

support for COVID-19 interventions, while also providing additional resources for HTM program adaptations and the reinforcement of health and community systems.

10. The Secretariat recommends that unutilized funds¹⁸ that become available from 5th or 6th replenishment funds continue to be invested through the existing portfolio optimization mechanism for HTM needs, including program adaptations, catch-up plans and other priorities captured in Unfunded Quality Demand (UQD). The Secretariat believes that taking this approach – clearly separating new external funding for C19RM from core allocation funding, including reprogramming and the reinvestment of grant savings through portfolio optimization – will ensure that the USD 14 billion raised through the 6th replenishment is protected from diversion, safeguarding this funding for the Global Fund’s core HTM mission and ensuring that this funding is unambiguously utilized for HTM needs. Sections 3 and 4 of Annex 4 provide additional detail on the connection between C19RM and Global Fund core funding.
11. While raising questions about the Global Fund’s potential role in pandemic response in the future, the continuation of C19RM as an urgent response to safeguard the fight against HTM remains rooted in the Global Fund’s existing mandate. C19RM remains a temporary emergency response mechanism and is not intended to pre-empt broader discussions on the next Global Fund strategy. It remains for the Board to continue discussions and ultimately determine whether the Global Fund should take on an expanded role in pandemic response or global health security/solidarity going forward. In any event, continuing to leverage the Global Fund’s unique strengths in fighting infectious diseases and relative advantages in reinforcing health and community systems to assist the global COVID-19 response will enhance the Global Fund’s effectiveness in the continued fight against HIV, TB, and malaria, as lessons drawn from C19RM can be used to accelerate the global HTM response.

Proposed refinements to the current C19RM model:

12. The Board established C19RM as an urgent response mechanism with the priority of deploying funding as quickly as possible to address an emergency context. Recognizing the grave threat posed to millions of lives across Global Fund countries, this swift response allowed the Global Fund to quickly adapt to support countries in responding to this crisis. While the global response to the pandemic has evolved, the need to move with speed and agility remains critical. Yet given the scale of the expected increase in funding and the lessons learned from the first phase of C19RM, it makes sense to review and, where necessary, recalibrate the mechanism’s key processes to ensure an optimal balance between speed, diligence, and assurance. Based on the magnitude of the expected additional pledges, the Secretariat recommends a number of specific refinements to the mechanism, in particular, to reinforce technical guidance, the review and approval process for C19RM awards, assurance, oversight, transparency, reporting, and evaluation, while maintaining C19RM’s distinctive attributes of speed and flexibility.
13. In developing the proposal below, the Secretariat has sought to leverage existing Global Fund processes, controls, and frameworks as much as possible, while proposing modifications to maintain the speed and agility that countries value so highly in C19RM. The Board provided extensive input on the initial proposal, which the Secretariat and Board have carefully considered together, evaluating the benefits and trade-offs of various approaches in seeking a balance between additional layers of review and the speed of decision-making that is required to effectively support countries. The Secretariat and Board also agree that heightened transparency is necessary to ensure

¹⁸ This may include both actual and forecasted unutilized funds.

phase related to the uncertainty about the timing and total amount of C19RM funding. This resulted in an ongoing process of distributing incremental amounts as additional pledges were made, which required countries to go back and update their requests, and then to revise grants several times – a time-consuming process that diverted energy and resources from implementation.

19. Building on the experience of phase 1 of C19RM, and once the initial funding capacity is known, the Secretariat will communicate to countries an initial allocation based on a standard base percentage of 2020-2022 HTM allocations that all Global Fund countries will receive (as long as they submit funding requests of an appropriate quality within a certain timeframe). Countries will be encouraged to submit a prioritized and ambitious expression of demand, going beyond the initial allocated amount, and will be told they may receive an incremental amount above their base allocation, depending on the qualitative adjustments relating to COVID-19 considerations, subject again to submission of funding requests of appropriate quality. The Secretariat will make clear that countries with low HTM allocations relative to COVID-19 need are likely to get higher incremental shares of C19RM funding and vice versa. This means all countries can be confident of receiving a defined base level of funding, and that countries that are particularly affected by COVID-19 may receive more funding than using HTM allocation alone would imply. This approach will also allow for the creation of the C19RM equivalent of unfunded demand, so that subsequent smaller donor contributions can be swiftly deployed.
20. Within these funding envelopes, countries will be invited to submit prioritized funding requests with defined time windows, rather than all in one go. As part of the initial base percentage, countries will be invited to submit a part of their C19RM application on an accelerated basis, which may request a portion of funds²³ to support urgent needs for COVID-19 commodities (including PPE, diagnostics, and therapeutics) and costs relating to the deployment of such commodities. This amount will be awarded on the basis of streamlined application materials focused on COVID-19 commodities, following an opportunity for inputs from the GAC and a COVID-19 Technical Advisory Group (CTAG), as discussed in further detail below in paragraph 33. Following submission of this accelerated component of their applications, countries can then take additional time to submit the balance of their funding requests, allowing for a longer timeframe to develop more complex interventions, including HTM mitigation measures, RSSH interventions, community- and civil society-led responses, and interventions to address human rights, gender, and equity considerations. Adopting a submission window approach will also allow the Secretariat to effectively utilize the adjustment factors as the pandemic evolves and new data becomes available. Another advantage of this approach is that it makes it easier for countries to align submissions to C19RM with domestic planning and budgeting processes, and to applications to other funding sources, such as the World Bank.
21. Monthly reporting to the Board and partners will include the amounts awarded to individual countries, the categories of investments, cumulative investments in COVID-19 commodities across the portfolio (diagnostics, PPE and therapeutics), plus visibility on the pipeline of pending submissions. The Secretariat will also include in the reporting the amount awarded as a cumulative percentage of each country's underlying HTM allocation and will provide an explanation for all significant deviations from the average. Reporting to the Board is described in further detail in paragraph 49.
22. This proposed approach strengthens the approach in phase 1 of C19RM by incorporating: (i) a more systematic approach to making adjustments from the

²³ Up to USD 900 million in aggregate across countries.

with other funding sources, and to avoid duplication, while still maintaining the ability to move quickly given the emergency context. Based on experience during the first phase of C19RM and feedback from in-country stakeholders, partner engagement is most critical at the country level and must start early on to support the development of C19RM requests that reflect country-specific COVID-19, disease and health systems contexts.

27. For the second phase of C19RM, the Secretariat proposes to strengthen guidance, technical support, and partner engagement for C19RM request development, operational programming, and implementation through a number of measures:

a) **Global coordination with partners:** Global coordination with partners remains essential for delivering an aligned global response to COVID-19. Feedback from partners and CCMs indicates that there should be strong focus by the global partnership on developing clearer, upfront technical guidance to provide greater clarity on eligible C19RM activities; a stronger and more systematic approach to providing upfront technical and operational guidance to CCMs will be a key area of focus for the second phase of C19RM. The Secretariat will work with technical partners to define and illustrate a range of interventions that could be eligible for C19RM funding, including HTM adaptation packages (e.g. lab system strategies with combined testing for COVID-19 and tuberculosis), RSSH interventions, and COVID-19 interventions (e.g. a package of interventions aimed at COVID-19 control and containment in prisons). Leveraging the expertise of the global partnership to develop clear direction for countries on technically sound interventions eligible for C19RM funding will provide countries with greater focus and direction in developing their C19RM requests, expediting the request submission process and decreasing the time from request to implementation. Broader partner engagement at the global level will also continue across a range of forums:

- Direct COVID-19 response: For “pure” COVID-19 responses, strong engagement with partners will continue through the diagnostic and therapeutic ACT-Accelerator pillars. Key partners in this context include WHO, FIND, UNITAID, the World Bank, UNICEF, Wellcome, and BMGF, plus major bilateral partners, such as USAID. Drawing on the existing ACT-Accelerator workstreams, the Global Fund will convene a C19RM technical advisory group (CTAG) of relevant ACT-Accelerator partners to strengthen operational linkages between ACT-Accelerator and C19RM and coordinate partner support for C19RM, including on the development of technical guidance and providing technical assistance to countries to support funding request development, program design, and implementation.
- HTM programming: For core programs, the Secretariat will build on regular engagement and leverage existing capacity within the partnership through disease-specific Situation Rooms. Situation Rooms will be leveraged to monitor disruptions by disease, contribute to technical and operational guidance, and identify and disseminate best practice innovation, adaptation, and catch-up strategies. Key multilateral partners include UNAIDS, Stop TB, RBM, WHO, plus key bilateral partners. Technical guidance developed by partners should cover best practice approaches for HTM program adaptations, innovations, catch-up plans, and risk mitigation measures. The TRP will also be invited to provide input on guidance on HTM program adaptations and risk mitigation.
- RSSH/CSS: For reinforcements to health and community systems and responses, partners will be engaged through the ACT-Accelerator’s Health

necessary to identify critical gaps and ensure that support through C19RM does not duplicate existing funding²⁶, and will also provide evidence of country commitments through domestic resourcing to inform plans for sustainability. The revised application materials will also solicit information on HTM service disruptions (requesting CCMs to consider all available sources of data on service disruption including facility surveys, CLM, and grant performance), and address how identified needs and gaps are being addressed (within the C19RM request or through other sources of funding including grant funds). A streamlined section of the application form will solicit urgent needs for COVID-19 commodities (and related costs for the effective deployment of such commodities) for a portion of each country's C19RM allocation; this component can be submitted on an accelerated timeframe as described in paragraph 20 above, and further detailed in paragraph 33 below. Experience from NFM3 and C19RM demonstrates that robust, prioritized, and evidence-based funding applications enable more efficient internal reviews, coordinated partner support, and faster implementation. Clearer application and communication materials from the Global Fund will assist countries in developing quality requests;

- e) **Expedited TRP review of material reprogramming:** In addition to reviewing upfront guidance on HTM adaptations and health systems, the TRP will be requested to conduct expedited reviews of HTM adaptation/mitigation submissions that would result in material reprogramming²⁷ of the underlying grants. TRP leadership will need to be engaged to ensure this review can be delivered within an appropriately short timeframe. The Secretariat does not recommend TRP review of individual funding requests based on expected trade-offs on time for decision-making, significant additional workload on the Secretariat to produce briefing notes for the TRP, the TRP's expected workload over 2021 to review the remaining funding submissions for the 6th replenishment cycle, and the fact that the TRP has already reviewed the majority of the underlying HTM programs to which C19RM funding will be added.

Funding request review and decision-making process:

28. During 2020, with a primarily Secretariat-led approach, the Secretariat targeted (and very largely met) a 10-day turnaround time for C19RM decisions. Although there were gaps in both technical guidance and in-country support to CCMs at the time of the initial submissions, and many countries national response plans were still at an early stage of development, the vast majority of funding submissions were of good quality, with most requests being straightforward and consistent with technical guidance. In phase 1 of C19RM, the most difficult aspect of the decision-making process was the disconnect between available funds and the needs, rather than the robustness of the funding requests.
29. As the amount of C19RM funding becomes more significant, and given the lessons learned to date, the Secretariat agrees that it is appropriate to modify the earlier approach. Employing the full TRP, GAC and Board approval model used for core grants would take the current 10-day turnaround on decisions to closer to 16-18 weeks, far too long for an emergency funding mechanism, and would create a significant amount of extra work for countries, partners, the Secretariat, and the Board. The current proposal

²⁶ In providing this information, countries should refer where appropriate to any COVID-19 Intra-action Reviews and the WHO COVID-19 Partners Platform.

²⁷ Under Global Fund internal policy, a program revision is considered material when: a. It contradicts the TRP's original or modified review and recommendation on the funding request; or b. There is a lack of agreement in the normative guidance, significant gaps in evidence to support a Program Revision, unexplained lack of impact, or difficult trade-offs in decision making, which therefore requires an independent technical review of the Program Revision request.

is therefore designed to strengthen the approach used in phase 1 of C19RM, leveraging existing review, decision-making and oversight mechanisms where appropriate, without overly compromising the speed and flexibility that makes C19RM so valuable to countries, or creating excessive workload.

30. **GAC and CTAG engagement in funding request review:** The Secretariat agrees with the Board that alignment with partners is absolutely critical to ensuring success in the global COVID-19 response. C19RM requests will therefore be shared for review by GAC partners as well as CTAG for input in parallel to the Secretariat's review. Introducing this step in the process would allow for partners to check that upfront guidance has been followed and provide comments on alignment with other partner investments (reinforcing input that should also have been provided at the funding request development stage). In order to mitigate the potential additional delay entailed by this step, the period for input will need to be limited (e.g. 72 hours), and partners will be provided with criteria to tailor their reviews. To facilitate transparency and information exchange, GAC and CTAG review of funding requests will leverage existing discussion boards through which feedback is visible to all partners. The Secretariat will consider input provided by GAC and CTAG in determining funding awards or recommendations.
31. The Secretariat will also provide enhanced reporting to partners through monthly GAC reviews of C19RM to discuss submissions and awards made, synergies and emerging thematic issues potentially impacting HTM programs, and any concerns and observations from GAC partners. CTAG partners will be invited to join these GAC reviews. This monthly GAC engagement will create an ongoing feedback loop to inform revisions to guidance and future decision-making, while keeping GAC discussions focused on strategic issues impacting the global portfolio rather than the minutiae of individual requests. This will also allow GAC partners to provide input in shaping the strategic priorities proposed by the Secretariat – providing additional technical validation on scope, expected outcomes and outputs and ensuring responsiveness of proposed strategic priorities and actions to cross-cutting problems observed at country and regional levels.
32. **Board approval:** Board approval of funding is a core aspect of the Global Fund model and reinforces collective ownership of funding decisions made. However, requiring Board approval of every C19RM request would likely add a minimum of an additional two weeks for decision-making, even with a sharply curtailed decision window (e.g. 4 days). This would take the overall decision-making process for C19RM to more than a month, which would significantly undermine the speed and flexibility that has characterized the process and may impede the rapid release of funding to address urgent needs (such as for diagnostics, PPE, and therapeutics, including oxygen). Seeking and obtaining Board approval of all individual C19RM investments would also entail significant additional workload for the Secretariat and all Board constituencies; packages of funding requests, review outcomes and recommended decisions would need to be sent to the Board for approval on a rolling weekly basis during peak periods – this would be in addition to regular funding approvals that will continue to go to the Board for core grants as well as the various decision items presented to the Board in the ordinary course of business. This would also likely entail several rounds of C19RM approvals for the same programs if multiple top-ups are required to deploy incremental funding as it becomes available.
33. Balancing these various considerations, and reflecting feedback received from the Board, the Secretariat proposes the following approach:
 - a) **Fast-track investments for COVID-19 commodities:** Countries have urgent needs for COVID-19 commodities, and orders for these commodities must be

placed immediately to ensure swift delivery; even with immediate order placement, current lead-times could mean months before commodities arrive in-country. To address the most immediate needs as quickly as possible, the Secretariat recommends to award countries up to USD 900 million of C19RM funding on an accelerated basis to support urgent needs for COVID-19 commodities (including PPE, diagnostics, and therapeutics/oxygen) and costs relating to the effective deployment of such commodities. Latest phasing estimates from the ACT-Accelerator for required external assistance for procurement and demand-generation/in-country delivery for Q1 and Q2 of 2021 for the relevant components of the ACT-Accelerator investment case are: (i) USD 1.15 billion in therapeutics (of which USD 1.06 billion is therapeutics/oxygen procurement); (ii) USD 1.72 billion in diagnostics (of which USD 1.64 is diagnostics procurement); and (iii) USD 3.1 billion for the Health Systems Connector (of which USD 2.9 billion is PPE procurement). This adds up to USD 5.97 billion and is calculated after assuming 45% of total need is met from local resources. Setting a ceiling of USD 900 million for fast-track approvals for these commodities would ensure coverage of up to 15% of these estimates, which the Secretariat views as the minimum commitment to make in order to rapidly and meaningfully support these needs.

Awards under this provision will be made on the basis of a streamlined component of the C19RM funding request focused on COVID-19 commodities, which must be consistent with WHO guidance and developed in consultation with the national COVID-19 response coordinator to ensure consistency with the national strategic preparedness and response plan.²⁸ The Secretariat will share these requests for input with GAC and CTAG on an expedited timeframe, in parallel to the Secretariat's review. Awards under this provision will not require additional Board approval. An initial round of fast-track investment targeting COVID-19 commodities will minimize the delay in deploying critical, basic elements to countries for their COVID-19 responses. All awards made through this fast-track channel will be notified to the Board.

- b) **Board approval of investments over USD 35 million:** Taking account of the potential impact on timelines and the additional burden on Board time and resources, and drawing on feedback and requests from the Board, the Secretariat recommends that the Board approve any subsequent C19RM awards exceeding USD 35 million. This amount will be measured in aggregate by country and will not include any funding awarded for COVID-19 commodities through fast-track investments described above, or C19RM funding awarded in 2020. Introducing a threshold will balance the considerations on time and resources with the need for Board oversight and approval, by targeting the Board's review towards higher value and higher risk investments. Based on rough projections, the Secretariat estimates that with a USD 35 million threshold, the Board will review and approve approximately two-thirds of C19RM funds (not including amounts awarded for COVID-19 commodities through the fast-track approach described above) for approximately 20 to 25 countries (primarily high impact and core portfolios). Countries will be authorized to place related commodity orders pending Board approval.²⁹ Awards under USD 35 million will be made by the Secretariat and will be notified to the Board. 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

²⁸ Awards may also be based on existing demand meeting the criteria under paragraph 33.a, subject to confirmation with relevant CCMs to ensure that the previously expressed needs remain current.

²⁹ If the Board does not approve the related funding recommendation, the Secretariat will seek to reroute these orders to other countries. In the unlikely event this is not possible, the order will be charged to the country's C19RM allocation.

may also submit such components to the Board for approval. While approval authorities will be differentiated, the Board will have full oversight of all C19RM awards made (whether approved by the Board or by the Secretariat under its delegated authority) through detailed monthly reporting to be provided by the Secretariat, which will include funding requests and the details of any awards made (including specific interventions and amounts).

- c) **Delegated authority to increase Board-approved investments up to USD 10 million:** Incremental contributions or distribution of remaining funds may entail the need for repeated top-ups to grants. To avoid returning to the Board for multiple increases, the Board is requested to delegate limited authority to the Secretariat to increase Board-approved C19RM awards by up to USD 10 million. This authority will be limited to increases that scale-up interventions previously approved by the Board. This approach will balance speed and workload considerations while ensuring Board approval for material increases. Any increases made under this delegated authority will be notified to the Board.

34. Based on discussions with the Board, implementers, and partners, the Secretariat views the above approach as an appropriate balance between speed and additional consultation and review. It appropriately leverages the benefits of existing Global Fund review, decision-making, and oversight mechanisms, with modifications to bring timelines and workload to a more manageable level. However, the Secretariat emphasizes that the above approach can only deliver funding to countries swiftly if those involved in the review and decision-making process – the Secretariat, partners, and the Board – can collectively commit to meeting ambitious timelines for review and remain aligned on the common objective of delivering funding to countries most in need.

CCM Engagement:

35. As in the first phase of C19RM, the Secretariat will continue to require that C19RM funding requests are submitted by CCMs, with appropriate consultation and inclusive decision-making. The quality of CCM engagement was critical to the funding request process; countries with strong CCM engagement produced more robust requests that were able to move more quickly from request to investment. However, some tensions were observed between the development of “pure COVID-19” aspects of C19RM requests and the primary focus of CCMs on HTM and RSSH, as national preparedness and response plans are generally multi-sectoral, spanning beyond the remit of the three diseases.
36. CCM development of C19RM requests is key to ensuring a country-led determination of the combination of C19RM interventions that will best address rapidly evolving country contexts. As multi-sectoral, partnership bodies, CCMs have mechanisms and resources already in place and are well positioned to lead consultation processes on health issues. CCMs have pre-established links within the health sector, including directly with Ministries of Health (with senior representatives of the Ministry often functioning as chairs or vice-chairs of CCMs), that can facilitate alignment with the national COVID-19 response. To further reinforce this area, funding requests will require details on the link between C19RM requests and the national COVID-19 response plan, and CCMs must ensure coordination with the entity coordinating the national COVID-19 response during funding request development. CCM dialogue may also engage additional technical experts as needed to facilitate epidemiological integration and alignment between C19RM funding requests and national priorities. In the second phase of C19RM, guidance on engagement with relevant national COVID-19 response coordinators during funding request development will be strengthened to ensure greater alignment, and national COVID-19 response coordinators will be

requested to endorse pure COVID-19 components of C19RM requests. Where health systems investments contribute to future pandemic preparedness, CCMs will be requested to ensure appropriate involvement of relevant actors (e.g. IHR focal points) and alignment with relevant plans where available (e.g. the National Action Plan for Healthy Security). This engagement will strengthen country-level accountability and ensure more rigorous alignment with other domestic and donor funding. As discussed in further detail below in the section “Community engagement and community-led interventions”, having CCMs develop C19RM funding requests is also a powerful tool to include civil society and communities into national COVID-19 response schemes, where national programming entities and national COVID-19 response structures may not have always been inclusive.

37. In addition to host government and civil society, partners in-country are represented on CCMs through multi/bilateral seats, where their input is solicited from the initial funding request preparation stage through sign-off on the content and strategic approaches in the final funding request submission. Partner engagement and coordination at country level in the development of national response plans and strategies, as well as C19RM and other funding channels is an essential ingredient for success.
38. The Secretariat acknowledges that CCMs will require additional support to ensure inclusive dialogue in the development of C19RM requests, and will provide this support through available sources of funding (including existing CCM resources and additional C19RM management and operating costs described in paragraph 59 below) to address the needs for expanded engagement, not only with national COVID-19 response coordinators but also civil society and communities.³⁰ The fast-track approach for investments in COVID-19 commodities and related costs will also allow CCMs to address urgent, immediate needs for their countries, while taking a longer period to engage in the fully inclusive dialogue necessary to develop the balance of their requests.
39. Support for CCMs will also be strengthened through the development of upfront technical guidance by the Secretariat and partners, which will significantly strengthen CCMs’ abilities to develop robust C19RM requests. As discussed above and below, the Secretariat is also developing revised application materials that will guide CCMs more clearly on relevant areas of consideration.
40. The requirement for full CCM endorsement of the final submission, including by representatives of civil society and highly impacted communities, will continue in the next phase of C19RM. National COVID-19 response coordinators will also be requested to endorse pure COVID-19 aspects of C19RM requests. The first phase of C19RM saw 100% endorsement of funding requests by all CCM representatives (or in some cases alternate members). While this is a key milestone, ensuring broader constituencies both have up to date information and can input through their representatives is a key opportunity for the next phase. Deliberate resources are dedicated to this in CCM Evolution under the Engagement pillar – including ensuring bi-directional information sharing before and after key decisions with constituencies – and can be augmented by additional C19RM management and operating funds described below.

Community engagement and community-led interventions:

41. Community, rights and gender-related interventions are critical for countries’ responses to COVID-19 and the three diseases. During the first phase of C19RM, approximately

³⁰ The Secretariat is currently assessing available sources of funds to provide immediate additional support to CCMs for C19RM funding request development. Details on the additional funds to be made available through C19RM management and operating costs, including to provide additional support for CCMs, will be presented to the AFC, as described in paragraph 61.

6% of total C19RM funding was awarded for such interventions. Examples included: social protection, including nutritional support and other livelihood packages for key and vulnerable populations and people living with/affected by the diseases; mental health support to beneficiaries, including through online and virtual platforms; intimate partner violence (IPV) / gender-based violence (GBV) response services, including awareness raising tools, helplines for IPV/GBV reporting/referrals, psychosocial support/mental health, and trauma services; PPE directed to key populations, volunteers, peer workers, civil society, and community-based or community-led providers; and adaptation of existing harm reduction, human rights, and AGYW programs. The Secretariat has broadly consulted civil society and communities to develop a guidance note, "Examples of CRG-related investments during COVID-19: summary of COVID-19 Guidance Notes and recommendations from Civil Society and Communities", which should support the development of future C19RM funding requests.

42. The Secretariat agrees that community engagement should be strengthened at both the funding request and implementation stages for the next phase of C19RM. While some quality community, rights and gender interventions were successfully funded in the first phase of C19RM, there were challenges in ensuring the meaningful engagement of civil society and community representatives on CCMs during the process of developing funding requests, and in many countries' responses to the needs of key and vulnerable populations, the surge in GBV, and the increase in human rights violations, were not prioritized. The Secretariat requests the Board to underline to countries the importance of effective community engagement in C19RM requests and implementation and to call on partners for their support in making this happen. Effective community and civil society engagement remains crucial to ensuring appropriate mitigation of the risks to HTM programs posed by COVID-19, and is equally critical to developing robust responses to the pandemic itself – as these stakeholders can leverage their extensive experience in the fight against HTM to support the response to COVID-19 (both for purposes of C19RM and national responses more broadly), not only through contributing to funding request development, but also through implementation, oversight, and monitoring of C19RM investments.
43. CCMs may need to expand engagement of communities to include not only communities impacted by HTM, but also those communities most severely affected by COVID-19. The Secretariat will work closely with partners to identify and engage with such stakeholders, who may fall outside of existing civil society and community CCM representation and may leverage the additional C19RM management and operating funds to provide additional support to CCMs for effective engagement in this area. The Secretariat is also reflecting on implementation, monitoring and oversight arrangements and financing mechanisms that would facilitate access to funding for those best placed to implement relevant activities, in both HTM programs and the broader COVID-19 response.³¹
44. The Secretariat will reiterate guidance on the requirement for meaningful engagement in the launch of the next phase of C19RM. The Secretariat will also work with partners to encourage and support the inclusion of community-led interventions in C19RM funding requests, including both HTM adaptations and COVID-19 responses, consistent with national preparedness and response plans, and utilizing the above-noted guidance prepared in consultation with civil society and community partners. The Secretariat also recommends that updated technical guidance, to be developed with civil society and technical partners, must emphasize the importance of better-quality requests relating to communities/civil society, ensure alignment with disease and RSSH catch-up plans, and reiterate the critical role of communities and civil society in the response to COVID-

³¹ See section 10 of Annex 4 for more considerations on implementation arrangements.

19. Updated guidance should more effectively guide CRG regional platforms, CCMs and civil society and community constituencies in their consideration of CRG issues during funding request development, acknowledging that community engagement and inclusion of community-led interventions are critical to mitigating the impact of COVID-19 on the communities served by the Global Fund, and country responses to COVID-19 more broadly. This additional guidance will include, but will not be limited to, (i) evidence of the impact of COVID-19 on key and vulnerable populations for HTM as well as communities most impacted by COVID-19 (and on gender and human rights barriers and GBV) to help such communities to have a stronger voice during the prioritization of interventions discussions – focused on ensuring the inclusion of appropriate community-centric interventions and (ii) a list of concrete examples of CRG-related activities to respond to the impact of COVID-19 (informal CRG guidance already exists, but will be further developed and converted into clearer and more actionable guidance).
45. Modified C19RM application materials will also seek to facilitate CCM deliberations and civil society engagement, by soliciting additional information both on how COVID-19 is affecting and impacting key and vulnerable populations and programs (including on populations most severely impacted by COVID-19), and on the role civil society is playing in each country's overall COVID-19 response. To help CCMs during prioritization discussions, CCMs will be requested to assess HTM service disruptions, including disruptions to services for key and vulnerable populations, and elaborate on how identified gaps, challenges and needs are being addressed (within the C19RM request or through other sources of funding including grant funds). CCMs will also be asked to consider whether there are opportunities to reinforce the role and effectiveness of civil society organizations in the national COVID-19 response, including through supporting the most vulnerable communities, community tracing, supported isolation, and addressing vaccine hesitancy. In supporting community-led engagement in the broader COVID-19 response, the Global Fund will work closely with key partners, including Gavi, UNICEF and WHO.
46. To help address these challenges, the Secretariat will provide support through available resources and flexibilities to support (financially or otherwise) civil society and community engagement and constituency discussions. Support may be funded through CCM funding (including the CCM Evolution strategic initiative), additional C19RM management and operating funds where relating to CCMs, and a portion of the centrally managed C19RM funds for broader CRG areas, e.g. community-led monitoring. The Secretariat will continue to engage at country-level to reinforce these principles, including by leveraging existing initiatives (e.g. the CRG strategic initiative) to strengthen and support community engagement.

Timelines for use:

47. In the first phase of C19RM, funds were deployed flexibly across the 5th and 6th replenishment periods, but were required to be used by 30 June 2021. Establishing a separate cut-off date for fund utilization independent of the implementation period end dates of underlying grants has resulted in extra costs for financial reporting and reconciliation, while proving to have questionable added value, as the urgency of the needs in-country are naturally propelling countries to implement interventions as quickly as possible. The introduction of a separate deadline requires ringfencing of funding, segregated budgeting, additional verification and evaluation by both implementers and LFAs, and introduces complexity for both implementers (especially where a combination of both C19RM funding and grant funding is used for interventions) and the Secretariat, whose internal controls and systems are organized around core grants. The additional level of effort required to separately monitor and enforce an independent deadline is felt most acutely by in-country implementers, who are already under strain

with the demands of launching implementation under new grants in addition to incorporating C19RM interventions into their programs.

48. At the same time, as noted by the OIG, some countries face risks of completion delays due to the tight timeframe for implementation, leaving little room to manage uncontrollable circumstances; even where orders have been placed with expected delivery before 30 June 2021, volatility in the global supply chain due to COVID-19 may mean that some deliveries may arrive after this date. Strict adherence to the 30 June 2021 deadline is making some countries hesitant to launch critical interventions, for fear that unexpected delays may push out the completion date by as little as a few weeks. While C19RM funds are expected to be used quickly over the course of 2021 and 2022 for emergency diagnosis, treatment, PPE and HTM mitigation needs, the Secretariat recommends to set 31 December 2023 as the final deadline for use of all C19RM funds, including any funds received to date, to align with the implementation period end date of the 6th grant cycle for most of the HTM portfolio. This proposal is not intended to contradict the emergency nature of C19RM, nor encourage use of funding over this entire period, but instead reflects consideration of the significant cost and effort associated with monitoring and enforcing a funding use deadline that is separate from the framework governing core grants. This approach will reduce the costs associated with an independent cut-off, and will provide more flexibility for implementers to complete activities. This deadline will also more appropriately reflect the potentially significant amount of additional funding, possible longer-term investments in HSS and CSS, and the reality that the impact of COVID-19 will continue well into 2022.

Reporting and Impact:

49. The Secretariat remains fully committed to transparent and frequent reporting on C19RM investments and will continue to report regularly to the Board and on the Global Fund website on C19RM awards. The Secretariat will provide detailed monthly reporting to the Board on C19RM, which will set out cumulative awards (whether approved by the Board or by the Secretariat through delegated authority) categorized by country, regional, and global level, and will continue to be grouped by priority area – (i) reinforcement of national COVID-19 responses, (ii) risk mitigation activities for HIV, TB and malaria, and (iii) urgent improvement to health and community systems – but will provide disaggregated data on the types of investments e.g. investments in diagnostics (with disaggregation of Antigen RDTs), PPE, Oxygen support, therapeutics, community-led support; GBV/IPV; human rights, RSSH investments, as well as updates on funding requests pipeline, top-ups awarded, and details on unfunded demand. Reporting will also append award notifications issued to countries (which will detail approved interventions and related amounts) as well as the national plans and funding requests on which awards were based. Since Global Fund investments are fully aligned with the ACT-Accelerator priorities and the ten COVID-19 Strategic Preparedness and Response Plan pillars, the Secretariat will seek to align reporting to enable transparency and coordination across partners. The Secretariat will also highlight emerging themes and issues from C19RM to the Board, either through the detailed monthly reporting or through the informal Board calls on COVID-19. The Secretariat will also share detailed data on investments, award notifications, and funding requests on the Global Fund external website to further enhance transparency.
50. At the implementation stage, to assess the contribution of Global Fund investments through C19RM, the Secretariat will use a comprehensive monitoring, evaluation and results reporting approach including qualitative and quantitative measures covering a range of input (e.g. budgets allocated, expenditure on commodities and community-led support), process/output (e.g. number of people tested for COVID-19 and stock availability of tracer HTM and COVID-19 commodities) and outcome/impact data (e.g.

grant performance on programmatic results, performance on KPIs 1 and 2, COVID-19 cases averted, COVID-19 case fatality rate and COVID-19 deaths averted). This will enable reporting on, for example, the capacity of countries to test for COVID-19, to protect front line health and other essential workers with PPE, to provide treatment that can reduce deaths from COVID-19, and to mitigate the impact on HTM programs. The monitoring and evaluation approach for C19RM will focus on measuring the impact of COVID-19 on disruptions to HTM services and health systems and will ensure that the intended outcomes of C19RM funding are clear.

51. The primary impact measure of these investments will remain whether countries are able to achieve their grant targets for the 2020-2022 allocation period and for the overall 2017-2022 Strategy period, despite HTM service disruptions from COVID-19. This is measured through current grant targets that largely maintain pre-COVID-19 levels of ambition. This metric is readily available and provides a direct performance indicator on whether C19RM is able to operate effectively and at a scale sufficient to ameliorate the impact of the pandemic on the Global Fund mission.
52. Measuring the direct impact of C19RM on the COVID-19 pandemic through cases and deaths is also essential but presents different challenges from measuring the Global Fund's impact through KPIs. For HIV, TB and malaria KPIs, the Global Fund relies on costed and prioritized technical plans based on models that estimate the expected impact on incidence and mortality if specific interventions are implemented at scale with an estimated amount of available funds. None of these factors are currently present for the COVID-19 response. Furthermore, COVID-19 incidence and deaths to date are not only linked to public health interventions but to the political response of governments, the age structure of and co-morbidity within populations, and have proven highly variable over time. Potential vaccine scale-up, the further spread of more transmissible and lethal variants, and potential new treatments all complicate measurement of the impact of specific funding over time, as does the lack of widespread availability of diagnostic tests, which limits our understanding of even the most basic metric of the number of COVID-19 cases in a country. Therefore, transparent reporting on Global Fund-supported COVID-19 inputs such as the scale-up of diagnostics, PPE, and treatment (and other response pillars) and relevant outputs and outcomes measured at the country level are the most appropriate proxy measures for impact at this time.
53. The Secretariat will also consult and engage with the Technical Evaluation Reference Group (TERG) to develop an appropriately flexible and timely approach to evaluating the impact of C19RM investments in the longer-term. This approach will be presented to the SC at its 16th meeting (July 2021). The costs associated with enhanced reporting, monitoring, and evaluation, including TERG support, will be financed through the management, operational and assurance funds noted below.
54. In addition, the Secretariat is collecting substantial additional data to help understand the impact of COVID-19 and urgent C19RM needs. The Secretariat is undertaking frequent data collection on a small set of indicators to assess service disruption and undertaking quarterly spot checks to verify service availability at health facilities. Qualitative data on program disruption and adaptations/mitigation actions will also be considered. Data will be drawn from various available sources, including grant financial and programmatic reporting, LFA COVID-19 surveys, the Global Fund COVID-19 Indicator Survey, Global Fund spot checks, and WHO and other partner and country reports (e.g. early guidance from ACT-Accelerator and GAC partners). The Secretariat will leverage and support the strengthening of in-country data systems to enhance available data (for example, the Global Fund is also supporting updating HMIS for COVID-19 surveillance (e.g. DHIS2 or other COVID-19 modules) in many countries). CLM data, which already contributes to reporting and monitoring of performance under

core grants, will complement data from PR reporting and LFA surveys wherever CLM mechanisms are already in place. In addition, for countries which have included investments in CLM in their C19RM funding request, the Secretariat will support scaling-up of CLM in coordination with civil society and technical partners such as Stop TB Partnership and UNAIDS.

55. C19RM investments are incorporated into regular grants and follow the semi-annual and annual reporting cycles of Global Fund grants. The financial performance of C19RM will be captured in the upcoming Progress Update and Disbursement Requests (PUDRs) due in April 2021 and in Q3 of 2021. The integration of C19RM investments into grants also facilitates semi-annual review of overall grant performance, which includes C19RM interventions. Upcoming PUDRs will also provide programmatic results against targets for HTM indicators in core grants.
56. The Secretariat will also seek to further align reporting with key partners and report on the contingent funding pipeline in order to provide visibility to the Board and to facilitate resource mobilization efforts. Reporting will continue to be updated regularly on the Global Fund COVID-19 website³². Specific reporting will also continue to be provided to the Board and its Committees through regular governance reporting mechanisms. As before, in-country expenditure reporting will be integrated into regular grant reporting and provided to the Board and AFC as part of the Financial Performance oversight.

Central management of limited investments:

57. The Secretariat anticipates that there may be some targeted needs relating to the global response to COVID-19 that cannot be addressed through country-submitted requests, but that are necessary to ensure the success of country-level C19RM investments. Some examples of such needs include: support to accelerate the introduction of new products (including through pre-qualification) and innovations; support for engagement of those most impacted by and vulnerable to COVID-19 in the development and implementation of C19RM interventions; support for global coordination on community-led monitoring (including for reporting on human rights violations and GBV and to address quantitative and qualitative data gaps on HTM service); support for community engagement; and support for global and regional platforms coordinating the COVID-19 response, where expertise is new and evolving, and where in-country capacity is limited. The Secretariat recommends that up to 2.5% of any C19RM funds be available for these targeted investments, which will be centrally managed by the Secretariat. This funding is separate and distinct from the catalytic funding under existing Strategic Initiatives, although the Secretariat will ensure that there is no duplication or misalignment with existing Strategic Initiatives. The Secretariat may consider using existing Strategic Initiative agreements or implementation platforms to deploy C19RM funding (for example, using the existing CRG SI platform to further support community engagement), but only where doing so would result in clear efficiencies and savings.
58. The Secretariat is still developing the design and decision-making process for these investments, but the process will be aligned with, and fully informed by, cross-cutting gaps in investments at country level, as ultimately these centrally managed investments will only be made where necessary to support needs and foundational areas necessary to ensure the success of country C19RM investments. In line with the approach to C19RM funding for countries, the Secretariat will consult GAC and CTAG on any centrally managed investments, which will provide additional technical validation on scope, expected outcomes and outputs and ensure responsiveness of proposed strategic priorities and actions to cross-cutting problems observed at country and

³² <https://www.theglobalfund.org/en/covid-19/>

regional levels. Any potential or actual conflicts of interest will be managed appropriately. The Secretariat will provide regular reporting on any investments made under this provision to the Board through its relevant Committees

Management and operational costs:

59. As the amount of C19RM funding increases significantly, additional costs will be required to ensure adequate support from the Secretariat, robust assurance, rigorous monitoring and evaluation, and reinforced reporting on C19RM investments. Given that C19RM is a temporary urgent response mechanism that will not be a permanent part of the Global Fund operating model, the Secretariat proposes to cover incremental management and operating costs through any additional funds made available for C19RM. These resources will be managed separately from the annual Secretariat OPEX budget and will be fully time-bound, reflecting the temporary nature of C19RM; no increase to OPEX recurring costs is therefore foreseen.
60. As an indication, the Secretariat expects that management and operational costs associated with additional C19RM funding will be up to 3% of any additional funding. Additional management and operational costs are envisaged for four main areas: (i) strengthening internal Secretariat resources and expertise; (ii) increased costs relating to the provision of assurance over C19RM funding; (iii) costs associated with enhanced monitoring, evaluation, and reporting on C19RM investments; and (iv) additional support for CCMs. For internal Secretariat resources, the Secretariat anticipates that additional resources will be required primarily to: strengthen internal technical expertise; enhance engagement and coordination with partners (both in the HTM space for scale-up in HTM mitigation responses and through ACT-Accelerator for the pure COVID-19 interventions covered under C19RM); strengthen monitoring, evaluation, and reporting; and support the increased workload associated with operationalizing C19RM (covering a range of elements such as supporting the submission and review of funding requests, tracking awards and overall resources, executing changes required to existing internal systems and controls, supporting increased sourcing activity, overseeing implementation and assurance, supporting additional monitoring and evaluation activities, and preparing enhanced reporting). An internal needs assessment is ongoing. Any additional staff will be contracted on defined duration contracts aligned to the temporary duration of C19RM funding. Additional external costs are also envisaged for assurance, including for LFA services, which need to be enhanced and expanded to cover C19RM funding in light of increased risk of fraud or misappropriation as the amount of funding increases. Section 11 of Annex 4 provides additional detail on strengthened assurance over implementation of C19RM funding, as well as for the development and execution of a monitoring and evaluation approach for C19RM, which may entail additional TERG costs. Finally, as described in previous sections, the Secretariat expects that additional funding for CCMs may be required to further support inclusive country dialogue and expanded engagement with additional stakeholders.
61. The Secretariat will seek AFC input on a framework for C19RM management and operational expenditures under this provision and will provide regular reporting on these expenditures to the AFC and the Board, which will enable the AFC and the Board to maintain oversight over these expenditures. The AFC will also provide the Board with regular updates on its review of C19RM management and operating expenditures to facilitate overall Board oversight. Reporting granularity will be aligned with regular OPEX (e.g. by nature and by function) and will be integrated into the regular Financial Performance Updates.

Further modifications:

62. The Board will monitor C19RM on an ongoing basis to determine whether any changes are required as the pandemic continues to evolve. Should further modifications of C19RM be required due to changes in global circumstances and as the pandemic continues to evolve, the Secretariat will seek further guidance and steer from the Board (and its committees, as relevant).

Extending the Limited Exceptions to Quality Assurance Policies:

63. Rapidly changing national responses to COVID-19, such as border closures on short notice and restricted access to work sites, continue to pose risks to timely implementation of pre-shipment inspection and sampling requirements for key products in line with Global Fund quality assurance policies. It is anticipated that disruptions related to COVID-19 may once again risk health product supplies as Global Fund-supported countries enter their second, in some cases more severe, waves of COVID-19 infections. Therefore, the Secretariat recommends to extend the flexibility to grant limited exceptions to Global Fund quality assurance policies pre-shipment and inspection requirements, where delays in shipments would result in negative program impact that cannot be mitigated through other means. Extending this flexibility through 31 March 2022 will help mitigate disruptions in the supply of life-saving health products in Global Fund-supported countries.³³
64. As noted in GF/B43/ER11, the Secretariat has established a cross-functional Health Product Risk Committee (HPRC) to review individual requests for exceptions and consider associated risks from diverse perspectives across the Secretariat. Requests to waive these requirements is possible for three categories of health products (i.e. Expert Review Panel-approved products, vector control products, and condoms) in specific circumstances. As before, waivers will only be considered where (i) sampling and quality control (QC) testing may not be physically possible due to the unavailability of sampling or QC testing services due to COVID-19 (e.g. closing of borders preventing timely access by inspectors), and (ii) where a delay would result in negative program impact that cannot be mitigated (e.g. missing an insecticidal net distribution campaign, or a prolonged stock-out of lifesaving drugs).
65. Inspection and testing services continue to adapt to COVID-related challenges, and the HPRC has not reviewed or recommended any additional waivers since September 2020.³⁴ It is possible that no additional waiver requests will be received. However, permitting the Secretariat to retain this flexibility to consider individual waiver requests (where strict compliance with the requirement could risk delaying the timely arrival of quality-assured life-saving health products), can permit a rapid, balanced response in specific instances to minimize supply disruptions (e.g. permitting the authorization of shipment in parallel to testing).

What are the risks and proposed mitigations?

66. Many of the C19RM-related risks described in detail in GF/B43/ER11 continue to exist. The most significant risk remains the lack of external funding needed by countries to deliver their COVID-19 responses. This also increases the risk that domestic resources are diverted away from other priorities, including HTM programming. Continued external support for countries through mechanisms like C19RM is vital to

³³ This flexibility was originally approved under GF/B42/EDP10 and subsequently extended through GF/B43/EDP12.

³⁴ To date the Global Fund has received 19 requests to waive QA policies' pre-shipment inspection and testing requirements; 12 waivers for 7 countries for ERP-approved medicines for tuberculosis and for vector control products (LLINs and IRS) have been granted, and 7 waivers were not granted. For the 12 waivers that were granted, all products were held upon arrival until the results of the pre-shipment sampling and testing were known; no non-compliance issues were detected in these cases. As noted in GF/B44/ER11, waivers were approved based on critical programmatic needs and limited out-of-specification concerns from historical testing results, and shipments were authorized ahead of receipt of test results.

enhance and tailor assurance arrangements based on proposed interventions, with continuous adaptations and adjustments over the course of implementation. Additional investment in assurance activities, including from the above noted management costs, is planned to further strengthen these arrangements and the Secretariat is currently detailing an enhanced end-to-end risk and assurance framework for C19RM, focusing in particular on in-country assurance. Furthermore, the mitigating actions described in detail in GF/B43/ER11 continue to be in place, including the requirement that implementers address mismanagement of waste through infection control, contracting and leveraging private sector capabilities and active assessment of the potential for tools to support commodity tracking.

71. Finally, there is a risk of under-absorption of either 6th replenishment or C19RM funds. Based on the successful 6th replenishment, the allocations for many countries have significantly increased, requiring ambitious scale-up plans. This raises the question of whether countries will be able to absorb additional funding on top of core grants during a time of severe disruption. However, the risk of under-absorption would be significantly higher without C19RM, which is essential to reducing COVID-19-related disruptions and service interruption. C19RM investments bolster the ability of Global Fund countries to adapt their programs, spend and deliver results under their 6th replenishment grants. In addition, C19RM awards will take account of ability to absorb additional funding. The Secretariat will continue to monitor in-country absorption, and will also provide CCMs with additional support to build their oversight capacity to ensure funds are used in a timely manner and for the purposes intended.
72. These risks in combination emphasize the need for maintaining flexibilities in allocation (to rapidly respond to the volatile environment), ensuring agile decision making and speed of deployment, and providing for flexibilities during the course of implementation to enable programs to continuously adapt to the evolving landscape.

Why is this the recommended option?

73. The Secretariat considered several options around the timing of this decision and the proposed refinements of C19RM in the next phase, as well as feedback from the Board, and believes the proposal described above will provide a balance between assurance, speed, and efficiency. The proposed refinements will further strengthen partner engagement at both the country and global levels, provide for enhanced Board oversight of C19RM, and allow for continued flexibility to respond rapidly to changing circumstances as the pandemic evolves.
74. Acknowledging the challenges inherent in discussing hypothetical funding scenarios, the Secretariat considered waiting for the confirmation of any additional pledges before seeking an extension of C19RM. However this was ultimately rejected for two reasons: first, the need to be in a position to immediately deploy funding to address the urgent gaps in Global Fund-supported countries at a time when the increased transmissibility of new variants, pace of vaccine deployment and gaps in essential supplies (e.g. PPE, diagnostics and oxygen) to address the pandemic could result in a significant upsurge in cases and deaths. Second, waiting could also hinder resource mobilization efforts as potential donors would have to consider making contributions to a lapsed mechanism, which would also translate into subsequent delays in implementation of any new funds at the country-level. By seeking approval now, before additional pledges are received, the Secretariat will be able to move quickly to address critical time-sensitive gaps as soon as pledges are confirmed as available.

while also mitigating the risk of an adverse impact on the Global Fund supported HIV and TB programs in the country.

- c. *Funding requested by countries for community-led interventions (including maintaining services for key and vulnerable populations and responding to the surge of gender-based violence and human rights violations) remained relatively low.* Robust and impactful community-led interventions play an important role in mitigating COVID-19's impact on HIV, tuberculosis and malaria, however these interventions were not often prioritized by CCMs in C19RM funding requests. While some quality community interventions were funded, the Secretariat strongly recommends that countries should be supported by partners to ensure consideration of effective, at scale community-based interventions in their C19RM applications. In South Africa, C19RM funding was used to adapt and strengthen community-based service delivery models (i.e. mobile, door-to-door, health posts, shelters, safe spaces and peer-based) to ensure uninterrupted provision of core interventions for key and vulnerable populations (AGYW, men who have sex with men (MSM), transgender persons (TG), sex workers (SW), people who inject drugs (PWID)) and for people with TB, including psycho-social support services; it was also used to engage civil society and community actors in responding to the COVID-19 pandemic. With greater emphasis on effective CCM engagement (including meaningful community engagement), strengthened guidance, and a modified funding request template that more clearly highlights community, rights and gender related interventions, there is an opportunity for more robust and impactful community-led interventions to be funded in the future.

5. *Remaining responsive to evolving technologies on the market has helped countries access the products they need.*

- a. *The global COVID-19 response has been a rapidly evolving field since the start of the pandemic, and new products have been made available on the market in record speed to help fight the pandemic.* A key success factor for keeping C19RM relevant was to continue to evolve guidance and support on products that were eligible for C19RM funding. Similarly, the same was true for the publication of new normative guidance (WHO). C19RM Funding, in addition to guidance on key technologies and a means to order them through the Global Fund's online procurement platform, helped countries access the latest technologies and the most effective ways to fight the pandemic. In addition to new technologies, technical support to countries has also been helpful for reducing the time lag between new products being recommended and the updating of national policies and protocols to integrate their use, as was the case for national testing strategies to include Ag-RDTs

During 2020, to support access to tools for testing, C19RM has funded products such as automated PCR tests, providing a means for countries to access their allocations of the limited supply of these tests, in addition to Ag-RDTs that have become available more recently. Dexamethasone was also made eligible for funding to ensure access to tools for treatment. Countries that wished to order these products through the Global Fund's online procurement platform, wambo.org, could do so because of the Global Fund's sourcing capabilities, which optimized access to these scarcely available supplies by leveraging existing supplier and partner relationships. For example, in Malawi, an agility of the mechanism allowed the country to reallocate funding to swiftly respond to evolving technologies and secure volumes of Ag-RDTs once emergency

of the WHO's Emergency Programs support to countries through the SPRP. C19RM awards on health systems responses to COVID-19 will either count as part of the core investment case, or as ACT-Accelerator complementary financing depending on the precise nature of spend. C19RM spending on HTM mitigation will count as ACT-Accelerator complementary financing.

Looking beyond the costs of the (non-vaccine elements of the) COVID-19 response, such as diagnostics, therapeutics and PPE, there are significant costs relating to both the adaptation of HTM programs to ensure their continued effectiveness in a COVID-19 context, and to the implementation of catch-up plans to recover ground lost in 2020. While the Global Fund and its partners have devoted considerable efforts to designing and costing program adaptations, and to understanding the scale of the catch-up required, there is as yet no comprehensive estimate of the total funding requirement across the three diseases. This is partly because the impact of COVID-19 on HTM deaths and prevalence in 2020 is not yet known, and partly because the scale and nature of the knock-on impact is still unfolding as the crisis evolves. In the first few months of the pandemic, the impact was mainly due to the disruption to HTM services from lockdowns and other measures. More recently, some countries have seen the direct impact of the virus on populations also affected by HTM, shortages of health workers due to COVID-19 driven sickness and death, and diversion of HTM resources and leadership to fight COVID-19.

In May 2020, the Secretariat made a very crude top-down estimate that the incremental cost of adapting programs to mitigate the damage resulting from COVID-19 might amount to about USD 1 billion over a 12-month period, or a roughly 25% increase on the underlying spend. However, this figure only covered the adaptation of programs to minimize disruption and thus future downside; it did not include the costs of catch-up. During 2021, the Secretariat anticipates that technical partners will develop estimates of the cost of getting back on track toward the SDG3 goal of ending the epidemics by 2030. These figures are likely to be extremely large: for example, the draft UNAIDS strategy suggests that to meet the 2030 goal total annual financial expenditure to fight HIV in low- and middle-income countries must increase from USD 21.6 billion in 2019 to USD 30.4 billion in 2025, an increase of USD 8.8 billion.

The Secretariat envisages that awards for HTM mitigation through C19RM should focus primarily on adapting current programming, rather than on simply scaling up interventions to catch-up ground lost on 2020 (which the underlying increase in country allocations should help with, and can also be supported through future PO). The Secretariat will encourage CCMs to seek funding for interventions that simultaneously support HTM objectives and help contain COVID-19: TB examples would include “bi-directional” testing, increasing GeneXpert or X-ray capacity, and community-led initiatives on infection prevention and control.

What should be clear from this discussion is that the needs C19RM is designed to cover (non-vaccine COVID-19 response, HTM mitigation/adaptation, urgent health system fixes) are likely to exceed even the ambitious scenarios for C19RM resource mobilization by a considerable margin. Hence the need to be mindful of donor intent – to attract the maximum resources – and to allow countries to determine the priorities for C19RM spending, reflecting their specific context.

6. C19RM funding request submission and decision process

The proposal's recommendations on the funding request submission and decision process seek to balance the imperative for speed and flexibility with the need to have appropriate technical scrutiny and governance oversight. During 2020, with a primarily Secretariat-led approach, the Secretariat targeted (and very largely met) a 10-day turnaround time for C19RM decisions. Although there were gaps in both technical guidance and in-country support to CCMs at the time of the initial submissions, and many countries national response plans were still at an early stage of development, the vast majority of funding submissions were of good quality, with most requests being straightforward and consistent with technical guidance. In

relative prioritization of different categories (or on the absence of specific items) would be better directed at CCMs themselves to inform future submissions. Finally, establishing this review point may introduce the risk that partners may view the opportunity of the FR review as the key entry point for inputs, while early partner input and support at the country-level is essential; receiving comments too late in the process will create bottlenecks that in any event will need to be solved at country-level. The Board is requested to take account of these considerations against the value-add of this proposition – noting that for funding requests relating to COVID-19 items (which will likely represent the lion's share by value), this extra step will add limited value, since GAC partners are not, on the whole, the relevant providers of such technical input. Consideration of these costs should also bear in mind the likelihood of multiple rounds of C19RM top-ups to deploy incremental C19RM funds as they become available. If this route is taken, the Secretariat anticipates the need for flexibility to address comments received during implementation, so as not to create a bottleneck for entire requests.

- **Submitting all C19RM awards to the Board for approval.** The Secretariat appreciates that some Board constituencies feel that given that the Board approves core grants, the same should be true of additional funding under C19RM, particularly given the potential sums involved. The Secretariat believes that Board review and approval is a valuable step that could reinforce collective ownership of funding decisions made. However, the main challenge here is that introducing this step would require a minimum of an additional two weeks for decision-making, even with a sharply curtailed decision window (e.g. 4 days). This would take the overall decision-making process for C19RM to more than a month, which would significantly undermine the speed and flexibility that has characterized the process and may impede the rapid release of funding to address urgent needs (such as for diagnostics, PPE and Oxygen therapeutics). Seeking and obtaining Board approval of all individual C19RM investments would also entail significant additional workload for the Secretariat and all Board constituencies; the Secretariat anticipates that packages of funding requests, review outcomes and recommended decisions will need to be sent to the Board for approval on a rolling weekly basis during peak periods – this will be in addition to regular funding approvals that will continue to go to the Board for core grants. This may also entail several rounds of C19RM approvals for the same programs if multiple top-ups are required to deploy incremental funding. Board constituencies will also need to mobilize additional resources to review all funding requests and make decisions within a shortened voting period. Board approval may also introduce some similar risks as GAC review of funding requests (i.e. in reopening prioritization decisions already taken at country-level or inadvertently encouraging late inputs). If this route is pursued, voting periods will need to be accelerated and multiple votes may be under Board consideration at the same time. The Secretariat would then also likely seek delegated authority to approve a limited round of initial fast-tracked investments to address urgent needs and will also request additional flexibilities from the Board to ensure that commodity orders and other limited urgent activities under Secretariat-recommended awards can be initiated pending Board approval.

The Secretariat would value the Board's feedback on the above two options. Whether to add one or the other is ultimately a decision for the Board to make, taking account of the trade-offs involved. While the Secretariat will be steered by the Board on this decision, the Secretariat strongly recommends that the Board consider adding only one of the above options, as adding both would have limited incremental value-add (and may in fact be duplicative) while adding a level of delay to decision-making that risks creating material challenges for countries as they wait on Global Fund decisions.

7. Allocation approach

The allocation methodology will take the 2020-2022 HTM allocations as a starting point. However, actual award levels to countries will also account for other factors, including: (i) COVID-19 considerations, such as current incidence and potential vulnerability; (ii) level of disruption to systems of health, including HTM services; (iii) availability of other sources of funding; and (iv) utilization of funds already awarded. These adjustments will be made on the basis of informed judgement, rather than mechanistically, given constraints of data availability/quality and the intrinsic difficulty of weighting the different factors.

Data inputs used to inform the such adjustments will include WHO data on COVID-19 infections and deaths (and the presence of epidemiologically significant variants), testing rates/positivity, demographics, LFA (and other) surveys of service disruption, impact on HTM infections/deaths (where available), and information on domestic and other external sources of funding (including with respect to access to key COVID-19 commodities).

The Secretariat is still refining the precise details of how to operationalize the allocation approach, but building on the experience of phase 1 of C19RM, and once the initial funding capacity is known, at this point the Secretariat envisages communicating to countries an initial allocation, based on a standard base percentage of 2020-2022 HTM allocations that all Global Fund countries will receive (as long as they submit funding requests of an appropriate quality within a certain timeframe). Countries will be encouraged to submit a prioritized and ambitious expression of demand, going beyond the initial allocated amount, and will be told they may receive an incremental amount above their base allocation, depending on the qualitative adjustments relating to COVID-19 considerations, subject again to submission of funding requests of appropriate quality. The Secretariat will make clear that countries with low HTM allocations relative to COVID-19 need are likely to get higher incremental shares of C19RM funding and vice versa. This means all countries can be confident of receiving a defined base level of funding, and that countries that are particularly affected by COVID-19 may receive more funding than using HTM allocation alone would imply. This approach will also allow for the creation of the C19RM equivalent of unfunded demand, so that subsequent smaller donor contributions can be swiftly deployed. If significant further donor contributions are secured, the Secretariat will reset the base amounts accordingly.

Within these funding envelopes, countries will be invited to submit prioritized funding requests with defined time windows, rather than all in one go. This will allow countries to submit requests for time-critical commodities quickly, while also allowing for time to develop more complex funding requests. Adopting a submission window approach will also allow the Secretariat to effectively utilize the adjustment factors as the pandemic evolves and new data becomes available. Another advantage of this approach is that it makes it easier for countries to align submissions to C19RM with domestic planning and budgeting processes, and to applications to other funding sources, such as the World Bank.

Monthly reporting to the Board and partners will include the amounts awarded to individual countries, and the categories of spend, visibility on the pipeline of pending submissions, plus the cumulative percentage of the underlying HTM allocation. We will provide an explanation for all significant deviations from the average.

This proposed approach strengthens the approach in phase 1 of C19RM by incorporating: (i) a more systematic approach to making adjustments from the underlying HTM allocation, whereas in phase 1 this was on an exceptions basis (for example, Peru's award was increased due to its high mortality rate and adverse impact on HIV and TB services, programs which rely significantly on Global Fund financing (see GF/B41/ER12 Annex 2)); (ii) submission windows that provide predictability and visibility on the pipeline of demand pending submission, rather than waiting for CCMs to submit a single consolidated funding request, followed by ad hoc "top ups" as new donor contributions were received; and (iii) more regular and detailed reporting to the Board and partners, including explanations for adjustments based on qualitative factors.

At this point the Secretariat does not envisage extending the eligibility for C19RM beyond those countries already eligible for and receiving HTM grants (either directly or through multicountry grants). All low and lower-middle income countries have HTM grants and thus are eligible for C19RM. Multicountry grants, which remain eligible for C19RM funding, may also provide some funding for ineligible countries, where such funding is consistent with the relevant multicountry strategic priority. Previously eligible countries that have transitioned will continue to be able to purchase COVID-19 products through the wambo.org pilot for non-grant financed orders. Currently this option is available through 31 May 2021, pending Strategy Committee and Board consideration of a recommendation to extend this timeline through 30 November 2022. Finally, ACT-Accelerator partners including WHO, World Bank, UNICEF, UNITAID and others are able to provide support to countries that remain outside of the Global Fund's eligibility policy.

8. CCMs

CCMs retain a core role in C19RM, and CCM development of C19RM requests is key to ensuring a country-led determination of the combination of C19RM interventions that will best address rapidly evolving country contexts. As multi-sectoral, partnership bodies, CCMs have mechanisms and resources already in place and are well positioned to lead consultation processes on health issues.

CCMs have pre-established links within the health sector, including directly with Ministries of Health (as senior representatives of the Ministry often function as chairs of CCMs), that contribute to CCMs by ensuring alignment with the national COVID-19 response. Detailing the link with the national COVID-19 response plan is an integral part of the Funding Request submission. In the second phase of C19RM, guidance on engagement with relevant national COVID-19 response heads during funding request development will be strengthened to ensure greater alignment. This engagement will strengthen country-level accountability and ensure more rigorous alignment with other domestic and donor funding.

Furthermore, having CCMs develop C19RM funding requests is a powerful tool to include civil society into national COVID-19 response schemes, where national programming entities and national COVID-19 response structures may not have always been inclusive. The Secretariat will continue to leverage available sources of funding (potentially including CCM resources, existing catalytic funding, or centrally managed C19RM funds) to financially support civil society and community engagement and constituency discussions (e.g. funding to facilitate discussions and technical assistance through the CRG platforms where applicable).

In addition to host government and civil society, partners in-country are represented on CCMs through multi/bilateral seats, where their input is solicited from the initial funding request preparation stage through sign-off on the content and strategic approaches in the final funding request submission. Partner engagement and coordination at country level in the development of national response plans and strategies, as well as C19RM and other funding channels is an essential ingredient for success.

Global Fund Country Teams will continue to engage with CCMs, Ministries of Health, partners and civil society stakeholders throughout the development of C19RM funding requests, similar to the level of engagement during the development of NFM3 funding requests and the first phase of C19RM, to ensure robust applications.

The development of upfront technical guidance by the Secretariat and partners will significantly strengthen CCMs' abilities to develop robust C19RM requests. The Secretariat is also developing revised application materials that will guide CCMs more clearly on relevant areas of consideration. Revised application materials will include a section in which CCMs must elaborate on what has been the impact of COVID-19 on KVP programs and how/which source of funding has been used to respond to the impact of COVID-19 on KVPs (GBV and human rights issues). The funding request guidance will also list explicitly which populations

are mostly and disproportionately impacted by COVID-19. The Secretariat is also reviewing options for additional support for the development of C19RM requests, although operationalizing such technical assistance modalities is challenging given tight timelines. Should additional technical experts be needed to facilitate epidemiological integration and alignment between C19RM funding request and national priorities, these can currently be integrated through CCM dialogue and broader engagement processes.

The requirement for full CCM endorsement of the final submission, including by representatives of civil society, communities, and people living with the diseases, will continue in the next phase of C19RM. This requirement also applies to any C19RM funds that are materially reprogrammed after award. The first phase of C19RM saw 100% endorsement of funding requests by all CCM representatives (or in some cases alternate members). While this is a key milestone, ensuring broader constituencies both have up to date information and can input through their representatives is a key opportunity for the next phase. Deliberate resources are dedicated to this in CCM Evolution under the Engagement pillar – including ensuring bi-directional information sharing before and after key decisions with constituencies. Certain CCMs have also indicated the need for more time to allow for consultation and review C19RM requests; allowing submission of requests through staggered submission windows will address this concern.

9. Community engagement and community-led interventions

The Secretariat agrees that community engagement, including with civil society stakeholders outside of CCMs, should be strengthened at both the funding request and implementation stages for the next phase of C19RM. Effective community and civil society engagement remains crucial to ensuring appropriate mitigation of the risks to HTM programs posed by COVID-19, and is equally critical to developing robust responses to the pandemic itself – as these stakeholders can leverage their extensive experience in the fight against HTM to support the response to COVID-19 (both for purposes of C19RM and national responses more broadly).

Engagement should however not be limited to traditional HTM communities. It should also include those most vulnerable to COVID-19. The Secretariat will work closely with partners to identify and engage with such stakeholders, who may fall outside of traditional civil society and community CCM representation and may leverage the centrally managed funds to enable support in this area. Coupled with this, the Secretariat is also reflecting on implementation arrangements and financing mechanisms that would facilitate access to funding for those best placed to implement relevant activities, however, this poses its own challenges (see section 10 – “Implementation arrangements”).

In the first phase of C19RM, while a number of CRG interventions were successfully funded, there were challenges in ensuring the meaningful engagement of civil society and community representatives on CCMs during the development of funding requests, and requests did not systematically prioritize key and vulnerable populations or interventions to mitigate the increase in gender based violence (GBV) and human rights violations. To help address these challenges, the Secretariat will continue to leverage CCM resources and flexibilities to support (financially or otherwise) civil society and community engagement and constituency discussions. The Secretariat is also considering how to use the existing CRG Strategic Initiative to better support community engagement during the funding request development stage and better support civil society CCM representatives to have stronger voices during funding request prioritization and finalization discussions.

As discussed above, additional technical guidance will also be developed with civil society and technical partners, which should more effectively guide CRG regional platforms, CCMs and civil society and community constituencies in their consideration of CRG issues during funding request development, as part of a holistic response, acknowledging that community engagement and inclusion of community-led interventions are critical to mitigating the impact of COVID-19 on the communities served by the Global Fund, and country responses to

COVID-19 more broadly. This additional guidance will include, but will not be limited to, (i) evidence of the impact of COVID-19 on key and vulnerable populations for HTM as well as communities most impacted by COVID-19 (and on gender and human rights barriers and GBV) to help such communities to have a stronger voice during the prioritization of interventions discussions – focused on ensuring the inclusion of appropriate community-centric interventions and (ii) a list of concrete examples of CRG-related activities to respond to the impact of COVID-19 (informal CRG guidance already exists, but will be further developed and converted into clearer and more actionable guidance).

Modified C19RM application materials will also seek to facilitate CCM deliberations and civil society engagement, by soliciting additional information both on how COVID-19 is affecting and impacting key and vulnerable populations and programs, and on the role civil society is playing in each country's overall COVID-19 response. To help CCMs during prioritization discussions, CCMs will be requested to assess HTM service disruptions, including disruptions to services for key and vulnerable populations, and elaborate on how identified gaps, challenges and needs are being addressed (within the C19RM request or through other sources of funding). CCMs will also be asked to consider whether there are opportunities to reinforce the role and effectiveness of civil society organizations in the national COVID-19 response, including through supporting the most vulnerable communities, community tracing, supported isolation, and addressing vaccine hesitancy. In supporting community-led engagement in the broader COVID-19 response, the Global Fund will work closely with key partners, including Gavi, UNICEF and WHO.

10. Implementation arrangements

In 2020, awards for the COVID-19 response did not distinguish between implementer categories. The same PR (and its Sub-Recipients) may have implemented “pure COVID-19” and “program adaptation” at the same time. For practical reasons (e.g. familiarity with the Global Fund; assurance systems in place), only existing PRs were considered as implementers for C19RM awards, and implementation capacity as well as familiarity with the Global Fund and its systems was considered.

For the next phase, while expecting significantly increasing resources, the Global Fund is not anticipated to be the sole or main source of a national response, but rather a contributor. As such, the Secretariat does not, in general, anticipate that current implementers (or, in the case of Ministries of Health or Finance: their Global Fund Program Management Units, PMUs) would take on a role of the lead agency for a national scale response. The Secretariat would thus expect sufficient capacity for implementation even with significant additional resources, and where required, that additional funds could also buy increasing managerial capacity. The Secretariat, therefore, plans to continue to adhere to the general principle of using existing PRs for additional COVID-19 resources. However, where needed new SRs will be considered, including lead agencies for the national scale response.

In exceptional cases where new SRs could not deliver given unique circumstances in a country, the Secretariat may consider alternative implementation arrangements with a new PR, on a case-by-case basis in consultation with in-country stakeholders. However, as this would require a detailed capacity assessment and risks taking considerable time, preference would be given to implementers with proven and assessed capacity elsewhere, as would be the case with multilateral agencies or pre-qualified entities for emergency responses.

11. Oversight and assurance over implementation

C19RM funding will continue to be subject to existing assurance frameworks under core grants, leveraging existing controls and arrangements to the extent possible. In 2020, the Secretariat developed detailed guidelines for COVID-19-related assurance activities for Country Teams and various assurance providers (e.g. LFAs and fiscal agents) for C19RM.

Besides routine grant reporting (e.g. PUDRs), LFA spot checks and verifications and audits, the Secretariat also introduced regular LFA monitoring surveys and the monthly Indicator Reporting across 38 HI/priority countries to measure the direct impact on programs. This data will continue to inform the Secretariat's monitoring of both program disruptions and the impact of various program adaptation and mitigation initiatives. As the amount of funding increases, and the scale of pure COVID-19 interventions grows, the Secretariat anticipates the need to enhance and tailor assurance arrangements based on proposed interventions, with continuous adaptations and adjustments over the course of implementation. Expanding further on the lessons learned from the first phase of C19RM, the Secretariat is currently detailing an enhanced end-to-end risk and assurance framework for the next phase of C19RM, focusing in particular on in-country assurance. As highlighted in the Board paper (and further addressed below), a portion of future C19RM funding is proposed for strengthening in-country assurance activities, including by the LFA.

12. Procurement and wambo

Different products required in the fight against COVID-19 have different market dynamics, with some products being scarce on the global market and especially challenging for L/MICs and individual L/MICs to access. For such products, pooling of demand or coordination of order placement is needed to be able to secure volume that, if not timely ordered, is lost to non-L/MIC markets. Examples of this coordinated approach have included enhanced collaboration, including pooling of volume with other procurement and market entry platforms at the global and regional levels through ACT-Accelerator, as well as associated initiatives on diagnostics, PPE and therapeutics. This enhanced collaboration has included: (i) at the Global level: UNITAID, UNICEF, UNDP, WHO, World Bank, GDF, BMGF; and (ii) at the Regional level: PAHO and the African Medical Supplies Platform.

Automated PCR tests that were rationed through the WHO-led allocation was one example of a category of scarcely available diagnostic products that required a global-level coordination to secure access for L/MICs, and for Ag RDTs, access was secured through operationalizing the draw-down of the ACT-Accelerator volume guarantee. As product dynamics evolve over time, guidance will be updated periodically regarding which products should be preferably procured through the Global Fund's Pooled Procurement Mechanism (PPM)/wambo.org to be able to secure timely access due to the supply scarcity or partner volume guarantees as described above.

As is reported in the biweekly COVID-19 Situation Report, from April 2020 to date, requisitions for around half of the C19RM funding for PPE and 75% for SARS-CoV-2 diagnostics have been channeled through PPM/wambo. For SARS-CoV-2 diagnostic tests, cumulatively 18.6 million tests have been channeled through PPM/wambo.org, with Ag RDTs comprising 80% by volume and 50% by value (noting that Ag RDTs only became available at the end of September 2020). Regarding PPE, 87% of demand is for medical masks, N95 respirators, gloves, gowns, face shields and goggles. Requests for investing in oxygen therapy to date have been limited (USD 10 million); however, investment requests are expected to substantially increase with C19RM 2.0 as such investments will be actively encouraged.

In order to quickly access some HIV and malaria products (e.g., first line ARVs and HIV-self tests) that countries have struggled to source for various reasons, including due to the impact of COVID-19 control measures on supply chains, PPM/wambo.org has been utilized by a number of additional countries in 2020 that traditionally have managed their own procurements. Twenty-five additional countries utilized PPM/wambo for the first time in 2020, including 16 countries for COVID-19-products only, and 9 countries for other products as well. These countries have ranged from small countries across the different continents as well as some high impact countries in Africa.

Apart from one small request with national funding, all volumes procured through wambo.org for COVID-19 products to date have been procured with Global Fund funds (grant flexibilities and C19RM).

Updates on the commercial terms negotiated for SARS-CoV-2 diagnostics should be provided through the ACT-Accelerator/Diagnostics Consortium by the entity leading (or having a leading position) on a particular negotiation. Depending on the product, this could, for example, include FIND, UNITAID, CHAI or the Global Fund. Similarly, as developments advance on other product groups, such as therapeutics, updates would also be provided through the ACT-Accelerator therapeutics workstream.

Ensuring quality in procurement of health products: In addition to the ability to secure volumes of scarcely available products, procurement through PPM /wambo is a tool for country portfolios where there are concerns on quality assurance, fraud and corruption. In November 2020, the Guide to Global Fund Policies on Procurement and Supply Management of Health Products was updated to include a new section clarifying quality assurance requirements for core PPE (i.e., apron protection, gloves, face shields, masks, respirators, gowns and protective goggles). PPE ordered through wambo.org meet these requirements. For countries purchasing PPE outside of the wambo.org platform, the new quality assurance requirements for PPE become effective on 1 July 2021, to permit countries the time needed to be adequately informed of the new requirements and to implement them. PPM/wambo is providing access to oxygen equipment through UNICEF, which has been collaborating with WHO since 2017 to improve access to and utilization of oxygen therapy systems and has substantial technical experience in sourcing this product set.

13. M&E/Results and reporting

As noted in the proposal, the Secretariat is committed to transparent and frequent reporting on investments and has detailed a number of forthcoming improvements in C19RM reporting, including increased granularity and disaggregation of data.

At the funding allocation stage, the Secretariat will report on C19RM awards (aggregate and by country and region); investments in the three categories of C19RM investments; investments in diagnostics, PPE, and Oxygen support; therapeutics; community-led support; GBV/IPV; human rights; and unfunded demand.

It is also particularly important to discuss how the Global Fund considers monitoring and evaluation and results in the context of potentially significant additional funds and a complex pandemic response with multiple contributors. At the implementation stage, to assess the contribution of Global Fund investments through C19RM, the Secretariat will use a comprehensive monitoring, evaluation and results reporting approach including qualitative and quantitative measures covering a range of input (e.g. budgets allocated, expenditure on commodities and community-led support), process/output (e.g. number of people tested for COVID-19 and stock availability of tracer HTM and COVID-19 commodities) and outcome/impact data (e.g. grant performance on programmatic results, performance on KPIs 1 and 2, COVID-19 cases averted, COVID-19 case fatality rate and COVID-19 deaths averted). C19RM investments are incorporated into regular grants and follow the semi-annual and annual reporting cycles of Global Fund grants. The financial performance of C19RM will be captured in the upcoming Progress Update and Disbursement Requests (PUDR) due in April 2021 and in Q3 of 2021. The integration of C19RM investments into grants also facilitates semi-annual review of overall grant performance, which includes C19RM interventions. An indirect measure of the impact of C19RM investments will also be reflected in the adaptations of HTM programs and on how quickly they make up for the loss in key prevention and service delivery indicators (captured in the results analysis). Measuring across inputs, outputs, outcomes, and results is the most appropriate way to monitor what the Global Fund is financing, how it is performing, and the linkage with impact on both the COVID-19 and HTM programs.

In addition, the Secretariat is collecting substantial additional data to help understand the impact of COVID-19 and urgent C19RM needs. The Secretariat is undertaking frequent data

collection on a small set of indicators to assess service disruption and undertaking quarterly spot checks to verify service availability at health facilities. Qualitative data on program disruption and adaptations/mitigation actions will also be considered. Data will be drawn from various available sources, including grant financial and programmatic reporting, LFA COVID-19 surveys, the Global Fund COVID-19 Indicator Survey, Global Fund spot checks, and WHO and other partner and country reports (e.g. early guidance from ACT-Accelerator and GAC partners). The Secretariat will leverage and support the strengthening of in-country data systems to enhance available data (for example, the Global Fund is also supporting updating HMIS for COVID-19 surveillance (e.g. DHIS2 or other COVID-19 modules) in many countries). The Secretariat is also expanding the investment tracking categories for C19RM, which will improve input data and facilitate enhanced reporting. These categories will be aligned as much as possible to the WHO response pillars for national strategic preparedness and response plans.

Finally, and as noted in the Board paper, the Secretariat will engage with the TERG to fund and develop an evaluation approach to C19RM investments. It is important to note however that any monitoring and evaluation of COVID-19-specific interventions, such as with respect to diagnostics and Oxygen therapeutics, should be approached in conjunction with ACTA-A and other relevant partners to allow for efficient and coordinated multi-stakeholder approaches.

14. 5% funding for centrally managed investments

The purpose of centrally managed limited investments (of up to 5%) is to enable support for cross-cutting areas of need that cannot be addressed through funding requests from individual countries, but that are necessary for the effective design, programming, coordination and implementation of C19RM investments. Strategic areas for investment are informed by lessons learned from phase 1 where cross-cutting gaps in effectiveness of C19RM investments at country level were observed and where refinements in the next phase are needed.

For example, lessons from phase 1 show that there was a lag in adoption of new tools and technologies e.g. PPE, Antigen RDTs and suboptimal requests for Oxygen products in part due to limited capacity, countries not understanding full scope of needs resulting in sub-optimal demand, and delays in issuing technical guidance. Targeted investments to support demand generation and the acceleration of the introduction of new products (including through pre-qualification) and innovations could facilitate the introduction of new interventions in-country.

Additional strategic priority areas may include: centralized technical assistance for the development of C19RM requests and implementation of interventions, given the significant additional resources anticipated, need to embed partner support and technical rigor at country level, and need to ensure synergies with 6th replenishment grants; support for engagement of those most impacted by and vulnerable to COVID-19 in the development and implementation of C19RM interventions; support for coordination on community-led monitoring (including for reporting on human rights violations and GBV); and support for global and regional platforms coordinating the COVID-19 response where expertise is new and evolving, and where in-country capacity is limited.

This funding is separate and distinct from the catalytic funding under existing Strategic Initiatives, although the Secretariat will evaluate whether existing Strategic Initiative platforms (including existing agreements and plans) can be leveraged to deploy C19RM funds. The Secretariat is also evaluating how to ensure alignment with existing strategic priorities addressed through Strategic Initiatives, and where adaptations of existing Strategic Initiatives should be further enhanced to better address COVID-19 needs, within their original scope.

The Secretariat is still developing the design and decision-making process for these investments, but the process will be aligned with, and fully informed by, cross-cutting gaps in investments at country level, as ultimately these centrally managed investments will support needs and foundational areas necessary to ensure the success of country C19RM investments. In line with the approach to C19RM funding for countries, the Secretariat recognizes that there is value in considering upfront consultations with relevant partners in defining strategic priorities that cannot be addressed through country funding requests alone, to ensure alignment with the robust guidance provided to countries and facilitate coordination with other donors. Given lessons learned from Strategic Initiatives, GAC partners could provide input in shaping the strategic priorities proposed by the Secretariat through the C19RM GAC updates. This would provide additional technical validation on scope, expected outcomes and outputs and ensure responsiveness of proposed strategic priorities and actions to cross-cutting problems observed at country and regional levels. Any potential or actual conflicts of interest will be managed as appropriate. As with country-level funding, the review and decision-making process will need to balance speed with ensuring technical review and oversight.

The details of any investments made under this provision (including amount, recipient, scope, and expected outcomes/outputs) will be reported to the Board through its relevant committees.

15. 3% management and operational costs

Up to 3% of C19RM funds will be used to ensure adequate support from the Secretariat, robust assurance, rigorous monitoring and evaluation, and reinforced reporting on C19RM investments. These resources will be managed separately from the annual Secretariat OPEX budget and will be fully time-bound, reflecting the temporary nature of C19RM; no increase to OPEX recurring costs is therefore foreseen.

Additional management and operational costs are envisaged for three main areas: (i) strengthening internal Secretariat resources and expertise, (ii) increased costs relating to the provision of assurance over C19RM funding, and (iii) costs associated with enhanced monitoring, evaluation, and reporting on C19RM investments.

For internal Secretariat resources, the Secretariat anticipates that additional resources will be required primarily to: strengthen internal technical expertise; enhance engagement and coordination with partners (both in the HTM space for scale-up in HTM mitigation responses and through ACT-Accelerator for the pure COVID-19 interventions covered under C19RM); strengthen monitoring, evaluation, and reporting; support the increased workload associated with operationalizing C19RM (covering a range of elements such as supporting the submission and review of funding requests, tracking awards and overall resources, executing changes required to existing internal systems and controls, supporting increased sourcing activity, overseeing implementation and assurance, supporting additional monitoring and evaluation activities, and preparing enhanced reporting). An internal needs assessment is ongoing. Any additional staff will be contracted on defined duration contracts aligned to the temporary duration of C19RM funding.

Additional external costs are also envisaged for assurance and monitoring and evaluation, including for LFA services, which need to be enhanced and expanded to cover C19RM funding, as well as costs associated to both developing and executing a monitoring and evaluation approach for C19RM, which may entail additional TERG costs.

The Secretariat will provide regular reporting on these expenditures to the Board through its relevant committees. Reporting granularity will be aligned with OPEX (by nature and by function) and be integrated as part of the Financial performance update.

16. Timelines for Use

Given the scale and urgency of country needs for their COVID-19 responses, C19RM funds will be used quickly, regardless of whether an independent funding use deadline exists. The Secretariat's proposal to set a funding use deadline for the end of 2023 is not intended to contradict the emergency nature of C19RM, nor encourage use of funding over this entire period, but instead reflects consideration of the significant cost and effort associated with monitoring and enforcing a funding use deadline that is separate from the framework governing core grants. The introduction of a separate deadline requires ringfencing of funding, segregated budgeting, additional verification and evaluation by both implementers and LFAs, and introduces complexity for both implementers (especially where a combination of both C19RM funding and grant funding is used for interventions) and the Secretariat, whose internal controls and systems are organized around core grants. The additional level of effort required to separate monitor and enforce an independent deadline is felt most acutely by in-country implementers, who are already under strain with the demands of launching implementation under new grants in addition to incorporating C19RM interventions into their programs. This recommendation is informed by lessons learned during the first phase of C19RM, and country feedback in particular.

17. C19RM absorption and use

Investment breakdown: While of the USD 759 million that was awarded through C19RM, (i) USD 243 million (32%) was for mitigating impact on HTM responses, (ii) 442 million (58%) for reinforcing national COVID-19 responses, and (iii) USD 74 million (10%) for urgent improvements in health and community systems, such final breakdown was not pre-determined by the Global Fund, rather, it was a result of prioritization decisions made by country applicants through consultative CCM dialogue (including with partners) and alignment with technical guidance and national strategic plans. Coordinated partner engagement with national and CCM leadership in C19RM request development remains essential to ensuring high quality, prioritized funding requests that form a key part of the national response, and are complementary to support from other partners. The Secretariat anticipates maintaining this country-driven approach to prioritization of need. It is difficult to determine what the breakdown of funding per C19RM category will be with additional funding, but the process for awarding funding will continue to take into account changing country needs, other country-specific contextual information and the interaction with other planning and funding processes, including domestic budgeting and interaction with other funders.

Absorption: C19RM awards were integrated into existing grants and are subject to the reporting of the underlying grant agreements. We do not monitor expenditure by sub-categories separately. Since most of the C19RM funds were integrated into their grants during the second half of 2020, these grants are not yet due for full-year reporting. However, early indicators (USD 180 million in disbursements and USD 119 million in PPM, excluding procurement from UNICEF and UNDP) from the OIG audit, which solicited country feedback through two tailored surveys to CCMs, and the use of in country cash as soon as award notification is received (pending C19RM funding being integrated into the relevant grants) show that absorption is on track. By the time awards under C19RM 2.0 are made, absorption rates for the 2020 awards should be available.

18. Exceptions to pre-ship testing and sampling requirements under QA policies

To date, there were 3 requests to waive pre-shipment inspection and testing requirements for an ERP-approved product risk category 3. These were considered by the Health Product Risk Committee (HPRC) in May 2020. The HPRC considered the specific circumstances of each request, balancing quality, safety and efficacy/performance of health products with respect to impact on consumer health, programmatic impact, procurement and supply availability, the country disease situation and legal and institutional aspects. In two instances, the HPRC did not approve the waiver request as it was determined that there was insufficient evidence of an urgent programmatic need, due to adequate in-country stock levels. In one instance, there was an urgent program need, there was no history of out-of-specification test results for the

product from earlier shipments and samples had already been taken and were with the Quality Control laboratory. The HPRC in this instance authorized shipment in parallel to testing; the country was informed that testing was still underway and that results would be communicated as soon as they became available. The country was subsequently informed that there were no out-of-specification results from the testing. It is possible that no additional waiver requests will be received. However, permitting the Secretariat to retain this flexibility to consider individual waiver requests (where strict compliance with the requirement could risk delaying the timely arrival of quality-assured life-saving health products), can permit a rapid, balanced response in specific instances to minimize supply disruptions.

Annex 5 – Relevant Past Decisions

Relevant past Decision Point	Summary and Impact
<p>GF/AFC14/EDP04⁴⁰: Approval of Available Sources of Funds for the C19RM Mechanism (December 2020)</p>	<p>The Audit and Finance Committee (i) approved an additional amount of USD 41 million as available sources of funds;</p> <p>(ii) acknowledged that the additional amount of USD 41 million would be applied to C19RM pursuant to Board decision points GF/B42/EDP11 and GF/B43/EDP12; and</p> <p>(ii) accepted that the total available sources of funds for C19RM would accordingly be USD 759 million.</p>
<p>GF/AFC14/EDP02⁴¹: Approval of Available Sources of Funds for the C19RM Mechanism (November 2020)</p>	<p>The Audit and Finance Committee (i) approved an additional amount of USD 53 million as available sources of funds;</p> <p>(ii) acknowledged that the additional amount of USD 53 million would be applied to C19RM pursuant to Board decision points GF/B42/EDP11 and GF/B43/EDP12; and</p> <p>(iii) accepted that the total available sources of funds for C19RM would accordingly be USD 718 million.</p>
<p>GF/B43/EDP12⁴²: Extension of C19RM Timeline and Operational Flexibility for COVID-19 (September 2020)</p>	<p>The Board:</p> <p>(i) decided that the Secretariat may approve requests for C19RM funds through 15 April 2021;</p> <p>(ii) affirmed that all other previously approved principles under GF/B42/EDP11 would continue to apply to C19RM;</p> <p>(iii) requested the Secretariat to return to the Board, through its committees as relevant, for additional consideration and approval should further extensions of C19RM be required, or if total additional funding for C19RM exceeds USD 500 million; and</p> <p>(iv) approved that the operational flexibility under paragraph 3 of GF/B42/EDP10, delegating authority to the Secretariat to grant limited exceptions to the quality assurance policies to waive the requirement</p>

⁴⁰ [GF/AFC14/EDP04](#)

⁴¹ [GF/AFC14/EDP02](#)

⁴² <https://www.theglobalfund.org/board-decisions/b43-edp12/>

Relevant past Decision Point	Summary and Impact
	for pre-shipment sampling and testing, would apply through 15 April 2021.
GF/AFC13/EDP01: Approval of Available Sources of Funds for the C19RM Mechanism (August 2020)	<p>The Audit and Finance Committee (i) approved the additional amount of USD 165 million as available sources of funds;</p> <p>(ii) acknowledged that the additional amount of USD 165 million will be applied to C19RM pursuant to Board decision point GF/B42/EDP11; and</p> <p>(iii) accepted that the total available sources of funds for C19RM shall accordingly be USD 665 million.</p>
GF/B43/EDP07⁴³: Extending the wambo.org pilot to include COVID-19 products (July 2020)	The Board extended the scope of the pilot approved by GF/B42/DP05 to include COVID-19 products available in wambo.org for procurement by Global Fund Principal Recipients, subject to certain conditions and reporting.
GF/B42/EDP11⁴⁴: Additional Support for Country Responses to COVID-19 (April 2020)	The Board has approved the creation and initial funding up to USD 500 million of a COVID-19 response mechanism to finance interventions consistent with WHO guidance on COVID-19 in the context of national Strategic Preparedness and Response Plans across the 5th and 6th replenishment periods.
GF/B36/DP04⁴⁵: Approval of the Amended and Restated Comprehensive Funding Policy (November 2016)	Based on the recommendation of the Audit and Finance Committee, the Board approves the Amended and Restated Comprehensive Funding Policy, as set forth in Annex 1 to GF/B36/02 - Revision 1.

⁴³ <https://www.theglobalfund.org/board-decisions/b43-edp07/>

⁴⁴ <https://www.theglobalfund.org/board-decisions/b42-edp11/>

⁴⁵ <https://www.theglobalfund.org/board-decisions/b36-dp04/>

Annex 6 – Relevant Past Documents & Reference Materials

GF/B43/ER10: [Extension of C19RM Timeline and Operational Flexibility for COVID-19](#)

GF/B42/ER09: [COVID-19 Response for Business Continuity and Country Support](#)