



Independent observer  
of the Global Fund

## Global Fund Board approves CCM Evolution initiative at an intermediate level of ambition but with a phased-in approach

The Global Fund Board has approved implementation of a CCM Evolution initiative at an intermediate level of ambition. However, the Board has opted for a phased-in approach. It approved \$3.85 million to cover costs in the balance of this year and in 2019. During the phase-in, 16 CCMs will be targeted.

The funds will come from the \$50 million identified by the Audit and Finance Committee (AFC) in July 2017, as part of the annual Assets and Liabilities Management (ALM) exercise, as being available for investment. The AFC had recommended that the \$50 million be used to finance initiatives on the Unfunded Quality Demand (UQD) Register. With this decision, however, the Board has approved the use of some of this money to support the CCM Evolution initiative instead.

The Board also approved the creation of a new strategic initiative to allow the Secretariat to use the approved funds for CCMs.

The intermediate level of ambition was one of four levels (status quo, moderate, intermediate and ambitious) considered. These levels are discussed later in this article.

It appears that the Board would like to see further funding for CCM Evolution be determined in the context of planning for the 2020–2022 allocations. The Board asked the Secretariat to develop a set of draft indicators for consultation with the Strategy Committee at its July 2018 meeting, including near-term (process and output) and longer-term (outcome and impact) indicators. The indicators will be used to measure the effectiveness of the activities of the CCM Evolution initiative. The Board also asked the Secretariat to regularly report to the Strategy Committee on the operationalization of the initiative.

The Board directed the Strategy Committee (a) to utilize the near-term results as one of the inputs to inform the type of activities and the level of funding for the CCM Evolution initiative in the 2020–2022 allocation period; and (b) during the development of the allocation methodology for 2020–2022, to discuss the level of funding needed to scale up the activities and the number of CCMs.

Finally, the Board asked the Secretariat and partners at country level to support the effective implementation of the CCM Evolution initiative, and “in particular ask[ed] the Secretariat to drive the execution of CCM Evolution through consistent engagement of relevant parts of the organization with an appropriate mix of resources, both staff and financial, from both current and future allocations.”

The Board was acting on the recommendations of the Secretariat and the Strategy Committee, contained in a paper that was submitted to the Board for its meeting on 9–10 May.

See [separate article](#) in this issue for information on what the Board decided concerning the CCM Code of Conduct, and the new CCM Policy (replacing the Guidelines and Requirements for CCMs).

Here is what is planned for CCM Evolution in 2018 and 2019:

- Phased approach to learn lessons. The Secretariat, with the support of partners, will roll-out the proposed activities in the intermediate option to a limited set of countries (no more than 16) in 2018 and 2019. Based on lessons learned, and the availability of future funding, the Secretariat could scale up implementation to a greater number of countries in the next allocation cycle.
- Activities in all improvement areas. The Secretariat will include activities for the four key dimensions where improvements are needed: (a) reinforcing effective CCM functioning; (b) strengthening engagement of CCM constituencies (especially key populations and persons living with the diseases); (c) strengthening oversight; and (d) enhancing linkages with national systems. See Table 1 below for an illustration of the activities to be tested.
- Select different types of CCMs. CCMs would be selected from each differentiation category (i.e. CCMs in standard, transition preparedness and challenging contexts) and at different levels of maturity so that the Secretariat can assess whether the recommended activities are effective in different settings.
- Metrics. The Secretariat will introduce a range of appropriate metrics to evaluate the interventions. Using these metrics, the Secretariat will conduct a baselining exercise in the summer of 2018 and an assessment of initial results to allow for a performance-based discussion regarding the next funding cycle.

Table 1: Activities for the 2018–2019 phase (for 16 CCMs)

## OVERSIGHT

- Equipping each CCM secretariat with an Oversight Officer (if they don't already have one) to support oversight and risk management plan follow-up.
- Equipping each CCM with a consultant (5 days a month) to guide the CCM Oversight Committee in its processes and dynamics.
- Equipping each CCM with tools to ensure proper oversight function (including, where available, follow-up on the risk management plan).
- Providing the opportunity to access TA to support the transition (for Transition Preparedness CCMs).

## LINKAGES

- Supporting each CCM (provision of TA) to conduct (a) an analysis of the existing coordination platforms annual meeting with the other platforms to agree upon a set of deliverables for the year.
- Supporting each CCM (provision of TA) to conduct (a) an analysis of the existing coordinating platforms of how CCM functions and Global Fund principles can be streamlined in the future coordination platform particular, how civil society can play a role in coordination and oversight after the Global Fund era (for Transition Preparedness CCMs).

## ENGAGEMENT

- Arranging for civil society providers to deliver trainings to civil society organizations (mostly South-to-South) and vulnerable populations to strengthen their leadership and to enable them to play their roles as CCMs.
- Engaging with existing community-based monitoring entities (where available) so that they can monitor CCMs.
- Providing South-to-South opportunities (workshops) to exchange and learn about how to manage transition design and execution (for Transition Preparedness CCMs).

## CCM FUNCTIONING

- Providing each CCM with a leadership training for the Executive Committee members.
- Training each CCM secretariat on supporting functions and relevant processes and tools.
- Ensuring the Global Fund (country team and/or CCM Hub) participates in at least one CCM plenary meeting and oversight committee meetings per year.
- Assessing and updating CCM composition to include new stakeholders, including Ministry of Finance/Planning, who can support with the type of coordination, collaboration, domestic resource mobilization, integration and financing required to strengthen sustainability of the national response.
- Training each CCM secretariat on supporting functions and relevant processes and tools (for Transition Preparedness CCMs).

## CROSS-CUTTING

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

## BACKGROUND

In this section, we summarize additional information from the paper that went to the Board.

### Improvements to CCMs

The CCM Evolution initiative aims to bring about three major improvements:

1. differentiate CCMs according to country context;
2. improve CCM performance in key areas;
3. introduce CCM maturity levels tailored to different types of CCM

## Differentiate CCMs

Recognizing that CCMs operate in quite different environments, three categories of CCM have been established, as follows:

CCMs in transition-preparedness countries. This covers about 55 countries at various stages of transition. It includes countries where all three disease components are currently transitioning. It also includes all countries that the Sustainability, Transition and Co-Financing Policy says should be preparing to transition (i.e. all upper-middle-income countries and all lower-middle-income countries with a low or moderate disease burden. The Global Fund says that for countries in this category, Global Fund investment often makes up a smaller proportion of total funding for the diseases and health systems compared to national governments, but where the Global Fund portion can still represent significant percentage for specific interventions, including for key populations.

CCMs in challenging contexts. This covers countries that are operating under the Global Fund's Additional Safeguard Policy or that are categorized as "challenging operating environments." It also includes countries in "emergency" settings as defined by the [Challenging Operating Environments Policy](#). There are currently 23 countries in this category.

Standard CCMs. This covers all other countries — i.e. countries that are not in the other two categories. The Fund says that often these countries have at least one disease whose burden is classified as severe or extreme and where the Fund pays for a large share of the national response. There are about 30 countries in this category.

Editor's note: This paper uses the Global Fund's disease burden classification system which has five levels: low, moderate, high, severe and extreme. However, at the same Board meeting where the CCM Evolution initiative was approved, the Eligibility Policy was revised. One of the changes in the Eligibility policy is that the five disease burden classifications were replaced by two classifications: "not high" and "high."

## Improve CCM performance

The CCM Evolution initiative aims to strengthen performance in four areas, as follows:

CCM functioning. This involves implementing activities that have been demonstrated to improve CCM functioning, including (a) meaningfully managing conflict of interest; (b) "stepping up" ethical obligations; and (c) activities related to the recently approved Policy to Combat Fraud and Corruption — all of which are included in the CCM Code of Conduct which the Board also approved at this meeting.

Oversight. The Global Fund says that effective oversight should lead to improvements in grant performance.

Engagement. The Fund states that CCMs should improve communication, coordination and participation by all types of CCM members and their constituents, with a special focus on key populations, people living with or affected by the diseases and civil society.

Linkages and sustainability. The Fund states that CCMs should have robust interfaces and linkages with national bodies; and that CCMs need to review their anchorage and legal status. The Fund also says that CCMs should work with countries to strengthen sustainability and support successful transition to full domestic financing.

## CCM maturity levels

CCMs operate at different maturity levels. The Fund states that CCMs are expected to “progress along maturity levels based on clear criteria to move from one level to another.” It also says that activities or requirements to progress will be differentiated based on country context. The CCM Evolution initiative identifies three maturity levels, described generically as follows:

Basic Governance CCMs are working to develop basic governance practices, such as conflict of interest management and information transparency. They frequently coordinate Global Fund programs only around funding applications, and face challenges to get the coordination platform to function as a multi-sectoral platform.

Oversight or Engaged CCMs have strong governance structures, effectively engage with PRs, implement an adequate level of oversight over the programs throughout the grant lifecycle, and ensure adequate technical assistance to address bottlenecks.

Strategic CCMs fulfil requirements of program oversight, receive government co-financing to operate, optimize Global Fund funds and mobilize other funds to increase program coverage, professionalize oversight and have impact on grant ratings. They also act as, or link to, or are embedded in, the coordinating body for national program; and they plan for post-Global Fund in terms of sustainability — for example, having a budget allocation in the national budget or branding to attract private sector funding.

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

The CCM Evolution initiative calls for the Secretariat to work with CCMs to assess maturity against the CCM Principles and the Eligibility Requirements “on a regular (risk-based) frequency” and agree on timelines for improvement. The Global Fund says that CCMs should aim to achieve the highest level “though not all CCMs may be able to achieve it.” CCM funding will be aligned to support progression in maturity. A baseline assessment will be carried out at the deployment phase and periodic assessments will be carried out to measure progress. The Global Fund says that progress should be expected within three years.

## Levels of ambition

The Strategy Committee considered four options regarding level of ambition for the CCM Evolution initiative. They are described in Table 2 below.

Table 2: Levels of ambition considered

STATUS QUO CCM differentiation and maturity levels would not be introduced to evolve the CCM model in the lack of resources. There would be no changes to the existing CCM Guidelines, except for an update to EII 6 to incorporate Code of Conduct for CCM Members. CCMs would continue to operate with the same set of rules (the current CCM Guidelines) and receive technical assistance limited to existing Secretariat and partner funding. CCM performance would continue to be monitored as funding allows in accordance in the existing CCM Guidelines. CCMs would continue to focus on community and key population engagement, oversight, governance and conflict of interest. In 2019, CCMs could be prioritized holistically as one of the priorities to be funded from the next replenishment and financed beginning in 2020 if CCMs are prioritized above competing demands.

**MODERATE**This option offers a package of activities which would allow the Global Fund to introduce: (a) CCM enhanced performance requirements aligned with maturity levels; and (c) strengthened ethics requirements (C enhanced conflict of interest requirements) through providing updated guidance and performance management communicating and training CCMs in these changes. There would be in-depth technical support to a limited number of CCMs to implement key changes, such as Code of Conduct roll-out, and technical experts to support 50% of CCMs on PR performance. It would also include a pilot of transitioning funds to CCMs after Global Fund grants end for a period of three years to explore whether funding CCMs can contribute to improved transitions.

**INTERMEDIATE**This option covers all activities listed in the “moderate” option plus a broader scope of activities including a high level of technical assistance (TA) to provide orientation programs and carry out performance assessments and trainings to strengthen the role and leadership of key populations; (c) budget support and TA to CCMs for transition preparedness, evaluating their best institutional anchorage and best options to optimize coordination and integrate their functions into existing bodies; and (d) fully embedding the Code of Conduct into Standard CCMs and COE CCMs.

**AMBITIOUS**This is the most comprehensive option that would include all activities listed in the “intermediate” option plus CCMs/year, resulting in higher level Executive Secretaries with increased salary allowances, increased support for CCMs to evaluate what their best institutional anchorage should be, and a Code of Conduct with an enhanced training and oversight activities are as per the intermediate option for additional 45% of CCMs/year.

### Sources of funding

It was clear from the outset of the CCM Evolution project that the Global Fund’s OPEX budget could not be a source for incremental funding for CCMs. (The OPEX budget covers the current annual costs of CCM operations — \$9.5 million plus \$0.7 million for TA and five staff persons.) The Strategy Committee evaluated three potential sources of funds:

1. Partner funds;
2. Potential unabsorbed funds from the 2017–2019 strategic initiatives;
3. Unutilized funds determined through ALM.

In the end, the Strategy Committee recommended, and the Board accepted, the ALM option. One benefit of this option is that funds are currently available to begin implementation of the CCM Evolution initiative in 2018 on a phased basis. An obvious disadvantage is that it diverts funding from critical country needs on the UQD Register.

Board Document GF-B39-04 (CCM Evolution: CCM Code of Conduct, CCM Policy and Level of Ambition) 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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