

# Electronic Report to the Board

## Report of the Secretariat's Grant Approvals Committee

GF/B34/ER09  
Board Decision

PURPOSE: This document proposes two decision points as follows:

1. GF/B34/EDP12: Decision on the Secretariat's Recommendation on Additional Funding from the 2014 Allocation<sup>1</sup>
2. GF/B34/EDP13: Decision on the Secretariat's Recommendation on Grant Extensions<sup>2</sup>

This document is part of an internal deliberative process of the Global Fund  
and as such cannot be made public.

<sup>1</sup> Guinea-Bissau malaria, South Sudan TB. Total incremental amount is €15,381,187.

<sup>2</sup> Cameroon HIV. Total incremental amount is €0.

# I. Decision Points

1. Based on the rationale described in Section IV below, the following electronic decision points are recommended to the Board:

1.1 Set forth below is the Secretariat's recommendation to approve additional funding up to an amount of €15,381,187.

**Decision Point: GF/B34/EDP12: Decision on the Secretariat's Recommendation on Additional Funding from the 2014 Allocation**

*The Board:*

1. Approves the incremental funding recommended for each country disease component, and its constituent grants, as listed in Table 1 of Section IV to GF/B34/ER09 ("Table 1");
2. Acknowledges each country disease component's constituent grants will be implemented by the proposed Principal Recipients listed in Table 1, or any other Principal Recipient(s) deemed appropriate by the Secretariat in accordance with Global Fund policies;
3. Approves the reinvestment of within-allocation efficiencies for the South Sudan TB grant and the resultant total program budget, as listed in Table 2 of Section IV to GF/B34/ER09;
4. Affirms the incremental funding approved under this decision (a) increases the upper-ceiling amount that may be available for the relevant implementation period of each country disease component's constituent grants, (b) is subject to the availability of funding, and (c) shall be committed in annual tranches; and
5. Delegates to the Secretariat authority to redistribute the overall upper-ceiling of funding available for each country disease component among its constituent grants, provided that the Technical Review Panel (the "TRP") validates any redistribution that constitutes a material change from the program and funding request initially reviewed and recommended by the TRP.

***This decision does not have material budgetary implications for the 2015 Operating Expenses Budget.***

1.2 Set forth below is the Secretariat's recommendation to approve grant extensions.

**Decision Point: GF/B34/EDP13: Decision on the Secretariat's Recommendation on Grant Extensions**

*The Board:*

1. Approves extension of the relevant implementation period for each grant listed in Table 3 of Section IV to GF/B34/ER09.

***This decision does not have material budgetary implications for the 2015 Operating Expenses Budget.***

## II. Relevant Past Decisions

1. Pursuant to the Governance Plan for Impact as approved at the Thirty-Second Board Meeting,<sup>3</sup> the following summary of relevant past decision points is submitted to contextualize the decision points proposed in Section I above.

Relevant Past Decision Point	Summary and Impact
<b>GF/B31/DP12: Extension Policy under the New Funding Model<sup>4</sup></b>	This decision point establishes the current policy, based on which the extensions described in this report are granted and reported by the Secretariat or otherwise recommended to the Board for approval.
<b>GF/B33/EDPo4: Decision on the Secretariat's Recommendation on Additional Funding from the 2014 Allocation</b>	This decision point refers to the funding recommendation with regards to the South Sudan TB grant approved by the Board on 5 June 2015. The funding recommendation presented in this report modifies the total budget for the South Sudan TB program, as described further in Table 2 in Section IV of this report.

## III. Action Required

1. The Board is requested to consider and approve the decision points recommended in Section I above.
2. Please find here a list of documents provided per disease component to substantiate the Board decision. All relevant documents containing the Secretariat's reason for its recommendations to the Board and the Funding Requests/comments have been posted on the Governance Extranet available at this [link](#).
  - a. Concept Note
  - b. Concept Note Review and Recommendation Form
  - c. Grant Confirmation
  - d. TRP Clarification Form (applicable only if the TRP requested clarifications)

<sup>3</sup> GF/B32/DP05: Approval of the Governance Plan for Impact as set forth in document GF/B32/08 Revision 2 (<http://www.theglobalfund.org/Knowledge/Decisions/GF/B32/DP05/>)

<sup>4</sup> GF/B31/DP12: Extension Policy under the New Funding Model (<http://www.theglobalfund.org/Knowledge/Decisions/GF/B31/DP12/>)

GF/B34/ER09

Electronic Report to the Board

## IV. Summary of the Deliberations of the Secretariat's Grant Approvals Committee

Table 1: Secretariat's Funding Recommendation on Additional Funding from the 2014 Allocation

N	Country	Disease component	Grant name	Grant end date	Currency	Recommended budget (incl. cash & disbursements)	Sources		Recommended total incremental funding	Unfunded quality demand	Domestic commitment
							Existing funding	Incremental amount for Board approval			
1	Guinea-Bissau	Malaria	GNB-M-UNDP	31 December 2017	€	16,384,304	1,003,117	15,381,187	15,381,187	0	880,557

Table 2: Reinvestment of Efficiencies and Increase of Total Grant Budget for a Previously-approved Program

Country	Grant name	Currency	Approved grant budget	Revised budget for Board approval	Existing funding	Revised existing funding	Incremental funding already approved	Additional incremental funding for Board approval	Revised unfunded quality demand
South Sudan <sup>5</sup>	SSD-T-UNDP	US\$	15,512,452	16,079,589	3,549,802	4,116,939	11,962,650	0	3,590,675

<sup>5</sup> The GAC recommends that the Board approve an increase to the budget amount of the South Sudan TB grant SSD-T-UNDP. The additional amount requested is within the allocation and represents reinvestment of uncommitted cash balance and efficiencies under the Transitional Funding Mechanism grant SSD-708-G11-T that were not included in the total budget when the Board approved an incremental amount for the South Sudan TB grant on 5 June 2015 (GF/B33/EDP04). The Secretariat requests to reinvest this amount in operational costs that are essential to maintain TB program operations in key geographical areas.

Table 3: Secretariat's Recommendation on Grant Extensions

Country	Disease component	Grant name	Currency	Period of extension (Months)	Additional funding	Rationale
Cameroon	HIV/AIDS	CMR-011-G10-H	€	3	0	To bridge the continuation of essential services between the end of the previous and current grants

## 01 Summary of the Deliberations of the Secretariat's Grant Approvals Committee (GAC) on Funding Recommendations

The following grant resulting from one concept note has been found to be disbursement-ready by the Global Fund Secretariat in a thorough review process and in consultation with partners.

The concept note was submitted for review, reviewed by the TRP and determined to be strategically focused and technically sound. The TRP, upon its review, highlighted issues for the applicant to clarify or address during grant-making.

The GAC considered and endorsed the TRP's recommendations and provided an additional level of review. At the time of its first review, the GAC set the upper-ceiling funding amount for grant-making, awarded incentive funding bearing in mind TRP recommendations on the prioritization of the above allocation request, and identified other issues for the applicant to consider as the grant was prepared to be disbursement-ready.

During grant-making, the applicant refined the grant documentation, addressed issues raised by the TRP and GAC and sought efficiencies where possible. In its second review, the GAC reviewed the final grant documentation for disbursement readiness and confirmed that the applicant addressed issues requested for clarification by the TRP to its satisfaction. Additionally, the GAC endorsed the reinvestment of efficiencies in one of the following: (i) the areas recommended by the TRP; (ii) in other disease components of the same applicant – in the case that the TRP did not provide such recommendations; or (iii) into the general funding pool.

Each applicant has met the counterpart financing requirements as set forth by the Eligibility and Counterpart Financing Policy.

### **Guinea-Bissau Malaria Grant (GNB-M-UNDP)**

1.1 Strategic focus of the Guinea-Bissau malaria program. Guinea-Bissau is considered a challenging operating environment. Malaria, endemic to the country, represents a particularly serious public health problem. The goal of the Global Fund-supported malaria program in Guinea-Bissau is to reduce malaria-related morbidity and mortality in the country, in alignment with the goals of the malaria national strategic plan of reducing malaria-related mortality to zero and morbidity by 75 percent from 2013 to 2017. Context-specific strategies and activities to support this goal include:

- Vector management, including the distribution of 1,112,858 long-lasting insecticidal nets through a mass campaign in addition to continuous distribution;
- Scale-up of integrated community case management interventions;
- Technical cooperation for the central medical store in warehousing, stock management and logistics.

Expected achievements of the planned programming include:

- Increasing the proportion of pregnant women attending antenatal clinics who received three or more doses of intermittent preventive treatment for malaria from 18.1 percent in 2014 to 55 percent in 2017;
- Reducing annual inpatient malaria deaths per 1,000 population from 30 in 2012 to 25 in 2017;
- Reducing the malaria test positivity rate from 31.3 percent in 2014 to 21.3 percent in 2017;
- Increasing the percentage of health facilities reporting no stock-outs of essential drugs from 81.2 percent in 2014 to 92 percent in 2017.

1.2 Operational issues and implementation challenges. As a challenging operating environment, Guinea-Bissau was placed under the Additional Safeguard Policy in 2012. As an interim measure, the budget includes €84,000 for the payment of incentives for key staff members of the national malaria control program who are critical to successful grant implementation. At the Secretariat's request, the CCM submitted a proposal in December 2015 for the harmonization of incentives across Global Fund grants.

Discussions are being held with the CCM to ensure that the payment of incentives is linked to the performance of the grant and that a phase-out plan is provided. Furthermore, a condition has been included in the grant confirmation to ensure that incentives are paid only upon the Secretariat's approval of this proposal.

1.3 Domestic contributions. Although highly dependent on international aid, Guinea-Bissau is making efforts to mobilize domestic resources for health. Domestic contributions go primarily toward operational costs, with willingness-to-pay commitments funding free diagnosis and treatment of malaria, and exemptions of certain taxes on purchases of medical products. The Secretariat continues to emphasize the importance of meeting counterpart financing and willingness-to-pay commitments to the Government of Guinea-Bissau and encourage increases in health spending.

1.4 GAC review and recommendations. The GAC expressed its support for the Guinea-Bissau malaria program and strongly emphasized the necessity of aligning and planning the phase-out of salary incentive payments across Global Fund-supported programs in the country. In addition, GAC partners noted positively that seasonal malaria chemoprevention is planned to be piloted in two regions during this implementation period, with the goal of expanding to the entire country in the future. The GAC was informed that the Ministry of Health, with support from partners, will lead the development of a strategy to strengthen the resilience and sustainability of the systems for health (RSSH) to complement the disease-specific programs. The GAC noted that this plan will be developed and finalized during grant implementation with support from WHO and, in this regard, a condition has been included in the grant confirmation to ensure that an RSSH and community systems strengthening action plan is approved before the grant start date.

## V. Additional Matters

### 01 Extensions Approved by the Secretariat Pursuant to Its Delegated Authority

The Secretariat hereby notifies the Board that it has approved extensions to the grants listed in Table 4 below in accordance with the Board decision GF/B31/DP12.

#### **South Sudan HSS Grant (SSD-910-G13-S)**

1.5 Rationale for reprogramming. This is a reprogramming leading to the extension of the existing rounds-based HSS investment in South Sudan. The country initially submitted an HSS concept note during TRP review window 3 in October 2014. While acknowledging the urgent need for investing in the health system in the country as a critical platform to respond to health system challenges, the TRP did not consider the funding request to be strategically focused and technically sound, recommending the concept note for iteration. Subsequently, it was revealed that the HSS component had received no additional funding at the time of allocation and the endorsement of the program split at the country level, and the TRP endorsed the approach that South Sudan's HSS funding request be submitted as a non-material reprogramming of savings from the existing HSS grant in place of a full concept note.

1.6 Strategic focus of the program. Building on the existing HSS grant, the reprogramming aims to extend support to a public reference laboratory to improve diagnosis and blood bank services, contributing to the initiation of early infant diagnosis, TB culture and drug susceptibility testing and the management of multidrug-resistant TB. The reprogramming further focuses on renovation and equipping of existing regional medical stores, allowing for improved planning, shorter lead times between ordering and replenishment for health facilities, improved communication, and prepositioning of commodities during adverse weather conditions that limit distribution. In addition, the reprogramming aims to address the shortage of skilled human resources through support for training institutes, scholarships and salary support for tutors, which is highly relevant in addressing the shortages in human resources for health. As a management action, the government will provide a binding retention framework and plan of how tutors will be distributed across the existing training institutions. Lastly, the reprogramming focuses on strengthening community systems, which is not a focus of the existing grant.

1.7 Operational issues and implementation challenges. The Secretariat informed the country in November 2015 about its decision to continue funding grants in South Sudan under a non-CCM approach. The finalized arrangements of coordinating through the Health Cluster have been delegated to the Ministry of Health, with the support of partners. South Sudan is managed under the Additional Safeguard Policy and, considering the circumstances, the existing implementation arrangements with UNDP as the Principal Recipient will be continued. The UNDP program management unit is embedded within the Ministry of Health, facilitating transfer of knowledge and capacity-building.

1.8 Domestic contributions. South Sudan is a non-CCM country and the Eligibility and Counterpart Financing Policy exempts non-CCMs from counterpart financing and willingness-to-pay requirements. In the specific case of South Sudan, the GAC endorsed the Secretariat's recommendation that willingness-to-pay requirements not be waived to incentivize the government to sustain its investments in the health sector.

1.9 GAC review and recommendations. The GAC noted that this program is a reprogramming leading to an extension of the grant previously approved under the rounds-based system. The GAC discussed the importance of the Secretariat's "Implementation through Partnership" project toward the successful planning and implementation of this grant and was informed that the country's participation in this initiative has resulted in savings for the HSS program and alignment across partners in prioritizing interventions. The GAC also stressed the necessity of grant conditions ensuring the sustainability of the interventions proposed for investment.



Table 4: Grant Extensions Approved by the Secretariat

Country	Disease component	Grant name	Currency	Period of extension (months)	Additional funding
Niger	Malaria	NGR-708-G07-M	€	4	0
South Sudan	HSS	SSD-910-G13-S	US\$	12	0

## 02 Updates and reconciliations to Previous Reports to the Board

The Secretariat hereby notifies the Board of non-material updates and reconciliations to previous reports to the Board, of which the details are shown in Table 5 below.

1.11 There are increases to the budget amounts of the Eritrea malaria ERI-M-MOH and Eritrea TB ERI-T-MOH grants. The additional budget amounts are within the allocation and represent transfer of in-country cash balance to fund previously committed liabilities under the Phase 2 ERI-T-MOH and ERI-910-G07-M grants, which were not included in the total budgets when the Board approved program budgets for the Eritrea malaria grant on 15 May 2015 (GF/B33/EDP01) and Eritrea TB grant on 30 June 2015 (GF/B33/EDP07). The transfer was part of the Secretariat's efforts to close the said Phase 2 grants and consolidate all funding under the NFM grants to simplify relevant grant management going forward given the Principal Recipient is the continuing one. Since the transfers of cash balances to fund previously committed liabilities were included as part of existing funds not affecting country's allocation, they have no effect on the incremental funding amount previously approved by the Board, and therefore do not require alteration to the Board's decisions.

Table 5: Amendments to Previous Reports on Eritrea

Applicant	Currency	Grant name	GAC report reference	Board-approved budget	Revised budget
Eritrea	US\$	ERI-M-MOH	GF/B33/ER01	29,298,779	30,874,769
Eritrea	US\$	ERI-T-MOH	GF/B33/ER05	4,415,916	5,284,024

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