

Extension of the COVID- 19 Response Mechanism (C19RM)

48th Board Meeting

GF/B48/06

15 – 17 November 2022, Geneva, Switzerland

Board Decision

Purpose of the paper: This paper seeks Board approval for a further extension of the timelines for award and use of funds for the COVID-19 Response Mechanism (C19RM).

Decision

Decision Point: GF/B48/DP03: Extension of the COVID-19 Response Mechanism (C19RM)

- 1. The Board acknowledges that C19RM was established to support (i) COVID-19 control and containment interventions, (ii) COVID-19 risk-related mitigation measures for programs to fight HTM, and (iii) expanded reinforcement of key aspects of health systems, and recognizes that C19RM requests and awards through the end of 2021 largely focused on the acute response to the COVID-19 pandemic;***
- 2. The Board acknowledges that the pandemic is evolving, and that recipient priorities are correspondingly shifting towards longer-term investments in health systems' infrastructure and capacities for pandemic preparedness and response;***
- 3. To facilitate careful planning of such investments, including alignment with potential funding requests for the Seventh Replenishment grant cycle, the Board approves that C19RM funds may be awarded through 30 June 2023, with opportunity for subsequent C19RM portfolio optimization awards;***
- 4. To enable maximization of impact from investments in resilient and sustainable systems for health, the Board approves that any C19RM funds may be implemented through 31 December 2025 and will finance interventions across the Sixth and Seventh Replenishment periods – acknowledging that the Secretariat will continue to ensure rapid deployment of funds and quality implementation notwithstanding this deadline;***
- 5. The Board approves that C19RM funding requests will continue to be developed through appropriate, multi-sectoral consultation and fully inclusive decision-making, which must engage communities and civil society, and which must ensure coordination with the national COVID-19 response coordinating body or provide other evidence of alignment with the national approach to COVID-19 response in the absence of such a coordinating body;***
- 6. The Board approves that the Secretariat may use up to 4.5% of C19RM funds, representing an increase from the prior ceiling of 3%, to cover additional management and operating costs related to extension of C19RM; and***
- 7. The Board agrees that all other parameters of C19RM under GF/B46/EDP06 remain unchanged.***

Budgetary implications (included in, or additional to, OPEX budget): Incremental management and operating costs directly attributable to C19RM will be covered by up to 4.5% of any funds made available for C19RM.

A summary of relevant past decisions providing context to the proposed Decision Point can be found in Annex 2.

Executive Summary

Context

The COVID-19 Response Mechanism (C19RM) is approaching its end date: currently, all awards must be made by 31 March 2023 and all funds used by 31 December 2023. But it is highly unlikely that COVID-19 will end by that date. New variants and waves continue to emerge around the world. The virulence of future variants is unknown. What is known is that the consequences of those variants and waves will likely be most severe in low vaccine countries and low- and middle-income countries with weakened health systems. They must be ready to respond. And their ability to respond swiftly and efficiently to future waves and future pandemics requires ongoing investments in health systems, as well as in HIV, TB, and malaria (collectively, HTM) programs.

From the start, the Board integrated systems-strengthening in C19RM. When it created the mechanism in April 2020, the Board identified reinforcement of key aspects of health systems as one of three uses of C19RM funds. C19RM has a substantial opportunity to strengthen health systems and fortify HTM interventions, and to thus support countries in preparing for the pandemic's evolving threats. This opportunity is especially critical in the current global environment of constrained resources. The question guiding this paper is how C19RM can best advance the priorities identified by its mandate and to respond to the evolving nature of the pandemic. The Secretariat and the Strategy Committee (SC) recommend that an extension of its award and use deadlines to 30 June 2023 and 31 December 2025, respectively, will best enable it to do so.

C19RM's current deadlines were decided when the pandemic was in its acute phase—when demand focused on urgent procurements relating to COVID-19 control and containment and shoring up of HTM interventions at immediate risk. The pandemic has since evolved. Recent expressions of country demand made in advance of C19RM portfolio optimization have made three lessons clear: (i) demand for emergency response products related to diagnostics and infection prevention and control is generally decreasing; (ii) needs for strengthening health and community systems remain substantial and are even increasing; and (iii) the current timeline for C19RM portfolio optimization is too compressed to allow for requests for systems-strengthening interventions. C19RM's deadlines do not align with current needs.

Extending C19RM to allow awards until 30 June 2023 and implementation until 31 December 2025 couples an award deadline that will swiftly kick-start systems-strengthening interventions with an implementation deadline long enough to accommodate their necessary timelines. The proposed extension enables the mechanism to meet the pandemic's ongoing challenges while retaining its comparative advantage—swift, nimble deployment. It also lays the foundation for the 2023-2028 Strategy's emphasis on (i) maximizing people-centered, integrated systems for health to deliver impact, resilience, and sustainability and (ii) contributing to pandemic preparedness and response. For those reasons, the Secretariat and SC believe the proposed extension would best enable C19RM to deliver impact.

Input Sought

The Secretariat received input from the SC and the Audit and Finance Committee (AFC) about the need for, and parameters of, an extension to C19RM's timelines. The SC has recommended the extension for Board approval.

Input Received

- Joint AFC-SC discussion on 19 October 2022
- SC discussion on 7 November 2022

Please see Annex 1 for a summary of Committee input received.

What is the need or opportunity?

1. COVID-19 continues to take lives and debilitate health and health systems around the world. As of 19 October 2022, over 623 million COVID-19 infections have been diagnosed globally, resulting in over 6.5 million deaths—numbers that are likely underreported.¹ Countries around the world, and especially those in the northern hemisphere, are again seeing increases in infections, and new variants continue to emerge. While the latest dominant strain of COVID-19 is less lethal than its predecessors, emerging variants and waning immunity could lead to new and significant waves, particularly in countries entering the fall/winter season. Countries must be ready to respond to the pandemic's evolution while still providing foundational health care to their populations. As the world has seen many times, failure to do so costs lives.
2. Through C19RM, the Global Fund has been providing essential support for COVID-19 responses since shortly after the pandemic began. With donor support and specifically dedicated funding, the Board in April 2020 approved the creation of C19RM as a separate funding stream designed to swiftly deploy funds to meet urgent needs created by the pandemic. The Board has subsequently extended C19RM's timelines twice, most recently on 30 March 2021.
3. In addition to establishing C19RM as a separate funding stream, the Board defined its scope. In its second extension of C19RM, the Board reaffirmed the following categories of interventions for which C19RM funds may be used: (i) COVID-19 control and containment interventions, including personal protective equipment, diagnostics, treatment, communications, and other public health measures as specified in WHO guidance; (ii) COVID-19 risk-related mitigation measures for programs to fight HTM (including, but not limited to, support for COVID-19 interventions needed to safely implement campaigns, community and health facility-level HTM programs, and additional delivery and procurement costs for HTM programs where related to addressing COVID-19 disruptions); and (iii) expanded reinforcement of key aspects of health systems, such as laboratory networks, supply chains, and community-led response systems, to address advocacy, services, accountability, and human-rights based approaches.
4. Since its inception, C19RM has been the largest provider of grant funding to low- and middle-income countries for the non-vaccine components of their COVID-19 responses. In 2021, C19RM awarded US\$ 3.5 billion to 124 applicants, including US\$ 2.6 billion (75%) to support national COVID-19 responses, US\$ 410 million (12%) to mitigate the impact of COVID-19 on HIV, TB, and malaria programs, and US\$ 440 million (13%) to support the urgent reinforcement of health and community systems.
5. In its initial years, C19RM demand skewed towards containment and control interventions and urgent procurements needed to respond to an acute and novel pandemic. Before the recent round of updates of demand in anticipation of portfolio optimization, 13% of awards went to urgent improvements to health and community systems, while 75% went to reinforcement of COVID-19 national responses and 12% went to mitigation of COVID-19's impact on HTM programs. Then, 12% of registered unfunded demand corresponded to urgent improvements to health and

¹ <https://covid19.who.int/#:~:text=Globally%2C%20as%20of%207%3A26pm,vaccine%20doses%20have%20been%20administered.>

community systems, while 78% corresponded to reinforcement of COVID-19 national responses and 10% to mitigation of COVID-19's impact on HTM programs.

6. Today, country demand for C19RM funds is increasingly directed toward the systems-strengthening pillar of C19RM. Following the most recent expression of updated demand from countries in anticipation of portfolio optimization, C19RM has a total unfunded demand pipeline of US\$ 1.7 billion. That pipeline comprises: (i) 56% urgent improvements to health and community systems; (ii) 19% reinforcement of COVID-19 national responses; and (iii) 25% mitigation of COVID-19's impact on HTM programs.
7. These data reveal that the nature of demand for C19RM has changed. Funding needs have evolved from COVID-19 health products (namely, diagnostics, PPE, and therapeutics) to rebuilding and strengthening countries' ability to fight new pandemics; delivering benefits for HTM programs; and developing resilient and sustainable health systems.
8. These trends are also evident when looking at other sources. Today, countries are moving away from acute pandemic response and toward health systems recovery, resilience, and pandemic preparedness. Many national COVID-19 response coordination bodies have been dismantled or merged into broader health response systems. Key COVID-19 response functions are being integrated into routine health services and systems—for example, integrated surveillance for respiratory pathogens.² Countries are continuing to recover from lagging progress in HTM linked to COVID-19 and are rebuilding their health systems to account for these and other health risks. And they are increasingly focused on preparedness for new pandemics, for example by emphasizing efforts on genomic sequencing and wastewater surveillance.³
9. Key partners are also making strategic shifts from acute pandemic response to responses directed at the sustainability of health and community systems and global health security. For example, WHO identified as key to future pandemic preparedness and response operational readiness and capacities in five core subsystems: emergency coordination; collaborative surveillance; access to countermeasures; community protection; and clinical care.⁴ C19RM's system-strengthening pillar aligns with certain of these interventions, creating opportunities for synergies.
10. The Global Fund has recognized that C19RM investments should evolve with the pandemic. C19RM funds continue to provide an opportunity to invest in building health systems' capabilities across a spectrum of potential epidemic scenarios, strengthen system resilience, and prepare for the next pandemic. With its track record for efficacy and scale, C19RM is well-placed to continue providing essential and timely responses to an evolving COVID-19 context in Global Fund-supported countries while simultaneously safeguarding the Global Fund's core programs. Yet, C19RM is currently set to expire next year, with awards to be made by 31 March 2023 and funds used by 31 December 2023.

² <https://www.preventionweb.net/publication/are-we-there-yet-transition-response-recovery-covid-19-pandemic>; <https://iris.paho.org/handle/10665.2/55858>; <https://www.who.int/southeastasia/news/feature-stories/detail/sustainable-surveillance-for-respiratory-viruses-of-pandemic-potential--a-strategy-to-advance-from-existing-systems-and-to-address-critical-gaps>.

³ <https://www.who.int/publications/i/item/9789240051980>; <https://www.who.int/publications/i/item/naphs-for-all---a-country-implementation-guide-for-naphs>.

⁴ <https://www.who.int/publications/m/item/10-proposals-to-build-a-safer-world-together---strengthening-the-global-architecture-for-health-emergency-preparedness--response-and-resilience--white-paper-for-consultation--june-2022#:~:text=At%20the%20seventy%2Dfifth%20World,a%20new%20a%20World%20Health>

What do we propose to do and why?

11. The Secretariat proposes an extension of C19RM to allow for awards until 30 June 2023, with opportunity for subsequent portfolio optimization exercises, and implementation until 31 December 2025. As set forth below, the justification for the proposed extension is programmatic.
12. The current balance of C19RM funds is substantial. The Secretariat is committed to its obligation to ensure maximum impact of every dollar spent.
13. When approving the mechanism's second extension, the Board reaffirmed that C19RM funds are to be spent to advance a specific scope: i) to advance COVID-19 control and containment interventions; ii) COVID-19 related risk mitigation measures for programs to fight HTM; and iii) expanded reinforcement of key aspects of health and community systems.
14. While early C19RM investments were heavily weighted towards the first pillar, the most recent data on country demand for C19RM⁵ reveals that it is increasingly trending toward systems-strengthening interventions. Today, countries are focused less on mass-procuring PPE and diagnostics. They are focused more on building systems that can quickly detect and respond to new variants of COVID-19 *and* the emergence of other pandemics, including through building lab systems that are resilient and sustainable in the face of future pandemic-caused disruptions; achieving systemic and sustainable integration of community health workers able to lead responses to future COVID-19 waves and future pandemics; and beginning to integrate the systems being strengthened with existing HTM infrastructure (for example, PSM systems).
15. These activities remain within C19RM's scope. At this stage of the pandemic, targeting C19RM funds towards systems-strengthening interventions in line with country demand will achieve the most timely and significant impact, while accommodating donor and Board expectations that C19RM will remain a separate stream of funding. These C19RM programmatic opportunities not only align with but have the potential to catalyze delivery of the 2023-2028 Strategy, which identifies as objectives maximizing people-centered, integrated systems for health to deliver impact, resilience, and sustainability and contributing to pandemic preparedness and response. At the Seventh Replenishment, donors affirmed their continued support of these objectives.
16. Based on the current status of ongoing Seventh Replenishment efforts, the Secretariat expects that HTM essential programming will occupy substantial fiscal space within country allocations. At the same time, the strategic and donor imperative remains to support and scale critical RSSH pillars, including polyvalent community health workers (CHW) systems, lab systems, end-to-end surveillance systems, and systems-building for oxygen and respiratory care. These pillars align with C19RM's Board-approved scope, and C19RM can thus complement Seventh Replenishment core grants by continuing to support these critical needs.
17. The Secretariat has assessed whether C19RM could support these outcomes under its current structures and timelines. As affirmed by the recent round of demand generation in anticipation of portfolio optimization, the Secretariat determined that while C19RM's scope supports these outcomes, its current deadlines do not. This is because systems-strengthening activities take more

⁵ Gathered through the most recent C19RM reprogramming exercise and demand expressed in anticipation of C19RM portfolio optimization.

time to design, review, and implement than is permitted by current C19RM timelines. Systems-strengthening interventions cannot be abbreviated without risking a backslide of gains once funding ends. Rather, the timelines of system-strengthening interventions are integral to their impact. These interventions must be built to states of maturity that enable them to survive independently or to integrate into existing national structures.

18. The Secretariat and SC thus believe that current C19RM deadlines for awards and use of funds no longer align with the objective of maximizing impact of every dollar spent, and that the focus of C19RM investments should evolve with the pandemic. The proposed extension enables them to do so.
19. Extension of the implementation deadline to 31 December 2025 would permit countries to better use C19RM funds to implement longer-term systems-strengthening interventions, thus realigning C19RM with current demand. Three examples illustrate this point:
 - i. **Strengthening integrated laboratory systems and diagnostic networks:** An implementation extension to 31 December 2025 would enable scaled-up implementation of multi-disease testing algorithms. The extension would also enable institutionalization of regional and national External Quality Assurance Schemes (EQA)—schemes that have been game changers in Africa for COVID-19 and TB. It could also enable accelerated support to countries to establish wastewater-based surveillance capabilities, thus enabling surveillance for a broad range of pathogens and emerging threats. Finally, the proposed extension would protect existing C19RM investments in strengthening and scaling up integrated laboratory information systems (LIS) to allow real time disease outbreak response and management. *In contrast, a shorter-term implementation period would support more limited lab systems investments, for example in governance support, HR training, and biosafety and biosecurity, and investments in lab equipment.*
 - ii. **Building end-to-end surveillance and response systems:** An implementation extension to 31 December 2025 would allow countries enough time to institutionalize early warning surveillance systems that can in turn reduce the time between outbreak detection and response and limit the size of future outbreaks. Such a timeframe would allow countries to develop national and sub-national capacities to link, analyze, and use data from different sources for timely disease control and response. And it would allow select countries to begin to harness HTM infrastructure (for example, CBOs/CLOs and HIV and TB clinics) for integrated early warning surveillance, which will be a unique contribution by the Global Fund. *In contrast, a shorter-term implementation period would allow countries to develop, validate, and publish national guidance for early warning surveillance and response. Such a compressed timeline might allow for implementation only of interventions that can be implemented quickly (e.g., planning, guideline development, training, etc.) in limited geographic regions. It might also allow for select countries to develop plans to use HTM infrastructure to support early warning surveillance; however, it would not allow for implementation of those plans. And again, gains made would not be able to mature fully enough to survive and avoid backslides without immediate follow-on investments.*
 - iii. **Strengthening systemic integration of CHWs:** An implementation extension to 31 December 2025 would allow funding for CHWs to meaningfully increase. It would also strengthen capacity of regional and national institutions regarding CHW programming, which is a necessary foundation for a broader transformation of CHW programming. It would operationally enable

CHWs to operate as stable, integrated, and compensated parts of end-to-end early warning surveillance systems, leveraging CHWs' trusted status in their communities. And it would enable significant acceleration in the quest to recover ground lost during the acute phases of COVID-19 on HTM outcomes, for example through improved access to malaria case management at the community level, TB notifications and therapeutic success, and HIV precision prevention, testing, linkage, and therapeutic adherence. *In contrast, a shorter implementation period would only increase CHW funding by US\$ 100 million (and potentially not even by that). It would permit only limited improvements in system readiness to scale capacity and surge the CHW workforce in a more limited number of countries. It would permit limited strengthening of regional and national institutions on CHW programming. It would not permit institutionalization of CHWs into early warning systems. And it would limit acceleration to recover ground lost on HTM outcomes that require strong CHW contributions. And here, too, gains made would not be able to mature fully enough to survive and avoid backslides without immediate follow-on investments.*

20. The above examples illustrate the added value of the proposed extension: The proposed extension allows systems-strengthening interventions to build on each other over time, allowing interventions to demonstrate measurable impact. It enables a comprehensive, end-to-end approach focused on systems-strengthening interventions that enable countries to prepare both for COVID-19's next evolution and for the next pandemic.
21. The proposed extension would also align C19RM systems strengthening and RSSH and pandemic preparedness objectives by: (i) increasing the stability of the system and supporting increased levels of maturity; (ii) allowing limited RSSH grants from the Seventh Replenishment to take over some key investments; and (iii) providing sufficient time to work with government and other partners and build sustained engagement with C19RM investments. It would thus enable each dollar to yield more impact. Conversely, compressing systems-strengthening interventions into a shorter timeline introduces the risk that any such capacity would not be sufficiently mature at the end of the implementation deadline to survive and continue to grow without immediate follow-on investments. This risk is especially noteworthy in a resource-constrained environment, when such immediate follow-on investments cannot be guaranteed.
22. Extension of the award date to 30 June 2023 would allow countries time to recalibrate and plan requests that align with a new C19RM portfolio optimization wave's implementation deadline, and to do so considering both their Seventh Replenishment allocations and HTM, RSSH, and pandemic preparedness priorities for the new grant cycle. The proposed award date thus recognizes that while C19RM and HTM strategies approach health systems investments from different directions, with the former more oriented toward pandemic preparedness and the latter toward core service delivery, there is substantial complementarity between the two. Although C19M and Seventh Replenishment funding requests must reflect their distinct mandates, it makes programmatic sense for them to be designed and delivered in a synergistic manner. The proposed extension enables this to occur.
23. The proposed award deadline acknowledges the lesson learned from the most recent C19RM portfolio optimization process that countries need time to quality develop systems-strengthening requests. This lesson is especially salient given the substantial impact an implementation deadline extension would have on redefining the scope and range of possible requests. Yet it also maintains pressure to get funds into countries, and supporting interventions, quickly. It thus recognizes that C19RM funds must continue to be rapidly deployed to support countries. And it capitalizes on

C19RM's streamlined processes, which the Board approved to ensure that the mechanism could swiftly deliver funding to countries.

24. The proposed extended timelines for awards and implementation strike a balance between the needs to deploy funds quickly and to ensure that those funds meet current needs and have maximum impact. They enable C19RM to respond to current demand for longer-term systems-strengthening interventions. And they allow C19RM to remain agile in the face of future unknowns—for example, another new variant that once again shifts country demand.
25. The proposed extension also realigns C19RM with the 2023-2028 Strategy. The new Strategy emphasizes (i) maximizing people-centered, integrated systems for health to deliver impact, resilience, and sustainability and (ii) contributing to pandemic preparedness and response. The proposed extension would enable countries to make informed C19RM decisions while also designing their Seventh Replenishment funding requests. The proposed timeline for implementation could support substantial systems-strengthening C19RM investments in the first two years of Seventh Replenishment grants, while RSSH and pandemic preparedness programmatic activities may well be scaling up. This sequencing amplifies impact: it can help mitigate the need for Seventh Replenishment grants to fill systemic gaps created by COVID-19, and instead allows those grants to build forward looking, stronger, and more resilient systems ready to take on the next pandemic. Such strengthening of the systems can be measured through RSSH KPIs and other maturity model measurement approaches.
26. So too does the proposed extension affirm donor expectations. Many Seventh Replenishment donors, including some of the Global Fund's largest, emphasized the importance of investing in RSSH. Since the Replenishment, donors have reiterated the critical role RSSH investments play in global health and in the Global Fund's mission and affirmed the importance of funding RSSH interventions considering limited financial resources.
27. It also aligns with partners' movement towards systems-strengthening investments. In doing so, the proposed extension fortifies the Global Fund's place within the broader global health landscape and ensures that C19RM's substantial investments remain cutting-edge and current.
28. The Secretariat has determined that the proposed extension is feasible to operationalize, and that its transaction costs do not outweigh its programmatic benefits.
29. With respect to operationalization, C19RM portfolio optimization requests remain in the pipeline. The Secretariat recommends proceeding with the review of that current pipeline and anticipates approving some requests as warranted by C19RM guidelines and priorities. The Secretariat will then launch a second wave of C19RM portfolio optimization with the extended implementation end date of December 2025 to enable awards to be made by 30 June 2023. Prompt launching of this second wave of portfolio optimization will maximize the chances of robust design and review of funding requests targeting system-strengthening interventions.
30. The proposed extension also creates the opportunity for alignment and complementarity between C19RM investments and core 2023-2025 grants. The Secretariat will seek to ensure alignment and complementarity during the funding-request development, grant making and implementation stages, for example by including information about C19RM interventions in the Grant Approvals Committee review processes for Board visibility, and through ongoing engagement with Principal Recipients during grant implementation. C19RM reprogramming during the implementation period presents

another opportunity to ensure ongoing alignment and, if needed, realignment between C19RM and core RSSH investments.

31. The proposed extension requires an increase in the C19RM OPEX ceiling to 4.5%, up from 3%. As a threshold matter, C19RM's original 3% OPEX ceiling was intended to cover 32 months of program operation. Pro rata, a 24-month extension could require as much as 2.4% in additional OPEX, or a total OPEX ceiling of 5.4%. However, the Secretariat can leverage existing processes and efficiencies to implement the proposed extension with an OPEX ceiling of 4.5%. This figure is based on the following considerations. *First*, the extension proposes to shift the focus of C19RM investments, contemplating more support for longer-term systems-strengthening investments. The proposed OPEX increase would support resulting needs for enhanced assurances and monitoring and evaluation (M&E), and thus drive transparency and accountability for C19RM's new investments. *Second*, the proposed extension's increased operational costs require additional OPEX to support overlapping but distinct C19RM and core Seventh Replenishment grantmaking and implementation oversight processes. Based on an analysis of these two factors, the Secretariat recommends that an OPEX ceiling of 4.5% is appropriate.
32. The proposed extension has the following operational risks:
- i. There is a risk of increasing the burden on countries by requiring them to engage in parallel, overlapping review and approval processes for C19RM investments and core grants. The proposal will impose increased transaction costs and operational burdens on countries at the outset. However, the Secretariat believes the programmatic benefits and strategic value of the proposed extension outweigh these increased costs, by enabling continued swift support for foundational systems-strengthening interventions. These costs can also be mitigated (although not eliminated) by early engagement with those entities about the opportunity to look holistically at the two funding streams to sequentially advance systems-strengthening goals and plan accordingly.
 - ii. There is a risk of increasing the operational burden on the Secretariat, as it could potentially be evaluating second wave C19RM portfolio optimization requests at the same time as they are engaging in review of funding requests for the Seventh Replenishment grant cycle. As with the increased burden on countries, the Secretariat does not discount this burden but believes both that it can be mitigated and that the programmatic benefits of the extension outweigh its operational and transaction costs.
33. The programmatic risk of the proposed extension is that certain investments may need more time to mature than is permitted by a 31 December 2025 end date. However, the proposal mitigates this risk by imposing an early award deadline to maximize the length of the implementation period and, thus, the chances for interventions to mature. The proposed extension's time pressure incentivizes rapid deployment and use of C19RM funds to enable implementers to reap its programmatic benefits.

What options were considered?

34. *Maintaining current C19RM deadlines.* Letting C19RM expire on 31 December 2023 would limit the impact of C19RM investments by largely foreclosing longer-term systems-strengthening investments, foregoing an opportunity to align with delivery of the new Strategy, contravening Board

interests and priorities, placing the Global Fund as an outlier among partners, and perpetuating misalignment with efforts in recipient countries to implement urgent health and community systems-strengthening and pandemic preparedness interventions. Given the evolution of the pandemic and country demand, allowing C19RM to expire on 31 December 2023 would limit potential programmatic benefits, and impose substantial programmatic costs. This is not a meaningful option.

35. *Extending C19RM until 31 December 2024.* A shorter extension was not recommended because it would not permit systems-strengthening interventions to be developed and implemented to sufficient maturity to be sustainable following the conclusion of C19RM investments.
36. *Extending C19RM until 31 December 2026.* A longer extension was also considered, in recognition that an extension to 31 December 2026 may reduce operational burdens on countries. However, a key benefit of the currently proposed extension is that it strikes a balance between allowing enough time for C19RM to support systems-strengthening interventions critical to pandemic preparedness and maintaining the mechanism's urgency, and thus supporting donor and Board intent on both fronts. The Secretariat believes that the benefit of this balance outweighs the increase in transaction costs and will undertake to minimize the burden of those costs on countries.
37. *Integrating C19RM funds into the Seventh Replenishment grant cycle.* C19RM funds were donated specifically for a separate mechanism, distinct from the core grant cycle. The conditions and expectations governing donor investments in C19RM must be respected. C19RM also has distinct advantages deriving from its status as a separate funding stream: most relevant here, it can deploy funds quickly pursuant to a streamlined process. It can thus kick-start foundational interventions to strengthen systems and enable subsequent RSSH investments to reap those benefits.

What is needed next to progress?

What is required to progress the proposal?

38. The Board is requested to approve the Decision Point presented on page 2.

What would be the impact of delaying or rejecting the decision to progress?

39. Rejecting the decision would mean losing the opportunity for C19RM's substantial remaining funds to be used for foundational system-strengthening investments that would advance RSSH and pandemic preparedness Strategic Objectives. Such a course of action would contravene both country demand and donor priorities, and would make more difficult the delivery of multiple Strategic Objectives.

Recommendation

The Board is requested to approve the Decision Point presented on page 2.

Annexes

The following items can be found in Annex:

- Annex 1: Relevant Past Board Decisions
- Annex 2: Links to Relevant Past Documents & Reference Materials

Annex 1 – Relevant Past Board Decisions

Relevant past Decision Point	Summary and Impact
<p>GF/B46/EDP06: Extension of the COVID-19 Response Mechanism (C19RM) and COVID-19 Operational Flexibility</p> <p>December 2021</p>	<p>Approval of (i) a further extension of the timelines for the receipt and award of funds for C19RM; (ii) a revision to the Board approval thresholds for C19RM awards; and (iii) a further extension of the Secretariat's delegated authority to grant limited exceptions to the Quality Assurance Policies to waive the requirement for pre-shipment sampling and testing.</p>
<p>GF/B45/EDP12: Increases to the COVID-19 Response Mechanism's (C19RM) Fast-track Investment Ceiling</p> <p>August 2021</p>	<p>The Board delegated authority to the Audit and Finance Committee to increase the overall C19RM Fast-track ceiling amount by up to a further USD 700 million due to the continuing threat of the COVID-19 pandemic and the urgent need to scale up country responses.</p>
<p>GF/B44/EDP18: Second Extension of C19RM Timeline and Operational Flexibilities for COVID-19</p> <p>March 2021</p>	<p>The Board approved a further extension of the timelines for the receipt, award, and use of funds for the Global Fund COVID-19 Response Mechanism based on further modifications proposed by the Secretariat.</p>
<p>GF/B43/EDP12: Extension of C19RM Timeline and Operational Flexibility for COVID-19</p> <p>September 2020</p>	<p>The Board:</p> <ul style="list-style-type: none">(i) decided that the Secretariat may approve requests for C19RM funds through 15 April 2021;(ii) affirmed that all other previously approved principles under GF/B42/EDP11 would continue to apply to C19RM;

	<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 for pre-shipment sampling and testing, would apply through 15 April 2021.</p>
<p>GF/B42/EDP11: Additional Support for Country Responses to COVID-19</p> <p>April 2020</p>	<p>The Board 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.</p>

Annex 3 – Relevant Past Documents & Reference Materials

GF/B46/ER06: [Extension of the COVID-19 Response Mechanism \(C19RM\) and COVID-19 Operational Flexibility](#)

GF/B45/ER11: [Increases to the COVID-19 Response Mechanism's Fast-track Investment Cap](#)

GF/B44/ER12: [Second Extension of C19RM and Operational Flexibilities](#)

GF/B43/ER11: [Extension of C19RM Timeline and Operational Flexibility for COVID-19](#)

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