

Armenia Country Coordinating Mechanism



## **OVERSIGHT PLAN**

A Guide for Carrying out  
Oversight of Global Fund Grants

**20 May 2014**

## **PREFACE**

This Oversight Plan aims to guide the Armenia Country Coordinating Mechanism (ACCM) in carrying out its grant oversight responsibilities. It provides a framework for consistent and transparent oversight by the ACCM of the implementation of Global Fund grants outlining the oversight procedures and processes as mandated by the ACCM Bylaws.

Intended users of this plan are all members of the ACCM, its secretariat, and specifically the members of the ACCM Oversight Body.

This manual was prepared by the ACCM secretariat with technical support of the Global Fund secretariat and inputs from ACCM members.

## TERMS AND ACRONYMS

|       |   |
|-------|---|
| CCM   | Country Coordinating Mechanism                                  |
| CP    | condition precedent   |
| FPM   | Fund Portfolio Manager (Global Fund staff overseeing grants)    |
| LFA   | Local Fund Agent (of the Global Fund)                           |
| M&E   | monitoring and evaluation                                       |
| ACCM  | Armenia Global Fund Coordinating Mechanism                      |
| PR    | principal recipient   |
| PU/DR | Progress Update and Disbursement Request (by PR to Global Fund) |
| SR    | Sub-recipient   |
| ToR   | Terms of Reference  |
| OB    | Oversight Body  |

## 1 INTRODUCTION

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This Oversight Plan provides the ACCM with a framework for consistent, transparent oversight of the implementation of Global Fund grants in Armenia. It outlines the oversight procedures and processes. This manual is written to enable the ACCM to:

- Orient ACCM members in their oversight roles and responsibilities;
- Carry out active oversight of the implementation of Global Fund grants;
- Identify hindrances in grant implementation and offer solutions in support of Principal Recipient(s) aimed at improved grant performance;
- Promote stronger relationships between the PR(s) and the ACCM; and
- Describe the oversight process to other grant stakeholders.

### 1.1 Definition and Mandate

As shown in the diagram below, oversight is a coordinated set of activities, such as gathering information, analysing information, taking action and reporting to support and ensure that grant activities are implemented as planned, and to identify and resolve implementation issues and hindrances.

CCM oversight is a specific Global Fund requirement and is one of the core functions of the Armenia Country Coordinating Mechanism (ACCM) as mandated by the ACCM Bylaws, Section **XI**.

### 1.2 Principles of CCM Oversight

Several principles of CCM Oversight provide the framework for this Oversight Plan:

1. **Oversight is a national responsibility.** As stated in the Global Fund's *Guidance Paper on CCM Oversight*, "the core principle of oversight is to ensure that resources – financial, material, and human – are used efficiently and effectively for the benefit of the country".<sup>1</sup> CCMs therefore have a national perspective, with a unique responsibility to coordinate the overall management of Global Fund grants within the country.
2. **Oversight is different from Monitoring and Evaluation.** Monitoring and evaluation activities focus on detailed activities of program implementation, and are the appropriate responsibility of Principal Recipients and other implementing agencies. In contrast, oversight focuses on the "macro level" of grant implementation<sup>2</sup>. It is a scan across grants to identify cross-cutting issues, and its emphasis is on identifying and resolving major issues threatening successful grant performance.
3. **Oversight focuses on several key areas.** Oversight typically focuses on several questions that are at the core of effective grant implementation:
  - Finance (location of financial resources, their arrival, prompt and proper distribution, benefiting people);
  - Procurement/Management (drugs, laboratory supplies, equipment etc., timeliness and accuracy of their delivery to the implementers, safety and security of the distribution system, purveyance to the patients);

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<sup>1</sup> *Guidance Paper on CCM Oversight*, [http://www.theglobalfund.org/documents/ccm/CCM\\_CCMOversightGuidance\\_Paper\\_en/](http://www.theglobalfund.org/documents/ccm/CCM_CCMOversightGuidance_Paper_en/), page 2

<sup>2</sup> *Guidance Paper on CCM Oversight*, [http://www.theglobalfund.org/documents/ccm/CCM\\_CCMOversightGuidance\\_Paper\\_en/](http://www.theglobalfund.org/documents/ccm/CCM_CCMOversightGuidance_Paper_en/), page 3

- Implementation (activities and services, their schedule, adequacy and relevance);
  - Results (program performance and realization);
  - Reporting (submission accuracy, completeness and timeliness);
  - Needs of technical assistance.
4. **Oversight is cyclical.** Oversight follows grant reporting cycles for reviewing the performance of Principal Recipients as program managers, the timely execution of work plans, and technical results compared to quarterly and annual targets.
5. **Phases of oversight include**
- Gathering information.** Gathering information is a key to all other oversight activities – since the CCM will be unable to mobilize and act without good information about implementation issues, problems, or hindrances. Information shall be gathered in three major ways:
- **Analysing information.** Information that has been gathered will be analyzed to identify problems, key issues, and hindrances requiring ACCM attention. This analysis process may be supported or executed through technical expertise that has been recruited to assist the Oversight Body.
  - **Taking action.** Once problems, issues, or hindrances are identified and understood, the Oversight Body will make recommendations to resolve them. Options will be identified to resolve the problem or issue. The Oversight Body will present the issues and recommendations to the ACCM plenary so that decisions can be made.
  - **Reporting:** The Oversight Body will report to the ACCM on its oversight activities as well as track progress in implementing ACCM decisions.



6. **Oversight is a legitimate CCM function with which Principal Recipient(s) must comply.** The Global Fund requires that CCMs must hold Principal Recipients accountable for resources given to the country: In all cases, the [Global Funds grant agreement](#)<sup>3</sup> includes a number of articles that give the CCM the legal authority to perform its role, and mandates the PR to cooperate with the CCM in carrying out its oversight responsibilities.

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<sup>3</sup> *Standard Terms and Conditions for Grants*  
[http://www.theglobalfund.org/documents/core/grants/Core\\_StandardTermsAndConditions\\_Agreement\\_en/](http://www.theglobalfund.org/documents/core/grants/Core_StandardTermsAndConditions_Agreement_en/)

## 2 INSTITUTIONAL ARRANGEMENTS: OVERSIGHT ROLES AND RESPONSIBILITIES

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The key institutions involved in the Global Fund grants are the ACCM, the Principal Recipients, the Sub-Recipients, and the Global Fund's Local Fund Agent (LFA) – each have role and associated responsibilities in oversight as detailed below.

### 2.1 ACCM

#### 2.1.1 ACCM OVERSIGHT BODY

ACCM will carry out its oversight function through an oversight body (OB). The main function of the ACCM's Oversight Body is to support the full ACCM in overseeing each grant. Oversight Body members must be particularly sensitive to conflict of interest.

The Oversight Body is responsible for providing oversight to existing Global Fund grants in Armenia in 3 areas:

- Financial – assuring appropriate, timely, and effective use of funding from the Global Fund.
- Management/Procurement – assuring timely and effective implementation of Principal and Sub Recipient work-plans.
- Programmatic – assuring the achievement of intended results in short- and intermediate-term periods.

The oversight activities include:

- **CCM regular meetings**
- **Review of reports or re-packaged data**, such as Performance Updates / Disbursement Request (PU/DR) forms, EFRs, Quarterly Performance Reports, Annual Reports, etc.
- **Cyclical Meeting with PR's and Investigation of specific issues**--typically conducted through meetings with PR's, PR-SR presentations to the Oversight Body with involvement of technical experts as necessary to investigate problems and report back to the Oversight Body
- **Review and approval of major changes in grants**, including changes in scopes of work, material re-allocation of funds, grant performance framework indicators
- **Site visits:** to gain an overall sense (rather than a detailed understanding) of program achievements and challenges, the Oversight Body will seek additional information through site visits. Site visits are not monitoring and evaluation trips; rather they are to enable the CCM to obtain first-hand information on program activities and quality. It is expected that the Oversight Body will meet at least once per quarter, synchronising its meetings with the ACCM's ordinary quarterly meetings. A full Terms of Reference for the Oversight Body can be found in Annex 1.

#### 2.1.2 ACCM SECRETARIAT

The Secretariat plays an important role in supporting the work of the Oversight Body and ACCM by:

- Organizing oversight-related orientations and capacity building for ACCM members.
- Seeking and organizing technical assistance related to strengthening of oversight function of the CCM as needed.
- Assisting the PR and Oversight Body to organize and carry out site meetings with PRs and the site-visits.
- Assisting with routine reporting by the Oversight Body to the full ACCM
- Keeping an up-to-date log of ACCM actions and status of the implementation of the actions

## 2.2 Principal Recipients

ACCM oversight must be exercised with the support of, and in collaboration with, Principal Recipients (PRs). PRs are required to provide the information needed for oversight.

The specific responsibilities of a PR in ACCM oversight is to:

- Submit to the ACCM copies of all significant documents (including Grant Agreements, Implementation Letters, audit reports, etc.)
- Sharing data with the ACCM – e.g. PU/DRs when they are submitted to LFA
- Provide additional data and information to the ACCM upon request.
- Assist the ACCM to arrange and carry out oversight site visits.

## 2.3 Sub-recipients

The role of an SR in ACCM oversight is to:

- Submit data periodically and on time to its PR (this data forms the basis of ACCM oversight)
- Provide data to the ACCM, on request, on specific issues
- With its PR, facilitate site visits by ACCM members and assist them to understand the grant.

## 2.4 The Global Fund's Local Fund Agent (LFA)

The Local Fund Agent's role is to provide independent and objective advice to the Global Fund in Geneva. Although by design the LFA and the ACCM do not communicate directly, the LFA plays an important behind-the-scenes role in oversight. Each PR reports to the Global Fund through the LFA, in a reporting format specified by the Global Fund and according to the due dates established within each grant agreement. Through visits to PR and SR offices and project sites, the LFA verifies the correctness of the PR's financial and programmatic data, queries the PR on specific questions, and recommends to the Global Fund in Geneva whether to disburse the funds requested. After discussions with the PR, the LFA reports its findings to the Global Fund but does not report them to the ACCM. Thus, the ACCM will obtain information relevant to oversight from the Global Fund Portfolio Manager.

### 3 OVERSIGHT BODY MEMBERSHIP

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#### 3.1 Oversight Body Membership

- Members shall not be from implementing organizations. They shall be selectively appointed by the ACCM from the list of the CCM technical working groups excluding PR's and SR's.
- ACCM members representing PR's and SR's may however be invited to Oversight Body meetings to provide information on the grants.
- OB shall have a maximum of 4 members with involvement of experts (technical support) as necessary
- 40% of Oversight Body members may be drawn from outside the ACCM.
- Only Oversight Body members will attend oversight meetings unless other individuals are invited.
- Terms of office: 3 years, renewable through re-appointment by the ACCM.
- **Technical support.** External technical support for oversight should be provided by individuals, agencies, and academic / research institutions with the requisite and relevant expertise.
- ACCM Secretariat will render organizational support to the Oversight Body.

## 4 OVERSIGHT PROCESS

The oversight is a key ACCM function where managing conflict of interest is particularly important to assist members to remain as impartial and unbiased as possible. Conducting oversight in accordance with the ACCM Conflict of Interest Policy, has the purpose of ensuring fairness and transparency in the ACCM's decision-making process, protecting the reputation and integrity of members and organizations represented on the ACCM, and ensuring broad public trust, accountability, and confidence in the ACCM's decision-making process and grant oversight activities.

### 4.1 Sources of information for Oversight

Sources of the information needed for oversight can be classified into the following types:

- existing grant implementation reports (including PU/DRs, EFRs),
- site visits,
- meeting with PR and SRs,
- the Fund Portfolio Manager,
- the GF website (Grant Performance Reports and Grant Scorecards),

In keeping with the Global Fund principle of transparency of the grants and of ACCM's oversight, and in the spirit of all stakeholders working toward the same goal, the ACCM OB will also communicate with stakeholders who are not ACCM members.

### 4.2 Oversight Body Analysis and Reporting

The Oversight Body analyzes data collected and makes recommendations to the ACCM. The Oversight Body will report on its actions and findings to the full ACCM at ordinary meetings. Site visit reports will be written, using a standard format provided by the ACCM Secretariat (see Annex 2). Other reports will be oral or written as appropriate and will be recorded in the minutes.

### 4.3 ACCM Decision Making and Follow-up

Oversight Body's comments and recommendations should be circulated to all ACCM members prior to the ordinary meeting. The ACCM plenary should consider the recommendations of the Oversight Body, and make decisions on the actions to be taken on each issue. The ACCM's decisions should specify both the actions needed and the persons responsible. These will be recorded in the minutes.

### 4.4 Scheduled Oversight in a 12-month period

Scheduled ACCM oversight activities to be undertaken each year are:

- 1 annual oversight work plan & budget,
- 4 ordinary ACCM meetings and 2 extraordinary CCM meetings
- 2 Oversight Body meetings.
- 2 site visits, and
- 1 workshop/session to build capacity in oversight.

#### 4.5 Oversight Work Plan and Budget

All oversight budget items are included in CCM Funding Agreement signed with the Global Fund.

|    | <b>Activity</b>   | <b>Quantity</b> | <b>Unit Price</b> | <b>Total Price</b> |
|----|---|-----------------|-------------------|--------------------|
| 1. | CCM ordinary meeting  | 4               | \$240             | \$960              |
| 2. | CCM Extraordinary Meeting   | 2               | \$240             | \$480              |
| 3. | International TA for oversight in development of tools                              | 1               | 0                 | 0                  |
| 4. | Workshop aimed at presentation of TA results  | 1               | \$580             | \$580              |
| 5. | Oversight Body meetings with PRs  | 2               | 0                 | 0                  |
| 6. | Site visit by CCM members / Oversight body  | 2               | \$125             | \$250              |
| 7. | Fuel for oversight visits to the regions and in town                                | 400 litres      | \$1.25            | \$500              |
| 8. | Creation and updating of the CCM website, including website domain and hosting fees | 1               | \$3.315           | \$3.315            |
|    | <b>Total Oversight budget</b>   |                 |                   | <b>\$6.085</b>     |

## **ANNEX 1. TERMS OF REFERENCE FOR THE OVERSIGHT BODY**

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### **Background**

The Global Fund requires that Country Coordinating Mechanisms (CCMs) hold Principal Recipients (PRs) accountable for resources given to the country. Similarly the Global Fund Grant Agreements require PRs to keep the CCMs continuously informed about progress in implementation of the programme.

To fulfil its oversight function, the ACCM has established an Oversight Body to answer the general key oversight questions covering financial, management, and programmatic aspects of each grant:

- *Where is the money?*
- *Where are the drugs, medical supplies, and equipment?*
- *Are sub-recipients receiving the required resources and technical assistance as planned?*
- *Are the grants being implemented as planned?*
- *Are the results meeting the performance targets?*

### **Specific Activities of the Oversight Body**

- 1) Review the Progress Update and Disbursement Request (PU/DR) submitted to the Local Fund Agent (LFA) of the Global Fund (due 45 days after end of reporting period)
- 2) Hold regular (cyclical) meetings.
- 3) Conduct scheduled site visits and confirm that programme activities are being implemented as planned.
- 4) Investigate specific program issues that arise: obtain further clarification or explanation from PRs or from external technical experts, or conduct an issue-driven site visit.

### **Deliverables**

- a) Report with comments and recommendations.
- b) Minutes of each Oversight Body meeting.
- c) Site visit reports (see form templates in Oversight Plan)

### **Reporting**

The OB will report to the ACCM every quarter before the ordinary CCM meetings, present findings on financial, management, and programmatic performance. At least once a year, the OB will summarize its activities for the ACCM. Additional presentations may be made on other matters as needed.

### **Qualifications required**

Demonstrated technical experience in the areas of programmatic, procurement & financial management of programs

**ANNEX 2.**

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| <b>SUGGESTED QUESTIONS FOR ROUTINE SITE VISITS</b> |   |
|--|---|
| Financial:   | <ul style="list-style-type: none"> <li>• Are the sub-recipients (or sub-sub recipients) getting their funds on a timely basis? If not, why?</li> </ul>  |
| Procurement/<br>Management:                        | <ul style="list-style-type: none"> <li>• Are there sufficient stocks of drugs and/or other medical supplies (e.g. testing kits)? Have there been any stock-outs in the last 6 months? Are there any expired drugs that are being used?</li> <li>• Are patients receiving the necessary drugs and/or social support?</li> <li>• Are the right people getting the needed services?</li> <li>• Are all the requisite posts filled for implementing at site level?</li> </ul> |
| Programmatic:                                      | <ul style="list-style-type: none"> <li>• Are the expected targets being met? If not why?</li> </ul>   |

**ANNEX 3.**

**REPORTING FORM ON SITE VISITS/MEETINGS WITH PR'S**

**Grant Name & No.** \_\_\_\_\_

**Principal Recipient** \_\_\_\_\_ **PR Contact Person** \_\_\_\_\_

**Which site?** \_\_\_\_\_ **Date of visit [dd-mm-yy]** \_\_\_\_\_

**Site Host's Name & Designation** \_\_\_\_\_

**Visitors**

| <i>Constituency</i> | <i>Name</i> | <i>Designation</i> | <i>Signature</i> |
|---------------------|-------------|--------------------|------------------|
|                     |             |                    |                  |
|                     |             |                    |                  |
|                     |             |                    |                  |
|                     |             |                    |                  |

- 
1. **Purpose of site visit**
  2. **Findings from this visit.**

|                    |  |
|--------------------|--|
| <b>Question A.</b> |  |
| <b>Answer A.</b>   |  |
| <b>Question B.</b> |  |

**Answer B.**

**Question C.**

**Answer C.**

3. **What, if anything, surprised you positively about this grant?**
4. **What concerns, if any, do you have about this grant**
5. **Conclusions**
6. **Recommendations to the ACCM**