

# Electronic Report to the Board

## Secretariat's Recommendations on Funding from the COVID-19 Response Mechanism

GF/B45/ER21

### **Board Decision**

Purpose of the paper: This document proposes the following decision point:

GF/B45/EDP26: Approval of the Secretariat's Recommendation on Funding from the 2021 COVID-19 Response Mechanism<sup>1</sup>

*Document Classification: Internal.*

*Document Circulation: Board Members, Alternate Board Members, Constituency Focal Points and Committee Members.*

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<sup>1</sup> The Secretariat recommends the approval of funding from the 2021 COVID-19 Response Mechanism for Russian Federation, up to an amount of US\$2,812,493 and Zimbabwe, up to US\$87,996,041.

## Decision

**Decision Point: GF/B45/EDP26: Approval of the Secretariat's Recommendation on Funding from the COVID-19 Response Mechanism**

The Board:

1. Notes its decision in GF/B44/EDP18, which requires the Secretariat to recommend to the Board, for its approval, any COVID-19 Response Mechanism ("C19RM") awards exceeding US\$35 million, as measured in aggregate by country (not including any funding awarded for COVID-19 commodities through fast-track investments or C19RM funding awarded in 2020);
2. Approves the funding recommended for each country, as listed in Table 1 of GF/B44/ER21; and
3. Delegates to the Secretariat authority to redistribute the overall upper-ceiling of funding available for each country among its constituent grants in accordance with the previously approved principles under GF/B44/EDP18.

*This decision does not raise new, material budgetary implications for operating expenses.*

# Executive Summary

## Context and Input Received

### Secretariat's Recommendation on Funding from the COVID-19 Response Mechanism (C19RM)

The Secretariat recommends the approval of funding from C19RM for Russian Federation, up to an amount of US\$2,812,493, and Zimbabwe, up to an amount of US\$87,996,041.

The country awards in Table 1 are recommended by the Secretariat following internal review processes, which included input from a C19RM Technical Advisory Group of relevant ACT-Accelerator partners (CTAG) and GAC partners.

For each country funding request, the Secretariat reviewed (i) the strategic focus of the investment; (ii) alignment with WHO technical guidance, the C19RM Technical Information Note, the National Strategic Preparedness and Response Plan for COVID-19 and guidance from partners on alignment with the HIV, TB and malaria mitigation plans in the country; (iii) linkages with underlying grants and service disruption for human immunodeficiency virus (HIV), tuberculosis (TB) and malaria programs; (iv) alignment with principles of stakeholder and community engagement, gender equity and human rights; (v) availability of appropriate procurement channels (global availability and sourcing implication of the health products requested to be procured), especially related to supply-side aspects, including the availability of scarce products; (vi) the technical soundness of the request and expected outcomes; (vii) the feasibility and assumptions of proposed activities and the associated budget, including performance and absorption of C19RM 2020 awards; (viii) complementarity/potential duplication with other available sources of funding; (ix) residual risks, including associated fiduciary risks related to implementation arrangements and/or interventions, and mitigating and assurance measures to ensure that funds are used for intended purposes; and (x) value for money.

A list of documents per country to substantiate the Board decision is provided below.

- C19RM Funding Request;
- C19RM budget (as revised for final recommendation for Board approval, if applicable);
- List of health products (as revised, if applicable);
- National Strategic Preparedness and Response Plan for COVID-19 and budget; and
- Other essential support documents of the C19RM Funding Request:
  - Quantification or needs assessment for COVID-19 health products;
  - COVID-19 National Testing Strategy (where available);
  - C19RM Health Product Management Template (HPMT);
  - C19RM Funding Landscape Table;
  - HIV, TB and malaria program mitigation plans (where relevant);
  - Civil Society suggestions for inclusion in the C19RM Full Funding Request.

All relevant documents containing the Secretariat's reasons for its recommendation to the Board have been made available on the Governance Extranet and are accessible through these links for [Russian Federation](#) and [Zimbabwe](#).

## Input Sought

The Board is requested to review the Secretariat recommendation and approve, on a 'no objection' basis, the decision point GF/B45/EDP26.

## Table 1: Secretariat's Recommendation on Funding from C19RM<sup>2</sup>

Please note that each country name is [linked](#) to the extranet site where relevant supporting documents are available for review.

Country/ Multicountry	Grant name	Currency	C19RM 2020 carry-over amount <sup>3</sup>	Previously approved C19RM 2021 award <sup>4</sup>	C19RM 2021 recommended amount for Board approval	Total C19RM 2021 funding	% of 2020- 2022 allocation	Total C19RM 2021 funding plus C19RM 2020 carry-over	C19RM Unfunded Demand
<a href="#">Russian Federation</a>	RUS-H-HAF	US\$	0	0	2,812,493	2,812,493	28.1%	2,812,493	0
<a href="#">Zimbabwe</a>	ZWE-H-UNDP	US\$	7,229,605	0	27,247,383	125,122,689	25.0%	134,783,771	34,273,369
	ZWE-M-MOHCC	US\$	1,993,855	37,126,648	60,748,658				
	ZWE-T-MOHCC	US\$	437,622	0	0				

<sup>2</sup> The C19RM Investment Committee recommends C19RM Full Funding Requests awards of more than US\$35 million to the Global Fund Board for approval. This amount, measured in aggregate per country, does not include any funding awarded through the C19RM Fast-track process or through C19RM in 2020. The C19RM Investment Committee may also recommend awards under US\$35 million to the Global Fund Board for approval where it determines that the non-health product components of an award are of a nature and scale which raise significant concerns about risk and complexity.

<sup>3</sup> Estimated funds remaining from C19RM 2020 awards previously approved by the C19RM Investment Committee and carried over to this new award.

<sup>4</sup> This includes Secretariat approved Fast-track and Full Funding awards, as well as awards previously approved by the Board.

# Summary of the Secretariat's Funding Recommendations

## i. Russian Federation: St. Petersburg Charitable Fund Programs "Humanitarian Action", (RUS-H-HAF)

### 1.1 Background and context

The COVID-19 pandemic heavily increased the operational load on Russian Federation state laboratories and on the medical staff in some regions that has led to disruption of access to HIV testing and HIV-related outpatient care. According to the 2020 situation assessment in the Russian Federation<sup>5</sup>, 17.6 percent of key populations and people living with HIV had problems accessing services at AIDS Centers due to COVID-19, with 17.5 percent having to leave their homes and thus violate their self-isolation restriction to attend a medical facility under quarantine.

Russian Federation's C19RM Full Funding Request of US\$2, 812,493 focuses on the mitigation of COVID-19 disruption of HIV services and strengthening of community systems through the investments, including mobile units for delivery of antiretroviral drugs (ARVs) to the beneficiaries, online trainings and mental health support, Personal Protective Equipment (PPE) for key and vulnerable populations and community-led service providers. The C19RM funding will increase accessibility to health care for key populations, as well as provide for accessibility to legal counselling and HIV support services. The request is focused entirely on HIV mitigation activities and does not cover direct COVID-19 interventions such as diagnostics or therapeutics. Russian Federation has not received any previous C19RM awards.

GAC and CTAG partners (Partners) confirmed that the request is aligned with WHO guidelines and is focused on supporting community-led HIV programs to continue providing services in the COVID-19 context and maintaining the scope and quality of HIV prevention services covered under the 2020-2022 HIV allocation grant. The C19RM Investment Committee considered the political circumstances under which the request was prepared and shared the view of the Partners that the request was clear and focused on the mitigation of the COVID-19 impact to HIV services.

### 1.2 Exceptions to Board policy

Following completion of GAC/CTAG and internal Secretariat reviews, the C19RM Investment Committee reviewed the full request on 24 September 2021. While concluding that the request was sound and aligned with WHO guidance and internal guidance on the scope of C19RM interventions, the Investment Committee discussion focused on two potential exceptions to Board policy:

- 1) Inability to determine alignment with NSPRP: Secretariat and Partners noted that the NSPRP in the Russian Federation is not publicly available as it is a classified document; therefore, it was not possible to assess alignment of the request with the NSPRP.
- 2) No evidence of coordination with national response coordinator: The Russian Federation's C19RM Full Funding request was submitted without evidence of coordination with the national COVID-19 response coordinator. The coordination committee submitting the C19RM request did not engage with the national COVID-19 response coordinator due to the complex political climate, sensitivities regarding the membership of the coordinating body and the implications of such engagement for the implementation of grant RUS-H-HAF.

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<sup>5</sup> Conducted by the Central Research Institute of Epidemiology of Rosпотrebnadzor.

**Investment Committee Review and Recommendations:** Considering the political context of the Russian Federation, the Investment Committee noted that because the funding request focused entirely on HIV mitigation activities, it would be unlikely that the request was not aligned with the NSPRP (as the NSPRP would be unlikely to contain anything relevant in this regard), and that engagement with the national response coordinator would similarly be of limited relevance for HIV mitigation activities. However, the Investment Committee supported seeking Board approval for these exceptions to policy, considering the language of the Board policy, and the compelling nature of the funding request. The C19RM Investment Committee considered the Russian Federation's C19RM 2021 Full Funding Request to present a strong case for Global Fund's engagement to provide necessary support for the mitigation of the COVID-19 impact to the HIV program and key and vulnerable populations in the Russian Federation.

Provided the complex political situation and the fact that the technical requirements of coordination with the national COVID-19 response coordinator and alignment with the NSPRP have not been met, the Russian Federation's C19RM 2021 Full Funding Request is being recommended to the Board for approval.

## ii. **Zimbabwe: Ministry of Health and Child Care (ZWE-M-MOHCC), United Nations Development Programme (ZWE-H-UNDP)**

### **2.1 Background and context<sup>6</sup>**

Zimbabwe reported its first COVID-19 case on 20 March 2020. As at 1 October 2021, the country registered 130,820 confirmed COVID-19 cases, with 4,623 cumulative deaths and a surge of approximately 70,000 cases reported from end June to mid-August 2021. Whilst the pandemic has affected all regions, most cases and deaths remain concentrated in urban areas. Service delivery across HIV, TB and malaria programs went down during 2020 due to COVID-19 restrictions that included five lockdowns. There were delays in seeking and accessing healthcare by patients with very limited transport availability. A decline in performance of the HIV program has been noted, including the increased mother-to-child transmission rate from 4.37 percent in 2019 to 5.31 percent in 2020. The national Gender-Based Violence Hotline recorded a total of 5,306 calls from the beginning of the lockdown on 30 March until 7 October 2020, representing an increase of over 60 percent compared to pre-lockdown trends. HIV viral load testing coverage dropped to 61 percent against a target of 70 percent and documentation and data availability and reporting were also hampered as only 57 percent of reporting units submitted data on time. TB service delivery was also badly affected, there was a decline of 26 percent in the number of cases notified in 2020 (16,016) compared to 2019, with great variations among the provinces (e.g., Harare declined by 44 percent). Malaria service delivery was also affected due to COVID-19, no long-lasting insecticidal net distribution took place as the schools were closed due to COVID-19 lockdown and this led to the country missing 17 percent of the target. All three disease programs have adapted their protocols to the pandemic situation.

**C19RM 2020 Award.** Zimbabwe was awarded almost US\$50 million to complement the country's efforts to fight the COVID-19 pandemic, including US\$4,153,940 of grant flexibilities and US\$45,044,167 of C19RM 2020 award. Ninety percent of the C19RM 2020 award was invested in the procurement of PPE, laboratory diagnostics and medical equipment. Projected absorption of the C19RM 2020 award is 79 percent, with unutilized funds of US\$9,661,082 that will be carried over for other approved activities. These funds are expected to be spent by the end of 2021.

**Funding landscape.<sup>7</sup>** Zimbabwe's COVID-19 response needs are estimated at US\$1,545,503,505 for 2022. US\$375,868,034 of those needs are covered by domestic resources, and US\$46,193,098 are covered by non-

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<sup>6</sup> Data and statistics from Zimbabwe's C19RM 2021 full funding request.

<sup>7</sup> Data from Zimbabwe's C19RM 2021 full funding request.

Global Fund external resources, including the African Development Bank, United States Government, and the World Bank. A current funding gap is estimated at approximately 68 percent after having taken the Global Fund C19RM 2021 Fast-track and Full Funding awards into consideration. According to the 2021 mid-term budget review, Zimbabwe's government has set aside US\$100 million for vaccine acquisition and, as of September 2021, US\$93.2 million of that was spent.

## **2.2 Strategic focus and prioritization of C19RM 2021**

Zimbabwe's C19RM 2021 Full Funding request is focused on five key COVID-19 response pillars – case management and therapeutics; diagnostics and testing; health products and waste management; infection prevention, control and the protection of health workers; and surveillance, epidemiologic investigation and contact tracing. The request is complementary to the investments of Zimbabwe's US\$37 million C19RM 2021 Fast-track award that focused on laboratory reagents, consumables and diagnostics. The Secretariat recommended the following activities to be prioritized for immediate award in line with the three Board categories as outlined below:

### **a. Mitigating the impact of COVID-19 on HIV, TB and malaria programs:**

- HIV interventions include data collection, airtime and procurement of equipment to support virtual format of activities during the COVID-19 pandemic, improved monitoring adaptation such as supporting men who have sex with men pre-exposure prophylaxis uptake, and support for community cadres to do virtual outreach.
- TB interventions will focus on intensifying systematic screening for TB among people living with HIV/children/men, using mobile X-ray trucks, and supporting bi-directional COVID-19/TB screening, i.e., infrastructure investments supporting the installation of X-ray machines and filling in the gaps for TB reference lab, support for capacity in childhood TB service management, and TB screening/self-assessment and messaging services.
- Malaria interventions will support the implementation of COVID-19 adapted indoor residual spraying and long-lasting insecticidal net campaigns, strengthening support to village health workers in high burden malaria districts (airtime, cell phones), orientation of village health workers to improve weekly malaria case and commodities reporting, etc.

### **b. Reinforcing the COVID-19 national response:**

- Procurement of COVID-19 diagnostics and tests, PPE, as well as investments in COVID-19 case management, clinical operations and therapeutics, including oxygen.
- Investments to support epidemiological investigation and contact tracing, as well as infection prevention and control, and protection of the health workforce.
- Strengthened country-level coordination and planning and risk communication.

### **c. Urgent improvement to health and community systems:**

- Health systems investments will focus on the procurement of health products, principally PPE, waste management systems with procurement and installation of high throughput incinerators, the expansion of storage areas for the procured health products, and laboratory and surveillance system strengthening.
- Community systems investments include social mobilization, community-led monitoring, support to community-based organizations, as well as community-led advocacy and research. Proposed activities also include gender-based violence prevention and post-violence care, responses to human rights and gender-related barriers to services.

**Implementation arrangements.** Zimbabwe's C19RM 2021 Full Funding award will be implemented by two existing Principal Recipients (PRs): Ministry of Health and Child Care and the United Nations Development Programme (UNDP). Health products will be procured through the PPM/Wambo.org channels, with some limited local procurement managed by UNDP.

**C19RM Assurance and Risk Mitigation.** For the implementation of infrastructure investments, including the construction, renovation and expansion of health product storage and waste management facilities, the PR will submit a detailed cost justification including anticipated completion dates, summaries of key risks and confirmation that all infrastructure projects will be completed no later than 30 June 2023. The Local Fund Agent (LFA) may conduct reviews of the implementation readiness assessment for new implementers, systems review of warehousing, inventory management and distribution of COVID-19 products, pre-award procurement reviews of health products, targeted programmatic and financial spot checks, as well as reviews to monitor the operationalization of the oxygen investments. UNDP will establish and support an infrastructure investment task force to oversee procurement of the two incinerators and related infrastructure. Prior to the start of planned trainings and use of grant funds for the implementation of such activities, applicable training and supervision plans will be reviewed and approved by the Global Fund.

### **2.3 C19RM Investment Committee review and recommendations**

- Partners confirmed that Zimbabwe's C19RM Full Funding request was sound and aligned with the NSPRP, C19RM guidelines and WHO guidance.
- Partners asked for clarifications regarding the relatively low investments in HIV, TB and malaria service disruption mitigation activities, as well as to warehouse capacity, investment in community interventions, and back-up power solutions. The Secretariat assured Partners that their concerns were taken onboard and that the revised budget included US\$6.4 million for HIV activities, US\$3.9 million for TB activities, US\$2.4 million for malaria activities that were moved from Above Base Allocations and Unfunded Demand as well as relevant segments added in consultation with key stakeholders. The activities also included a US\$11 million warehouse storage expansion investment to store the procured health products as well as US\$0.5 million investments to solar power resources to support cold chain activities and US\$1.4 million for community surveillance system.
- The C19RM Investment Committee, with assurance from Secretariat technical disease advisors, appreciated strong analysis on programmatic disruption and robust adaptations to the HIV, TB and malaria mitigation investments proposed in Zimbabwe's C19RM 2021 request, including the close work with development partners in the country, such as PEPFAR. Secretariat technical advisors also stressed the broader systemic impact of such investments, such as X-rays and reference laboratories, as well as the community surveillance systems, reaching beyond HIV or TB mitigation. The C19RM Investment Committee further pointed out that it will be particularly important to demonstrate the impact of these activities during implementation, including through cooperation with PEPFAR, and that close monitoring is needed. Responding to inputs from Secretariat technical advisors' suggestion on the need to address information management given the high level of investments on health product procurement, the C19RM Investment Committee was assured that funding was proposed for Logistics Management Information System in C19RM 2021 which complements previous investments in this area under the HIV 2020-2022 allocation grant and that it is already being rolled out in certain facilities.
- The C19RM Investment Committee noted that proposed investments to address the Zimbabwe health system challenges were an integral part of the COVID-19 response, in addition to COVID-19 health products being supported under the same request. The prioritization of the investments aims to ensure holistic support to the entire health system for the COVID-19 response while ensuring focus of the investment is strategically positioned within the overall Resilient and Sustainable Systems for Health (RSSH) strategy for

the country and also complements the scope of the 2020-2022 allocation investments in this area. The scope of investments, anticipated timelines and key issues that have been taken into consideration in recommending the supply chain management investments in the Full Funding Request for approval include the following: (i) since the overall storage capacity needs for the HIV, TB and malaria mitigation programs had been almost twice the warehouse capacity prior to the pandemic, the risks of theft, diversion and reduced quality of inappropriately stored health products and waste due to expiry of drugs is considered exponentially higher with the risk of COVID-19 items crowding out the already limited space; (ii) while the emergency nature of the C19RM funding is noted, investments have been proposed to close the critical gaps in health products at the same time ensuring the support of the environment necessary for their proper storage and distribution; and (iii) the C19RM Investment Committee recommendation was also guided by the OIG's findings related to inadequate storage space at the central and health facility level, and the current dire situation in the country exacerbated by the pandemic. Overall, the C19RM Investment Committee noted that there has been significant progress made in addressing the supply chain challenges through Global Fund investments, and there is still a need to continue to support and to mitigate against multiple risks of services disruption.

- The C19RM Investment Committee highlighted the need to strategically prioritize proposed infrastructure investments refocusing US\$11 million for the renovation of health facilities, expansion of Mutare warehouse and establishment of central treatment storage area for two incinerators. The C19RM Investment Committee also acknowledged that the additional US\$6 million of investments initially proposed for the facility storage improvements were now reprogrammed for the procurement of PPE and COVID-19 tests to address gaps for 2023. With this, the C19RM Investment Committee was assured that proposed investments on health products were covering the programmatic needs and identified gaps and that additional US\$10 million savings from the C19RM Fast-track allocation will also be reinvested in PPE and diagnostics.
- The C19RM Investment Committee raised questions on the proposed timelines for the implementation of infrastructure activities. While the Committee expressed concerns regarding delays in the past concerning the startup of support to storage facilities, they noted that most of the projects are already on-going and are at low risk of non-completion. UNDP has assured that, being relatively small in scope, the contracting process for the incinerator housing will be completed broadly within the planned timeframe. Additionally, priority of infrastructure investments is being given to the continuation and completion of the central and regional warehouse projects planned by 30 June 2023 at the very latest with justification that this would reduce pressure of storage at peripheral level, leading to an effective support to both the COVID-19 response as well as necessary mitigation of HIV, TB and malaria. The C19RM Investment Committee requested that mitigation measures be put in place to ensure that the infrastructure work gets done on time, considering that UNDP has encountered several delays in infrastructure projects in the past. Furthermore, that a monitoring mechanism should be put in place to track C19RM programmatic progress and implementation of infrastructure development, also to enable rapid response and reprogramming should the COVID-19 context change requiring further prioritization. The C19RM Investment Committee was informed that a dedicated infrastructure investment taskforce will be put in place by no later than 15 November 2021 to ensure timely implementation of the projects and oversee the successful completion of the infrastructure investments by no later than 30 June 2023.
- The C19RM Investment Committee noted US\$6 million initially proposed for additional infrastructure activities have been deprioritized in the review process and are now included in the Unfunded Demand. The C19RM Investment Committee also confirmed that their approval would be necessary before the use of grant savings where additional infrastructure development is prioritized.

**Table 2: Budget distribution by priority area**

Country/ Multicountry	Mitigate COVID-19 impact on HIV, TB and malaria programs		Reinforce COVID-19 national response		Urgent improvement to health and community systems				Total
	Amount	%	Amount	%	Community, Gender and Rights		RSSH Investments		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount
Russian Federation	US\$390,657	13.9%	US\$1,546,462	55.0%	US\$875,373	31.1%	US\$0	0.0%	US\$2,812,493
Zimbabwe	US\$12,333,809	14.0%	US\$45,802,690	52.1%	US\$1,818,323	2.1%	US\$28,041,220	31.9%	US\$87,996,041

**Table 3: COVID-19 Health Product Categories distribution by investment type**

Country <sup>8</sup>	Diagnostics RDT	Diagnostics PCR	PPE	Therapeutics O2	Therapeutics other	Other <sup>9</sup>
Russian Federation	US\$0	US\$0	US\$486,000	US\$32,742	US\$0	US\$2,293,751
Zimbabwe	US\$6,319,473	US\$10,555,126	US\$8,524,545	US\$5,547,056	US\$5,937,837	US\$51,112,005

<sup>8</sup> Excluding roll-over amounts from C19RM awards in 2020.

<sup>9</sup> This category includes all Health Products that do not fall into any of the five specific categories, as well as any other non-Health Product interventions.

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## Annex 1 – Past Decisions

Pursuant to the Governance Plan for Impact as approved at the 32nd Board Meeting,<sup>10</sup> the following summary of relevant past decision points is submitted to contextualize the decision point proposed in this paper.

<b>Relevant past Decision Point</b>	<b>Summary and Impact</b>
Decision Point: GF/B44/EDP18: Second Extension of C19RM Timeline and Operational Flexibility for COVID-19 <sup>11</sup>  March 2021	The Board approved a further extension of the timelines for the receipt, award, and use of funds for the Global Fund COVID-19 Response Mechanism based on further modifications proposed by the Secretariat.
Decision Point: GF/B43/EDP12: Extension of C19RM Timeline and Operational Flexibility for COVID-19 <sup>12</sup>  September 2020	The Board approved an extension of the time limit for the award of funds from the Global Fund COVID-19 Response Mechanism.
GF/B42/EDP11: Additional Support for Country Responses to COVID-19 <sup>13</sup>  April 2020	The Board approved operational flexibilities and additional support to countries, including the COVID-19 Response Mechanism, to enable the Global Fund and countries to effectively respond to the negative impact of the COVID-19 pandemic.

<sup>10</sup> <https://www.theglobalfund.org/board-decisions/b32-dp05/>

<sup>11</sup> <https://www.theglobalfund.org/board-decisions/b44-edp18/>

<sup>12</sup> <https://www.theglobalfund.org/board-decisions/b43-edp12/>

<sup>13</sup> <https://www.theglobalfund.org/board-decisions/b42-edp11/>