

Rationale, New Structure and Road Map for the Reform of Kenya Country Coordinating Mechanism for Global Fund Grants

An update on CCM Reforms

I. Introduction

This is an update on the implementation of the reform of Country Coordinating Mechanism for Global Fund Grants in Kenya. It outlines the rationale for the reforms, the structure of the new Kenya Coordinating Mechanism and tasks accomplished so far and the next steps.

II. Overview of performance of Kenya's Global Fund grants

Since 2003, Kenya has been awarded the following Global Fund grants: Round 2 - HIV and AIDS, TB and Malaria; Round 4 - Malaria; Round 5 - TB; Round 6 – TB; Round 7- HIV and AIDS; and round 9 - TB. The implementation of Round 2 grants is completed, while the other grants are at different stages of implementation. The total active grants committed to Kenya amount to approximately USD372 million.

GLOBAL FUND GRANTS COMMITTED TO KENYA AS PER FEBRUARY 2010								
Grant	Grant start and end date	Approved Grant (USD)			Funds Disbursed to PR by GF	Total Disbursement to SRs by the PR	Balance held by the PR	GF Grant Performance Rating ¹
		Phase 1	Phase 2	Total				
R4 Malaria: Signed 20/4/05	01/02/2006-31/01/2011	81,749,756	80,423,329	162,173,085	102,535,157	102,443,395	91,761	B2
R5 TB: Signed 3/7/06	01/09/2006-31/08/2011	7,912,684		19,916,156	3,511,242	3,462,972	48,270	B1
R6 TB Signed 30/10/07	01/04/2008-31/03/2013	4,206,357		9,160,878	2,961,806	2,951,332	10,474	B1
R7 HIV/AIDS MOF- Signed 7/11/08	01/06/2009-31/05/2014	30,655,749		130,539,253	11,803,456	11,766,207	37,249	No Rating
R7 HIV/AIDS CARE -signed 7/11/08	01/06/2009-31/05/2014	16,007,746			4,735,494			
R9 TB: Not yet signed				50,661,908				
TOTAL		124,524,546	80,423,329	372,451,280	120,811,661	120,623,906	187,755	

The Global Fund has so far disbursed about 32% of the funds approved for Kenya. Of these, the PR has disbursed about 99% of the funds to sub recipients. The average performance of Kenya's grants ranges from B1 (adequate) to B2 (inadequate).

Implementation of Global Fund grants has faced challenges that have resulted in low absorption of funds and, in some cases, low achievement of targets. The challenges include:

¹ The Global Fund rates grants from A to C. A=Exceeding expectations; A2=Meeting Expectations; B1+ Adequate; B2=Inadequate but potential demonstrated and C= Unacceptable

- Inadequate monitoring characterised by delayed reporting by sub recipients to principal recipients and poor quality reports which, in some cases, are inaccurate and incomplete data
- Bottlenecks in management of procurement which accounts for about 70% of the programme
- Poor oversight by the Country Coordinating Mechanism (CCM), which is tasked to ensuring accountability for the Global Fund resources committed to Kenya and achievement of targets agreed with the Global Fund

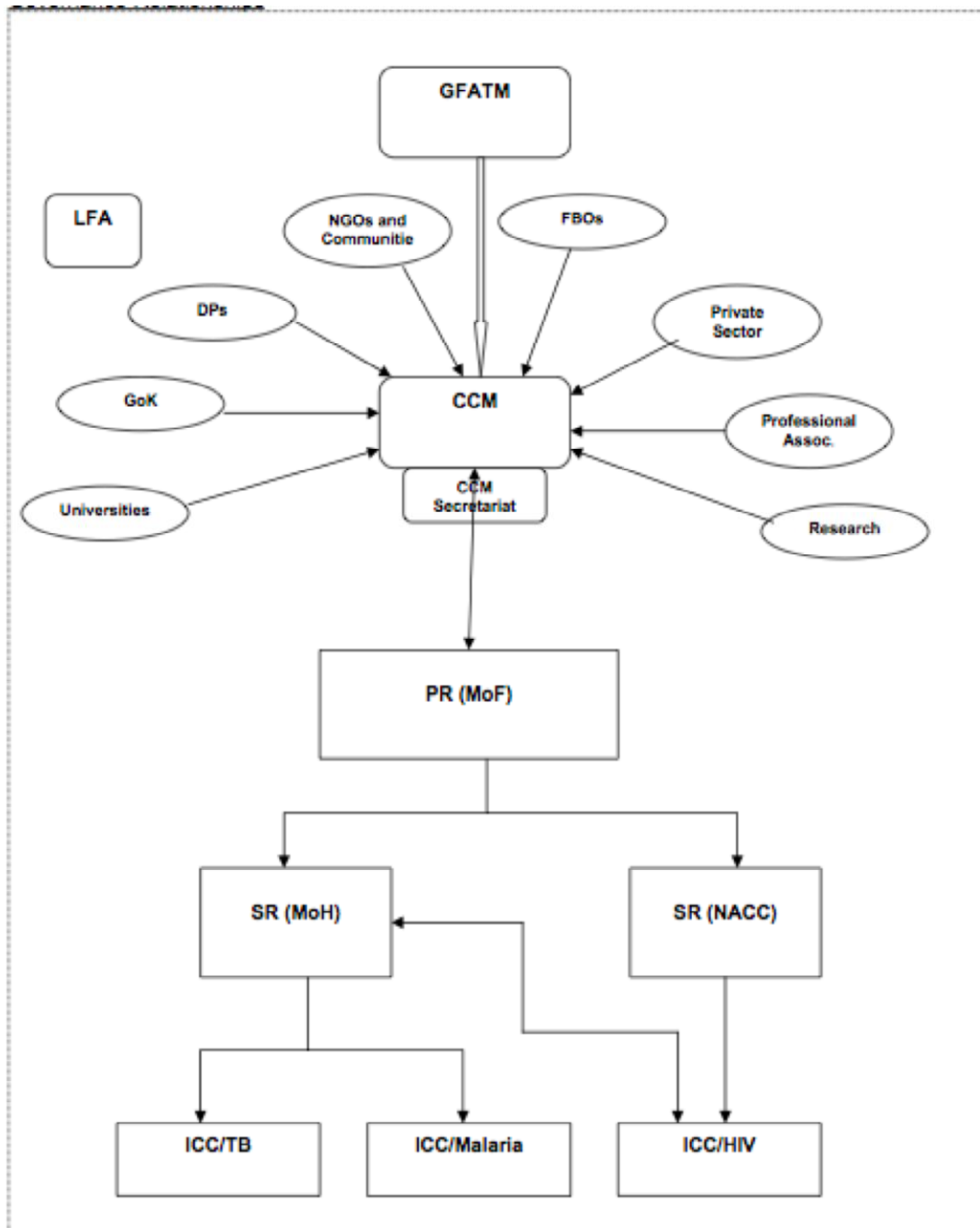
The restructuring of the CCM was meant to strengthen governance of the Global Fund grants as one of the bottlenecks hindering improved performance.

II. Rationale for CCM reform

The CCM was established in 2002 to coordinate proposal development and oversee implementation of Global Fund Grants to fight AIDS, TB and Malaria. Since then, the CCM had undergone changes in membership and established systems for its operations. Several assessments had also been done to improve the performance of the CCM. However, several challenges still hindered the CCM from effectively implementing its roles. They include:-

- (i) Weak oversight of the grants and the principal recipient: The CCM had an oversight committee which was not actively reviewing the performance of the grants and the PRs regularly. The Principal recipients were not submitting grant performance reports to the CCM regularly, making it difficult for the CCM to identify bottlenecks in grant implementation, make decisions and follow up in a consistent manner. The CCM did not have predetermined information needs and clear format and systems for oversight.
- (ii) Poor coordination of key actors in proposal development: CCM was not providing adequate leadership in the proposal development process. For instance, there was no proposal development plan in place; proposal development was often delayed and the coordination of technical teams was not adequate.
- (iii) Lack of transparency in the governance of the grants: There are three key elements of transparency in the CCM operations: conflict of interest, communication and engagement with CCM constituencies.
 - a. Conflict of interest: The functioning of the CCM was undermined by conflict of interest among members – whether real, perceived or potential. There was no robust conflict of interest policy in place.
 - b. Communication: The CCM has no specific mechanism for disseminating information on Global Fund resources and performance of grants to stakeholders. This has led to increased misinformation, rumour and even incorrect reporting by the media.
 - c. Engagement with CCM constituencies: There were no mechanisms in place for engaging the CCM constituencies in CCM activities. For instance feedback mechanisms to CCM constituencies have not been established.

See below the structure of the current CCM



Note:

Although not depicted in this diagram, there is a relationship between the CCM and the ICCs (TB, malaria and HIV/AIDS).

Source: CCM Governance Manual, 2006

The CCM has been restructured to improve governance of the Global Fund grants. However, strengthening governance alone cannot solve all challenges facing Global Fund grants in Kenya. The improvement of grant performance requires a multi-faceted approach focusing on strengthening of governance and grants management, building the capacity of implementers, and the addressing of structural and systemic weaknesses in the health system. Therefore challenges in grant implementation are being addressed concurrently with strengthening of the governance of the grants.

The restructuring of CCM was focused on four pillars:

1. **Harmonisation and alignment of the coordination of Global Fund grants with the health sector policy and strategy coordination framework:** The alignment of Global Fund Country Coordination Mechanism to the Health Sector Coordination Structures is meant to ensure that health service delivery capacity and systemic weaknesses that are key bottlenecks for effective implementation of the Global Fund grants are addressed within the health sector policy and strategic framework.
2. **Effective coordination and oversight of Global Fund grants:** An oversight system that tracks the performance of Global Fund grants and principal recipients is being established to support improvement of the performance of the Global Fund grants. This system will ensure that the PRs are held accountable for grants implementation and decisions of made by the CCM are followed up. Secondly, a mechanism for effective coordination of Global Fund proposal development will be established to ensure Kenya's proposal to the Global Fund meet both technical and eligibility criteria.
3. **Effective CCM governance:** The management and functioning of the CCM has been strengthened by developing an appropriate constitution, conflict of interest policy and code of conduct for members; establishing a robust communication strategy and strengthening engagement of the CCM constituencies in Global Fund coordination activities.
4. **Effective reporting mechanisms:** The structural set-up of the coordinating mechanism has been reviewed to ensure that decision making processes and the flow of information is improved. The mechanism comprises interrelated committees with specific responsibilities for policy level guidance and technical oversight of the Global Fund grants. Through efficient reporting, the coordinating mechanism will be able to review the performance of the Global Fund grants regularly, and identify and address bottlenecks on time.

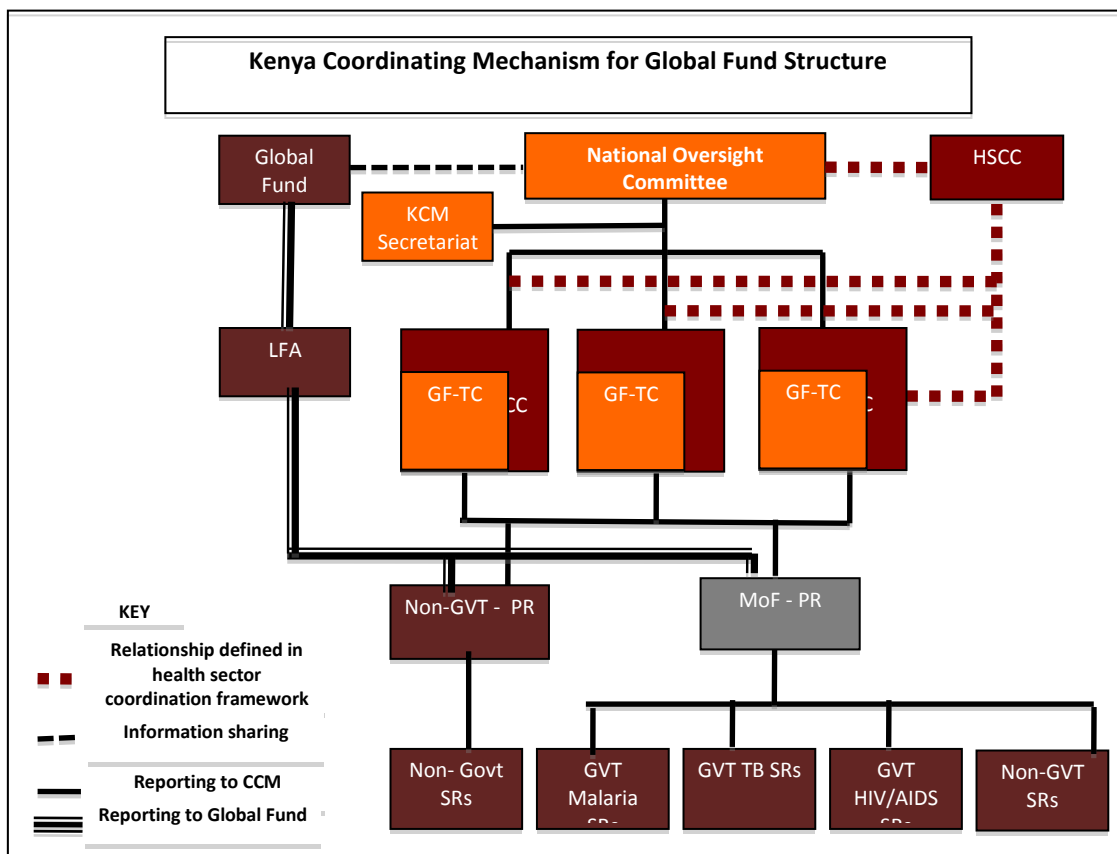
III. Proposed Kenya Coordinating Mechanism (KCM) structure

The CCM has been replaced by the Kenya Coordinating Mechanism (KCM). The KCM structure is made up of two tier interrelated committees – the National Oversight Committee (NOC) and the Inter-Agency Coordinating Committee (ICCs) for each of the disease component.

Key characteristics of KCM Structure

- (i) National Oversight Committee (NOC): NOC has 16 members drawn from Government, Civil Society, People Living with the Disease, Private Sector, Faith Based and Development Partners. The NOC will provide overall leadership in the coordination and oversight of Global Fund grants.
- (ii) Inter-Agency Coordinating Committees: The ICCs have constituted Technical Committees for Global Fund Grants. The membership of the Technical Committees is drawn from partners with technical expertise in the diseases area who are members of respective ICCs.
- (iii) PRs reporting to the LFA and Global Fund: PRs will continue reporting to the LFA and to Global Fund according to the requirements set out in respective grant agreements.
- (iv) ICC-Health Sector Coordinating Committees (HSCC) relationship: ICCs will continue with their current relationship with HSCC (GF grants to be included in the terms of reference for ICCs)
- (v) NOC-HSCC relationship: The NOC will link and collaborate with the HSCC to ensure Global Fund is harmonized with the national health sector policy and strategic framework.
- (vi) NOC – Global Fund Relationship: NOC will take up the current relationship between the CCM and Global Fund. This includes sharing of information, submission of country proposals to Global Fund, and responding to the Global Fund queries and requests.

The proposed KCM structure



III: Status of the CCM reform

The status of the CCM reform as at 1st December 2010 is as follows:

(i) Communication with CCM constituencies and other stakeholders

CCM constituencies and other stakeholders were provided with information on every stage of the CCM reform process, to enable them participate in establishment of the new KCM structures. The CCM members played a key role in communicating with their constituents about the reforms being implemented.

(ii) Development of draft KCM governance documents

Draft KCM Constitution, Conflict of Interest Policy, Code of Conduct and Standard Operating Procedures have been developed and circulated to the KCM members. These documents were developed through wide consultations with CCM stakeholders to collect views and recommendations. The NOC will establish the process for finalising and approval of these documents.

(iii) Establishment of KCM structures

The National Oversight Committee (NOC) and Technical Committees (TCs) for Global Fund have been established. Respective constituencies selected their representatives to the NOC using a method agreed on by members of the constituency. The TCs were also established by ICCs based on criteria drawn by the ICC. Malaria and TB established ICC committees comprising technical partners with expertise in programme management and technical

malaria issues; HIV and AIDS ICC decided to use the HIV and AIDS Advisory Committee to play the role of the TC.

(iv) Transition from the CCM to KCM

The CCM was dissolved on 27th October 2010 and the KCM officially became operational. The NOC is holding its first meeting on 6 December 2010 to start the actual operation of KCM.

(v) Orientation of the Technical Committee

The initial orientation of the technical committees has commenced. Members from all TCs were briefed on the roles of the TCs and NOC in October 2010. The Malaria TC held a one-day training on their oversight role in November 2010.

IV. Next steps

The following next steps will be implemented to finalise the reforms:

(i) Orientation of NOC and Technical Committees

A comprehensive orientation of the NOC and Technical Committees will be carried out to ensure members understand and appreciate their roles and establish internal working modalities of these committees.

(ii) Development of systems for effective functioning of the KCM

The NOC and TCs will establish clear proposal development, oversight and communication systems and processes to enable KCM to function effectively.

The proposal development processes will aim at improving harmonisation of Global Fund support to national programme strategies and other funding sources; ensuring technical quality of the proposals and improving stakeholder coordination during proposal development.

A communication plan will be developed to facilitate effective information sharing by the KCM internally to members and externally to the constituencies and other stakeholders. The communication plan will strengthen KCM engagement with its constituency through establishing a mechanism for KCM-Constituency Feedback process.

The oversight plan, system and tools will be established to enable KCM to receive reports from the PR, review the reports and identify issues for follow up and implement the decisions made by NOC. The dashboard tool will be set up to support the oversight function. Lastly an oversight plan will be established to guide the KCM oversight function.

(iii) Strengthening KCM secretariats

The NOC and ICC secretariats will be strengthened to support the operations of KCM. This will include ensuring appropriate staffing, equipment and financial resources. Secondly,

coordination among these secretariats will also be strengthened to ensure effective linkage between NOC and TCs.

(iv) Development of KCM strategic direction

A strategic plan is being developed to define KCM's long-term direction and promote sustained improvement of governance and coordination of the Global Fund grants in Kenya. The strategic plan will be based on the performance indicators for CCMs proposed by the Global Fund.

(v) KCM Operational plan and budget

Based on the KCM strategic plan, an operational plan and budget will be developed to facilitate implementation of the strategic plan. The operational plan will be a two-year costed plan.