



Independent observer
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COUNTRIES' EXPERIENCES IMPLEMENTING ACTIVITIES SUPPORTED BY THE GLOBAL FUND'S COVID-19 RESPONSE MECHANISM HOLD VALUABLE LESSONS

A recent Aidspan analysis has uncovered issues affecting countries while applying for and spending funding awarded through the Global Fund's COVID-19 Response Mechanism (C19RM). Countries have grappled with limited national and international guidance and information to inform their response, particularly at the beginning of the pandemic. They also faced challenges in the procurement process due to global disruptions in the supply chain or long lead times and high prices of COVID-19 products, and a limited supply of quality-assured products, especially at the country levels. Countries have also struggled to spend the funding fully, in part due to the challenges mentioned above but also due to others arising from a multi-sectoral response that goes beyond the Global Fund. Countries should use these experiences to better prepare for phase two of the C19RM, which started in April 2021.

In April 2020, the Global Fund [created C19RM](#) to provide \$500 million of direct, additional support to countries implementing Global Fund grants, in part for measures to combat the COVID-19 pandemic and to ensure the continuity of the fight against HIV, tuberculosis (TB), and malaria. Additional pledges to the C19RM enabled the Global Fund to disburse a total of \$759 million to more than 90 countries by December 2020, when the funding ran out (in this article we refer to this as C19RM 2020 or Phase 1). In April 2021, the Global Fund Board [extended the lifespan](#) of the C19RM up to 31 December 2023, after it received an additional \$3.5 billion to support the COVID-19 response (referred to this as C19RM 2021 or Phase 2). As of June 2021, the Global Fund Secretariat had awarded or recommended for Board approval 20% (\$666 million) of the C19RM funding, of which \$483 million was through the fast-track mechanism to 34 countries and one multicountry grant.

To effectively implement the new phase, countries should draw from their experiences and lessons learned while implementing C19RM-supported activities in 2020. However, there is limited information about this. It is on this basis that Aidspan sought to document these experiences.

Information for this article comes from a review of documents and interviews with key informants, including Country Country Coordinating Mechanisms (CCMs) and state and non-state Principal Recipients (PRs) from several Global Fund recipient countries, carried out in May. This article, which is the first of a series of articles, highlights common themes emerging from the interviews and desk reviews. Subsequent articles in this series will provide countries' experiences in applying for this funding, challenges encountered, and lessons learned.

The common emerging areas are discussed below.

Updated COVID-19 response plans and strategies needed for successful C19RM implementation

Early on in the pandemic, most countries had not developed national strategic preparedness and response plans, testing strategies, and other strategies to guide their response. Thus, most countries struggled to prepare funding requests, procure products, and implement some in-country activities in 2020. Also, countries faced challenges in defining the roles and responsibilities of the different actors in their national COVID-19 responses.

Even when the plans and strategies were in place, some of them, including those relating to procurement or testing, became outdated as more information and guidance on the COVID-19 response and products became available globally. For instance, testing strategies changed in 2020 as antigen rapid diagnostic tests (RDTs) became available. Moreover, most countries also did not have operational plans in place or strategies to guide oxygen therapy.

In this new phase, countries should ensure that all the requisite plans and strategies are in place and updated. Indeed, this time around, the Global Fund [requires](#) a copy of the National Response Preparedness and Response Plan, especially for 2021, during the funding request submission. Some countries have delayed submitting the full funding request for 2021 as they are either updating or developing the response plans.

Flexibility and speed are key for the effective procurement of COVID-19 products

In 2020, countries allocated more than half (60% or \$458 million) of the C19RM 2020 funding to procure COVID-19 related diagnostics and equipment. Countries had the option to procure through wambo.org, the Global Fund's online procurement platform, or through other procurement channels, including locally.

wambo.org vs. other procurement channels

In most instances, the Global Fund pushed countries to procure Global Fund-supported COVID-19 products through wambo.org. Most countries welcomed the decision to use wambo.org as the platform allowed them to access products that were scarce in the global market, offered a straightforward procurement process, was reliable, and provided quality-assured products. A [2020 GFO analysis](#) had found that the platform also improves transparency, competitive pricing, and visibility of the procurement of personal protective equipment (PPEs) and COVID-19 tests.

However, some countries reported instances of long lead times and canceled orders for some products, sometimes at advanced stages, and elevated prices for products procured via wambo.org. One country compared the prices from the different procurement channels and found procuring through wambo.org costs 50% more for some of the products, after considering the product and freight costs, and fees for the

wambo.org procurement agency. In addition, implementers were expected to bear the responsibility for the administrative and regulatory issues, including tax exemption clearance, for products procured through the platform.

Some countries preferred using their national mechanisms to procure at least some products, such as surgical masks and sanitizers, locally or from other international suppliers. Indeed, in the new phase, the Global Fund has recommended selected products, such as disinfectants, be procured locally.

Countries reported lower prices and shorter lead times through local procurement. However, some countries struggled to find products that met quality standards and requirements by national regulatory agencies and the World Health Organization (WHO). In some instances, the implementers had to retender several times to identify suppliers of products that meet the required standards. Where national procurement agencies were responsible for the procurement, some were overwhelmed with the large orders, particularly at the beginning of the COVID-19 response.

In the current phase, countries need to carefully consider the expected time to delivery, the availability of quality-assured products, pricing, and choosing which platform to use.

Tax exemption

The Global Fund requires a mandatory tax exemption for health products procured using its funding. As explained by one country, tax exemptions for Global Fund health products are agreed upon at the beginning of the grant. COVID-19 products were therefore not part of the negotiated list of products for tax exemptions. Some countries faced challenges in getting tax exemption for specific COVID-19 products leading to delays in delivering the products. However, certain countries evaded this challenge by leveraging the emergency declaration made by the executive to facilitate emergency procurement authorization for COVID-19 products.

Where this was an issue, the countries have addressed it by including the COVID-19 products in the list of tax-exempt products under the new Global Fund grants that started in 2021. If new COVID-19 products become available in the market, countries should promptly pursue the tax exemptions.

A significant proportion of funds will be unspent by the end of June

The absorption of Global Fund monies has been a long-standing challenge, although it has improved significantly in recent years. Despite the huge funding gaps for the COVID-19 response, some countries reported having expensed less than 50% of the C19RM funding by May 2021, with only a few weeks to the initial end of the grant. One implementer reported expenditures of only 35%, even though they were expecting many deliveries by June 2021, which would significantly raise this figure. None of the countries projected full absorption of the funds by 30th June. However, a few countries were on track or almost on track to implement and spend the C19RM 2020 funding. Overall, it remains unclear how much the countries have spent. The Global Fund Secretariat will report on absorption in the last quarter of 2021.

The reasons for the low absorption varied across countries; the main ones included a fall in the prices of the COVID-19 products, delayed procurement processes, a limited supply of COVID-19 commodities at the start of the pandemic, and a lack of clearly defined roles and responsibilities in the implementation of COVID-19 response plans. Indeed, the Global Fund Secretariat noted that PPE prices had [reduced significantly](#) since quarter three of 2020. For instance, prices of medical masks and N95 respirators fell by 90%.

Unlike the HIV, TB, and malaria (HTM) grants, where unspent funds cannot be carried over from one grant cycle to another, the Global Fund has integrated unspent funds from C19RM 2020 to be added to the C19RM 2021 awards. This means that countries can utilize these funds up until December 2023.

Accountability of the funds

Most countries maintained the same implementation arrangements as the HTM grants in line with the Global Fund recommendation. Similarly, the implementers maintained the same level of accountability of funding, including monthly or quarterly reports to the CCMs and progress updates to the Global Fund. The Global Fund asked the Local Fund Agents (LFAs) to monitor the tendering processes in some countries.

The implementers also had to report to other national structures, such as the COVID-19 taskforce, outside the Global Fund's scope, adding another layer of accountability. In most countries, the media followed up closely on the COVID-19 response highlighting instances of suspected misuse of COVID-19 in their countries.

There were new actors in the implementation arrangements, particularly for state PRs, with limited knowledge of Global Fund processes. For instance, other departments within the Ministry of Health that are not normally part of the Global Fund grants came on board as critical actors within the COVID-19 response. Implementers had to familiarize them with the Global Fund processes to ensure they comply with the organizational requirements.

Countries applaud the Country Team's support

All the countries reported that the Global Fund Country Teams (GFCTs) had supported them throughout the application and implementation of the C19RM. They used words such as 'excellent support', 'they have done what is humanly possible', 'guidance is sufficient', 'they did everything they could under the circumstances' to describe the support they received from the Global Fund. Countries had regular calls with the GFCTs, initially as frequent as weekly to biweekly as things stabilized, which allowed prompt discussions on challenges and bottlenecks and possible solutions.

Nonetheless, countries recommended that the GFCTs facilitate the timely reallocation of funds to ensure optimal absorption by responding quickly to reallocation requests and exercising flexibility in the use of funds. Priorities have been changing constantly throughout the pandemic and may continue to do so.

Looking forward

Funding in 2021 has more than quadrupled that available in 2020. The increased funding means greater potential in mitigating the impact of COVID-19 on the HTM programs and a more robust COVID-19 response in countries where the Global Fund invests. However, countries will need to leverage the knowledge, structures, and processes attained in 2020 to better implement the programs in the new phase. The Global Fund has already made [some enhancements to the C19RM](#) based on the improvement opportunities identified by the Global Fund Board, the Office of the Inspector General (OIG), and the Secretariat. Similarly, the Global Fund should identify opportunities for improvement at the implementation level by considering feedback from the countries and evidence of what has worked.

Our second article in this series, [Innovative technical support to strengthen countries' COVID-19 mitigation proposals to the Global Fund](#), describes the technical assistance provided by UNAIDS to support country efforts to mitigate the impact of COVID-19 on HIV programs and the virtual assistance offered by peer reviewers to countries developing their C19RM proposals.

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