Reinvesting C19RM Funds

Refocusing C19RM Investments to Maximize Impact

25 July 2022
## Agenda

<table>
<thead>
<tr>
<th>Topic</th>
<th>Discussion Points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Introduction</td>
<td>(C19RM Secretariat)</td>
</tr>
<tr>
<td><strong>10:30-10:35</strong></td>
<td></td>
</tr>
<tr>
<td><strong>2</strong> Updated C19RM Guidance for Reinvestment Planning</td>
<td>Key Areas for Reinvestment (TAP)</td>
</tr>
<tr>
<td><strong>10:35 – 11:05</strong></td>
<td>Health Product Update – C19RM (Supply Operations)</td>
</tr>
<tr>
<td><strong>3</strong> C19RM Guidelines</td>
<td>Context and Principles and Timelines (C19RM Secretariat)</td>
</tr>
<tr>
<td><strong>11:05 – 11:15</strong></td>
<td>Update to C19RM Reinvestment Process (C19RM Secretariat)</td>
</tr>
<tr>
<td><strong>4</strong> Q&amp;A</td>
<td>Discussion</td>
</tr>
<tr>
<td><strong>11:15 – 12:00</strong></td>
<td></td>
</tr>
</tbody>
</table>
1 Introduction
Responding to the changing nature of COVID-19 pandemic and evolving national responses

The pandemic response has moved on...

- The pandemic context and national responses have significantly evolved since the COVID-19 Response Mechanism (C19RM funds) were originally awarded in 2021.

Financing and investment-focus need to respond...

- Implementing countries are encouraged to urgently reinvest C19RM funds to scale-up impactful interventions within the scope of C19RM.
- Principal Recipients are requested to reinvest where the initial C19RM investments no longer respond to current and projected national needs.
- Reinvestment planning can also identify 'unfunded demand', a list of additional interventions that will be considered for financing from September 2022 through the additional funding available to countries for C19RM Portfolio Optimization. Details on how to register unfunded demand will be shared with CCMs in August to update the country's Unfunded Demand.
- C19RM funding is eligible until December 2023. All C19RM investments need to be delivered and paid for by this date.

Available guidance to support in-country partners to better align C19RM investments to new contexts, national priorities, implementation experience, global goals and the 2023-2028 Global Fund Strategy covers...

- Areas of reinvestment that countries should consider prioritizing based on country and partner feedback and best practices.
- Additional details on lead times, costs and procurement considerations to inform reinvestments decision-making.
- The objectives and imperative for demand creation for both C19RM reinvesting and additional C19RM funds through the process of Portfolio Optimization.
Updated C19RM Guidance for Reinvestment Planning
## Country Demand for Reinvestment in Priority areas

### C19RM Board Priority Area

<table>
<thead>
<tr>
<th>Strategic Priority Investment Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Reinforce COVID-19 national response</strong></td>
</tr>
<tr>
<td><strong>2. Mitigate COVID-19 impact on HIV, TB and malaria programs</strong></td>
</tr>
<tr>
<td><strong>3. Urgent improvement to health and community systems</strong></td>
</tr>
</tbody>
</table>

#### Adapt COVID-19 responses to interventions to current context
- Re-quantify COVID-19 diagnostics and PPE
- More attention to Infection Prevention & Control beyond PPE
- Scale-up Medical Oxygen & respiratory care
- Introduce Novel therapeutics; Test and Treat programs

#### Enable HIV, TB and malaria program integration & mitigation
- Cover additional procurement and supply management (PSM) costs
- Bi-directional screening TB/COVID-19 integration
- Note: HIV, TB, and malaria commodities remain outside C19RM scope (except TB testing as part of integrated response)

#### Enhance systems & infrastructure to boost responses
- Pandemic preparedness
- Laboratory systems and Diagnostic networks
- Surveillance, Data Systems and Response
- Community health systems and responses, including community health workers
- Supply Chain and Waste Management Systems
- Bring forward RSSH plans
## Key Priority Areas of investment to maximize impact 1/5

### Priority areas

<table>
<thead>
<tr>
<th>Priority areas</th>
<th>Considerations for Reinvestments</th>
<th>Additional Comments</th>
</tr>
</thead>
</table>
| **Right-size COVID-19 Dx** | • **Determine stock levels of Dx tests to cover next surge** and clinical management of high-risk patients.  
• Countries can consider maintaining a minimum of 3 months of testing stock. The estimated minimum stock levels should be adapted to country context based on average use over the last 12 months and other considerations like warehousing capacity. It could also be calculated as a weighted average of low and peak months.  
• Both Ag RDT and PCR tests are appropriate for testing strategies.  
• Reasonable level of expiries of the safety stock can be accepted. | • Establish supply levels on a per country basis (consult Country Teams as needed).  
• Consider national testing strategies; use a mix of PCR and Ag RDTs, lead times (see Global Fund Procurement Advice for 2022), current stock levels and expiry dates, in-country supply chain need for decentralized testing.  
• TA support available through Project Stellar and workplans developed through Stellar to support testing strategy/algorithm development/revision, quantification of Dx products should be considered.  
• Link testing to routine surveillance and data systems |
| **Re-quantify PPE** | • **Calculate the amount** of PPE and other IPC health products (alcohol-based hand rub, soap, disinfectants), including a **quantity sufficient to cover a new surge of COVID-19**, that will be needed from present moment through December 2023.  
• **Ensure a four-to-six-month in-country supply** of PPE/IPC health products. | • Check with Country Teams for help in quantifying PPE/IPC HP needs  
• Develop capacity in the countries to store, and distribute, a 4-6 months supply of PPE/IPC HP |
| **IPC** | • **Start investing in IPC programs and the supporting infrastructure** to promote correct use of health products and optimal implementation of IPC measures.  
• Continue supporting a **holistic approach of PPE** procurement, by investing to ensure sufficient stock of quality-assured IPC health products, adequate storage and distribution and proper discarding practices. | • To strengthen IPC programs, look at two levels: the national program and those at key health-facilities. Simplified and standard assessment tools exist for both. Also look at prior assessments of the IPC programs and unfunded gaps.  
• Look for quick wins which would help build the national, or local IPC program (hire a national focal point for IPC, support the development national guidance) or facility-based improvements such as installing a water point, recertify/service BSCs, or develop better ventilation at healthcare facilities.  
• The core tools to guide the IPC program strengthening is the WHO IPCAF tool and the WHO minimum requirements for IPC programs |
### Priority Areas of investment to maximize impact 2/5

<table>
<thead>
<tr>
<th>Priority areas</th>
<th>Considerations for Reinvestments</th>
<th>Additional Comments</th>
</tr>
</thead>
</table>
| **Medical oxygen support** | - Target **gaps in oxygen** supply, distribution and delivery-related health products identified by in-country assessments, strategic and operational plans (includes liquid O2 and other bulk O2 production equipment).  
- **Scale-up PSA plants** and as per the need identified in country assessments and plans, include all supporting investments for successful operation and sustainability (electrical, HRH, multi-year warranty and maintenance).  
- **Oxygen procurement channels** due to the technical complexity and long lead time we encourage PSA plants to be procured through the Global Fund procurement channel, with purchase requisitions to be initiated by end-September 2022.  
- **Scale up oxygen distribution and storage health products** to ensure quality delivery to sites of high demand as identified in country operational plans, specific needs assessments and quantification.  
- **Scale up oxygen delivery and respiratory care health products** to fill gaps identified in country operational plans, needs assessments and quantifications. | - Updated needs identified through country-assessments, TWGs, TA from country partners (e.g. CHAI/PATH/WHO) and the Global Fund central TA via Project BOXER.  
- Long lead times further reinforce the urgency to implement within 2023 deadline.  
- Consider filling gaps in HRH needs (biomedical engineers, technicians). |
| **Test & Treat** | - Assess country readiness, financing gaps and enthusiasm/demand for Test & Treat and novel therapeutics (Tx).  
- Scale-up and decentralize integrated testing to invest in human resource surge capacity. | - New treatments must be tied to vulnerable population support and ensure early diagnosis of COVID-19 for treatments’ effectiveness.  
- Include COVID-19 self-testing in existing diagnostic strategy and enhance linkages to treatment and reporting structures  
- Liaise with Country Teams to see how to use manufacturer network to facilitate access to products.  
- **For community and decentralized testing:** Consider underlying system strengthening needs (e.g., data systems, HR, referral agreements) to effectively scale up such approaches and invest appropriately.  
- Test & Treat Centrally-Managed Limited Investment (CMLI) will provide a source of TA for countries introducing novel Tx. Consult Country Teams as needed. |
### Key Priority Areas of investment to maximize impact 3/5

<table>
<thead>
<tr>
<th>Priority areas</th>
<th>Considerations for Reinvestments</th>
<th>Additional Comments</th>
</tr>
</thead>
</table>
| **2. Enable HIV/TB/malaria program integration and mitigation**                | - HIV, TB and malaria grants will cover any increase in the unit price costs of HIV, TB and malaria health products. For increases to HTM PSM costs (including freight, warehousing and distribution costs), C19RM funds can be used for the incremental that cannot be covered by the HIV, TB and malaria grants.  
- Where net increases in PSM costs exceed available HIV, TB and malaria and C19RM savings, funds can be requested through C19RM Portfolio Optimization. |                                                                                                        |
| **Additional PSM costs for HTM health products**                              |                                                                                                                                                                                                                                |                                                                                                        |
| **TB/COVID-19 integration**                                                   | - **Bi-directional screening and testing**: increase diagnostic capacity to finding missing people with TB and COVID-19.  
- Procure digital chest X-ray (CXR) with CAD.  
- Diversify molecular test multi-pathogen platforms through investing in alternates which can also enable decentralise testing at lower levels and in community settings.  
- TB diagnostics can be procured as part of the integrated TB and COVID-19 response  
- Consider mobile diagnostic unit/package with CXR with CAD, rapid molecular diagnostics and mobile vans/vehicles. | - Check with Country Teams for help in quantifying PPE/IPC health product needs.  
- Develop capacity in the countries to store and distribute, a four–six-month supply of PPE/IPC health products. |
### Key Priority Areas of investment to maximize impact 4/5

<table>
<thead>
<tr>
<th>Priority areas</th>
<th>Considerations for Reinvestments</th>
<th>Additional Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3. Enhance systems &amp; infrastructure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pandemic Preparedness</strong></td>
<td>• Identify investment opportunities, consistent with C19RM scope, identified in national action plans for health security and/or PP assessments such as joint external evaluations (JEE).</td>
<td></td>
</tr>
</tbody>
</table>
| **Lab surveillance, strengthening & integration**    | • Strengthen integrated laboratory systems and Dx networks. **Laboratory capacity strengthening** activities should not be disease specific but across pillars.  
• Integrate COVID-19 testing into routine testing cascade for HIV, TB, malaria, febrile, respiratory illness and lab-based disease surveillance, routine environmental surveillance (Wastewater based surveillance) | • Focus should be on sustaining capacities developed through the pandemic.  
• Enhance sample referral networks, LIS, HR capacity, equipment service and maintenance, Participation in External quality Assessment schemes for HTM, COVID-19 and others.  
• Use **CMLI Project STELLAR**, where useful (consult Country Teams as needed). |
| **Surveillance & Response, Routine HMIS**           | • Strengthen country capacity to detect COVID19 surges and hotspots by  
  o making country appropriate shifts to event based and sentinel  
  o Improving laboratory linkages to surveillance systems.  
  o investing in data systems, digitalization and data use to detect COVID-19 surge and emerging SARS-CoV-2 variants.  
  o enhancing capabilities and capacities to respond  
  • Strengthening early warning surveillance for pandemic preparedness | **Focus should be:**  
• Investments that can be implemented by 2023.  
• Transition and stabilizing COVID-19/pandemic surveillance.  
• Build upon existing investment plan for routine HMIS. |
| **Community Health/CHW**                            | • Invest systematically **across eligible health policy and systems components**, aligning with WHO normative guidance and supporting systems’ readiness to scale.  
• Undertake an analysis of funding gaps across **eligible health policy and systems components** to determine what is already covered by other funding sources, what gaps remain and what to include in C19RM reprogramming requests.  
• Use the **CHW Programmatic Gap Table** to undertake the funding gap analysis. | **Ensure systematic investments across health policy and systems supports for CHWs of all types (including peers and other community cadres supported by CLOs and CBOs) filling gaps within existing funding before expanding / scaling to new geographic areas.  
• Prioritize investment in high value/high volume investments.  
• Consider feasibility of execution of activities by 31 December 2023 (C19RM use by deadline).  
• Consider investments that would enable countries to use C19RM to start CHW investments that would normally have to wait until the 2023-2025 allocation period. C19RM funding can initiate investments that can be continued, funded and expanded further under the 2023-2025 allocation period HTM grants (if approved by the Board) or other funding sources.  
• Ensure investments will be continued in the future through Global Fund funding (if approved by the Board) in the 2023-2025 allocation period or through other funding sources. |
### 3. Enhance systems & infrastructure (continued)

**Supply Chain Strengthening**

- Invest in effective supply chain **governance** including the creation, review and renewal of national strategic plans; governance structures (e.g., logistics unit); **leadership** development (such as [STEP 2.0](#)) and **continuous improvement** approaches.
- Build capability for **surge capacity** and pandemic preparedness: in storage and distribution; **optimization** of distribution, warehousing and inventory related processes and operations.
- Improve **data management and use**: WMS, LMIS, systems integration and interoperability; data analytics and visualization; accelerate data use culture.

- Leverage C19RM funds to serve as a catalytic investment into long standing supply chain priorities that need addressing today and into the 2023-2025 allocation period.
- Prioritize investments into key areas that will generate maximum impact over the next 12 months to mitigate key supply chain risks and accelerate maturity of supply chains.

**Pre-year for new Strategy - RSSH & PP**

Other areas of possible investments include but are not limited to the following:

- Health product waste management.
- Community-led monitoring.
- Human resources for health (HRH).
- Community engagement & leadership, social mobilisation.
- Community systems strengthening (including research & advocacy).
- Private sector engagement.

- Effective use of C19RM funds rests on aligning C19RM re-investments with the priorities of the 2023-2025 allocation period.
- Leveraging the partnership model, countries should focus on key interventions and bring forward the start date of future planned strategic priorities through reinvestment of C19RM funds.
Available resources on C19RM reinvestment planning

The Global Fund website provides technical guidance to support in-country partners to better align C19RM funding to their country’s context, national priorities, implementation experience, global goals and the 2023-2028 Global Fund Strategy.

- **COVID-19 Response Mechanism Technical Information Note** (French): outlines the direct COVID-19 recommended activities that can be funded under C19RM across the three broad categories supported by C19RM funding (COVID-19 control & containment, HIV, TB & malaria mitigation, reinforcement of key aspects of health & community systems).

- **Annex 6: Guidance for C19RM Reinvestment Planning** (French translation in progress): published 20 July 2022, the annex describes key priority areas to be considered for immediate reinvestment and C19RM Portfolio Optimization later in 2022.
### Health Product Update – C19RM

#### Updated Health Product Segmentation Framework

- Updates in May support some of the changes in the C19RM Guidelines related to **procurement channel change simplification** through designating more products as “local sourcing advised/possible”
- Includes **new/newly eligible products** such as antivirals, TB cartridges, etc.
- **Disaggregates some categories** for clarity
- No changes to the **reporting template or modalities** for non-PPM reporting

#### Funds for Reinvestment driven by unused budget

- For PPM, analyses show that funds available for reinvestment are linked **primarily to unused budget**, that is procurement initially planned but not yet materialized – and potentially not needed
- Whilst there have been some **notable price decreases in key commodities** (i.e., Ag RDTs, PPE, Cepheid PCR), often savings in product cost (especially PPE) have been **absorbed by relative increases in absolute freight costs** that are the same or have increased as a result of global impact on supply chains
- Updated reference pricing for **products and freight costs** have been published on our external website.

#### Planning for the handover of new, large equipment

- C19RM investments have funded the procurement of different types of large equipment that often require site preparation involving some levels of construction, and, therefore, third-party expertise.
- Critical that this procurement is sufficiently planned:
  - overall budget is sufficient, including pricing and provision for installation, maintenance, and warranties
  - period required for installation including local construction prerequisites - may delay handover before end 2023 if not commenced soon

---

**English version**

**French version**
Updated Health Product Lead-time, Pricing and Cost Guidance

Lead-times to plan for compliant delivery
Deliveries should be planned to arrive by 30 September 2023 (to avoid slippage beyond 31 December 2023)

COVID-19 health product cost reference prices

Freight cost guidance for COVID-19 and HIV, TB & malaria products

Category and Product-level Procurement and Delivery Planning Guide – Health and non-health products
Indicative Lead Times
14 July 2022

This document lists indicative lead times for planning purposes for key health products, including COVID-19, HIV, malaria and non-health products, for the Global Fund’s Pooled Procurement Mechanism (PPM). This information may also serve as a reference for other procurement channels.

While many countries are relaxing their COVID-19 control measures, global supply chains remain strained with both reduced capacity and disruptions. Price pressures remain on freight costs including those significantly increasing in place by Q2 2022.

This revision provides updated advice including reductions in for example air freight lead-times with some flight routes opening for many destinations. This should however not take these reductions with any complacency thought.

Principal Recipients need to place orders earlier than otherwise to compensate for these freight capacity constraints.

Very importantly, for your planning, please recall and review the following guidance on the utilisation of funds related to the delivery of products:

- Products to be delivered before the grant end date (Updates to Grant Budgeting (Section 2.1.1)
- For COVID-19 only: products ready to be delivered by 5th December 2023 (COVID-19 Investment Mechanism Guidance (Section 1.2)

Please should therefore utilise this guidance to determine when to place orders to enable the products to arrive on time.

Note that supply chain disruptions will remain through Q2 2023. For COVID-19 products, PPM budgeting existing in 2022, we would recommend products should be planned to be delivered before 30 September 2023.

- English
- French
- GDF

GDF

3 C19RM Guidelines - Reinvestment
Re-invest C19RM funds → Register C19RM unfunded demand

Timelines for reinvesting exercises in 2022

<table>
<thead>
<tr>
<th>Jul to Aug</th>
<th>31 Aug</th>
<th>2 Sep</th>
<th>From Sept</th>
<th>31 Oct (or earlier)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Countries complete <strong>re-investment exercises</strong> to identify investments that are no longer applicable, opportunities for reinvestment and unfunded demand.</td>
<td>• C19RM reinvestment decisions approved by PR, Global Fund Country Teams or IC per C19RM guidelines.</td>
<td>• Countries register remaining C19RM-eligible needs/gaps identified during reinvesting exercises <strong>as C19RM unfunded demand (2 Sep)</strong></td>
<td>• C19RM Portfolio optimization wave launched.</td>
<td>• Countries are notified of C19RM Portfolio Optimization decisions.</td>
</tr>
<tr>
<td>Guidance for C19RM Reinvestment Planning (July 2022) available to support the process.</td>
<td>• Principal Recipients submit the C19RM non-material budget revision template to the Global Fund.</td>
<td>• Further details to be provided shortly.</td>
<td>• Global Fund and Partners <strong>review and prioritize unfunded demand for award.</strong></td>
<td></td>
</tr>
</tbody>
</table>

Order placement should not be delayed pending detailed budget update. Orders should go ahead as soon as Global Fund approval given (material revisions).

Continuous re-investment process throughout lifecycle of grants to respond to evolving context and needs
C19RM Guidelines - Reinvesting C19RM funds

- **C19RM Guidelines** provide a **structural overview** of the C19RM reinvestment process (updated May 2022)
- C19RM 2021 Funds must remain invested in **C19RM 2021 eligible investments**. They cannot be reinvested towards HIV, TB and malaria activities **outside the scope** of C19RM.
- Savings/efficiencies from C19RM 2021 funds can be reinvested to **scale up activities approved for immediate award or C19RM 2021 Unfunded Demand**
- The reinvestment approach provides an opportunity to invest in **new science and technology**, where available.

**Original guidance on reinvesting C19RM funds**

**Updated guidance on reinvesting C19RM funds to be applied by Principal Recipients**

**Revisions do not compromise Risk Assurance**

**Diagnostic vs Non-Diagnostic and Thresholds**
- C19RM revision thresholds within approved interventions are defined by diagnostic budget type
- Approval authority may sit with Principal Recipient, Global Fund Country Team or C19RM Investment Committee depending on specified thresholds.

**Material vs. Non-material C19RM Budget revisions**
- Revisions by reference to diagnostic budget replaced with materiality
- Increasing thresholds that require Global Fund approval
- New interventions still require C19RM Investment Committee approval
- Non-material revisions are cumulative and multiple non-material revisions may trigger material budget revisions.
- The use of **foreign exchange gains** will be governed by the [Guidelines for Grant Budgeting](#) subject to the approval thresholds set out in C19RM Guidelines.
C19RM reinvestment thresholds and approval authority

**Key**
- Yes
- No

**Has the intervention been approved by IC for immediate award/C19RM Unfunded Demand?**
- Yes
- No

**Category**
- Any standard C19RM intervention
- Any discretionary cost category
- Decrease of budget for the civil society and community interventions
- Change of budget for the civil society and community interventions

**C19RM Revisions Thresholds**
- **High Impact & Core:**
  - PR C19RM budget >US$15m: >25% increase or decrease to total budget for any intervention
  - PR C19RM budget ≤US$15m: >30% increase or decrease to total budget for any module

- **Focused:**
  - >30% increase or decrease to total budget for any module in the PR C19RM budget

- **High Impact & Core:**
  - >10% increase for any discretionary cost category in the PR C19RM budget

- **Focused:**
  - >10% increase for any discretionary cost category (other than HR) in the PR C19RM Budget
  - >5% increase for HR cost category in the PR C19RM Budget

- >10% decrease for any civil society and community interventions in the PR C19RM Budget

**C19RM Budget Revision Type**
- Non-Material
- Material

**Approval Authority**
- PR (Country Team written approval not required)
- Country Team

*Note: C19RM Investment Committee or Department Head/Regional Manager + Grant Finance Manager approve (based on Country Team, TAP, CRG, SO, Risk inputs). Activities must fall within existing C19RM interventions (See the C19RM Modular Framework). CCM Chair and Civil Society representatives sign the reinvestment request following discussion with the CCM. Additionally, COVID-19 control and containment interventions require endorsement by the National COVID-19 response coordinating bodies.*
C19RM Non-material Revisions

• **Updates to the C19RM Guidance** related to non-material C19RM budget revisions include
  - increasing flexibility to Principal Recipients on the budget thresholds for C19RM revisions that require Global Fund approval
  - Principal Recipients completing and submitting the C19RM non-material budget revision (provided by the Global Fund Country Team) with all non-material budget revisions undertaken to the PR C19RM Budget for the preceding period or upcoming non-material budget revisions (by module and intervention).

• **Non-material revisions are cumulative** and multiple non-material revisions may trigger a material budget revision.
• C19RM 2021 Funds must remain invested in C19RM 2021 eligible investments.
• **Principal Recipients have an obligation to ensure this** for all types of revisions.

**Principal Recipient**

- Ensure **appropriate mechanisms are in place to track** and ensure that cumulative non-material budget revisions do not constitute a material revision without prior Global Fund approval.
- Follow their internal procedures for budget modification and **obtain an explanatory note and formal approval at the Principal Recipient level.**
- Complete and submit to the Global Fund the C19RM non-material budget revision template with non-material budget revisions undertaken to PR C19RM Budget for preceding period / upcoming non-material budget revisions, by module and intervention, **one month after PU/DR validation and once per year.**

Global Fund Country Team will provide Principal Recipients with non-material budget revision template pre-populated with latest PR C19RM Budget.
4 Q&A
Thank you!