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of the Global Fund

## Global Fund Board adopts a CCM Policy and a new CCM Code of Conduct

The Global Fund Board has approved a new CCM Policy, which replaces the Guidelines and Requirements for Country Coordinating Mechanisms (hereinafter, CCM Guidelines). The Board delegated authority to the Strategy Committee to approve amendments to the CCM Policy.

At its meeting in Skopje, Macedonia on 9-10 May, the Board also approved a new Code of Ethical Conduct for CCM Members (hereinafter, CCM Code of Conduct). The Board decided that “no less than \$1,219,700” should be made available over a three-year period to fund the implementation and enforcement of the CCM Code. The Board said that the funds should come from the \$50 million that the Audit and Finance Committee (AFC) identified in July 2017 as being available to finance initiatives on the Unfunded Quality Demand (UQD) Registry. (See discussion of the \$50 million in the [separate article](#) in this issue on CCM Evolution.) In addition, the Board decided to add “CCMs” to the list of strategic initiatives approved at the 36th Board meeting in November 2016.

The Board was acting on recommendations of the Strategy Committee and the Secretariat, as contained in a paper prepared for the Board meeting.

Below we provide additional information on the policy and the code.

### CCM Policy

The new CCM Policy reflects the changes that resulted from the CCM Evolution Project (e.g. differentiated categories and maturity levels for CCMs) and the introduction of the CCM Code of Conduct. The CCM Policy adds a set of CCM principles and provides greater clarity on CCM performance management

compared to the current CCM Guidelines. According to the paper, creating a CCM policy means that the focus of the CCM Guidelines is elevated to policy-level issues critical for the Board and its committees to oversee.

One important change in the new policy is that Eligibility Requirement 6, which had dealt exclusively with conflict of interest (COI) has been expanded to include the CCM Code of Conduct.

Requirement 6 now reads as follows:

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

1. approve and adopt the CCM Code of Conduct;
2. develop or update, as necessary, and publish a COI Policy that applies to all CCM members, alternates, and CCM Secretariat staff; and
3. enforce the CCM Code of Conduct and apply the COI Policy throughout the life of Global Fund grants.

Another important change (compared to the existing CCM Guidelines) is that (a) eligibility requirements, (b) minimum standards, (c) standards and (d) recommendations have been boiled down to just two categories: (a) principles and (b) eligibility requirements. In addition, good practices currently contained in the CCM Guidelines will be moved to operational guidance (yet to be published).

The current CCM Guidelines were adopted by the Board in May 2011. The guidelines define:

- [Eligibility] Requirements that represent the minimum criteria that all CCMs must meet in order to be eligible for funding by the Global Fund.
- Minimum Standards that represent minimum criteria considered vital for effective CCM performance based on accumulated experience.
- Standards that represent important criteria considered vital for effective CCM performance based on accumulated experience.
- Recommendations that represent good practices for CCMs to follow in order to uphold core principles and to strengthen performance.

The CCM Guidelines state that “the Global Fund Secretariat monitors compliance of CCMs with requirements on a yearly basis and with every new CCM application for funding. Continued compliance with all Eligibility Requirements and Minimum Standards throughout program implementation is a condition for access to Global Fund financing.” In addition, the Guidelines state that “compliance with Eligibility Requirements and Minimum Standards within the CCM Guidelines is mandatory and will inform the development of a CCM performance framework with CCMs and the Global Fund Secretariat, in the context of the CCM Funding Policy.”

The Guidelines further state that “to enhance good governance, adopting standards and implementation of recommendations by CCMs is encouraged. While neither standards nor recommendations represent conditions for Global Fund financing, these will be used by the Global Fund to form the basis of information to appraise overall CCM performance.”

When the CCM Performance Assessment Tool was developed in 2013, it was designed to measure performance against the eligibility requirements and the minimum standards.

The principles in the CCM Policy cover several topics, including partnership, engagement oversight, sustainability and good governance. The principles state, for example, that CCMs should establish a mechanism to engage key populations; and that CCMs and CCM secretariats are expected to operate in a

way that is aligned with the principles of good governance.

Presumably, in their performance assessments, CCMs will be measured against many of the principles in the CCM Policy. But will principles have the same weight as the minimum standards had in the CCM Guidelines?

The CCM Policy is included in Board Document GF-B39-04 (CCM Evolution: CCM Code of Conduct, CCM Policy and Level of Ambition); see Annex 3. This document should be available within a few weeks at [www.theglobalfund.org/en/board/meetings/39](http://www.theglobalfund.org/en/board/meetings/39).

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## CCM Code of Conduct

According to the paper that went to the Board, the CCM Code of Conduct aims to strengthen the ethical accountabilities of CCMs. It sets a Board-mandated “tone at the top” regarding ethical expectations of CCMs as critical governance bodies within the Global Fund architecture. It articulates how the Global Fund’s values are expected to be translated into appropriate behavior at the CCM level. Moreover, it places concrete obligations on individual CCM members, including to share and reflect information with constituents; to responsibly use CCM assets; to comply with all relevant policies, especially conflict of interest (COI) policies; and to prevent, detect, respond to and report fraud and corruption, in line with the recently-approved Policy to Combat Fraud and Corruption.

(The [Board Decisions](#) article in GFO 326 on 16 November 2017 contains a brief description of the Policy to Combat Fraud and Corruption. As well, excerpts from the policy are included in Annex 2 of the CCM Policy.)

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

Signatories also commit to hold other members of the CCM, implementers, and the Global Fund Secretariat staff to the same standards. So, if they see an issue, or have a question, they are committing to speak up about it, first within the CCM, and if the matter is not resolved, to the Global Fund.

The Code of Conduct also applies to alternate CCM members; regional coordinating mechanism members and alternates; and employees of CCM secretariats.

The EGC approved the Code of Conduct in March 2017. The Board decided that the code should be integrated into the broader CCM Evolution Project and that the code should be included in the consultations with CCMs on the evolution package. There were no substantive changes to the code as a result of the consultations.

According to the Board paper, during the consultations representatives of CCMs recommended that the following activities be undertaken to bring the Code of Conduct into force:

- CCM members and CCM secretariat staff should be trained on the Code of Conduct and on conflict of interest management.
- Once trained, CCM members should sign that they have read, understood, and commit to abide by the Code.
- CCMs should appoint someone to oversee operationalization of the Code of Conduct, as well as

## COI management.

During the consultations, CCMs expressed the need for additional support in managing COI. As a result, the Board paper said, resources permitting, trainings will include deeper dives on conflict of interest management, including sharing of best practices and working through case studies.

Two additional steps are proposed for “certain” CCMs and in relation to certain CCM leadership roles (e.g. chair, vice-chair, oversight committee members, PR selection committee members; ethics officials), as follows:

- Disclose conflicts. The Global Fund will provide standard disclosure forms for CCM leadership to report information relating to themselves, associated persons and institutions regarding roles and affiliations, as well as ongoing audits, reviews, investigations, legal disputes, and administrative and criminal sanctions.
- Map affiliations: PRs are currently required to submit to the Global Fund implementation arrangement maps, which are organograms of all implementers involved in a grant. Certain CCM members will be required to plot themselves on the maps, demonstrating their affiliations with implementers. The maps will be submitted to the country team and will be made public to facilitate accountability.

The Board paper did not say precisely which CCMs would be targeted for these additional steps. But there are some clues in the description of what the intermediate level of ambition option for the CCM Evolution project includes (see Table 1 in a [separate article](#) in this issue).

According to the Board paper, the intermediate level of ambition option selected by the Board includes the following activities to operationalize and enforce the Code of Conduct:

- Code of Conduct publication, translation and distribution;
- distribution of guidelines on updating (a) COI policies, (b) appointment of an ethics focal point, and (c) COI disclosure forms for CCM leadership;
- compliance checks of the above;
- development of software and guidelines for affiliation mapping; and
- development of e-module for training in ethics.

The Global Fund says that to achieve the greatest improvement in ethics and also in oversight and community engagement, enhanced engagement on a country-by-country basis is required. According to the paper prepared for the Board, the budget for the intermediate ambition level includes sufficient funding to implement enhanced engagement in eight CCMs a year (for three years). (Note that the Board only approved funding for Year 1.) Enhanced engagement includes the following:

- Technical assistance to (a) ensure that CCMs obtain accurate organograms and other core grant documents from PRs; (b) facilitate collective mapping of CCM member affiliations onto these organograms; and (c) use this exercise as a practical case study of how conflicts should be constructively managed while ensuring inclusiveness of stakeholders — in particular, communities.
- Local, focused integrity due diligence of CCM Membership for the Secretariat to perform background checks on CCM members for the purpose of detecting whether they pose an integrity risk to the CCM or to grants.
- Financing an independent ethics focal point who can fulfil the function of managing conflicts of interest and serve as a first point of contact for Code of Conduct matters, free from the pressures inherent to CCM membership or CCM secretariat functioning.

How will the Global Fund enforce the Code of Conduct? As indicated above, Eligibility Requirement #6

has been redrafted to obligate CCMs to implement the Code of Conduct for their own members and secretariat staff. Thus, if the Fund determines that the CCM is unable to adequately manage serious, chronic or large-scale violations of the Code, it will deem the CCM to not be in compliance with ER#6. That would put at risk that country's access to Global Fund financing.

The CCM Code of Conduct is included in Board Document GF-B39-04 (CCM Evolution: CCM Code of Conduct, CCM Policy and Level of Ambition); see Annex 4. This document should be available within a few weeks at [www.theglobalfund.org/en/board/meetings/39](http://www.theglobalfund.org/en/board/meetings/39).

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