

# Electronic Report to the Board

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

GF/B46/ER14

### **Board Decision**

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

GF/B46/EDP18: Approval of the Secretariat's Recommendation on Funding from the 2021 COVID-19 Response Mechanism<sup>1</sup>

*Document Classification: Internal.*

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<sup>1</sup> The Secretariat recommends the approval of funding from the 2021 COVID-19 Response Mechanism for Multicountry ECSA-HC, up to an amount of US\$ 1,819,230.

## Decision

### **Decision Point: GF/B46/EDP18: Approval of the Secretariat's Recommendation on Funding from the COVID-19 Response Mechanism**

*The Board:*

- a. Notes its decision in GF/B46/EDP06, which requires the Secretariat to recommend to the Board, for its approval, any COVID-19 Response Mechanism ("C19RM") awards exceeding US\$45 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);*
- b. Approves the funding recommended for each country, as listed in Table 1 of GF/B46/ER14; and*
- c. 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 Multicountry East, Central and Southern Africa Health Community (ECSA-HC), up to an amount of US\$1,819,230.

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 applicant for Multi-country requests 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); and
  - C19RM Health Product Management Template (HPMT).

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](#).

## Input Sought

The Board is requested to review the Secretariat recommendation and approve, on a 'no objection' basis, the decision point GF/B46/EDP18.

**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="#">Multicountry Africa ECSA- HC</a>	QPA-T-ECSA	USD	0	0	1,819,230	1,819,230	45.48%	1,819,230	0

<sup>2</sup> The C19RM Investment Committee recommends C19RM Full Funding Requests awards of more than US\$45 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\$45 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. Multicountry Africa ECSA-HC: East, Central and Southern Africa Health Community (ECSA-HC) – QPA-T-ECSA

### 1.1 Background and strategic focus of funding request

The African continent reported its first COVID-19 case on 25 February 2020. The 21 countries supported by the East, Central and Southern Africa Health Community (ECSA-HC) have observed a sustained increase of COVID-19 cases as the region's fourth wave gains ground. They reported 2,182,252 cumulative COVID-19 confirmed cases as of 19 December 2021, up 109% from 13 June 2021, while COVID-19 related deaths totaled 42,673, up 134%. Over that period, the case fatality ratio (CFR) increased from 1.7% to 2.0%<sup>5</sup>. With the increasing spread of new virus variants, there is a need to enhance surveillance and sequencing efforts.

The C19RM Investment Committee recommends an award of US\$1,819,230 in respect of the applicant's C19RM Full Funding Request. The recommended amount responds to priority regional needs for strengthening COVID-19 diagnosis and laboratory leadership for pandemic preparedness and focuses on establishing a regional integrated SARS-Cov-2 PCR and Ag RDT External Quality Assurance (EQA) scheme. It aims to strengthen laboratory leadership, management and governance, including reinforcing implementation of the Global Laboratory Leadership Program (GLLP). There is also the opportunity to integrate and strengthen existing EQA schemes supported by USG (HIV Viral load, EID) and other partners, as for example AMREF (chemistry and Hematology).

Strategically, the C19RM funding will reinforce capacity to meet Global Fund Quality Assurance requirements, extend ongoing Global Fund, WHO and USG investments in harmonizing and standardizing laboratory strengthening, and enhance institutional partnerships across Sub-Saharan Africa for capacity development, coordinated action and sustainability.

The C19RM Investment Committee's recommendation equates to an exceptional increase of Multicountry ECSA-HC's Qualitative Adjustment (QA) ceiling from 15% to 45.5%. This recommendation was based on the strategic nature of the activities. The exceptional increase to the QA ceiling from 15% to 45% does not exceed the threshold for escalation for Executive Director approval nor does it trigger Board reporting as outlined in the QA Guidelines<sup>6</sup>. The request responds to the priority, regional needs to strengthen COVID-19 diagnosis and laboratory leadership for pandemic preparedness. The investment case that informed the C19RM Investment Committee recommendation for approval of Multicountry ECSA-HC builds on the following:

- **Importance of laboratory strengthening in the COVID-19 response:** Testing remains key to inform response strategies to combat COVID-19 and limiting its spread. As such sustaining and strengthening diagnostic and laboratory capacity to manage large-scale testing is key to ensuring increased accessibility to quality assured COVID-19 testing services, but also builds on and maintains the established infrastructure and diagnostic capacity for other relevant diseases.
  - **Across the 21 countries of Multicountry ESCA**, the pandemic has caused disruption in human resources in the laboratories through reallocation to other laboratory sections and new staff requiring training in WHO recommended diagnostics (notably TB).
  - **With the surge in demand for COVID-19 testing**, training on biosafety, biosecurity and risk management in TB and COVID-19 testing laboratories remains an important gap. In most of the ECSA countries, NTRLs continue to be involved in COVID-19 testing, either as a primary or back up testing facility, and have been unable to conduct trainings for laboratory biosafety/biosecurity.
  - **As the pandemic evolves**, Gene Sequencing remains critical for mapping the spread and evolution of the COVID-19 virus, as well as TB bacilli. Developing regional capacity for gene sequencing is key for access to treatment.

<sup>5</sup> Source: WHO Africa Weekly Bulletin on Outbreaks and Other Diseases, Week 51 2021.

<sup>6</sup> 50% of the HTM allocation and being greater than US\$5 million.

- **The 21 countries supported by the Multicountry ECSA represent USD 1.1 billion** of C19RM 2021 investments and have a total diagnostics budget of US\$ 281 million. This represents 37.4% of total C19RM 2021 investments in diagnostics. These 21 countries are Angola, Botswana, Burundi, Eritrea, Eswatini, Ethiopia, Kenya, Lesotho, Liberia, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Somalia, South Sudan, Tanzania, Uganda, Zambia and Zimbabwe.
- **Longer term outcomes:** investments in laboratory strengthening in reinforcing the COVID-19 response have additional impact in mitigation of impact of COVID-19 on the HTM programs, as well as potential longer-term outcomes towards strengthening sustainability, resilience of health systems, and pandemic preparedness in the 21 countries.
- **Strong programmatic rationale and potential for impact:** The investment presents an opportunity to catalyze COVID-19 diagnostics and expand the provision of the Proficiency Testing (PT) scheme – the first quality assurance scheme in sub-Saharan Africa. It will also enable the establishment of a cadre of biomedical engineers to provide Maintenance and Servicing of laboratory equipment, and the expansion of the Global Laboratory Leadership Program (GLLP), led by WHO. The activities are in collaboration with the African Union CDC convening significant technical and political resources to this project.

The GAC and CTAG Partners found the Multicountry ECSA-HC's C19RM Full Funding Request sound, with interventions aligned with WHO guidance and the C19RM Technical Information Note and Guidelines, and with the NSPRP of which it addresses clear gaps and priorities. Despite the fact that the funding request was missing certain civil society representative endorsements, the request was still found to have been developed in an inclusive manner by all relevant stakeholders. Given that the funding request and underlying grant focus on laboratory strengthening and do not include any civil society and community-related interventions in either design or implementation, the Secretariat's Compliance Review Panel gave its non-objection to proceed to the C19RM Investment Committee review.

## 1.2 Evidence of coordination with national COVID-19 response coordinators

### No evidence of coordination with national COVID-19 response coordinators in 11 countries

Following completion of the GAC/CTAG and internal Secretariat reviews, and the recommendation for approval from the Advisory Group, the C19RM Full Funding Request proceeded to the C19RM Investment Committee for review on 4 March 2022. The C19RM Investment Committee concluded that the request was sound, of high strategic value and aligned with WHO technical guidance and internal guidance on the scope of C19RM interventions. Nevertheless, the C19RM Investment Committee noted that the request included COVID-19 control and containment interventions in each of the participating countries and that given the nature of the interventions requested, alignment with national COVID-19 response coordinators would be valuable. Ten national COVID-19 response coordinating bodies have endorsed the C19RM Full Funding Request; 11 endorsements, or other evidence of coordination, are therefore missing. This is despite repeated attempts to obtain such endorsements by the Regional Organization applicant with support from the Secretariat since July 2021. It is for this reason that the Board's approval is sought for this award.

**Investment Committee Review and Recommendations:** Considering the compelling nature of the funding request, the very strong programmatic relevance of the proposed investments, their narrow focus on laboratory strengthening, proven Principal Recipient (PR) program management and execution ability, high absorption rates and the limited amount of funding requested, the C19RM Investment Committee recommends the Multi-country ECSA-HC Full Funding Request to the Board for approval. Furthermore, considering the (a) nature of the interventions requested are such that alignment with national COVID-19 response coordinators would be valuable; and (b) lack of evidence of coordination with the national COVID-19 response coordinators in 11 countries in which pure COVID-19 interventions are expected to be implemented, the C19RM Investment Committee supports seeking Board approval of this request.

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

Country/Multicou ntry	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
Multicountry Africa ECSA-HC	-	0.0%	US\$1,528,356	84.0%	-	0.0%	US\$290,874	16.0%	US\$1,819,230

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

Country <sup>7</sup>	Diagnostics RDT	Diagnostics PCR	PPE	Therapeutics O2	Therapeutics other	Other <sup>8</sup>
Multicountry Africa ECSA-HC	US\$37,402	US\$231,410	US\$24,625			US\$1,525,792

<sup>7</sup> Excluding roll-over amounts from C19RM awards in 2020.

<sup>8</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>9</sup> 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
<b>Decision Point: GF/B46/EDP06: Extension of the COVID-19 Response Mechanism and COVID-19 Operational Flexibility</b>  <b>December 2021</b>	The Board approved a further extension of the timelines for the receipt and award of funds for the Global Fund COVID-19 Response Mechanism (“C19RM”), as well as revised thresholds for Board approval of C19RM awards set out in paragraph 5.d of GF/B44/EDP18.
<b>Decision Point: GF/B45/EDP12: Increases to the COVID-19 Response Mechanism’s (C19RM) Fast-track Investment Ceiling</b>  <b>August 2021</b>	The Board delegated authority to the Audit and Finance Committee (the “AFC”) to increase the overall ceiling amount to be made available through the C19RM Fast-track investment channel established under paragraph 5.c of GF/B44/EDP18. The AFC may increase the C19RM Fast-track investment ceiling by up to a further USD 700 million, based on additional funds approved as available by the AFC.
<b>Decision Point: GF/B44/EDP18: Second Extension of C19RM Timeline and Operational Flexibility for COVID-19<sup>10</sup></b>  <b>March 2021</b>	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.
<b>Decision Point: GF/B43/EDP12: Extension of C19RM Timeline and Operational Flexibility for COVID-19<sup>11</sup></b>  <b>September 2020</b>	The Board approved an extension of the time limit for the award of funds from the Global Fund COVID-19 Response Mechanism.
<b>GF/B42/EDP11: Additional Support for Country Responses to COVID-19<sup>12</sup></b>  <b>April 2020</b>	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>9</sup> <https://www.theglobalfund.org/board-decisions/b32-dp05/>

<sup>10</sup> <https://www.theglobalfund.org/board-decisions/b44-edp18/>

<sup>11</sup> <https://www.theglobalfund.org/board-decisions/b43-edp12/>

<sup>12</sup> <https://www.theglobalfund.org/board-decisions/b42-edp11/>