

Our Reference: **C19RM 2021 FUNDING\_SOUTH AFRICA**

6 September 2021

Dr. Thembisile Xulu

South Africa CCM Chair

South African National AIDS Council (SANAC) Trust  
Second Floor, Block E, Hatfield Gardens, 333 Grosvenor St  
Hatfield, Pretoria, 0083  
South Africa

**Subject:** 2021 COVID-19 Response Mechanism Additional Funding for South Africa

Dear Dr. Thembisile Xulu,

Thank you for your commitment in the fight against the COVID-19 pandemic.

The Global Fund has reviewed your COVID-19 Response Mechanism (**C19RM**) Full Funding Request and approved USD 161,029,989 of additional investments for your country's COVID-19 response (**C19RM Additional Award**). The Global Fund has also approved the use of USD 11,705,631<sup>1</sup> from the remaining C19RM funding awarded to your country in 2020, for the period after 30 June 2021 (**Remaining C19RM 2020 Award**). This brings your total C19RM award (including C19RM 2020 awards received to date) to USD 213,192,855 (**C19RM Total Award**).

Please note that the C19RM Additional Award is additional to your country's 2017-2019 and 2020-2022 allocations and any C19RM funding awarded to your country to date. The C19RM Additional Award and Remaining C19RM 2020 Award will become part of the grants (**Grants**) listed in the table below:

<b>Grants</b>	<b>Amount Awarded (US\$)</b>	<b>Implementation Period dates<sup>2</sup> (inclusive)</b>
ZAF-C-AFSA	USD 8,212,919	1 April 2019 - 31 March 2022
ZAF-C-AFSA	USD 13,715,738	1 April 2022 - 31 March 2025
ZAF-C-BZ	USD 3,987,826	1 April 2019 - 31 March 2022
ZAF-C-BZ	USD 8,199,818	1 April 2022 - 31 March 2025
ZAF-C-NACOSA	USD 9,293,500	1 April 2019 - 31 March 2022
ZAF-C-NACOSA	USD 18,292,368	1 April 2022 - 31 March 2025
ZAF-C-NDOH	USD 58,177,608	1 April 2019 - 31 March 2022
ZAF-C-NDOH	USD 52,855,843	1 April 2022 - 31 March 2025

The C19RM Additional Award and Remaining C19RM 2020 Award will cover the approved interventions and activities set out in the Funding Request C19RM Budget (**C19RM Budget**) and the C19RM Health Products Management Template (**C19RM HPMT**) enclosed with this letter.

<sup>1</sup> This is a provisionally approved amount as at the date of this letter. The actual amount of C19RM funds remaining from 2020 is subject to confirmation after verification by the Global Fund.

<sup>2</sup> The grants for the 2020-2022 allocation cycle (1 April 2022 - 31 March 2025 Implementation Period) are subject to Grant Approvals Committee review and Board approval.

Additional recommendations relating to the C19RM Additional Award are set out in Annex 1 to this letter.

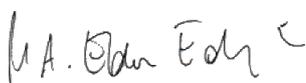
While the deadline for use of the C19RM Additional Award and Remaining C19RM 2020 Award is **31 December 2023**, recipients are expected to use these funds **as soon as possible** to address urgent needs and only for the purposes for which the funding was approved and pursuant to the terms and conditions of the corresponding grant agreements for the Grants (**Grant Agreements**) and this letter. Specifically, Principal Recipients are expected to place necessary procurement requisitions for approved health products as swiftly as possible. For your country, Principal Recipients are expected to place initial orders no later than **17 September 2021**.

The C19RM Additional Award must be incorporated into the Grants, by no later than 2 November 2021. In the meantime, given the urgency of the nature of the activities for which the C19RM funds were awarded, the relevant Principal Recipients may utilize any available uncommitted funds under the relevant Grants to initiate implementation of the approved C19RM activities in accordance with the terms and conditions of the relevant Grant Agreements and this letter. Unless otherwise agreed by the Global Fund in writing, by initiating implementation of the approved C19RM activities, each relevant Principal Recipient is deemed to have accepted the terms and conditions of the relevant Grant Agreement and the conditions applicable to such Principal Recipient in this letter.

The Global Fund Country Team will be in touch with each Principal Recipient to discuss the process for initiating implementation of the approved C19RM activities.

We stand ready to support South Africa in responding to the COVID-19 pandemic, which threatens to destroy years of progress against HIV and TB. To defeat COVID-19, protect progress against HIV and TB and save lives, we must unite to fight.

Yours sincerely



Mark Eldon-Edington

Division Head

Grant Management

Cc: Principal Recipient: AIDS Foundation South Africa (AFSA)  
Principal Recipient: Beyond Zero (BZ)  
Principal Recipient: Networking HIV, AIDS Community of South Africa (NACOSA)  
Principal Recipient: National Department of Health (NDOH)

encl: C19RM HPMT  
C19RM Budget  
C19RM Procurement Progress Reporting Template

## Annex 1

### Recommendations to use of the C19RM Additional Award and the Remaining C19RM 2020 Award for South Africa

#### Legal Requirements to form part of the Grant Agreement

1. Each Principal Recipient acknowledges and agrees that with the approval of the Global Fund:
  - a. the costs of Human Resources for Health (“HRH”) activities under the C19RM Additional Award shall be reduced by at least 30% to 40%, and any savings realized shall be reinvested in other C19RM activities; and
  - b. given the emergency context of HRH investments, HRH activities shall be funded for a limited period of 12 months and scaled down through a phased reduction during the second year of implementation to support only essential HRH activities.
2. C19RM Health Products Reporting
  - a. Each Principal Recipient shall adhere to the procurement channel arrangements approved in the enclosed C19RM HPMT for each relevant Grant Agreement and shall not make any amendments to these arrangements without the prior written approval of the Global Fund.
  - b. No later than the tenth (10<sup>th</sup>) day of each calendar month of the Implementation Period and the tenth (10<sup>th</sup>) day of the calendar month immediately after the Implementation Period end-date, each Principal Recipient shall complete and submit to the Global Fund’s satisfaction, the C19RM Procurement Progress Reporting Template (enclosed with this letter) setting out the: (i) purchase order issue date; (ii) vendor-promised delivery date; (iii) date of product dispatch from the manufacturer; and (iv) date of product delivery for each:
    - i. C19RM Strategic Health Product and Mainstream Health Product procured outside of the Global Fund’s Pooled Procurement Mechanism; and
    - ii. C19RM Local Sourcing Advised Products with Enhanced Reporting,as such terms are defined in the Global Fund C19RM Guidelines (as may be amended from time-to-time and notified to the Principal Recipient in writing)<sup>3</sup>.
  - c. Each Principal Recipient shall take all appropriate and necessary actions to ensure that any relevant Sub-recipient, supplier, contractor or agent provides the Principal Recipient with such information as may be required for the Principal Recipient to comply with its obligations set out in paragraph (b) above.

#### Other recommendations to be addressed during implementation

##### PR: AFSA

1. The Principal Recipient shall conduct a capacity assessment of the proposed new Sub-recipient “South African National AIDS Council” (SANAC) and shall assist the LFA to review such capacity assessment.
2. The Principal Recipient shall also submit to the Global Fund an implementation plan and budget for the proposed activity "risk communication" including details of the alignment of this activity with other relevant communication activities under the Global Fund grants.

##### PR: NDOH

3. Prior to the commencement of procurements through the National Health Laboratory Service (“NHLS”), the Principal Recipient shall conduct and submit to the satisfaction of the Global Fund, a procurement capacity assessment of NHLS.

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<sup>3</sup> [https://www.theglobalfund.org/media/10759/covid19\\_c19rm-guidelines\\_external\\_en.pdf](https://www.theglobalfund.org/media/10759/covid19_c19rm-guidelines_external_en.pdf).

4. The Principal Recipient shall provide to the satisfaction of the Global Fund, details and information on: i) the structure of the national SARS-CoV2 genomic surveillance system; ii) the use of next generation sequencing within HIV and TB programs and AMR stewardship; iii) how the newly equipped labs would contribute to the SARS-CoV2 genomic surveillance and other systems including details of the extent to which NHLS and NCID are conducting sequencing for other countries (as a fee for service or otherwise), and how the newly proposed labs could contribute to regional strengthening of the SARS-CoV2 genomic surveillance and other systems; and iv) how the Principal Recipient will work with the Global Fund to ensure that investment in laboratory systems support is in place to confirm the quality of the testing and the diagnostics needed to support the national COVID-19 testing strategy.
5. The Principal Recipient shall submit to the Global Fund for its written approval a detailed implementation plan for procurement and installation of oxygen equipment (concentrators ventilators) and PSA oxygen generator plants, including details of warranty and maintenance services and technical support as needed through to 31 December 2023.
6. The Principal Recipient shall regularly work and consult with the South Africa National TB Program, supported by the SANAC TSU/TB, to identify and leverage the existing national TB recovery plan and monitoring mechanisms, to demonstrate the efforts and results of implementation, monitoring and technical oversight of TB case finding interventions. The Principal Recipient shall provide regular updates through existing communication channels to the Global Fund and shall establish and maintain robust technical support for TB case finding interventions in consultation with relevant stakeholders and the Global Fund.
7. The Principal Recipient is expected to work with the CCM to ensure periodic reporting on the country's COVID-19 burden in accordance with World Health Organization guidance. These data are to be reported via Excel using the form "[Global Surveillance of COVID-19: WHO process for reporting aggregated data- V2](#)" or through the dedicated submission weekly surveillance platform (for further information please email [covidsurveillance@who.int](mailto:covidsurveillance@who.int)). The dataset should include age and gender of cases and deaths, and infections and deaths among health workers. Compliance with such reporting will be monitored by the Global Fund using the WHO COVID-19 surveillance dashboard on an ongoing basis to facilitate grant management and investment decisions.

**PR: NACOSA**

8. Prior to the commencement of implementation activities relating to Community Matters and CLM Social Accountability Toolkits, the Principal Recipient shall submit to the satisfaction of the Global Fund, a detailed plan for aligning and harmonizing such activities with other approaches for community-led monitoring activities under the Grant, including details of: i) the integration with the National Human Rights Portal; ii) the specific areas for monitoring value-for money; iii) an assessment of the interoperability of systems used to collect data and joint data governance; and iv) the approaches for engaging with stakeholders.

**All PRs: NDOH, NACOSA, AFSA and BZ**

9. The Principal Recipient acknowledges that the procurement of core Personal Protective Equipment ("PPE") has been consolidated under the National Department of Health to increase efficiency and mitigate quality, regulatory and other procurement risks with respect to PPE. Additionally, the Principal Recipient shall continue to strengthen its Procurement and Supply Management capacity and shall be responsible for training and distribution of PPE to beneficiaries, including without limitation, waste management.
10. The Principal Recipient shall follow up and further analyze the existing National Department of Health policies relating to the approaches referred to in the C19RM 2021 Funding Request, to identify any potential gaps that may result in implementation bottlenecks for the delivery of effective and efficient prevention activities (e.g. home-based PrEP delivery, multi-month

prescribing – with telehealth follow-up and community dispensing, secondary distribution of HIV self-testing and scale-up of take home dosage of methadone). The Principal Recipient shall assist the SANAC TSU to facilitate, guide and coordinate such analysis. The Principal Recipient shall also ensure that all findings and recommendations as well as proposed next steps are promptly submitted to the Global Fund.

11. The Global Fund may, through the LFA and/or any independent entity appointed by the Global Fund, conduct the reviews listed below which may inform further recommendations during implementation. Each Principal Recipient agrees to cooperate with and facilitate such reviews in accordance with Articles 7.6 and 4.4 of the Global Fund Grant Regulations (2014):
  - a. (i) system reviews of warehousing, inventory management and distribution of COVID-19 products, including existing controls for third party service providers; (ii) pre-award procurement reviews for nationally sourced mainstream and strategic products; and (iii) targeted programmatic and financial spot checks based on identified risks and materiality;
  - b. supply chain and health services spot checks to assess: (i) key supply chain performance indicators including on-shelf availability of HIV and TB tracer commodities in a sample of facilities, as well as availability of PPE, COVID-19 diagnostics and oxygen services; and (ii) the extent of disruptions on HIV and TB programs;
  - c. reviews to monitor operationalization (procurement, installation and appropriate use) of PSA oxygen generator plants and oxygen equipment (concentrators and ventilators) procured under the C19RM Additional Award;
  - d. reviews to monitor warehousing, distribution and usage of health products procured under the C19RM Additional Award (including pre-delivery reviews) to confirm supply chain arrangements and reviews of specific supply chains such as cold chain, and laboratory supply chain; and.
  - e. pre-award procurement reviews of health products and related support services (including technical support and warranty and maintenance services) procured through national sourcing channels under the C19RM Additional Award to ensure that the health products and services procured are value for money and also that the procurements will be conducted in accordance with Article 5 of the Global Fund Grant Regulations (2014).