



Independent observer
of the Global Fund

GLOBAL FUND'S COVID-19 RESPONSE MECHANISM GRANTS TO ETHIOPIA YIELD CHALLENGES AND LESSONS

Ethiopia, one of the most affected countries by the COVID-19 pandemic in the African region, has received millions of dollars from the Global Fund's COVID-19 Response Mechanism (C19RM) to fight the pandemic. The funds have been used to procure COVID-19 related products and finance other activities including hiring additional human resources. However, Ethiopia had to implement the grants amid a rapidly changing epidemiological situation and evolving testing and treatment strategies. The country also faced challenges related to the procurement process such as long lead times, cancelled or delayed orders and high prices, owing to disruptions in the global supply chain. In light of these, Ethiopia has called for increased flexibilities in implementing these grants, support for local procurement of personal protective equipment (PPE), and continued COVID-19 funding, including for vaccines.

This article is the fourth in a series of several. The Global Fund Observer (GFO) published the first article of this series in Issue 401, which provided an overview of the issues affecting countries while applying for and spending funding awarded through the C19RM (See GFO article [Countries' experiences implementing activities supported by the Global Fund's COVID-19 Response Mechanism hold valuable lessons](#)). The second article, also in issue 401, covered an innovative technical assistance model for C19RM proposal development ([Innovative Technical Support to Strengthen Countries' Covid-19 Mitigation Proposals to The Global Fund](#)). The third article, on lessons learnt from the applications, is published in this issue. This fourth article describes Ethiopia's experiences applying for and implementing the C19RM funding. The GFO will publish articles on the experiences of other countries in future issues.

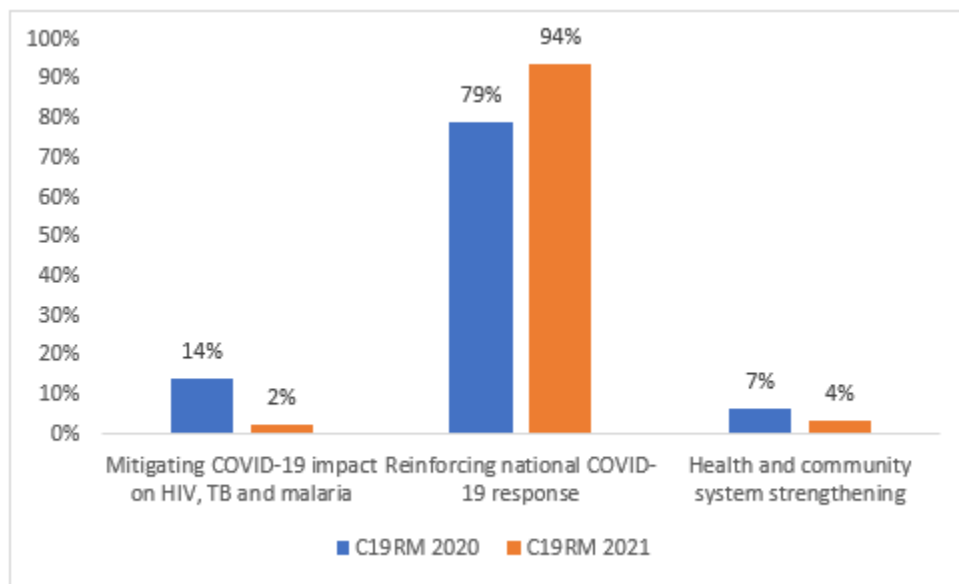
The information for this article comes from interviews with in-country stakeholders ? the Ethiopia Country Coordinating Mechanism (CCM) and the Principal Recipients (PRs) ? between May and June 2021. We have updated some of the information to reflect the current realities as of August 2021.

Ethiopia to receive more than \$100 million of COVID-19 funding from the Global Fund in 2021

By 9 August 2021, Ethiopia – Africa’s second-most populous country with [a population of 112 million people](#) – had reported [284,091 COVID-19 cases and 4,426 deaths](#). Ethiopia received \$39.9 million from the Global Fund in the first phase of the C19RM (2020) and \$3.1 million in grant savings and reallocations. In the current second phase of the C19RM (2021), the Global Fund has allocated Ethiopia an [additional \\$66.7 million](#) and an equal amount if additional funding becomes available in what the Global Fund calls Above-Base Allocation. By 25 August 2021, the Global Fund had approved \$111 million in C19RM 2021 funding to Ethiopia, of which \$30.6 million was for [fast-track funding](#).

Ethiopia allocated 79% (or \$32 million) of C19RM 2020 funding to support the national COVID-19 response. This was used to purchase COVID-19 diagnostic test kits and PPE. In the current phase, this proportion has increased to 94% (Figure 1).

Figure 1: C19RM 2020 vs. C19RM 2021 Investment Areas



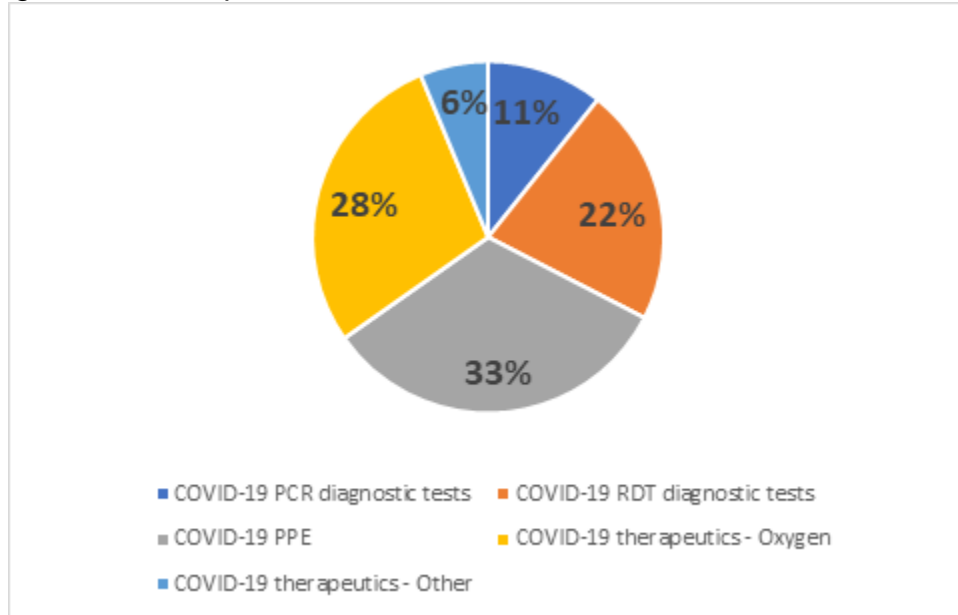
In both funding phases, Ethiopia used existing implementers as recommended by the Global Fund: The Federal HIV/AIDS Prevention and Control Office (HAPCO) and the Federal Ministry of Health (MOH).

Most funding allocated to procure COVID-19 related products

In 2020, HAPCO received \$28.3 million of the total funding through its HIV grant, all of which was for procurement of COVID-19 related products, including polymerase chain reaction (PCR) kits, reagents, rapid diagnostic antigen tests (RDTs) and PPEs through the Global Fund online procurement platform, wambo.org. The Federal MOH received the balance of \$11.6 million through its resilient and sustainable systems for health (RSSH) grant. It used about 20% (\$3 million) of these funds to procure PCR reagents either through the national procurement channel or the United Nations Children’s Fund (UNICEF) and used the remaining funds to support activities such as: hiring additional human resources (mainly for laboratory, surveillance, and the rapid response teams), adapting existing HIV, TB and malaria services, providing supportive supervision on COVID-19 care and treatment to lower-level health facilities, supporting the community health extension workers, and COVID-19 education and information. Overall, at least \$31 million (78%) of the C19RM 2020 funding was spent on procurement-related interventions.

According to data on the [Global Fund Data Service page](#) last updated on 13 August 2021, Ethiopia has so far allocated \$93 million of the total \$111 million towards procurement: a third (33%) for PPE, 28% for oxygen, and 22% for RDTs (Figure 2). In this second phase, the country has opted for more RDTs compared to PCR tests as they are cheaper, take less time, and do not require laboratory facilities.

Figure 2: Health products investments under C19RM fast-track funding



Under C19RM 2021, Ethiopia has also prioritized preventing COVID-19 infection by improving information and communication on COVID-19, as well as preventive measures, care, and treatment by increasing oxygen supplies, establishing oxygen plants to increase oxygen capacity, and strengthening the response’s coordination and management.

C19RM 2021 application process had more guidance and support

Ethiopia’s Country Coordinating Mechanism (CCM) submitted its two C19RM applications, both developed on the basis of an Emergency Preparedness and Response Plan (EPRP), in accordance with the [Global Fund requirements](#). On both occasions, the CCM constituted a multi-stakeholder writing team consisting of the CCM Secretariat, a MOH COVID-19 task force led by the Minister, the three disease programs, and other agencies receiving Global Fund monies, including the Ethiopia Public Health Institute (EPHI) and the Ethiopian Pharmaceuticals Supply Agency (EPSA), bilateral and multilateral partners. During the C19RM 2020 funding request (FR) development, the involvement of civil society and communities was limited to participating in the country dialogue and reviewing the draft FR. In the second phase, the writing teams also included civil society and other constituencies’ members, such as the

frontline health workers represented by their professional associations. These constituencies also took part in the country dialogue and reviewing the draft FR.

Difficulties were faced in applying for the 2020 funding due to the novel nature of the virus, limited Global Fund guidance, and the shift to virtual modalities during the FR development process. By the second phase, it was noted that the Global Fund guidance had improved to include the [COVID-19 Modular Framework](#) that proposes interventions and activities for inclusion in the FR and other [technical information and guidance notes](#). Overall, the parties involved in Ethiopia felt that the application process is more flexible than regular grants.

Ethiopia is currently implementing the second phase

Ethiopia started implementing activities under the C19RM 2021 in July 2021, and these are aligned to the regular grants which will end in December 2023. For phase 1 grants, the Federal MOH had spent most of the grant by 30 June; it had estimated that \$2 million would remain unspent and had included it in the C19RM 2021 application, with the Global Fund's approval. HAPCO had committed all of its funding to the procurement of the commodities via wambo.org. It had expensed approximately 30-40% in May 2021.

Several issues stand out in the implementation of the C19RM grants:

Rapidly changing strategies

Ethiopia grappled with the rapidly shifting COVID-19 environment, including the swiftly fluctuating epidemiological situation, new testing technologies (introduction of RDTs), new testing and treatment strategies and technical guidance, such as expanding testing to RDTs and introducing new therapeutics. For example, \$500,000 was allocated to establish quarantine centers for travellers from abroad; however, the strategy was revised in favor of home-based isolation. In response to these changes, the implementers reprogrammed the monies; however, the Global Fund delayed the approval of the reprogramming request leading to delays in using these funds. The pandemic also impacted the implementation of mitigation plans, creating a vicious cycle.

Challenges in the procurement of COVID-19 products

Ethiopia procured most COVID-19 products through wambo.org and mainly through HAPCO which had previous experience using this platform. Normally, the country procures through one of the sub-recipients, EPSA, which is responsible for the procurement, storage, and distribution of medicines and health products for the country. Ethiopia opted to use wambo.org instead of its national procurement system for various reasons. First, the Global Fund strongly recommended it, especially for the core product (RDTs, PCR test kits, reagents, and PPE). Secondly, Ethiopia anticipated challenges in procuring through the national system due to stiff global competition for COVID-19 products, particularly PPE and testing kits. Indeed, the suppliers who already had contracts with EPSA prior to the pandemic raised the prices and cancelled or delayed orders following global disruptions in the supply chain. Tendering new suppliers would have delayed the procurement process by months. The Global Fund requirements for pre-qualification by the World Health Organization (WHO) also limited supplies from both local and international procurement agencies.

By May, wambo.org had delivered some of the products to the country. Ethiopia found the platform reliable and delivery timely; it also safeguarded against low-quality products. In the Ethiopian context, wambo.org also allowed faster grant liquidation. Historically there have been [delays in the use and liquidation of funds](#) disbursed by the Global Fund due to protracted in-country fund transfer processes leading to lower fund absorption.

However, several challenges arose in using wambo.org including order cancellation and reduced

quantities, the limited supply of COVID-19 products, high prices for commodities, high transport costs, and high logistics charges (i.e. a 20% payment to the platform's procurement service agent). It also cited long PPE lead times, which took about six months or approximately 210 days to arrive in comparison to PCR test kits that took less than two months and RDTs that took around four months. In addition, discrepancies in the procurement documentation delayed the clearance of the products upon delivery and incurred extra demurrage and warehouse costs. For instance, in one of the orders for RDTs, the country of origin at delivery differed from the one originally communicated by the wambo.org team and which appeared in the clearance certificate obtained by Ethiopia; and another order indicated N95 masks as non-medical masks. In another instance, the deliveries or consignments were addressed to the FDA instead of the Federal MOH. Such discrepancies take much time, resources, and engagement of different stakeholders, including senior leadership, to resolve.

Overall, it is felt that the platform does not lead to health system improvements compared to using the national procurement system. Over the years, Ethiopia has built the capacity of EPSA, including with Global Fund support. Consequently, EPSA successfully procures and distributes health commodities beyond the three diseases, to health facilities across the country with no major stock-outs at the service delivery points, albeit with some [delays in procurement and clearing goods](#).

What worked well in the national COVID-19 response

When COVID-19 hit, Ethiopia established a well-coordinated response, immediately preparing the costed EPRP to guide the response. There was clear leadership and strong political commitment as the country established a COVID-19 Response Coordinating Body under the MOH led by the Minister, including a national COVID-19 task force with different professionals and representatives advising the Minister. The task force, which worked seamlessly with the EPHI and the Federal MOH, played a key role in FR development for both phases by supporting the design of COVID-19 control and containment activities, while the disease programs and others designed the mitigation activities.

The increasing number of cases overwhelmed Ethiopia's health system leading to a disruption of essential health services. Some health facilities were turned into pure COVID-19 centers although these facilities were originally responsible for essential health services for millions of people in their catchment area, leaving them without access to health services. The country has worked hard to restore essential health services by integrating the COVID-19 testing, treatment, and care services.

The Government engaged the private sector and encouraged it to support the pandemic response. The private sector contributed by leveraging its expertise in case management and laboratory testing. Many private companies availed their facilities to be used as treatment centers and [donated supplies](#). The Government also provided incentives to the private sector by introducing tax exemptions for importing COVID-19 related commodities into the country.

Recommendations to the Global Fund

Ethiopia praised the support it received from the Global Fund – particularly the Global Fund Country Team, the Sourcing Department, and the Procurement Service Agent (PSA) – and the flexibilities in the use of C19RM funding, the engagement of the Global Fund leadership with the country's leadership, and the extension of the use of C19RM 2020 funding in the second phase.

The country has a few recommendations for the Global Fund:

- Need for additional flexibility in C19RM grant management: Ethiopia called for timely reprogramming and flexibility regarding some grant processes and procedures.
- Encourage local procurement for some products such as face masks and other PPEs: Currently, the Global Fund requirements, particularly on WHO pre-qualification, discourage local procurement. As

a result, there is a lack of incentives for increased local production, which could be cheaper, easier, quicker, and sustainable.

- Additional C19RM funding: COVID-19 is likely to be around for the next few years. Ethiopia recommended that the Global Fund continue supporting the COVID-19 response and extend their support to vaccines, which remain grossly underfunded. The Global Fund should also consider increasing the funding for mitigation to avoid losing the gains made in the past two decades.

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