees) would be suitable for countries with a relatively small number of grants. Countries with a larger number of grants should consider creating an oversight committee and some sub-committees.

The CCM should develop terms of reference (TOR) for the oversight committees and any sub-committees it establishes. The TOR should spell out exactly how the oversight committee will report back to the full CCM.

It would be useful to have a range of different sectors represented on the oversight committee and sub-committees. It may be helpful to include some non-CCM members – for two reasons: (1) this would provide an opportunity to add people with relevant technical expertise;¹⁶ and (2) this would increase the participation of stakeholders not directly represented on the CCM.¹⁷

If the CCM decides to create sub-committees for each disease, it may be possible to have existing bodies (such as the national coordinating body for the disease in question) fulfil the role of the sub-committee. In other words, the national coordinating bodies would carry out grant oversight for their respective diseases and report back to the CCM's oversight committee.

To avoid a conflict of interest, no representatives of the PRs or SRs currently implementing grants should be members of the oversight committee or any sub-committees overseeing the grants in question.

The Costs of Doing Oversight

There will be costs associated with implementing the oversight plan, particularly if site visits (see the next chapter) are part of the plan. We suggest that the CCM develop a separate budget line specifically for oversight.

Some CCMs may have difficulties raising the funds required to do oversight. The most likely source of funds is the US\$43,000 a year that the Global Fund makes available to fund the operations of the CCM.¹⁸ However, this may not help CCMs that are already receiving the maximum and have not yet begun to factor in the costs of oversight.

We believe that the Global Fund Board will shortly be considering raising the US\$43,000 ceiling (partly because more and more CCMs are starting to do oversight).

Other possible sources of funding include other donors, if they are willing to fund CCM operations, and the national government. Some of the costs of oversight can be covered by in-kind donations – e.g., co-opting an expert to sit on an oversight sub-committee.

Aidspan firmly believes that despite the costs, oversight is well worth the investment!

¹⁶ The oversight committee may want to have a roster of experts who can be available when needed to attend meetings of the committee. The roster could include experts in M&E, procurement, programme management and financial management. It could also include disease-specific technical experts, such as a TB officer from the World Health Organisation or an expert in programming for orphans and vulnerable children from Unicef.

¹⁷ In fact, involving non-CCM members in the grant oversight process is one of the minimum requirements CCMs have to meet.

¹⁸ The Global Fund Secretariat recently added grant oversight to the list of eligible expenses.

Nigerian CCM Case Study on Oversight

This case study provides a brief description of how the CCM in Nigeria developed its oversight strategy, including what structures the CCM established.

Nigeria's CCM developed an oversight process in 2007 and 2008, as part of a larger CCM restructuring process done with technical support provided by a team of consultants from Management Sciences for Health.

Prior to the restructuring:

- The CCM was doing very little oversight. The CCM did not have the tools to analyse the data it was receiving. It did not know how to ask the right questions.
- The CCM Secretariat was not available or only minimally available (because only a provisional executive secretary was partially functional).
- The PRs were not sharing information with the CCM on grant implementation problems.
- The PRs were competing with each other rather than working together to resolve common problems.

By the end of the restructuring:

- The CCM had established an Oversight Committee, comprising two Sub-Committees (or "Task Teams"), one on Finance and Procurement and one on Grant Performance.
- The Oversight Committee understood how to do oversight.
- The CCM Secretariat was fully staffed, was working well, and was providing extensive support to the Oversight Committee.
- The PRs were sharing information freely with the CCM; were admitting their shortcomings; and were asking for help from the CCM to resolve grant implementation problems, whenever they couldn't resolve the problems themselves.
- The PRs were sharing information with each other.

Following the success of the efforts to coordinate the HIV PRs, the PRs established a PR Forum, which meets formally twice a year, but informally more frequently, to exchange information on grant progress and on implementation problems. (M&E people from the various PRs meet informally periodically.) The PR Forum has been instrumental in eliminating competition among PRs and creating a climate of trust.

The consultants worked with the Oversight Committee and the full CCM on the use of a dashboard as a tool to compile and analyse key information from the active Global Fund grants in Nigeria. In the process, the consultants oriented the CCM on what oversight means and helped the CCM figure out how to do it.

Recently, in light of the increasing volume and complexity of grant implementation, the CCM is considering complementing the work of the two oversight sub-committees by establishing three disease-specific sub-committees, and adding some outside experts on the sub-committees. As well, the CCM plans to develop a formal CCM Nigeria Oversight Plan.

See Annex IV for TORs of the Oversight Committee and its task teams.

Chapter 4: Developing the CCM's Oversight Strategy

This chapter explains how to go about developing an oversight strategy and implementing it. It covers what the oversight committee can monitor, ways in which the information can be collected, and how the information can be reviewed. The chapter also describes the use of dashboards to organise the information, and discusses whether the CCM needs a formal oversight plan.

The CCM needs to have a strategy for how it is going to do oversight. That strategy includes deciding what information the oversight committee will monitor; how it will collect the information; and how it will review the information.

Deciding What the Oversight Committee Will Monitor

As we suggested earlier in this guide, the CCM should have enough information to be able to determine:

1. Where is the money?
2. Where are the drugs (or other products)?
3. Is the grant being implemented on schedule?
4. Are the targets being met?
5. Is the PR managing the grant effectively?

However, these questions need to be broken down further in order for the oversight committee to know precisely what information it needs to focus on.

For example, for the first question – **Where is the money?** – the oversight committee may want to collect information on some or all of the following: (a) the cumulative budget to date as per the Grant Agreement, compared to cumulative disbursements to date to the PR from the Global Fund; (b) the cumulative budget to date for each objective, compared to how much has been spent by the PR for that objective; and (c) cumulative disbursements to date by the Global Fund to the PR, compared to funds spent by the PR and disbursed to SRs. This are just examples of financial indicators the oversight committee could decide to track.

With respect to the second question – **Where are the drugs (or other products)?** – the oversight committee may want to collect information on the following: (a) product inventories (e.g., how many months' worth of Drug X are on hand?); (b) whether the products are being ordered and delivered on time; (c) whether the products are being distributed on time; and (d) whether the products are reaching the end users.

Concerning the third question – **Is the grant being implemented on schedule?** – the main measures of whether the grant is being implemented on schedule is probably whether disbursements from the Global Fund are arriving according to the schedule spelled out in the Grant Agreement; and whether disbursements from the PR to the SRs are being made in a timely manner. The answers to these questions may be found in the financial indicators listed above (for the first question). Another way to measure whether the grant is on schedule is to look at whether the major activities are being implemented according to the timelines outlined in the workplan.

With respect to the fourth question – **Are the targets being met?** – the oversight committee will need to decide which targets it tracks. In the original proposal, the CCM will have

identified a number of indicators. For each indicator, there will be one or more targets. Usually, in the Grant Agreement signed by the PR and the Global Fund, there is a smaller number of indicators – called “key performance indicators” – which the Fund uses to monitor progress. (The PR reports on the key performance indicators in its regular progress reports.) The oversight committee may want to track targets for some or all of the key performance indicators. It may, if it wishes, also track targets for some of the other indicators; this may require requesting the PR to prepare reports specifically on these indicators.

We suggest that the oversight committee track at least one target for each key objective in the grant.

Note: In some countries, PRs are also required to report to the Ministry of Health or coordinating bodies (such as national AIDS commissions) on additional indicators that go beyond what appears in the Grant Agreement; if this is the case, the oversight committee might consider reviewing the data on these indicators.

For a more detailed discussion of indicators, see *Annex I: Tracking Indicators*.

Concerning the fifth question – **Is the PR managing the grant effectively?** – the answers to some of the other questions obviously come into play. The oversight committee may also want to consider other factors, such as (a) whether key positions have been filled; (b) whether the SRs are receiving any planned technical support (TS); (c) whether any issues have arisen between the PR and SRs that affect the implementation of the grant; and (d) whether the PR has met (or is well on the way to meeting) any conditions precedent or time-bound actions which the Global Fund may have imposed.¹⁹

In the oversight that it does, the Global Fund Secretariat will be looking primarily at numbers. (All of the impact and outcome indicators the Fund uses are expressed in terms of percentages or numbers.) Furthermore, the Secretariat often only sees national numbers. The CCM can make a very important contribution to the oversight process by going beyond the national numbers. For one thing, if the CCM oversight committee looks at a breakdown of the national numbers by population or district, it may discover that there is a problem in one area of the country or in one or two population groups. For another, the CCM can do qualitative monitoring by asking question such as:

- What is going well? What is not going well?
- What lessons are we learning from the programmes being implemented?
- If people are being trained to do, for example, PMTCT data management, what do we know about the quality of that training?

Key ingredients of effective CCM oversight

1. Understanding the CCM's oversight role and its limits
2. Having the time to do the work
3. Having adequate information
4. Having the will to be proactive
5. Having a good working relationship with the PR

¹⁹ “Conditions precedent” are imposed at the outset of the grant, or during Phase 2 Renewal. They are actions that the PR must take by a certain date if it wishes to continue receiving disbursements from the Global Fund. The conditions precedent typically focus on capacity building measures for the PR; in some cases, they may include administrative procedures that the PR has to put in place. (In 2007, the Tanzania CCM's oversight committee set up a small task team to follow up on conditions precedent that the Global Fund established when it approved Phase 2 of one of Tanzania's grants.) “Time-bound actions” are similar to conditions precedent, except that they are imposed during grant implementation (as opposed to at the outset of the grant or at the start of Phase 2).

- Are the services reaching the right people? Are they done to a high standard?

When the oversight committee is doing its work, it does not have to restrict itself to analysing past performance of the grant. It can also look ahead. For example, if the committee sees that the targets for the next two quarters for a particular indicator are very ambitious, it can ask the PR if it is geared up to meet those targets.

Collecting the Information

In addition to determining what information it needs, the oversight committee has to decide how it will obtain the information. There are many ways in which this can happen. In this section, we have identified six methods: reviewing existing reports; conducting site visits; obtaining additional information from the PR; obtaining input from FPMs; obtaining input from SRs; and obtaining input from other sources.

By adopting most or all of these methods, the oversight committee should have a pretty good idea concerning how the grant is performing. Each method can help to fill in a different part of the puzzle. Below, each method is discussed in more detail.

Reviewing existing reports

The oversight committee should receive copies of all key documents prepared by the PR. This includes the original workplans and budgets, the M&E Plan and the Procurement and Supply Management (PSM) Plan, and any subsequent revisions to these documents.²⁰ It also includes the regular Performance Updates and Disbursement Requests (PU/DRs) that the PR submits to the Global Fund. For most grants, the PU/DRs are submitted either quarterly or bi-annually (twice a year). See Annex II for a description of what is included in the PU/DRs.

The CCM should also receive copies of key documents prepared by organisations other than the PR. This includes the annual audit of the PR, and two reports produced by the Global Fund Secretariat: The Grant Performance Report (GPR)²¹ and the Grant Score Card.²² It also includes copies of management letters and other correspondence from the Secretariat to the PR, if the CCM receives such copies.

The CCM can also consult the grant performance ratings maintained by Aidspan. Using data available from the Global Fund website, Aidspan has developed a rating system that shows whether grants are on or ahead of schedule, or behind schedule (and by how much). The ratings are calculated based on actual disbursements of money from the Global Fund to the PR, compared to the scheduled disbursements as set out in the Grant Agreement. The Aidspan ratings are available at www.aidspan.org/grants.

Of the sources of information mentioned above, the most important is probably the PU/DR. For each reporting period, the PR completes only a portion of the PU/DR, which it then submits to the LFA. The LFA reviews it and may come back to the PR if it has questions

²⁰ It will also include the Enhanced (Annual) Financial Report, which will replace the current Annual Financial Report. The Global Fund Secretariat is currently developing the format for the new report.

²¹ The GPR is prepared by the Global Fund Secretariat when the Grant Agreement is signed, and is updated throughout the life of the grant. The GPR is intended to provide the Secretariat, PRs and all other Global Fund stakeholders with a thorough and transparent summary of a grant throughout its lifetime. The report includes information about the initial PR assessments, the Grant Agreement, the programmes being implemented, indicators and targets, and results achieved to date.

²² The Grant Score Card is produced only once: when the CCM submits its Request for Continued Funding for Phase 2 of the grant. It contains comments from the Global Fund Secretariat on programme performance.

about missing or incomplete data. At this point, the PR may revise its portion of the PU/DR. The LFA then completes its portion of the PU/DR, and forwards the PU/DR to the FPM. The FPM then reviews the full PU/DR. The entire process can take several weeks.

The oversight committee will need to decide which version(s) of the PU/DR it would like to receive. It could ask the PR to send the CCM a copy of the PU/DR at the same time as it submits it to the LFA. It may be able to obtain a copy of the PU/DR from the PR after the LFA has reviewed it, but before the LFA has completed its section of the report. Or, the oversight committee can wait until the PU/DR has been reviewed by the FPM and posted on the Global Fund's website.

In theory, the information contained in the GPR on financial and programmatic progress comes from the PU/DRs. So, if the PU/DRs are completed properly and are up-to-date, the GPR will not represent significant added value to the oversight committee. However, in our experience, the GPR sometimes contains more current information than the latest available PU/DR. Where this is the case, oversight committees will want to track the GPR.

In some countries, national M&E systems are capturing information directly related to individual Global Fund grants, especially HIV grants. Where this is happening, the CCM should be reviewing reports from these systems.

The information that the oversight committee has to review is considerable. If the committee is overseeing a number of grants, this could lead to a situation of information overload. In such cases, the CCM may want to put into place a system for having the information reviewed, synthesised and presented in a condensed format. A template could be created for this purpose and used for each grant. Some CCMs have been experimenting with the use of templates that are called "dashboards." See the section on "Using Dashboards" below.

Based on our analysis of some case studies on CCMs recently conducted by the Global Fund,²³ it appears that the information overload is more likely to happen when the whole CCM is doing oversight, as opposed to delegating part of the responsibility to an oversight committee. An oversight committee, being made of a smaller group of people selected specifically to do oversight, is more likely to have the time to go through all the relevant reports, and the expertise to quickly identify the information that is important for the CCM's oversight work.

Conducting site visits

The CCM can conduct site visits to places where services are being delivered or other grant activities are taken place. These visits can provide CCM members with an overall sense of programme achievement and challenges. They can also provide an opportunity for members to ask questions, the answers to which may fill in gaps in the information the CCM needs to do oversight properly. Finally, the site visits may help the oversight committee identify potential grant implementation problems that it may want to investigate further.

To keep it manageable, the number of people participating in a site visit should be relatively small. Teams of between four and eight people might make the most sense.

The work of scheduling and organising the site visits should probably be done by the oversight committee, or by the CCM Secretariat under the direction of the oversight committee. However, this does not mean that only members of the oversight committee

²³ Forty case studies were conducted involving 19 CCMs. Eight of the case studies were on CCM oversight. The studies are available via www.theglobalfund.org/en/ccm/studies/?lang=en.

should participate in the visits. On the contrary, it would be useful to have a mix of oversight committee members and other members of the CCM. This could be done on a rotational basis – i.e., by altering the composition of the teams over time – so as to allow all or most members of the CCM to participate.

It would also be useful to have some non-CCM members participate in the site visits. This would increase the transparency of the CCM and would enable more stakeholders to get involved in the oversight process.²⁴

The oversight committee may want to schedule site visits regularly, perhaps every six months. The visits should be arranged with the PR.

As part of its oversight plan, the Ethiopian CCM sends out several teams to conduct site visits every six months. Each team is made up of CCM members and non-CCM members. The CCM developed an overall plan for the site visits. The plan covered the following elements:

- objectives of the site visits
- regions and/or sites to be visited
- methods to be applied
- timing and frequency of the visits
- team composition
- what will be included in the site visits

The field monitoring teams that the Ethiopian CCM uses for site visits receive oral progress reports from regional, village and district level officials, as well as from community members and people benefiting directly from Global Fund programmes.²⁵

In Bangladesh, one PR made a practice of bringing two or three CCM members along whenever it went into the field.

To get the most out of each site visit, the oversight committee (or the teams it sets up) should consider developing an agenda or a checklist covering what and who it wants to see, as well as any questions it would like to see discussed.

The oversight committee should keep in mind the limits of its oversight role. The purpose of the site visits is not to address day-to-day management issues: This is the responsibility of the PR.

Informal site visits can also be conducted by individual members of the CCM in their “other” capacities. In other words, if a member of a CCM, in the course of his or her normal duties,

Strengths and weaknesses

The Ethiopian CCM identified the following strengths and weaknesses of its oversight programme:

Strengths

- Responsibilities clearly defined and understood.
- Tools developed to assist with field visits.
- Having both monthly verbal and quarterly written reports from the PR.
- Including both members and non-members of the CCMs in the site visits.

Weaknesses

- Seniority of some CCM members limits participation in field visits.
- Limited budget.

The CCM also noted that the large number of grants makes doing oversight more complex.

(W. Kassie, *CCM Oversight: Ethiopia*, TSF Eastern Africa, Global Fund, October 2007.)

²⁴ One of the minimum requirements that CCMs have to fulfil is to ensure the input of a broad range of stakeholders, including CCM members and non-members, in the grant oversight process.

²⁵ The information on site visits undertaken by the Ethiopian CCM (as well as other information in this guide about the Ethiopian CCM oversight process) comes from a case study conducted by W. Kassie (see box).

happens to be visiting an area where grant activities are being implemented, there is no reason why this person cannot put on his CCM hat for a few moments and visit an SR or other organisation that is carrying out the activities.

Obtaining additional information from the PR

The oversight committee may find it useful to obtain information from the PR that it cannot get from the various reports it reviews. Such information can help to fill in gaps in the reports, and may allow the committee to probe deeper when it finds something in the reports or in its site visits that it believes is cause for concern.

This can be done in a variety of ways. For instance, the oversight committee could schedule regular or periodic meetings with the PR to review grant progress. (For example, the Ethiopian CCM held monthly meetings with each of its PRs.) Also, some of the questions that the oversight committee would like to see answered may require just a simple phone call or email message to the PR.

As well, questions can also be posed to the PR at the regular CCM meetings. Usually, a representative of each PR sits on the CCM as a non-voting member.²⁶ However, this may not be the ideal venue for posing questions, especially if there are a large number of PRs. The questions are likely to be directed at just one or two of the PRs, and the answers may be more of interest to the members of the oversight committee than to the full CCM.

Questioning PRs in Tanzania

A recent case study performed on the CCM in Tanzania revealed that the CCM "has recently started to question [the] performance of some of the PRs and ... has also started to request accountability from the PRs with regard to delays in procurement, funds disbursement, accountability and delays in submission of reports to Global Fund."

(T. Mgeni, CCM Oversight: Tanzania, Global Fund, October 2007.)

On the other hand, both the PRs and the CCM may find it convenient for the PRs to deliver verbal progress reports on the grants at each CCM meeting.

Again, the CCM needs to respect the PR's autonomy. The CCM has the right to ask questions, and to receive information, but it needs to keep in mind that in the final analysis, the PR reports to the Global Fund, and that over-burdening the PR limits its ability to implement the grant.

If the PR and the CCM are working well together, the PR may take the initiative to raise problems with the CCM that it needs help to resolve (e.g., poor performance of an SR).

Obtaining input from FPMs

Once a proposal is recommended for approval by the Technical Review Panel (TRP), the Global Fund Secretariat assigns an FPM to the proposal. From this point on, the FPM is the Fund's main contact person for PRs implementing grants. Invariably, the same FPM is the contact person for all of the grants in a given country.

Although FPMs communicate regularly with the PRs, more and more they are also taking time to talk to the CCMs (in recognition of the CCM's oversight responsibilities). Since the PR reports directly to the Global Fund on grant implementation, the FPM may become aware of some implementation problems before the CCM's oversight committee does.

²⁶ In fact, having a representative of the PR on the CCM is a requirement, according to the Global Fund's "Fiduciary Arrangements for Grant Recipients" document.

Therefore, the oversight committee should stay in regular communication with the FPM, and seek out meetings with the FPM when the opportunity arises.

The Global Fund Secretariat is trying to encourage FPMs (and others in the Secretariat) to routinely copy CCMs on correspondence sent to the PR whenever it is possible to do so. This may become a requirement in a new communications protocol being developed by the Fund.

Obtaining input from SRs

Strictly speaking, the CCM should not be communicating formally with SRs because they report directly to the PR. However, in practice, there may be instances where CCMs will obtain useful information from SRs concerning grant implementation.

For example, representatives of SRs may be members of the CCM and may speak at CCM meetings about their grants. Also, there may be instances where an SR is experiencing a problem with the PR that it reports to, is not able to resolve the problem directly with the PR, and decides to approach the CCM. (The SR could also approach the Global Fund Secretariat, but it might make more sense for the SR to approach the CCM instead, especially if it is a problem that can and should be resolved locally.)

Finally, people sitting on CCMs can inevitably expect to hear from SRs from time to time about grant implementation problems.

Obtaining input from other sources

Issues concerning possible problems with grant implementation may be brought to attention of the CCM by some of its own members, or by representatives of stakeholders not directly represented on the CCM, including international NGOs and U.N. agencies. It is even possible, of course, for the oversight committee to learn about problems from the media.

As well, CCMs can sometimes obtain useful information from national surveillance systems and surveys.

If the situation warrant it – perhaps in cases when relations between the CCM and the PR are strained – the CCM can ask the FPM to arrange for an external, impartial evaluation of grant progress. The oversight plan adopted by the Ethiopian CCM contains a provision that allows for this.

Another possible source of information are reports or comments from the Global Fund's Office of Inspector General (OIG), in instances where the OIG has conducted an investigation on any of the grants that the CCM is overseeing.²⁷

²⁷ According to the Global Fund website at www.theglobalfund.org/en/oig/, the purpose of the OIG is to provide the Global Fund with independent and objective oversight to ensure the integrity and effectiveness of its

Oversight process in Bulgaria

A recent case study done on the CCM Bulgaria described the CCM's process as follows:

- Quarterly oversight meetings are convened by the chair.
- The agenda and all relevant materials are circulated in advance.
- At the meeting, the PR (a) reports on the activities of the previous quarter; (b) submits a copy of the PU/DR and any other relevant reports; (c) highlights the results achieved; (d) explains any discrepancies between results and what was planned; and (e) outlines its workplan for the following quarter.

(EPOS Health Consultants, *CCM Oversight: Bulgaria*, Global Fund, October 2008.)

Useful information can also be obtained in the following ways:

- when CCM members are engaged in constituency consultations;
- by having one CCM meeting a year in different parts of the country and providing an opportunity to hear from stakeholders;
- by sending CCM representatives to meetings of national bodies, such as the national AIDS commission; and
- by asking individual CCM members to report back from other relevant meetings they attend.

Input from the LFA?

The LFA reports directly to the Global Fund and has no formal relationship with the CCM. Since the role of the LFA is to provide independent advice to the Global Fund, there are limits placed on the information that the LFA is allowed to share with CCMs. The Global Fund website says:

“ The monthly verbal reports from PRs, the quarterly progress reports submitted by the PRs and the field monitoring reports submitted by the teams from the CCM all ensure that the CCM is aware of problems and can take the necessary remedial action.”

(W. Kassie, *CCM Oversight: Ethiopia*, TSF Eastern Africa, Global Fund, October 2007.)

The LFA may be asked to interact with a CCM, for example, by attending CCM meetings. This is encouraged because it means that the LFA is involved in discussions concerning the grant and its performance at the country level. However, the LFA cannot provide advice or guidance to CCMs on anything to do with the grant. The LFA also does not represent the Global Fund in discussions with the CCM.²⁸

The Global Fund also says that the LFA “should refer any requests made by the CCM with regard to sharing assessment and review recommendations and updates on grant implementation to the PR and the FPM.”²⁹

Therefore, we do not think that CCMs should expect to receive information about grant performance from the LFA, although this could change in future. In 2008, participants at the Global Fund’s Partnership Forum meeting in Dakar, Senegal recommended that LFA reports be shared with CCMs when they are submitted to the Global Fund Secretariat (except for confidential reports).

It is possible that, in practice, some CCMs have a closer relationship with the LFA than what is described above. However, if this is happening, it is in contravention of the guidelines issued by the Global Fund.

Reviewing the Information

The oversight committee will likely want to schedule regular meetings to review the information it has collected. The frequency and timing of these meetings will depend on a number of factors, including how many grants the committee is overseeing, and when the committee receives copies of the PU/DRs.

programmes and operations including compliance with policies and procedures. The OIG assists the Global Fund in protecting assets and preventing and detecting fraud, waste, abuse, malfeasance or mismanagement.

²⁸ See “LFA Frequently Asked Questions,” available at www.theglobalfund.org/en/lfa/.

²⁹ Global Fund, *Communications Protocol for Local Fund Agents*, undated, available at www.theglobalfund.org/en/lfa/documents/?lang=en (click on “LFA In-country Communications Protocol”).

(In Ethiopia, where oversight is done by the entire CCM, the CCM meets four times a year specifically to discuss oversight.)

The oversight committee may ask the CCM Secretariat to handle the logistics of the meeting. Someone from the Secretariat could also take minutes, if that person is qualified to do so. Some oversight committees may prefer to have the Chair or another committee member prepare the minutes.

The oversight committee (or its sub-committees) will need to decide whether to invite representatives of the PRs to its meetings. At first glance, it might seem inappropriate to have representatives present from the organisation whose performance the CCM is overseeing. However, the representatives may be able to make a very useful contribution to the discussion. The solution may be to invite representatives of the PRs to portions of each meeting, but not necessarily the entire meeting. If the oversight committee decides to go this route, it may want to invite both the programme manager and the finance manager from each PR. (If the CCM is overseeing a large number of grants, this could become a bit cumbersome. The use of sub-committees to share the work would help to simplify things.)

In the course of reviewing the information, the oversight committee may identify problems that it believes should be followed up. This is covered in *Chapter 5: Problem Identification and Resolution*.

Using Dashboards

As indicated earlier in this guide, dashboards are templates that can be used to synthesise and present in a condensed format information that the oversight committee needs to review. Graphics (e.g., pie charts, bar charts, graphs) are usually used to make the information easy to digest.

Excel spreadsheets (or other graphics software) are used to produce the dashboards and also to enter the information that is depicted in the dashboards.

Dashboards can also contain comment boxes for feedback to the CCM, or from the CCM to the PR, as well as a list of the actions that the full CCM decides to take to address problems in grant implementation.

Grant Management Solutions (GMS) has been working with a number of CCMs on the use of dashboards as part of the oversight process. GMS is a USAID-funded project managed by the (U.S.) Office of the Global AIDS Coordinator, and led by Management Sciences for Health, a non-profit international health organisation. The countries whose CCMs have experimented with the use of dashboards are Honduras, Indonesia, Nicaragua, Nigeria, Philippines, Tanzania and Zanzibar. The dashboard template that GMS uses has evolved over time, based on the experiences in these countries.

Using the latest version of the dashboard template, GMS is currently implementing a pilot project with CCMs in seven countries – Ghana, Madagascar, Mali, Mongolia, Morocco, Namibia and Peru. The pilot project involves not only working with the CCMs on how to use the dashboard, but also educating the CCMs on the concept of grant oversight and how to

Using dashboards in Tanzania

The CCM in Tanzania is one of the CCMs currently experimenting with the use of dashboards. In Tanzania, the PR submits data on programmatic and financial progress to the University Computing Centre (UCC). The UCC compiles and analyses the data, produces the dashboard, and submits it to the CCM's Executive Committee.

(T. Mogeni, *Tanzania National Coordinating Mechanism: A Case Study on Oversight*, Global Fund, October 2007.)

organise themselves to do oversight. CCMs need to have these basic skills before they can effectively use dashboards.

A page from a sample dashboard is shown in Annex III. For further information on the dashboard being developed by GMS, contact Terry Anderson, Communications Officer, GMS project, at tanderson@gmsproject.org.

Developing a Formal Oversight Plan

As indicated in *Chapter 1: Introduction and Background*, the Global Fund Secretariat considers the development of an oversight plan to be part of the minimum requirements a CCM has to meet in order for its proposals to be considered for funding.

However, the Secretariat does not insist that the oversight plan be a stand-alone document. Different aspects of the oversight plan may be built into different governance documents. For example: the CCM's constitution may state they shall be an oversight committee; the TOR of the CCM Secretariat may spell out what support the Secretariat will provide; and the CCM's workplan and budget may cover the specific oversight activities.

However, we think that it would be a good idea to have a separate, stand-alone document describing what the CCM will do to fulfil its oversight responsibilities – i.e., a formal Oversight Plan. This will make it easier for the CCM to orient new members, to explain to stakeholders in-country what the CCM is doing on oversight, and to share this information with other CCMs.

Chapter 5: Problem Identification and Resolution

This chapter discusses what is involved in investigating problems, and how CCMs can go about resolving problems. The chapter also provides some examples of problems identified during CCM grant oversight and how these problems were addressed.

Identifying and Investigating Problems

In the course of reviewing information on the progress of a grant, the oversight committee may identify something that it considers to be cause for concern. It could be something as simple as a PU/DR that has been filed late. Or, it could be something more serious, such as failure to make any progress towards one of the key targets. Whatever the problem, the oversight committee will usually have to probe the PR to obtain more information.

Precisely defining the problem is very important. For example, the oversight committee may discover that the procurement of certain medicines is significantly behind schedule. But the committee needs to dig deeper to find out why the medicines are being delivered late. Is it because the orders are being placed late? Is it because the manufacturers are not delivering according to schedule? Is there another reason? Only when the source of the problem is known, can the oversight committee or the full CCM recommend or take remedial action.

In more serious cases, the oversight committee may need to investigate more thoroughly. Perhaps a site visit would be in order. Or, the committee may decide that some external assistance is required (such as an audit or a review by experts). When these more serious cases arise, the CCM should inform the FPM, if the FPM is not already aware of the problem.

The problems may be limited to one part of the grant, or they may be systemic to the whole grant. Examples of systemic problems include:

- The PR does not have the capacity to manage the grant effectively.
- One or more SRs don't have the capacity to implement their portions of the grant.
- There is poor communications between the PR and the SRs.

Some problems may be caused by factors that are completely external to the grant – for example, there may be a freeze on the hiring of government workers.

Resolving the Problems

Once again, it is important to remember that the PR is responsible for grant implementation, not the CCM. So, wherever possible, the PR should be the one to implement solutions to grant implementation problems.

One way of approaching problem resolution is to classify the problems into one of several categories. For example:

- problems that are relatively easy to resolve and which can be referred to the PR for action;
- problems that are external to the grant and which will require that action be taken by some members of the CCM; and

- problems that are more serious and which will require the CCM and PR to work together to resolve, in consultation with the FPM.

For problems that are external to the grant, it probably makes sense for the CCM chair to lead the resolution process. The Chair can propose possible solutions, and, where practical, these can be discussed by the full CCM. One or more members of the CCM may be delegated to take action. Sometimes, assistance from the Global Fund Secretariat may be sought.

For the more serious problems, a more sophisticated process might be required. One option is for the CCM to work with the PR and the FPM to develop and explore potential solutions. In the process, it may be necessary to consult SRs or other stakeholders. A plan of action may need to be developed, complete with timelines and the identification of who is responsible for each activity. Technical support (TS) may be required (this is covered in *Chapter 7: Technical Support*).

Follow-up is important. For problems that are referred to the PR for action, the CCM may want to request that the PR report back on what actions have been taken. For other problems, the CCM may want to have a follow-up mechanism in place to ensure that the necessary remedial actions have been implemented.

Some Examples

The following are examples of specific problems identified during CCM oversight and actions taken by the CCM to resolve the problems.

Problem	Action Taken
The procurement of bednets was being blocked.	The investigation revealed that all tenders had to go through a Central Tender Board, and the Global Fund grant was not high on its priority list. In this case, a senior official from the Global Fund Secretariat persuaded the Board to make an exception for the bednets.
Medical Stores were charging a much higher overhead rate than normal	The investigation revealed that Medical Stores were trying to recoup monies owed it by the Ministry of Health (for something that had nothing to do with the grant). The solution was to get the Ministry to pay this outstanding debt.
SRs were not reporting on time.	The PR made sure that the SRs understood the importance of reporting on time.
Needed drugs were not arriving.	The investigation revealed that the problem was beyond anyone's control, but was only temporary. The CCM approached other donors to fill the gap.
Blanket duty waivers for products being procured by the grant were abolished.	PRs were required to apply for a waiver on a case-by-case basis.

Chapter 6: Reporting and Communications

This chapter explains how transparency, regular reporting and maintaining good communications are essential elements of the oversight process.

In doing its oversight work, the CCM should operate as much as possible in a transparent fashion. If the CCM develops a formal oversight plan, it should be distributed widely to stakeholders.

The oversight committee should report to the full CCM on a regular basis, preferably in writing. Whenever possible, these reports should also be circulated widely beyond the CCM. (There may be instances where sensitive information is involved; this may require that circulation be restricted, or that only parts of the report are distributed.)

The full CCM should have an opportunity to discuss oversight issues, whether or not the CCM has established an oversight committee. If CCM meetings are normally open to media or other outsiders, and in if there are cases where sensitive information is involved, the CCM could decide that parts of the discussion will be *in camera* (i.e., closed to anyone not on the CCM).

Good communications and good oversight go hand-in-hand. For example, if CCM members are holding regular meetings with the stakeholders they represent, they will get feedback from these stakeholders about grant implementation that will be useful in the CCM's oversight work. Similarly, the oversight that the CCM does helps the CCM carry out its responsibility to keep all stakeholders informed about how the grant is performing.

In some countries, a lack of access to technological resources may put some sectors at a disadvantage. For example, government and development partners may be able to communicate easily via email, but NGOs and FBOs may not be able to use email as easily. In these situations, CCMs should implement special measures (such as communicating by telephone or, where feasible, holding in-person meetings) to ensure that they receive feedback from "technologically disadvantaged" sectors.

The CCM may want to develop a communications strategy with respect to its oversight responsibilities.

Constituency consultations

“ It is also important ... to emphasize the fiduciary responsibility entrusted to CCM members on behalf of the constituency they represent: currently there is little information sharing ... by individual CCM members about the outcome of CCM meetings, and even less consultation [prior to the meeting]. A broader engagement of other constituency members would definitely be appropriate in order to improve the usefulness and impact of the oversight function.”

(EPOS Health Consultants, *CCM Oversight: Bulgaria*, Global Fund, October 2008.)

The CCM in Tajikistan established a Partner Forum to share information with constituents outside the CCM. There are 50-70 stakeholders in the forum. Meetings are usually held to discuss specific topics. The forum has proven to be effective in the oversight role of the CCM.

(EPOS Health Consultants, *CCM Oversight: Tajikistan*, Global Fund, January 2008.)

Chapter 7: Technical Support

This chapter provides examples of where TS may be required to enable the CCM to carry out its oversight activities, or to resolve problems identified through the oversight process.

In some instances, the CCM will have the skills required to identify and help resolve grant implementation problems because the CCM is comprised of experienced members from multiple constituencies. However, many CCMs will require TS at one or more stages of the oversight process.

TS may be required to help the CCM understand how to carry out its oversight responsibilities,³⁰ including understanding basic concepts related to programme monitoring, impact evaluation, financial analysis, auditing, and problem analysis. The oversight committee or the full CCM may need assistance in developing an oversight strategy and in developing the tools for doing oversight, including the use of dashboards if the CCM decides to go that route.

The oversight committee may need TS on analysing problems in grant implementation and developing solutions. The CCM Secretariat may need TS to assist the oversight committee to carry out its oversight activities.

For particularly difficult problems, the CCM and the PR may want to bring in TS to help them work out the best solutions.

It may be possible for the CCM to obtain these kinds of TS from partner organisations such as UNAIDS, the World Health Organisation and bilateral donors. CCMs in need of assistance can contact the U.N. Country Coordinator (UCC) or other members of the U.N. Joint Team. In many cases, the CCM will not have to pay for the TS.

If the oversight process identifies serious skills deficiencies – e.g., the PR or some SRs lack the skills to manage or implement programmes effectively – more extensive TS may be required and money may have to be found to pay for it. It may be necessary to re-programme the grant in order to find the necessary funding. But re-programming is an arduous process. The CCM and the PR will be much better off if funds for TS were already built into the budget for the grant (and if some of these funds are still available).

³⁰ A CCM that is not yet involved in oversight would be well advised to start by assessing the capacity of the CCM to do oversight.

Chapter 8: Obstacles to Effective CCM Oversight

This chapter discusses obstacles to the CCM carrying out its oversight functions, including when partnerships are not working well and when there are unresolved conflicts of interest. Finally, the chapter lists other obstacles that relate in general to the way the CCM operates, and which can affect CCM oversight.

When Partnerships Aren't All that They Should Be

Obviously, in the real world, CCMs and PRs are not always working together in harmony, let alone perfect harmony. In a case study conducted on one particular CCM in Country X (we are not identifying the country), the people interviewed for the case study said things such as:

- “The CCM is weak in the face of the PR.”
- “The PR has not been very responsive to requests from the CCM.”
- “When the PR does not agree with a decision taken by the CCM, it often takes no notice.”
- “The CCM processes are seen as transparent, but not so those of the PR.”
- “SRs are afraid to speak out, for fear of having their funding cut off.”

This is a country where things are not working as they should be. It is quite possible that the PR (or PRs) in Country X were not selected by the CCM through a transparent process, but rather were imposed on the full CCM by the more powerful members of the CCM. Like the CCM, the PR has an obligation to be transparent – i.e., to share information and to listen to the players and stakeholders. Obviously, this is not happening in Country X.

In such an environment, it would be very difficult for the CCM to fulfil its oversight responsibilities, and any oversight that is done might not be of much use. Action would probably be required to strengthen the partnership before the CCM can implement an effective oversight plan. The assistance of the FPM or partners in-country (such as the U.N.) may be required.

In some countries, the fact that the CCM has no legal status is interpreted as meaning that the CCM is not as important as other players and organisations, such as government and national disease coordinating bodies. Sometimes, the CCM is seen as a “necessary evil” in the sense that it only exists to satisfy the Global Fund’s requirements concerning the submission of proposals. Or, the authority of the CCM is diminished by the fact that the PR considers itself too powerful or important to be “regulated” by the CCM.

In this environment, it is difficult for CCMs to try to exercise their authority to do oversight. (This is complicated, of course, by the unique Global Fund in-country architecture that we described earlier, particularly the fact that the PR does not formally report to the CCM.)

Again, the best approach would be to try to educate the key players and stakeholders concerning the importance of working in partnership.

Conflicts of Interest

Conflicts of interest that are not managed can seriously impair the functioning of the CCM, including the CCM's oversight activities. A particularly blatant example would be if the chair of an oversight committee – or even a member of an oversight committee – were from the same organisation as the PR or a major SR.

Another example would be if the CCM's oversight activities were being carried out by the CCM Secretariat – or if the Secretariat was providing significant support to the oversight committee – and the CCM Secretariat was being housed in the same agency that is serving as PR or one of the SRs (e.g., the Ministry of Health). If the CCM Secretariat is playing an important role in the CCM's oversight activities, it should be set up independently of any of the organisations serving as PR or SR.

Other Obstacles

There are a number of other obstacles that have to do with the functioning of the CCM generally, and that could impair the CCM's ability to carry out its oversight role. The following are some examples:

- poor communications within the CCM (e.g., the CCM Secretariat not sharing information with CCM members);
- weak capacity of the CCM Secretariat;
- poor communications between the CCM and other key players and stakeholders;
- the presence on the CCM of representatives of organisations that are trying to discredit the PR (in order to get the work for themselves);
- the fact that many CCM members, particularly senior members, are very busy in their other roles;
- a rapid turnover of CCM members, particularly government representatives;
- the fact that documents are in English and are not translated into the local language(s); or the documents are in local languages and not translated into English;
- short notice provided for CCM meetings;
- not enough time provided to read relevant documents in advance of CCM meetings; and
- a failure to brief new CCM members on the contents of existing grants.

Any CCM that encounters many of the above problems is in need of serious strengthening.³¹ Ideally, while the CCM works to resolve such problems, it can still develop and implement an oversight strategy.

³¹ CCMs in this situation may want to consult *The Aidspan Guide to Building and Running an Effective Country Coordinating Mechanism (CCM)*, Second Edition, available at www.aidspan.org/guides.

Annex I: Tracking Indicators

This annex provides information on indicators to supplement what is contained in Chapter 4: Developing the CCM's Oversight Strategy. The annex explains what indicators are and provides information on the different types of indicators. It discusses the need for the CCM to decide which indicators to track. Finally, using a Round 7 HIV grant as an example, the annex provides a comparison of indicators contained in the original proposal with indicators contained in the Grant Agreement.

Definition

An indicator is something that you can measure to show the extent to which goals or objectives are achieved, services have been delivered, or activities have been successfully carried out.

Types of Indicators

There are different types of indicators.

Impact and outcome indicators measure the extent to which benefits result among the people to whom the services are being delivered. Both types of indicators are very similar; as used by the Global Fund, impact indicators tend to be higher level than outcome indicators – e.g., “percentage of infants born to HIV-positive mothers who are infected” is an impact indicator, whereas “percentage of never married young men and women aged 15-24 who have never had sex” is an outcome indicator.

Coverage indicators measure how many people the services are reaching. **Output indicators** measure the output of an activity (e.g., quantity of drugs shipped).

In the initial stages of a grant, there may be more coverage and output indicators than impact and outcome indicators. As the grant progresses, it becomes more important to focus on the impact and outcome indicators.

The original proposal will likely contain a large number of indicators; each indicator may contain several targets. The Global Fund Secretariat does not want to see progress reports for all of these indicators. Consequently, the Grant Agreement that the PR signs with the Global Fund identifies what the Fund calls “key performance indicators” – i.e., indicators that the Global Fund Secretariat believes are the most important ones in terms of monitoring grant performance. It is this limited set of indicators that the PR must include in the regular progress reports (PU/DRs) that it submits to the Global Fund Secretariat. The PR reports on progress against targets for each of the key performance indicators.

Which Indicators Should Be Tracked?

The CCM will have to decide:

- Do we need to track all of the key performance indicators, or just some of them?
- Do we also want to track some other indicators that were not identified as key performance indicators in the Grant Agreement? If so, which ones?

Note that if the CCM decides to track only the key performance indicators, the PU/DRs prepared by the PR (usually every quarter or every six months) should provide the information the CCM needs (if the PU/DRs are being filled out properly and arrive on a timely basis). However, if the CCM decides that it wants to track other indicators, it will likely have to ask the PR to prepare a separate report on these. Note, however, that this can quite burdensome for the PR.

Below, we provide a comparison between the list of indicators included in an original proposal for a Round 7 HIV grant from Lesotho and the list of key performance indicators included in the Grant Agreement.³² This type of information may help CCMs decide how many and what types indicators its should track.

Comparison of Indicators – Lesotho Round 7 HIV Grant

(Tables 1 and 2 show a comparison of the indicators contained in the original proposal with the key performance indicators contained in the GPR.)

Table 1 – Impact and Outcome Indicators

Type of indicator	Included in original proposal	Included in GPR as key performance indicators
Impact	% of infants born to HIV infected mothers who are infected	<i>(The indicators in the GPR were identical to those listed in the original proposal.)</i>
	% of young women and men aged 15-24 who are HIV infected	
Outcome	% of orphaned children compared to non-orphaned children aged 10-14 who are currently attending school	
	% of young people aged 15-24 reporting the use of a condom the last time they had sex with a non-regular sexual partner	

Table 2 – Coverage and output indicators

Service delivery area	Included in original proposal	Included in the GPR as key performance indicators
Prevention: PMTCT	% of pregnant women attending PMTCT services tested for HIV	<i>(NOT INCLUDED)</i>
	% of health facilities offering PMTCT services	% of health facilities offering the minimum package of services to prevent MTCT
	Number of community health workers trained to promote PMTCT services	<i>(NOT INCLUDED)</i>
	Number of service providers trained to provide PMTCT services	Number of service providers trained to provide PMTCT services including community health workers
	% of HIV infected pregnant women receiving a complete course of ARV prophylaxis	# and % of HIV infected pregnant women who received antiretrovirals to reduce the risk of mother-to-child transmission out of the total number of pregnant women found positive during the last 12 months

³² Actually, we compared the indicators in the original proposal to the indicators in the GPR, not the Grant Agreement. When we did our research, the indicators were missing from the copy of the Grant Agreement posted on the Global Fund website. However, the GPR is a good proxy for the Grant Agreement. Usually, the key performance indicators shown in the GPR are the same as those shown in the Grant Agreement, at least in the initial stages of a grant.

Service delivery area	Included in original proposal	Included in the GPR as key performance indicators
	Number of professional counsellors recruited to support PMTCT	<i>(NOT INCLUDED)</i>
	Number of service providers trained on the revised IYCF policy, protocols and guidelines	<i>(NOT INCLUDED)</i>
HSS: Community Systems Strengthening	N/A	Number of community health workers provided with allowances
Prevention: Condom distribution	Number of condoms distributed to HIV infected pregnant women	<i>(NOT INCLUDED)</i>
	Number of condoms distributed to out of school youth	<i>(NOT INCLUDED)</i>
	N/A	Number of condoms distributed through health facilities and youth resource centers
Prevention: BCC - community outreach	Number of Maternal and Child Health Clinics (MCH) provided with audiovisual equipment	<i>(NOT INCLUDED)</i>
	Number of teachers that have been trained to provide life skills based education	<i>(NOT INCLUDED)</i>
	Number of young people in school taught life skills based education	# and % of schools that provided life skills based HIV education in the last academic year out of the total 1, 641 primary and secondary schools
	N/A	# of young people reached by life based HIV/AIDS education in schools
	N/A	# of young people reached by life based HIV/AIDS education out of schools
	Number of life skills based education manuals distributed to schools	<i>(NOT INCLUDED)</i>
Care and support: Support for orphans and vulnerable children	Number of registered OVC accessing essential services	# of OVC whose households are provided with the following essential services: school uniform, Health, Food, toiletries, and shelter
	Number of households with OVC provided with assistance to develop sustainable livelihoods	Number of OVC provided vocational training in business and entrepreneurship
	Number of care givers of children that reside in residential care facilities trained to provide care and support	<i>(NOT INCLUDED)</i>
	Number of OVC that reside in residential care facilities provided with a basic package of care and support	<i>(NOT INCLUDED)</i>
	Number of care givers of children that reside in residential care facilities provided with incentives	<i>(NOT INCLUDED)</i>

Service delivery area	Included in original proposal	Included in the GPR as key performance indicators
	Number of Gender and Child protection Units strengthened to provide protection to OVC	<i>(NOT INCLUDED)</i>
	Childline established and functional	# of OVC reached through the child help line who are provided with at least one of the following services: face to face counselling, play therapy counseling or referrals to service providers
	Number of OVC provided with financial support to attend high school	Number of OVC provided with financial support to attend high school
	Number of OVC provided training in business and entrepreneurship	<i>(NOT INCLUDED)</i>
	Number of teachers that have been trained in sign language	<i>(NOT INCLUDED)</i>
	N/A	Number of children with hearing and visual impairment that received life skills education, text books and machines to interpret Braille
Supportive environment: Strengthening of civil society and institutional capacity building	Number of implementers trained in M&E fundamentals	<i>(NOT INCLUDED)</i>
	Number of service providers trained in PMTCT data management	<i>(NOT INCLUDED)</i>
Treatment: Anti-retroviral treatment (ARV) and monitoring	Number of service providers recruited to provide pediatric ART services	<i>(NOT INCLUDED)</i>
	Number of children (0-18) with advanced HIV infection receiving ART	Number of children (0-14) with advanced HIV infection receiving ART

Observations re Table 2:

1. *Seventeen of the indicators from the original proposal were not included in the list of key performance indicators in the GPR.*
2. *Five new indicators were added in the GPR.*
3. *The wording of a number of the indicators from the original proposal that were retained in the GPR was modified.*

Annex II: Contents of the PU/DR

This annex describes the contents of the PU/DR.

The progress update portion of the PU/DR contains (a) a report on the progress achieved in the programmes being implemented; (b) comments on the fulfilment of conditions precedent and (c) a financial update. The disbursement request portion of the PU/DR contains a request for funds for the next period. Below, we describe the three elements of the progress update portion.

Programme Progress

The PR reports on what progress has been achieved against the targets set out in the Grant Agreement, for all of the key performance indicators. The PR is required to explain and justify any variance between results and agreed-upon targets.

The PR is also required to provide an overall evaluation of its own performance; and to describe any changes it is planning to the programme. (If the changes are significant, they should first be discussed with the CCM and the FPM).

The PR may also provide additional qualitative information on programme results, success stories and lessons learned.

Conditions Precedent

The PR provides an update on all the conditions precedent which were set out in the Grant Agreement, whether or not these were due to be fulfilled during the disbursement period covered by the PU/DR.

Financial Update

In this section of the PU/DR, the PR provides a statement of actual expenditures against the budget, both in total and by specific categories, such as disbursements to SRs and the cost of health products. Data is provided both for the period covered by the PU/DR and cumulatively from the beginning of the programme.

The PR must provide explanations for any variances between budgeted and actual expenditures.

Annex III: Page from a Sample Dashboard



GFATM, Round 4 HIV

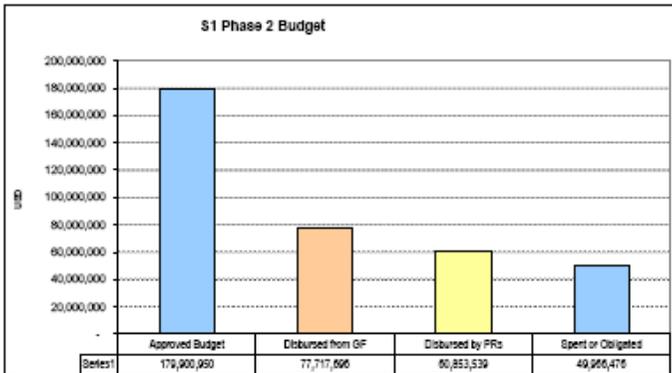
Summary of Indicators

Grant Start Date: 01/07/2007 (AMREF, PACT); 1/11/07 (MoHS)
 Grant Finish Date: 10/31/2011
 Total Value: \$293,263,191
 Current Status: Phase 2
 Principal Recipient: MoFEA, PACT, PSI and AMREF
 Data updated to: 30/09/2008



S1 Comment

The flow of funds is satisfactory



S2 Comment

No disbursement to PRs from GF during this quarter

S2: Last Fund Disbursement Pipeline (days)

	Expected	Actual
LFA to GF	14	n/a
GF to PR	7	n/a
PR to SSRs	14	n/a
PR to SSRs	14	n/a

(Median)
(Longest)

S3 Comment

S3: Financial Reporting by LSRs

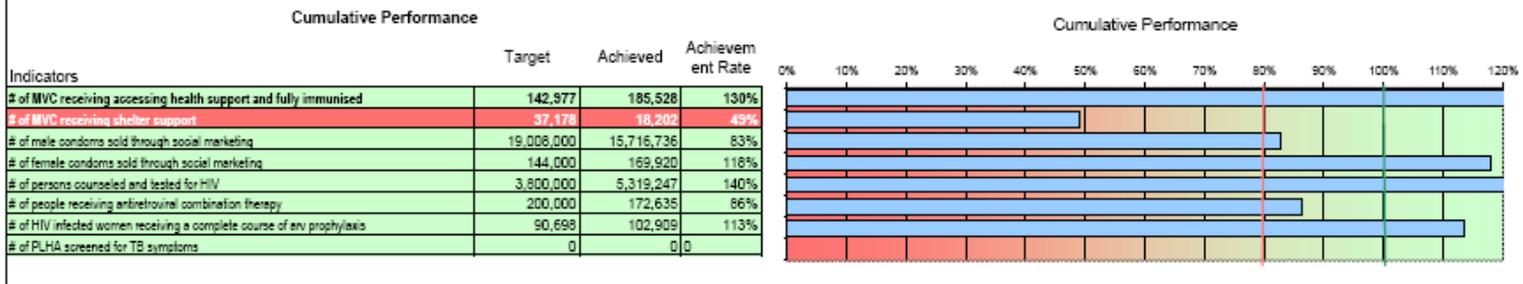
Due Date	No. Expected Reports	No. Not Yet Received
MoHSW	6	0
PACT	17	0
PSI	n/a	n/a
AMREF	10	0

S4 Comment

The procurement process has been initiated by MSD and each item is at a different stage. All procurement is on schedule

Budget	Committed/Spent	Procurements	Last Shipment Received	Next Shipment Due
17,754,679	17,754,679			

S5 Comment



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Prepared by:

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Annex IV: Extracts from Oversight Documents Used by Individual CCMs

This annex contains extracts from documents related to oversight used by the CCMs in Nigeria and Tanzania.

Nigeria

The responsibility for grant oversight in Nigeria has been enshrined in the CCM Constitution, as follows:

5.4.3 – The Oversight Committee

The Oversight Committee shall be chaired by a CCM member. It shall be composed of the Chair, eight other CCM members, of whom at least four shall be located outside of Abuja. It shall also include six co-opted technical resource persons selected from the Expert Pool according to necessary skills and experience (15 members in all). As per Section 5.3.4, the Oversight Committee may engage additional technical experts as may be required to assist them from time to time.

The Oversight Committee shall be responsible for oversight of the Global Fund grants, and in particular the:

- a) appropriate and timely use of finances;
- b) appropriate and timely completion of procurement;
- c) effective programme implementation;
- d) effective management of the grants and Sub-Recipients by the Principal Recipients;
- e) technical results and impact.

The Oversight Committee shall have two Task Teams: the Finance and Procurement Task Team and the Technical Task Team.

The Nigeria CCM has established an Oversight Committee and two sub-committees (or task teams), one on finance and procurement, and one on grant performance. The proposed terms of reference (TORs) for each body are shown below. For the two task teams, also shown are the skills and core competencies required.

Oversight Committee

The Oversight Committee reviews the progress of grant implementation, clarifies data ambiguities, identifies and diagnoses problems, and recommends follow up actions to the CCM. Specific responsibilities include the following:

1. Review of quarterly PR reports and Executive Dashboards
2. Identification and diagnosis of performance shortcomings, implementation bottlenecks, blockages
3. Observation/confirmation of beneficiary effects and quality at service delivery and community levels
4. Observation/confirmation of harmonization with other national and donor programs and data systems

5. Preparation of a leadership level dashboard, to inform the public and political decision makers about Global Fund grant progress
6. Formulation of recommendations for CCM follow-up actions.

To avoid conflict of interest, PRs and SRs of GF grants may not be members of the Oversight Committee. They may however be asked to attend meetings of the Committee or Task Teams to provide information or answer questions.

Finance & Procurement Task Team

1. Observe/confirm disbursement of funds from Global Fund to the PRs, SRs, and SSRs, and reporting back on expenditures
2. Monitor grant expenditures as compared to grant budgets, taking into account timeliness and appropriateness.
3. Observe/confirm international procurements, taking into account timeliness, harmonization with other sources, and appropriate delivery dates.
4. Monitor, provide oversight for VAT exemptions, customs clearance, and other financial issues affecting grant financing and procurement, including maintenance of relations with the FMOF, FIRS, and Nigeria Customs Service.
5. Identify and investigate financial bottlenecks and problems arising in grant implementation, supporting the PRs to find solutions or developing solutions for crosscutting or systemic problems beyond the reach of the PRs.
6. Conduct site visits as may be needed to investigate problems or periodic validation of activities.

Proposed skills and core competencies needed for Task team members and experts

Financial core competencies	Procurement core competencies
Donor & National Program Financing	Needs & quantities forecasting, Product selection, quality
Budgeting	Pharmaceutical and equipment tendering (procurement specialist)
Regulatory environment & Tax issues	Pharmaceutical & equipment management
Movement of funds between grant partners	Internal distribution to the ultimate use level
NGO financial management strengthening	

Grant Performance Task Team

1. Observe/confirm execution of expected key activities as per work plans (key activities may include hiring, training, service expansion).
2. Observe/confirm collaboration between PRs and between SRs on joint activities.
3. Observe/confirm availability of pharmaceutical commodities and other key products at service delivery and community levels.
4. Observe/confirm integration of GF reporting into national disease reporting.
5. Compare technical results to benchmarks and discuss unusual differences with the PRs.

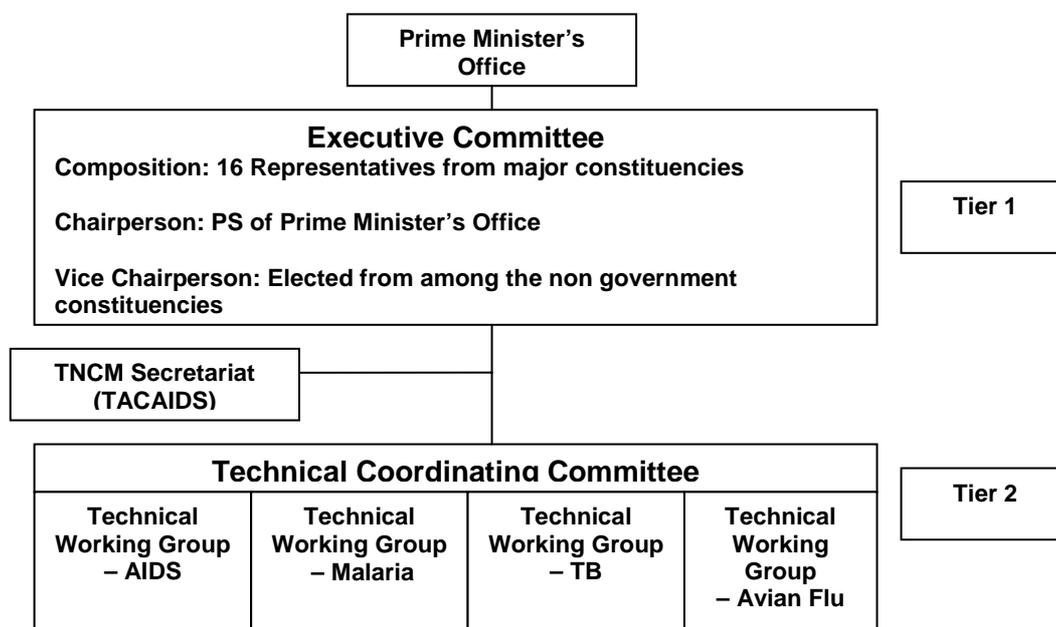
6. Observe/participate in periodic performance reviews led by PRs.
7. Identify and investigate technical bottlenecks and problems arising in grant implementation, supporting the PRs to find solutions or developing solutions for crosscutting or systemic problems beyond the reach of the PRs.
8. Observe/confirm that state governments/SACAs are informed of GF activities.
9. Conduct site visits as may be needed to investigate problems or periodic validation of activities.

Proposed skills and core competencies needed for Task team members and experts

Competency
Program Oversight
Disease specific expertise in AIDS, TB, Malaria, health systems strengthening, PLHA/TB/M activities, OVCs
Data and reporting systems
Programme implementation monitoring
Partnership management
Programme implementation
Results monitoring

Tanzania

The Tanzania CCM – officially known as the Tanzania National Coordinating Mechanism (TNCM) – has a two-tier structure, as depicted below:



The roles and responsibilities for grant oversight of the various structures within the TNCM are described below (working from the bottom up).

Note:

LSR = Lead sub-recipient

TCT = Technical Coordinating Team (same as Technical Coordinating Committee)

Technical working groups

- Carry out active oversight, on a regular basis, of projects funded under the auspices of the TNCM, including site visits, and discussions with Principal Recipients, Lead Sub Recipients and Sub Recipients.
- Review grant implementation reports from Principal Recipients and project leaders, with attention to identifying possible bottlenecks and problems of implementation;
- Review Executive Dashboard reports;
- Prepare terms of reference and identify additional consultants and technical experts needed to clarify and resolve problems and bottlenecks in project implementation or assist the PRs/LSRs;
- Before each TNCM Executive Committee meeting, prepare and transmit to the TCT, a short memo summarizing grant progress and achievements, and identifying bottlenecks and issues that require TCT or TNCM Executive Committee attention;
- Provide feedback to the Principal Recipients on project implementation;
- Follow up on questions and issues, as instructed by the Executive Committee, via the TCT, and report back on results;

- Review annual summary work plans, budgets and procurement plans, provide feedback, and submit recommendations to TCT for the Executive Committee;
- Prompt PRs/LSRs to develop plans for reprogramming unused funds and refer those plans to the TCT and Tier 1 for review;
- Facilitate preparation of the Phase 2 and Phase 3 submissions.

Technical Coordinating Team (or Technical Coordinating Committee)

- Ensures that each Technical Working Group develops and carries out a plan for tracking and providing oversight of Global Fund grant implementation, in conformity and coordination with national M&E system (e.g.TOMSHA);
- Reviews and amends summary reports from Technical Working Groups on each grant or project, adding information about cross cutting issues and other problems and bottlenecks as needed;
- Investigates problems, bottlenecks surpassing the competence of the TWGs and develops options for resolution;
- Transmits amended summary reports to the TNCM Secretariat for distribution to the Executive Committee before each meeting;
- Presents the reports orally at Executive Committee meetings and explains those cross-cutting and other issues requiring attention and decision making by the Committee;
- Transmits feedback from the TCT and the Executive Committee to the Technical Working Groups and Principal Recipients/Sub Recipients and ensure that follow up is made as appropriate;
- Meets with the TNCM Secretariat about critical issues to begin resolution process;
- Reviews TWG findings on annual plans and transmit information to the Executive Committee;
- Ensures that technical and financial issues are addressed adequately in Phase 2 and rolling Phase 3 submissions and monitors preparation of the Phase 2/Phase 3 activities to ensure compliance with deadlines;
- Refers final Phase 2 and Phase 3 submissions to Executive Committee for review and approval; assists PR/LSR to present Phase 2/Phase 3 submissions to the Executive Committee and answer questions;
- Prompts the TWGs and PRs regarding reprogramming of unused funds and ensures that recommendations/budgets are prepared and transmitted to TNCM Executive Committee for review;
- Receives complaints, investigates, and addresses conflicts arising with stakeholders or between PRs/LSRs/SRs and so informs the E.C.

TNCM Secretariat

- Provides logistical support to the TNCM Executive Committee for its monitoring activities and site visits;
- Organizes national implementation tracking activities and special investigations of problems as instructed by the TNCM Executive Committee;
- Oversees production of the Executive Dashboard reports;
- Orients new PRs/LSRs to the TNCM oversight process;

- Communicates findings from audit reports to the TNCM Executive Committee;
- As TCT Chair prompts the TWGs to carry out grant monitoring;
- Transmits to the Executive Committee grant summary reports, expert analyses, problem identification, and other monitoring results from the Technical Coordinating Team and the Technical Working Groups;
- Transmits to the Executive Committee annual plans and other materials from the PRs;
- Mobilizes the “Extended Secretariat” to assist with problem resolution surpassing the capacity of the TCT;
- Transmits recommendations to TNCM Executive Committee for reprogramming of unused funds, and for follow on (e.g. Phase II or rolling Phase III) funding.

Executive Committee

- Ensures that the funds are utilized for their intended purposes;
- Review annual work plans and budgets from the PRs;
- Monitors the implementation of GFATM and similar grants and ensures the identification of problems and barriers to implementation;
- Addresses systemic problems and barriers to implementation which surpass the authority or competence of Tier 2 and the PRs;
- Monitors the performance of PRs as project leaders and provides feedback;
- Monitors the project performance and impact on the national responses;
- Ensures that PRs reprogram grant funds which become available;
- Submits timely requests for continued funding for GF grants to the GFATM;
- Addresses all conflicts arising with stakeholders or between PRs/LSRs/SRs that cannot be resolved by Tier 2.