

Electronic Report to the Board

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

GF/B46/ER07

Board Decision

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

GF/B46/EDP07: Approval of the Secretariat's Recommendation on Funding from the COVID-19 Response Mechanism¹

Document Classification: Internal.

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

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¹ The Secretariat recommends the approval of funding from the 2021 COVID-19 Response Mechanism for Liberia Supplementary Request, up to an amount of US\$3,900,000 on top of US\$15,542,350 already approved by the C19RM Investment Committee on 16 July 2021.

Decision

Decision Point: GF/B46/EDP07: Approval of the Secretariat's Recommendation on Funding from the COVID-19 Response Mechanism

The Board:

- 1. Approves the funding recommended for each country, as listed in Table 1 of GF/B46/ER07; and*
- 2. 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 the Liberia Supplementary Request, up to an amount of US\$3,900,000, on top of the US\$15,542,350 already approved by the C19RM Investment Committee on 16 July 2021.

The country award in Table 1 is 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 the Liberia 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 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 this [link](#) for Liberia.

Input Sought

The Board is requested to review the Secretariat recommendation and approve, on a 'no objection' basis, the decision point GF/B46/EDP07.

Table 1: Secretariat's Recommendation on Funding from C19RM²

Please note that the 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 ³	Previously approved C19RM 2021 award ⁴	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
Liberia	LBR-C-MOH	US\$	0	15,542,350	3,900,000	19,442,350	25%	19,442,350	12,034,349

² 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.

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

⁴ 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. Liberia: Ministry of Health and Social Welfare, (LBR-C-MOH)

1.1 Background and context

On 16 July 2021, the C19RM Investment Committee (IC) approved a C19RM Full Funding award of US\$15,542,350 to Liberia (further details on prioritized investments outlined below) which builds on the US\$4,602,831 C19RM 2020 award. In its consideration of Liberia's initial Full Funding Request, the IC confirmed that Liberia may access up to US\$3,900,000 (an amount equivalent to approximately 5 percent of its 2020-2022 HIV and TB allocation) remaining for immediate award to reach the 25 percent C19RM indicative Qualitative Adjustment ceiling for the country, should Liberia decide to further invest in robust community-based interventions focused primarily on mitigation of COVID-19 and disruption to TB and HIV services. The proposed supplementary interventions of Liberia's Supplementary Funding Request focus on COVID-19 control and containment (US\$2,444,933) and mitigation for disease programs (US\$1,455,067), through strengthened community-based responses.

By 1 December 2021, Liberia had registered 5,823 confirmed COVID-19 cases and 287 COVID-19-related deaths⁵ since the first COVID-19 case was reported on 16 March 2020. Confirmed COVID-19 related deaths increased rapidly following the wave of infections which hit the country during the summer of 2021. However, since October 2021, weekly new cases registered are in single digits, down from a peak of 991 weekly confirmed cases for the week of 28 June 2021. An average daily testing rate of 0.1/1000 people and challenges in the attribution of the cause of death suggest that COVID-19 cases and related deaths are higher than confirmed numbers. The vaccination rate in Liberia is very low, with 456,623 people fully vaccinated representing 9.25% of the country's population⁶. A top-20 high burden country for TB case notifications, Liberia witnessed a drop in notifications in 2020, while the impact of the pandemic on retention rates of ART patients (adult and pediatric) is also a concern. Malaria care seeking was also negatively impacted and rumors that nets were impregnated with COVID-19 had an adverse effect on the June 2021 long-lasting insecticidal net (LLIN) mass campaign, in a context of declining insecticide-treated nets (ITN) ownership and high *P.falciparum* prevalence.

The Liberia Supplementary Funding Request is presented to the Board for approval due to the risks associated with preliminary findings in an ongoing investigation by the Office of the Inspector General (OIG) initiated in May 2020.⁷ The OIG has found credible and substantive evidence of fraud and abuse in the grants managed by the Liberia Ministry of Health (MOH), relating to expenditures concerning vehicle maintenance, media ad buys, meetings, trainings, travels, and monitoring missions. The OIG's findings also highlight control weaknesses affecting national procurement in general. Concerns are also raised around incentive payments for community-based activities. While a final report has not yet been issued, the Secretariat is putting in place extensive measures to mitigate the risks highlighted by the OIG's investigation, which are applicable to the entire portfolio of Global Fund-supported programs in Liberia. Longer-term structural measures are currently being considered and will be implemented following the finalization of the investigation.

The urgency, programmatic relevance and criticality of the investment noted by the C19RM Investment Committee in its review of the Supplementary Funding Request on 2 December 2021 presents a risk

⁵ Source: WHO.

⁶ Source: Foundation for Innovative New Diagnostics and John Hopkins University.

⁷ As per GF/B44/ER12 - Revision 2 section 33: "Where the Secretariat's review of awards under USD 35 million suggests that the non-commodity components of an award are of a nature and scale to raise significant concerns about risk and complexity, the Secretariat may also submit such components to the Board for approval"

trade-off, with further implementation delays threatening the impact of investments including: COVID-19 testing and tracing as well as mitigation measures for the three diseases such as the expansion of key and vulnerable populations services, the adaptation to TB community approach and community-based services, and the development and implementation of a social and behavior change communication (SBCC) plan adapted to the pandemic context for the different malaria interventions.

1.2 C19RM investments and programmatic priorities in Liberia

The C19RM awards previously approved by the Secretariat cover the following:

- a. Mitigating the impact of COVID-19 on HIV, TB, and malaria programs (US\$845,973)**
 - **HIV:** Provide training to health care workers on differentiated service delivery (DSD) and index testing, as well as delivery of friendly services for key and vulnerable populations. Offer psychological and community-based support through peer educators and navigators and adaptations in outreach/prevention to respond to the needs.
 - **TB:** Strengthen the sputum transport in an integrated manner (HIV/TB/COVID-19) and expand contact tracing and home-based drug distribution.
 - **Malaria:** Complement the gap of the 2022 malaria indicator survey due to the need for adaptations of Liberia's malaria program as a result of the COVID-19 context. Address critical gap of community workers in the Southeast region to provide community health services.
- b. Reinforcing the COVID-19 national response (US\$13,652,067)**
 - Decentralization of COVID-19 testing and strengthening integrated COVID-19 laboratory data collection and reporting.
 - Procurement of drugs, biomedical equipment, and medical supplies for the treatment and care of complicated and/or severe COVID-19 cases.
 - Procurement of oxygen therapy equipment and O₂ delivery medical devices.
- c. Urgent improvement to health and community systems (US\$1,044,310)**
 - Community engagement and representation in relevant COVID-19 governance and oversight mechanisms.
 - Community-led monitoring for accountability - community treatment observatory (CTO).
 - Implementation of Community Health Risk Reduction Plans (CRRPs) for COVID-19 and other diseases (TB, HIV, and malaria) of outbreak in five hot spot counties through community dialogue.

The additional US\$3,900,000 award recommended for Board approval will cover technical and urgent interventions including:

- **COVID-19 Diagnosis.** Strengthen testing and screening for COVID-19 with additional funding for COVID-19 diagnostics to cover projected needs until December 2023.
- **HIV.** Improve intervention geographical coverage and access to care through rapid expansion of key and vulnerable populations services in Maryland county (Southeast region); refresher training on prevention of mother-to-child transmission and early infant diagnosis (PMTCT/ EID) at country level; and antiretroviral treatment (ART) cohort audit.
- **TB.** Mitigate the erosion of TB case notification through support to the development of an operational plan for TB community approach, the training of civil society organizations and the monitoring of community-based TB services.
- **Malaria.** Develop and implement a social and behavior change communication (SBCC) plan, which will include community network participation, consider the different malaria interventions currently in place and propose flexibilities to address the pandemic context and the misinformation around COVID-19.

During their review of Liberia's Full and Supplementary Funding Requests, GAC/CTAG Partners made the following comments:

- Partners found Liberia's Full and Supplementary Funding Requests to have been developed in an inclusive manner and to be aligned with the NSPRP and WHO technical guidance. However, technical Partners noted that the national testing strategy was not provided, and thus were unable to verify its alignment with WHO technical guidance, emphasizing the importance of testing of suspected COVID-19 cases. While expansion of decentralized testing was welcomed, Partners noted that distribution was unclear and that proposed investments in disease surveillance, lab systems and training for public health workforce were limited. Strengthening surveillance systems and training workforce for early detection were therefore recommended. Clarification was provided by the Secretariat that Liberia is following WHO COVID-19 testing guidelines and has prioritized the use of antigen tests both at facility and community-level. The Secretariat will further engage with the National Public Health Institute of Liberia (NPHIL) to ensure that training gaps are included in relevant Terms of References for the new lab system and a capacity building project is embedded.
- During the review of Liberia's Full Funding Request, Partners sought clarity on HIV diagnostics that appeared to be lacking and welcomed clarifications from the Secretariat that these are fully covered through Liberia's HIV/TB grant. Moreover, the Secretariat is engaging with the Liberia National Incident Management System (IMS) and NPHIL to further understand how costs for reverse transcription polymerase chain reaction (RT-PCR), reagents for open platform systems and lab consumables are covered after Partners highlighted that these were not included in the request. The Secretariat confirmed that additional buffers to cover reagents costs for 2022 and 2023 have been prioritized for immediate award.
- Partners noted that the request states that there are no oxygen plants currently available in the country and requested clarification on whether new plants are needed. The Secretariat clarified that there are two private functional plants supplying liquid oxygen to the whole country and production capacity is not an immediate issue. It was further clarified that Liberia will continue the ongoing partnership with the private sector to obtain medical oxygen given that existing PSA plants in public health facilities are non-functional due to lack of spare parts. The C19RM Investment Committee approved the installation of PSA plants to meet medium- to long-term oxygen needs. These are currently under review by the Global Fund Oxygen Working Group.
- For the COVID-19 Supplementary Funding Request, Partners asked for clarifications regarding the rationale for using C19RM funds to support an SBCC campaign related to the use of insecticide-treated bed nets (ITNs). The Secretariat explained that there is a decrease in nets ownership, down from 62% in 2016 to 55% in 2019, and that rumors that the nets were impregnated with COVID-19 further negatively impacted their distribution and use.

1.3 Key issues and risks highlighted by the OIG investigation

The OIG opened an investigation in Liberia in May 2020, following reports of irregularities at the Ministry of Health, Principal Recipient of the LBR-C-MOH and LBR-M-MOH grants. The OIG has found non-compliance, misappropriation, and evidence of fraud in local procurement activities and for travel-related expenditures; as well as insufficient assurance of activity implementation in both grants. The investigation is currently nearing its completion, and the OIG is expected to finalize its report in January/February 2022. This report will be shared with the CCM, Audit and Finance Committee, and Board in line with the OIG Stakeholder Engagement Model.

1.4 Secretariat Strategic Actions

The Secretariat has introduced several targeted mitigation measures as early as May 2021 based on confidential feedback received from the OIG to address the identified risks in the Liberia MOH portfolio and has been monitoring and adjusting controls since. The Secretariat also conducted a high-level mission in November 2021 to discuss systemic and recurring challenges. The delegation

secured initial commitments by the MOH on specific short-term corrective measures and exchanges informed potential longer-term changes to the implementation, oversight and risk management arrangements of the Liberia portfolio. Additional adjustments will be made where appropriate once the OIG report and AMAs are finalized.

- Immediate and short-term mitigation currently being implemented: (1) comprehensive shift away from cash transactions, including through targeted support for a Ministry-wide adoption of digital payments; (2) addressing the risk exposure that had previously allowed payments of up to US\$10,000 for local procurements to be made by national programs, thereby bypassing the Fiscal Agent (FA) controls/assurance; (3) strengthened reviews and controls throughout local procurement processes, including through pre-reviews and approvals; (4) procurement of all health products through Wambo; (5) strengthened reviews and controls for travel-related costs, including through pre-reviews and approvals; (6) eliminating unnecessary travel; (7) strengthened verification of activity implementation; and (8) appointment of a new FA as of 1 January 2022 with strengthened procurement oversight and fraud identification processes. Implementation of these measures will be monitored through regular reports by the FA and the Local Fund Agent (LFA).
- Ongoing risk mitigation work: (1) discontinuing the use of fuel coupons (which are subject to similar risks as cash); (2) exploring alternatives to the MOH's current use of pre-paid phone cards; (3) strengthening tracking and control of generator fuel purchased through grant funds; and (4) ensuring compliance with the Global Fund's policy on fuel taxes. Additionally, following the completion of the OIG's investigation, any MOH staff found to be participating in fraud and/or other serious prohibited practices will be removed from Global Fund grant programs. As is standard practice, the Secretariat and OIG will agree on specific AMAs to address the risks highlighted by the OIG's investigation, which may entail further mitigation measures.
- Longer-term shifts in the Global Fund's approach to the Liberia portfolio: The Secretariat is exploring options for structural changes to the Liberia portfolio's implementation, oversight, and assurance arrangements. Potential changes may include rebalancing the allocation of activities from the MOH to another Principal Recipient (PR), outsourcing vulnerable functions, or changing the PR. The Secretariat will seek to finalize the development of these options by the first and second quarter of 2022, for implementation starting in quarter 3 of 2022.

1.5 C19RM Investment Committee review and recommendations

- The C19RM Investment Committee confirmed the programmatic relevance and technical soundness of Liberia's Supplementary Funding Request. Acknowledging the urgent needs in-country to address COVID-19, it noted that delaying the award of additional C19RM funding for Liberia would negatively impact the country's ongoing efforts to fight COVID-19 and jeopardize time-sensitive mitigation efforts for the three diseases programs, including ongoing work on the SBCC campaign, which is critical for ensuring access to and correct use of malaria nets distributed through the 2021 LLIN campaign, key population programs, and mitigation of declining TB case notifications.
- Noting the OIG's investigation, the C19RM Investment Committee thoroughly reviewed the Secretariat's proposed assurance arrangements to ensure that controls relating to the management of Global Fund resources are robust and responsive to the findings. These proposed assurance arrangements build on the risk mitigation measures that were put in place following the OIG's sharing of the initial findings. The C19RM Investment Committee concluded that the mitigation measures already implemented are appropriate considering the risks identified to date, including those relating to the C19RM activities proposed under the Supplementary Funding Request and noted that the OIG has indicated that the planned mitigating measures are appropriate based on its findings to date. The Investment Committee acknowledged that the Secretariat is currently working on developing a longer-term risk management strategy that will evolve as the OIG's report is further developed and will be finalized in close coordination with the country and Partners. It further noted that the MOH has demonstrated commitment to addressing the findings of the investigation.

- While acknowledging the risks identified by the OIG's findings, the C19RM Investment Committee considered that the programmatic risks and potential negative impacts on COVID-19 transmission of withholding additional support to Liberia's COVID-19 response would outweigh the risks of proceeding with the additional investment, taking into account the additional controls put in place.

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
					Community, Gender and Rights		RSSH Investments		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount
Liberia (Full Funding)	US\$845,973	5.4%	US\$13,652,067	87.8%	US\$822,668	5.3%	US\$221,642	1.4%	US\$15,542,350
Liberia (Supplementary)	US\$1,455,067	37.3%	US\$2,444,933	62.7%	US\$0	0.0%	US\$0	0.0%	US\$3,900,000
Liberia (Total)	US\$2,301,040	11.8%	US\$16,097,000	82.8%	US\$822,668	4.2%	US\$221,642	1.1%	US\$19,442,350

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

Country ⁸	Diagnostics RDT	Diagnostics PCR	PPE	Therapeutics O2	Therapeutics other	Other ⁹
Liberia (Full Funding)	US\$221,873	US\$875,234	US\$3,413,032	US\$3,952,115	US\$1,974,571	US\$5,105,525
Liberia (Supplementary)	US\$1,082,438	US\$0	US\$0	US\$0	US\$0	US\$2,817,562
Liberia (Total)	US\$1,304,311	US\$875,234	US\$3,413,032	US\$3,952,115	US\$1,974,571	US\$7,923,087

⁸ Excluding roll-over amounts from C19RM awards in 2020.

⁹ 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,¹⁰ the following summary of relevant past decision points is submitted to contextualize the decision point proposed in this paper.

Relevant past Decision Point	Summary and Impact
Decision Point: GF/B44/EDP18: Second Extension of C19RM Timeline and Operational Flexibility for COVID-19 March 2021 ¹¹	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 September 2020 ¹²	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 April 2020 ¹³	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.

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

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

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

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