## Electronic Report to the Board

# Report of the Secretariat's Grant Approvals Committee

GF/B35/ER16
Board Decision

PURPOSE: This document proposes two decision points as follows:

1. GF/B35/EDP20: Decision on the Secretariat's Recommendation on Additional Funding from the 2014 Allocation[1]



[1] Albania TB/HIV, ANCS TB/HIV Regional, El Salvador malaria, Guinea TB, Guatemala malaria, Middle East Response Integrated (Palestine HIV, Palestine TB, Syria HIV, Syria TB, Yemen HIV, Yemen malaria and Yemen TB), ECOM HIV Regional, EHRN HIV Regional (Early Applicant), Multi-country Southeast Asia HIV Regional, Handicap International HIV Regional, India HIV/AIDS Alliance HIV Regional, ORAS-CONHU TB Regional. Total incremental amount is US$49,638,602 and €12,809,242.

# 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 US$49,638,602 and €12,809,242.

***Decision Point: GF/B35/EDP20: 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 Tables 1a and 1b of Section IV to GF/B35/ER16 ("Tables 1a and 1b");*

2. *Acknowledges each country disease component's constituent grants will be implemented by the proposed Principal Recipients listed in Tables 1a and 1b, or any other Principal Recipient(s) deemed appropriate by the Secretariat in accordance with Global Fund policies;*

3. *Acknowledges the grant duration and related funding originally approved by the Board for those country components that participated in the concept note process in 2013 as part of the transition to the allocation-based funding model authorized under GF/B28/DP05 (the "Early Applicants") will end on or before 31 December 2016 and accordingly will need additional funding to bridge the relevant program implementation until 31 December 2017, the typical end date of grant programs arising from the 2014 - 2016 allocation period;*

4. *Approves the additional incremental funding and implementation period recommended for the EHRN regional grant, being an Early Applicant grant, as listed in Table 2 of Section IV to GF/B35/ER16 based on the available funding that the Finance and Operational Performance Committee (the "FOPC") validated pursuant to GF/FOPC17/DP02;*

5. *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*

6. *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 2016 Operating Expenses Budget.***

# II. Relevant Past Decisions

1. Pursuant to the Governance Plan for Impact as approved at the Thirty-Second Board Meeting,[2] 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 |
|---|---|
| **GF/FOPC17/DP02: Validation of Available Funding for Portfolio Optimization** | Based on its review and discussion of the Secretariat's risk-adjusted analysis of sources and uses of funds, as presented in GF/FOPC17/10 (i.e., the updated Mid-Term Plan), the Finance and Operational Performance Committee (FOPC)[3] validated US$700 million as the amount of available funding for portfolio optimization. This amount of available funding will serve as the source of funds to finance the funding recommendations for priority areas arising from the 2014 to 2016 allocation period. |
| **GF/B33/EDP29: Decision on the Secretariat's Recommendation on Policy Exceptions for Processing HIV and TB Funding Applications from Certain Countries in the Middle East Region** | This decision point granted policy exceptions for processing HIV and TB funding applications from these countries to access relevant 2014-2016 funding allocations: (i) waiver of the CCM eligibility requirements; (ii) waiver of the counterpart financing requirement; and (iii) waiver of the "willingness-to-pay" requirement. |
| **GF/B31/DP09: Transition from the Third to the Fourth Replenishment Period[4]** | This decision point granted operational flexibility to the Secretariat, which has resulted in shortening the duration over which certain grant programs may utilize their 2014 total allocation so that grant terms end prior to 31 December 2017.[5] |
| **GF/B30/EDP07: Decision on the Secretariat's Recommendation on Additional Funding from the 2014 Allocation** | This decision point refers to the funding recommendation with regards to the EHRN regional HIV grant approved by the Board on 28 February 2014. |

# 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)

[2] 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/)
[3] As of 28 April 2016, the Audit and Finance Committee succeeded the FOPC.
[4] GF/B31/DP09: Transition from the Third to the Fourth Replenishment Period (http://www.theglobalfund.org/Knowledge/Decisions/GF/B31/DP09/)
[5] The said decision point states: "While each disease component's portion of the Total Allocation will typically cover a period of four years starting from 1 January 2014, the Secretariat, working together with countries and/or regions, has the operational flexibility to structure longer or shorter grant implementation periods while applying the principles of the allocation model (GF/B28/DP4) to guide funding levels towards the amounts derived from the allocation formula."

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

## Table 1a: Secretariat's Funding Recommendation on Additional Funding from the 2014 Allocation (Country Applicants)

| N | Applicant | Disease component | Proposed Principal Recipient (Grant Name) | Grant End Date | Currency | Total Program Budget | Sources | | Recommended Total Incremental Funding | Incentive Funding included in Total Incremental Funding | Unfunded Quality Demand | Domestic Commitment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Existing Funding | Recommended Incremental Funding | | | | |
| 1 | Albania | TB/HIV | ALB-C-MOH | 31-Dec-19 | US$ | 5,823,184 | 15,891 | 5,807,293 | 5,807,293 | n/a | 0 | 10.4 million |
| 2 | El Salvador | Malaria | SLV-M-MOH | 31-Dec-19 | US$ | 2,000,000 | 0 | 2,000,000 | 2,000,000 | n/a | 11,631,327 | 10,166,758 |
| 3 | Guatemala[6] | Malaria | GUA-M-MSPAS | 30-Jun-18 | US$ | 6,914,168 | 6,914,168 | 0 | 0 | n/a | 0 | 4,396,408 |
| 4 | Guinea | TB | GIN-T-PLAN | 31-Dec-17 | US$ | 3,894,373 | 1,061,241 | 2,833,132 | 2,833,132 | n/a | 0 | 1.32 million |
| 5 | Middle East Response[7] | Integrated | QSF-Z-IOM | 31-Dec-18 | US$ | 43,825,967 | 20,151,152 | 23,674,815 | 23,674,815 | n/a | 0 | n/a |

[6] The Guatemala malaria grant is a simplified application with no material reprogramming.
[7] The Middle East Response includes funding through the allocations for Palestine HIV, Palestine TB, Syria HIV, Syria TB, Yemen HIV, Yemen malaria and Yemen TB.

## Table 1b: Secretariat's Funding Recommendation on Additional Funding from the 2014 Allocation (Regional Applicants)

| N | Applicant | Disease component | Currency | Grant name | Grant end date | Total Program Budget | Sources | | Recommended Total Incremental Funding | Incentive Funding included in Total Incremental Funding | Unfunded Quality Demand | Domestic commitment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Existing funding | Incremental amount for Board approval | | | | |
| 1 | Alliance Nationale Contre le SIDA (ANCS) | TB/HIV | US$ | QPF-C-ANCS | 31-Dec-19 | 5,892,274 | 0 | 5,892,274 | 5,892,274 | n/a | 0 | n/a |
| 2 | Eurasian Coalition on Male Health (ECOM) | HIV/AIDS | € | QMZ-H-ECOM | 31-Dec-19 | 2,998,706 | 0 | 2,998,706 | 2,998,706 | n/a | 882,580 | n/a |
| 3 | Handicap International | HIV/AIDS | € | QPF-H-HandINT | 31-Dec-19 | 2,905,284 | 0 | 2,905,284 | 2,905,284 | n/a | 268,000 | n/a |
| 4 | India HIV/AIDS Alliance | HIV/AIDS | US$ | QSA-H-IHAA | 31-Dec-19 | 5,000,000 | 0 | 5,000,000 | 5,000,000 | n/a | 0 | n/a |
| 5 | Organismo Andino de Salud – Convenio Hipólito Unanue (ORAS-CONHU) | TB | US$ | QRA-T-ORAS | 31-Dec-19 | 6,110,000 | 0 | 6,110,000 | 6,110,000 | n/a | 0 | n/a |
| 6 | South Asia RCM | HIV/AIDS | US$ | QSD-H-SCF | 31-Dec-17 | 6,600,000 | 2,386,638 | 4,213,362 | 4,213,362 | n/a | n/a | n/a |

## Table 2: Secretariat's Recommendation on Early Applicants

| N | Applicant | Disease Component | Grant Name | Currency | Period of Extension (Months) | Previously Approved Grant Budget | Revised Budget for Board Approval | Original Existing Funding | Additional Existing Funding | Incremental Funding Already Approved | Additional Incremental Funding for Board Approval | Total Additional Incremental Funding for Board Approval | Revised Unfunded Quality Demand |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Eurasian Harm Reduction Network (EHRN) | HIV/AIDS | QMT-H-EHRN | € | 9 | 4,561,958 | 5,574,936 | 0 | 0 | 4,561,958 | 1,012,978 | 1,012,978 | 5,474,352 |

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

The following grants resulting from 11 funding requests, including six regional funding requests, have been found to be disbursement-ready by the Global Fund Secretariat in a thorough review process and in consultation with partners.

The concept note for each country component 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. Domestic commitments for disease-specific and health-related spending are subject to local currency value fluctuations against US dollars and Euro.

**Albania TB/HIV grant: The Ministry of Health (ALB-C-MOH)**

1.1 Strategic focus of the program. The Republic of Albania is an upper-middle income country with a population of 2.9 million with low burdens of HIV and TB. New HIV diagnoses in 2014 were 2.9 per 100,000 population, however an insufficient HIV surveillance system limits the availability of data on the magnitude of the HIV epidemic in Albania. Key populations include men who have sex with men, female sex workers, people who inject drug, people in prisons and Roma people. The TB incidence rate per 100,000 population increased between 2012 and 2013 from 13 to 16.9, however TB mortality is low and the treatment success rate for the new TB cases has improved over the past decade from 87 percent in 2006 to 88 percent in 2013. Data from 2014 showed low proportions of multidrug resistant TB (MDR-TB), with an average of one case per year and, as there is no MDR-TB treatment capacity in Albania, these patients are treated in neighboring countries, primarily Kosovo. The goal of the Global Fund-supported TB/HIV program in Albania is to contain the TB and HIV epidemics at the current low levels and reduce TB and HIV related morbidity and mortality. The grant will provide a catalytic response and build structures that will support the link between the government and national institutions, focusing on financial sustainability of the national TB and HIV programs. The program strategically prioritizes interventions to address the TB and HIV burden in the country, to ensure strengthened identification and outreach of key affected populations in selected areas; reduction in stigma and discrimination; provision of equitable access to high quality TB and HIV prevention, treatment, care and support with focus on key populations and other vulnerable people, most affected by HIV and TB. Planned achievements of the proposed programming include:

- Increasing the percentage and number of adults and children currently receiving ART among all adults and children living with HIV from 423 in 2015 to 900 in 2019 (to be updated based on population size estimates)
- Increasing the number of notified cases of all forms of TB - bacteriologically confirmed plus clinically diagnosed, new and relapses from 415 in 2015 to 450 in 2019

- Increasing the number of drug resistant and MDR-TB begin second-line treatment from zero in 2015 to three in 2019
- Increasing the proportion of registered new and relapse TB patients with documented HIV status from 44.1 percent in 2015 to 95 percent in 2019

1.2 Performance incentives. The grant contains minimal incentive payments for the six doctors and eight nurses working at the eight opioid substitution treatment centers, for the 16 social workers in eight prison facilities, and for the three nurses supporting the treatment of MDR-TB patients. These incentives are needed as an interim measure until the financing of these services is transitioned to the Ministry of Health. As such, it is foreseen that incentive payments will be reduced from 20 percent in year 1 to 15 percent in year 2 of each individual's base salary. Throughout years 1 and 2, the Ministry of Health will also ensure revision of the individual's terms of reference to include relevant activities in their job descriptions and to classify these as high-risk. In year 3, the Ministry of Health will take over financing of these positions. The total value of incentive payments over the three-year implementation period is US$53,628.

1.3 Domestic contributions. Total domestic financial commitments amount to US$10.4 million, representing 64 percent of total resources available for the next implementation period and a counterpart financing share, based on commitments of government contribution in the next phase and on the assumption that the full requested indicative funding in this concept note is approved, is 70 percent for TB and 61 percent for. Government commitments across two diseases represent a 58 percent increase compared to the previous implementation period. This grant was designed with a strong sustainability component as Global Fund financial support will likely be limited to a three-year period only and is expected to be followed by a three-year transition grant. Taking into account lessons learned from the previous implementation period and the short-term nature of the current financing, this grant was designed to:
- Serve as a catalyst for building structures that support the link between government and a strengthened civil society, and
- Create structural and functional changes within the public health care system to ensure the continuation of prevention activities and continuum of care after Global Fund funding ends.

The increased domestic contributions will go toward the procurement of methadone, financing the operational and human resource costs in methadone maintenance therapy centers, HIV testing and counseling centers, procurement of first- and second-line ART, first-line TB drugs and TB diagnostic supplies. The Ministry of Health has committed to defining the terms of reference for the national TB program and dedicating a separate budget line for the implementation of the program. Additionally:
- During year 1 of the grant, the country will undertake a full-scope investment case analysis, transition readiness assessment and transition planning exercise, with the aim of identifying opportunities and barriers to ensuring a successful transition. A relevant requirement on the submission of a consolidated sustainability plan to the Global Fund by the end of year 1, is inserted in the Grant Confirmation.
- The Secretariat, through Stop TB's Global Drug Facility will also actively engage with suppliers of MDR-TB medicines to encourage the registration of products supplied under the grant, in an effort to ensure sustainability at the end of the grant. Furthermore, the Country Team will discuss with Albania the option of a) procuring first-line TB medicines through Global Drug Facility and b) continuing their procurement of second-line medicines through the GDF after the end of the grant.

**ANCS TB/HIV Regional Grant: Alliance Nationale Contre le Sida (QPF-C-ANCS)**

1.4 Strategic focus of the program. The goal of this grant is to improve harm reduction services and promote the rights of people who inject drugs, in order to improve health outcomes related to HIV, TB and hepatitis in the countries of Burkina Faso, Cape Verde, Côte d'Ivoire, Guinea-Bissau and Senegal. In sub-Saharan Africa, information on injecting drug use is limited, with population size estimates ranging from 300,000 and 6,240,000 people, of which 5 to 10 percent were thought to be living with HIV in 2014. People who inject drugs in this region are subject to high levels of stigma and discrimination, as well as a harsh legal environment including the criminalization of harm reduction activities. This regional grant focusses on the implementation of the first set of regional activities to address policy, legal and social integration issues of harm reduction among people who inject drugs. This grant aims to contribute to achieving the following strategic objectives in the five countries included in the grant:

- Improving the availability of strategic information to guide risk-reduction interventions for people who inject drugs;
- Building capacity among community actors and people who inject drugs on risk reduction to improve health and human rights services for people who inject drugs;
- Improve the social and legal environment to facilitate the implementation of risk-reduction activities among people who inject; and
- Implement model harm reduction projects and document best practices to be replicated in West Africa (Burkina Faso, Cape Verde, Ivory Coast, Guinea-Bissau and Senegal).

1.5 Operational issues, risks and implementation challenges. In order to ensure full alignment with country-level needs and to avoid any duplication of activities, the Secretariat has included a requirement in the grant confirmation requesting the Principal Recipient, in consultation with national health authorities and partners in the five participating countries, to prepare a detailed needs assessment, study protocols and budgets to ensure that any funding for these activities complement and do not duplicate national efforts. The documents will be reviewed and approved by the Secretariat prior to use of funds for these activities.

1.6 GAC review and recommendation. The GAC and partners noted the success of a consultative and inclusive approach to grant-making, as well as the importance of technical support in finalizing this grant.

**El Salvador malaria grant: The Ministry of Health (SLV-M-MOH)**

1.7 Background. This is the first time El Salvador is eligible for financing of a malaria program by the Global Fund. The funding gap requested to the Global Fund corresponds to the intensification of interventions to achieve malaria elimination by 2020, including systematic and opportune outbreak response in affected communities, strengthened diagnostic capacity and the surveillance system. The El Salvador malaria program submitted a concept note for TRP review in Window 9 of March 2016. The TRP recommended funding of the allocation amount up to US$2,000,000, but expressed concerns about the high costs of interventions outside of monitoring and evaluation investments. In order to allow for robust strategic review based on TRP recommendations and appropriate budgeting accordingly, the GAC approved US$3,855,132 as upper ceiling for grant-making based on the allocation amount, given unknowns around how much it will cost to implement TRP clarifications, while ensuring that Global Fund investments do not displace existing government malaria elimination and RSSH efforts. Following the applicant's submission of clarifications the TRP, the TRP did not feel that all responses were satisfactory and therefore recommended that the upper-funding ceiling remain at US$2,000,000.

1.8 The strategic focus of the program. Between 2011 and 2015, the malaria incidence rate has been less than one confirmed case per 1,000 population, with a total of 60 confirmed malaria cases. The goal of the Global Fund-supported malaria program in to strengthen the multisectoral and sustainable national response with comprehensive actions to eliminate autochthonous malaria and promote favorable living conditions for the population in El Salvador that are integrated with:

- Health promotion,
- Illness prevention,
- Community participation,
- Caring for the environment,
- Health care, and
- Epidemiological and entomological monitoring.

Context-specific strategies to achieve these goals include:
- Strengthening laboratory, treatment and epidemiological monitoring systems, integrated within the SHIS for the analysis and interpretation of the epidemiological behavior of malaria.
- Strengthening integrated vector management with a cross-sectoral approach and community participation for the prevention and elimination of malaria.

Planned achievements of the proposed programming include:

- Increasing the proportion of households in targeted areas that received Indoor Residual Spraying during the reporting period from 61percent in 2015 to 100 percent in 2017, 2018 and 2019;
- Maintaining the percentage of confirmed cases fully investigated at 100 percent;
- Increasing the percentage of foci fully investigated from 0 in 2015 to 100 percent in 2017, 2018 and 2019;

The interventions in grant are complemented by the country's participation in the regional grant Initiative for the Elimination of Malaria in Central America and the Hispaniola (EMMIE).

1.9 Domestic financing. The estimated funding need for the national malaria program of El Salvador in the next implementation period is US$14,247,111. Total domestic financial commitments amount to US$10,166,758, which represents 71 percent of total resources available for the next implementation period. . The government finances the great majority of the national malaria program, with a stable early public expenditure in malaria control during the past three years. The malaria program, which is integrated within the decentralized structures of the health system, has benefited from government investments in human resources and infrastructure. Nonetheless, the process of transitioning to an elimination phase requires additional funding for updating guidelines and protocols, strengthening surveillance systems, and building capacity for implementing elimination strategies. By addressing this funding gap, the current grant seeks to sustain the gains and accelerate the path towards malaria elimination.

**Guinea TB grant: Plan International (GIN-T-PLAN)**

1.10 Country context. Guinea struggled with the Ebola outbreak from 2013 to 2016 that had a serious impact on the health system. The outbreak resulted in the loss of 196 health care workers as well as significant decline in the population's confidence in public health services. The national TB program was also impacted: several TB treatment centers were converted into Ebola treatment centers, community health workers were diverted to the Ebola effort, the scarce medical staff were focused on fighting or preventing the epidemic and the already weak data collection mechanisms were further eroded.

1.11 The strategic focus of the program. TB is a major public health problem in Guinea. Estimated mortality has decreased by 68 percent since 1990 with current estimates of mortality at 29 per 100,000 population excluding TB/HIV mortality and 38 per 100,000 population including TB/HIV mortality. Estimated incidence and prevalence in 2015 were 177 and 253 per 100,000 population, respectively. In 2015, 110 multidrug resistant TB (MDR-TB) cases were diagnosed, representing an estimated 48 percent of the expected cases. In line with the national strategic plan for TB, the objectives of this grant is to support the national TB program to improve case detection, treatment and prevention with a view to reducing overall prevalence and mortality.

1.12 Performance incentives. This grant includes US$32,200 to be paid as performance incentives for a one-year period to seven national program staff and 12 MDR-TB case management staff. These payments will be tied to grant performance and/or the successful completion of specific deliverables. These performance incentives were funded by the Global Fund under the previous grant with PSI up to the end of 2016. The Secretariat is discussing with the Government of Guinea and other stakeholders, including partners, the Principal Recipients and CCM to find an appropriate mechanism to fund these performance incentives in the next allocation period.

1.13 Domestic contributions. Total domestic financial commitments amount to US$1,320,356, representing 26 percent of total resources available for 2017. The counterpart financing share is 29 percent, based on commitments of government contribution in the next phase and on the assumption that the full requested indicative funding in this concept note is approved. Government commitments across all three diseases represent a 41 percent increase compared to the previous implementation period. Progress in mobilizing domestic financing is slow to materialize in the social sectors following the Ebola epidemic which resulted in a sharp contraction of the economy; as a consequence, the Ministry of Health's budget has remained constant since 2015. External partners support the post-Ebola recovery plan, with resources focused on the rebuilding and strengthening the health system. Expected additional investments to the TB program by the government for 2015 to 2017 represent a 22 percent increase as compared to 2012 to 2014.

These investments are for program management costs, including staff salaries and procurement of first line anti-TB drugs which meet a small proportion of national needs.

1.14 GAC review and recommendations. The GAC and partners noted the importance of a flexible and collaborative approach in this context. GAC partners called attention to the need for Guinea to strengthen its TB program, particularly in the area of MDR-TB, laboratory systems, and monitoring and evaluation, taking into account that technical support for some of these areas is already underway and more is foreseen in the new grant. The Secretariat brought to the GAC's attention that there is a limited number of GeneXpert machines currently available in the country and that, until the additional ones are procured and operationalized under the HIV grant, the targets in the grant are reasonable for the country's capacity level in this area. The Secretariat also explained that the anticipated absorption rate of this grant is expected to improve in the upcoming grant because of funding for embedded international technical support and the change of Principal Recipient. Considering the low capacity of the national TB program, especially in the area of financial management, the Secretariat assured partners that capacity building is an important part of the implementation plans. GAC partners requested information on how the post-Ebola recovery plan was taken into account for the grant. The Secretariat clarified the in light of the limited funding for TB, financial support to the recovery plan was anchored in the malaria grant which has a large health systems strengthening component. The Secretariat is proactively engaged with financial and technical partners in its support to the post-Ebola recovery plan. The Secretariat anticipates that the flexibility allowed by the Challenging Operating Environments policy will be essential in implementing a successful TB program during this cycle and in preparing the funding request for the next allocation period.

**Guatemala malaria grant: Ministry of Health and Social Assistance (GUA-M-MSPAS)**

1.15 Simplified approach. The Guatemala malaria program submitted its funding request through a simplified approach, which was deemed non-material reprogramming and did not go through TRP review. The simplified request is for an additional 1.5 years of program implementation and does not request any new funding but rather proposes to fund activities with savings found in the current Rolling Continuation Channel (RCC) grant. The request is informed by the available evidence and gaps in the current program and is focused on strategic investment directed at high impact and effective interventions. The malaria program's key priorities build upon and are aligned with the grant currently underway which runs from 1 July 2014 to 31 December 2016, which supported the country's focus on malaria elimination.

1.16 Strategic focus of the program. Guatemala has the second highest number of malaria cases in Central America, with a total of 4,931 confirmed malaria cases in 2014. . Over the past decade, there have been dramatic reductions in malaria morbidity and mortality. The incidence of confirmed malaria cases in Guatemala has reduced by over 87 percent as compared to the year 2000 and since 2008, there has been only one reported malaria death in the country. The at-risk population in Guatemala is defined as those people living in active malaria foci in control and pre-elimination districts, consisting of approximately 5 percent of the population. The goal of the Global Fund-supported malaria program in Guatemala is to eliminate *P. falciparum* by the end of 2017 and *P. vivax* by 2020. These goals are also aligned with the regional malaria elimination goals under the EMMIE grant. The activities included are largely a continuation of activities being implemented under the current rounds-based grant with some minor modifications that take into consideration lessons learned during grant implementation and domestic commitments. The proposed activities are in line with the epidemiological context and strategically focused, with the majority of funding focused in the remaining malaria control districts while at the same time maintaining necessary activities in areas of pre-elimination. During this extension, the aim is to provide at-risk populations with universal access to diagnosis and treatment along with universal coverage with long lasting insecticidal nets (LLINs). The achievement of these targets will be facilitated by the strengthening of the peripheral microscopy network and the strengthening of the logistics management information systems to ensure that rural health posts and community volunteers are stocked with the basic diagnostic and treatment kits.

1.17 Salaries included in the grant. This grant finances salaries for 95, primarily field-based staff. This is a reduction from the 168 positions financed by the Global Fund from 2014 to 2016 as the government has

begun absorbing these costs. The Secretariat continues to engage in discussions with the Ministries of Health and Finance in order to ensure the majority of positions are domestically financed in the future.

1.18 Operational issues, risks and implementation challenges. The Secretariat is working with the country on an ongoing basis in order to mitigate several risks:

- Fulfillment of domestic commitments: The Ministry of Health has proposed to meet willingness-to-pay commitments through the gradual absorption of human resource and commodity costs in HIV and malaria. While there has been some success in absorbing personnel, the Ministry of Health was unable to fulfill commitments related to medical commodities. To avoid this scenario from repeating in the future, the Secretariat continues to engage with the Ministry of Finance, the Ministry of Health and civil society organizations to ensure appropriate national budgeting for 2017.
- Low absorption: Excluding funds disbursed through the Global Fund's Pooled Procurement Mechanism, the Ministry of Health grant has had an absorption rate of less than 60 percent. To address this issue, the CCM voted in late 2015 to outsource local procurement to a local procurement agent. Under an agreement with the Ministry of Health, the local procurement agent will conduct procurement processes and then donate assets to the Ministry of Health for their use. This arrangement is expected to address absorption issue as well as other procurement-related risks, for which a fiscal agent was previously installed.
- Payment of malaria program staff: In 2016, as part of larger austerity measures, the Ministry of Finance introduced a policy prohibiting the payment of per-diems to non-permanent government staff. Given that most malaria grant staff do not have permanent contracts, no per-diems have been able to be paid this year. The Secretariat is currently working with the Ministries of Finance and Health and the Vice-President's office to ensure that international donations are exempt from any similar decrees in 2017.

1.19 Domestic financing. Total estimated domestic financial commitments to malaria in 2017/18 amount to US$4,396,408, which represents 42 percent of total resources available for the next implementation period. The government will use these funds to continue financing the overall national vector control program, procure anti-malarial medicines, and gradually absorb human resource costs currently financed by the grant.

**ECOM HIV regional grant: Eurasian Coalition on Male Health (QMZ-H-ECOM)**

1.20 Strategic focus of the program. The Eurasian Coalition on Male Health (ECOM) developed the current regional program recognizing the challenge of the disproportionately low access to HIV services of men who have sex with men and trans people (including transgender, non-binary, and gender nonconforming identities) in Central and Eastern Europe and Central Asia, specifically the countries of Armenia, Belarus, Georgia, Kyrgyzstan and Macedonia. Despite the significant international and national efforts, the HIV epidemic in Eastern Europe and Central Asian regions is on the rise. A growing body of evidence suggests, that HIV is emerging among men who have sex with men in the region, with surveys in many cities of the region showing that HIV prevalence is up to 10 times higher among men who have sex with men than in the general population. Existing official data on men who have sex with men and HIV in the region is insufficient and of low quality, partially due to high levels of stigma attached to homosexuality. The goal of this program is to contribute to an increased uptake and retention across the continuum of HIV care for men who have sex and trans people in Central and Eastern Europe and Central Asia. The achievements of this grant will be measured through workplan tracking measures, including:

- Advocacy and community-based monitoring for social accountability;
- Institutional capacity building, planning and leadership development;
- Social mobilization, building community linkages, collaboration and coordination;
- Legal aid services and legal literacy;
- Training on rights for officials, health workers and police; and
- Policy advocacy and community-based monitoring of legal rights.

Though the target countries that are participating in this program are limited to Armenia, Georgia, Macedonia, Belarus and Kyrgyzstan, there are several regional events and activities for which expanded engagement will be utilized. This expanded engagement is open to community representatives or organizations from all remaining ECOM member states, including Azerbaijan, Estonia, Kazakhstan,

Moldova, Russian Federation, Tajikistan, and Ukraine. In order to attain maximum return on investment for this grant, ECOM will employ a crosscutting participatory approach, prioritizing community-led actions to ensure that knowledge and skills are retained and used beyond the life of this program.

**Handicap International HIV regional grant: Fédération Handicap International (QPF-H-HandINT)**

1.21 Strategic focus of the program. This program focuses on Burkina Faso, Cabo Verde, Guinea-Bissau, Mali, Niger and Senegal. In 2014, the number of people living with HIV in West and Central Africa was estimated at 6.6 million. There were 420,000 new HIV infections and 330,000 AIDS-related deaths in 2014 and less than one adult in five and one child in eight living with HIV has access to treatment. The average prevalence rate among the Economic Community of West African States region was 2.3 percent in 2013, though the impact of HIV among these countries is not uniform. People living with disabilities have rarely received the attention of AIDS control programs, and the specific needs associated with disability are generally neglected in activities due, primarily, to lack of data, as well as stigma and the preconceived idea that people living with disabilities engage in limited sexual activity. The lack of data highlights the failure to consider this group and therefore the lack of activities and strategies targeting people living with disabilities in the HIV response. To date, five prevalence studies among people living with disabilities have been carried out and only three of these have been published, showing that the HIV prevalence among people living with disabilities is at least as high as or even higher than in the general population. The goal of this program is to contribute to reducing new infections among people living with disabilities, by supporting the promotion of their human rights, tackling legal barriers, and by improving this group's access to HIV prevention, care and support services through regional advocacy. The regional grant will support the development of mainstreaming strategies for the systematic inclusion of this group in the HIV response, as well as in policies and plans. The four areas of focus for the regional grant are:

- Research;
- Capacity building;
- Advocacy and lobbying; and
- Coordination to eliminate factors that cause vulnerability, including discrimination and gender inequality.

1.22 Sustainability. The grant includes plans for regular meetings between the Principal Recipient, national AIDS programs and CCM's to discuss the integration of data on people living with disabilities into the national health information systems. Measures to ensure integration include planned studies combined with national surveys and advocacy work with health authorities to influence decisions to integrate this data in records for HIV and sexual and reproductive health. National advocacy brought by the national federations of people living with disabilities will lead to the inclusion of disability in national policies, particularly those relating to health. The transfer of competencies to organizations dealing with disability and networks of people living with HIV will ensure continuity of advocacy after the end of the program. A detailed transition plan is planned to be developed with partners and stakeholders of the regional program at the end of the first year of the grant.

**India HIV/AIDS Alliance HIV regional grant: India HIV/AIDS Alliance (QSA-H-IHAA)**

1.23 Strategic focus of the program. This regional grant covers seven countries, including India, Indonesia, Thailand, Philippines, Viet Nam, Cambodia and Nepal, where HIV prevalence among people who inject drugs ranges from 6 to 46 percent. The grant aims to increase access to essential HIV and harm reduction services for people who inject drugs in Asia by removing legal and policy barriers to accessing services for increased coverage of services for people who inject drugs, strengthening community systems and increasing evidence to define future advocacy needs. Although harm reduction is becoming increasingly accepted across the region, a largely punitive policy and legal environment remains firmly in place, undermining access to life-saving harm reduction programs. Limited access to evidence-based harm reduction and HIV prevention services is reflected in low to medium coverage of needles and syringe programs and opioid substitution treatment, and people who inject drugs living with HIV continue to have poor access to antiretroviral treatment. The goal of this program is to increase access to essential HIV and harm reduction services for people who inject drugs in Asia through removing legal and policy barriers,

planning for increased coverage of services, strengthening community system and further developing an evidence base to inform future advocacy needs. Interventions will be implemented at regional and national levels, complementing one another, and complementing interventions already implemented by national programs, thus overall strengthening harm reduction efforts at national levels. The impact of this grant will be tracked through workplan tracking measures, which include :

- Strengthening civil society organizations capacity for policy advocacy and strategic partnership;
- With technical assistance, finalizing blueprints for change, which will lay out strategic goals to increase the coverage of services for people who inject drugs and inform advocacy activities to be implemented in country;
- Developing a system to track harm reduction funding, rights violations and harm reduction service coverage and quality;
- Undertaking operational research on HIV and harm reduction services for women injecting drug users.

The grant will support establishing a continuing regional dialogue on policy change by strengthening regional and national fund recipients with key regional coordinating bodies including ASEAN, SAARC and AFPPD.

**Middle East Response (Palestine HIV, Palestine TB, Syria HIV, Syria TB, Yemen HIV, Yemen malaria and Yemen TB): The International Organization for Migration (QSF-Z-IOM)**

1.21 Background. In November 2015, the Board approved the waiver of CCM Eligibility Requirements, counterpart financing requirements and the willingness-to-pay requirement for the constituent countries of the Middle East Response while acknowledging, as presented in GF/B33/ER18, to provide essential HIV, TB, and malaria services to eligible country populations in Iraq, Palestine, Yemen, Syria, and Syrian refugees in Jordan and Lebanon under a multi-country integrated management platform and governance framework, known as the Middle East Response. The Board endorsement of the Middle East Response recognized the need to work differently in the challenging operating environments characterized by on-going conflict, as reaffirmed in the Global Fund Challenging Operating Environments Policy (GF/B35/03). The TRP reviewed the strategic scope of interventions proposed for the Middle East Response in April 2016 and recommended several clarifications to be addressed as part of the operational plan during grant-making. The GAC reviewed the proposal and further endorsed its continuation to grant-making. Upon receipt of the response to clarifications, the TRP was satisfied with the operational plan developed for the program, and made additional recommendations for consideration during grant implementation. In order to ensure continuity of essential services while grant making for the Middle East Response was being finalized, the Syria and Yemen HIV and TB grants were granted extensions until the end of 2016. With the proposed grant start date of 1 January 2017, the Middle East Response grant will also replace the Emergency Fund grant in Jordan and Lebanon. Although addressing disease burdens in Iraq was part of the of the Middle East Response when initially presented to the Board, the Middle East Response grant presented for Board approval does not include activities for Iraq, since the only funding in which Iraq was eligible to receive for the 2014 – 2016 allocation period was Transition Funding for TB. This grant for TB currently has an end date of 31 December 2016, but is eligible to continue to receive an allocation for Transition Funding for the 2017 – 2019 allocation on the basis of flexibilities under the Challenging Operating Environment Policy that the Board approved in April 2016 under decision point GF/B35/DP09. As such, the Secretariat anticipates that going forward, Iraq allocations will be incorporated into the Middle East Response grant.

1.22 Strategic focus of the program. The goal of the Middle East Response is to provide essential HIV, TB, and malaria services to eligible country populations in Palestine, Syria, Yemen and Syrian refugees in Jordan and Lebanon. This will be done through one regional grant management platform with the aim of improving responsiveness to the three diseases in the context of emergencies in the aforementioned countries. The scope of interventions under the regional grant, developed in consultation with technical partners, is tailored to address healthcare in the context of protracted conflict and refugee crisis. The epidemiological situation and proposed interventions in each of the proposed countries is described below:

- Syria and Syrian refugees in Jordan and Lebanon. Syria has a population of 12 million people with an approximate 900 people living with HIV, 152 people on ART, and TB prevalence and incidence rates of 19 and 17 per 100,000 population, respectively, in 2014.
  Context-specific activities and interventions to be carried out under this grant in Syria include:
  - Providing treatment and care to people living with HIV;
  - Conducting testing and screening activities; and
  - Ensuring TB diagnostics and treatment, including through provision of drugs and commodities.

  Lebanon and Jordan host 1.5 million and 750,000 Syrian refugees, respectively. To support Jordan and Lebanon in light of the high number of Syrian refugees, funding for TB activities focusing on Syrian refugees in Jordan and Lebanon is currently granted to through an Emergency Fund grant managed by IOM. Context-specific activities and interventions to be carried out under the Middle East Response grant in Jordan and Lebanon include:
  - Improving awareness and knowledge on TB among Syrian refugees;
  - Providing treatment and care to Syrian refugees living with HIV;
  - Supporting HIV testing and TB/HIV testing efforts among the Syrian refugee population;
  - Improving TB, detection, diagnosis and treatment outcome among Syrian refugees through the provision of equipment and supplies, specifically in Jordan; and
  - Ensuring TB diagnostics and treatment for Syrian refugees, including through provision of drugs and commodities, specifically in Lebanon.

- Yemen. Yemen has a population of 21.1 million, with an estimated 7,200 people living with HIV in 2015, and 631 people on ART. Over 16 million people are at-risk of malaria (78 percent of the population), and TB prevalence and incidence rates of 60 and 48 per 100,000 population, respectively, in 2014. Context-specific activities and interventions to be carried out under this grant in Yemen include:
  - Providing treatment and care to people living with HIV, and people infected with TB and malaria;
  - Conducting HIV and TB testing and screening activities;
  - Ensuring TB diagnostics and treatment, including through provision of drugs and commodities; and
  - Enhancing malaria prevention, including through the procurement of long lasting insecticidal nets.

- Palestine. Given the high cost of addressing HIV and TB in a challenging operating environment where disease burden is low, Palestine is also included in this request to benefit from the efficiencies anticipated from the combined grant management platform. Palestine has a population of 4.4 million people. HIV case reporting began in 1989, and since then, there have been 72 cumulative identified cases in the community and 27 people are on ART. TB incidence and prevalence rates were 5.8 and 7.1 per 100,000 population, respectively, in 2014. Inclusion of Palestine in the grant management platform of the Middle East Response will address the high cost of program management incurred in the Global Fund grants thus far and this grant will be used as a learning opportunity to inform how the Palestine program can be managed more efficiently in the next allocation cycle. Subject to ongoing discussions with the Palestinian Ministry of Health, context-specific activities and interventions to be carried out under this grant in Palestine include:
  - Providing treatment and care to people living with HIV, and people infected with TB
  - Conducting HIV and TB testing and screening activities;
  - Ensuring TB diagnostics and treatment, including through provision of drugs and commodities.

1.23 Expected outcomes. In exercising the flexibilities granted through the Challenging Operating Environment Policy, the Secretariat and the Principal Recipient elected to consolidate indicators at the grant level rather than at the national level. The planned impact of the proposed programming includes:

- Increasing the number of people living with HIV currently receiving antiretroviral therapy from 1502 in 2014 to 3,270 in 2018;
- Reaching 61,000 people who were tested for HIV and received their results during the reporting period;

- Distributing 1,175,000 long-lasting insecticidal nets distributed to at-risk populations through mass campaigns during 2017 and 2018;
- Increasing the number of notified cases of all forms of TB, including new and relapse cases, as well as cases that are bacteriologically and clinically diagnosed from 14,167 in 2014 to 14,462 in 2018; and
- Increasing the number of cases with Rifampicin or multidrug resistant TB that began second-line treatment from 72 in 2014 to 114 in 2018.

1.24 Salaries and performance incentives included in the grant. This grant finances salaries totaling US$7,821,885, consisting of 27 percent of grant funds. These costs can be broken down as follows:

- IOM Salaries at the country level;
- IOM Salaries for the integrated grant management platform;
- National staff salaries at the country level; and
- Performance based incentives for existing staff, including support to community health workers and outreach workers

These performance incentives are in line with earlier approved grants, mainly in Yemen, and it was agreed with the Principal Recipient to maintain these incentives considering the participating countries' highly unstable context. The Principal Recipient has agreed to evaluate human resource costs and the incentive scheme to align with Global Fund guidelines by 31 December 2016.

1.25 Operational issues and implementation challenges. Grant implementation in Syria and Yemen occurs in a context of protracted emergency due to the ongoing civil war. These grants are currently managed under the Additional Safeguard Policy. To identify the Principal Recipient for the grant, 15 pre-qualified organizations with experience in managing programs in conflict settings were invited to present proposals. Four organizations submitted expressions of interest, and following review by two internal selection committees at the Secretariat level, the International Organization for Migration (IOM) was selected as the PR in June 2016. The Middle East Response grant will hence be managed by IOM through an integrated grant management platform, based in Amman, Jordan as IOM will capitalize on its country missions in the region to oversee grant implementation on the grounds, including in hard-to-reach areas of Yemen and Syria. IOM will lead regular consultation and engagement through a technical support group comprised of technical partners and Ministries of Health of participating countries, the regional grant management platform and IOM country support units. To manage other ongoing risks, the following mitigation measures are being taken:

- Delays or inability to implement some of the proposed interventions in areas of protracted conflict: Essential services will be provided through channels established under the previous rounds-based grants. During implementation, interventions will be further defined and appropriate partners will be selected, taking into account the contingency plan and standard emergency operating procedures currently under development by the Principal Recipient.
- Theft and diversion of financial assets at sub-recipient level: The Principal Recipient will provide an assessment of health and non-health assets in the custody of the national programs. Agreements with sub-recipients will include appropriate provisions and a zero-cash policy will be enforced in Yemen.
- Treatment disruptions: To avoid treatment disruptions, procurements will occur through the Global Fund Pooled Procurement Mechanism and the Global Drug Facility. Distribution modalities have been designed to allow uninterrupted supply to all areas, including hard-to-reach, using UN and nongovernmental organization channels.
- Poor quality of health services: Situational assessments in Syria and Yemen will be used to further define intervention delivery modalities, particularly in hard-to-reach areas.
- Poor access and promotion of equity and human rights: At the situation assessment stage, appropriate nongovernmental organizations and implementing partners will be selected as sub-recipients in hard-to-reach areas as well as for key populations.
- Weak monitoring and evaluation systems: The Principal Recipient will use the IOM Displacement Tracking Matrix tool to follow patients. Additionally, the WHO web-based TB surveillance tool will be used for collecting and analysis data. Monitoring and evaluation systems will be further reinforced by the Principal Recipient's field coordinators.

1.26 Counterpart financing and willingness-to-pay. Counterpart financing and willingness to pay requirements for the Middle East Response were waived by the Board through GF/B33/EDP29, due to protracted emergency situation in Syria and Yemen. In the case of Syria and Yemen, the activities under the grant are aimed at providing essential services to the country populations in the context of protracted conflict and seriously damaged health systems. In the case of Jordan and Lebanon, the grant aims to address the needs of Syrian refugees that represent a burden on already overstretched national health systems. Therefore, the activities under the grant are not aimed at building the sustainability of the health systems of participating countries, but rather at ensuring that essential services are provided to vulnerable population groups in a highly volatile context of protracted conflicts. It will only be possible to develop sustainability plans once the situation in the abovementioned countries stabilizes.

1.27 GAC review and recommendation. The GAC and partners expressed their support for the Middle East Response grant, noting the incredible progress and innovation in finalizing grant making. GAC partners commented on the pragmatic approach to this challenging operating environment across countries to effectively consolidate risks and simplify management, and highlighting the ability of partners to support as implementation begins. GAC partners acknowledged the challenge of measuring results during implementation, encouraging the program to focus on realistic indicators. GAC partners also emphasized the importance of capturing lessons learned from the Middle East Response that may be applicable to other regions. The Secretariat assured partners that appropriate flexibilities would be applied throughout implementation and that post-conflict considerations would be taken into account, including by tracking TB cases to ensure that TB is not propagated in the region. Lastly, the GAC and partners reinforced the choice of IOM as Principal Recipient, given its experience of working in humanitarian emergency contexts and its ability to reach both settled as well as displaced populations through this grant.

**Multi-Country South Asia HIV regional grant: Save the Children (QSD-H-SCF)**

1.24 Funding recommendation for Board approval. The GAC endorsed and recommended for Board approval the proposed extension of up to 12 months for the Multi-Country South Asia HIV regional grant QSD-H-SCF with a total budget of US$6,600,000, of which an incremental funding amount of US$4,213,362 is requested. The budget is consistent with previous funding levels and the funding request reflects reinvestment of savings identified in the final year of the current grant.

1.25 Background. When the TRP reviewed regional expressions of interest in March 2015, not all regional programs currently financed by the Global Fund through rounds-based grants were recommended to continue. In order to allow existing grants to close pursuant to the Global Fund policies, to mitigate risks of abrupt program disruption and sustain the gains achieved though program implementation, the GAC, in consultation with the TRP and the Strategy, Investment and Impact Committee,[8] agreed to a transitional costed extension mechanism. The mechanism is to be funded through resources remaining from the funding that the Board approved in 2014 for new regional programs,[9] and aims to ensure the continuation of essential services and responsible transition for rounds-based regional programs whose expressions of interest were not recommended by the TRP.

1.26 Strategic focus of the program. This program is aimed at addressing critical gaps in reaching men who have sex with men and transgender people in Afghanistan, Bangladesh, Bhutan, India, Nepal, Pakistan and Sri Lanka by complementing national grants and programs and at fostering regional networks to advocate better access of men who have sex with men and transgender people to HIV prevention and care in the South East Asia Region. Taking into consideration that, by 2020, between 30 to 50 percent of the new HIV infections in the region are projected to be due to male-to-male sexual transmission, this grant bears a particular significance. In the majority of these countries, with the exception of Afghanistan and Pakistan, HIV outreach services are provided within the national HIV grants; therefore, the program focuses on community systems strengthening and ensuring greater linkages between community-led and government-led HIV services. The program also provides a regional platform for addressing and advocating

[8] Discussions on the potential funding of existing regional programs occurred with the SIIC prior to the Strategy Committee succeeding the SIIC in the existing three-committee governance structure, which became effective 28 April 2016.
[9] Under GF/B31/DP07, the Board decided US$ 200 million would be available for new regional programs over the 2014 – 2016 allocation period.

for sensitive issues to promote action at the national and sub-national level. This grant complements the ISEAN-HIVOS grant, which is the only other Global Fund-supported regional initiative covering this population and includes:

- Strengthening HIV prevention activities among men who have sex with men and transgender people in Afghanistan and Pakistan
- Enhancing human rights and advocacy work in all seven countries covered by the program;
- Reaching community workers, public health staff as well as law enforcement and mass media with targeted trainings on HIV service delivery, stigma in health settings and human rights of men who sex with men and transgender people.

1.27 Operational issues, risks and implementation challenges. The Secretariat continues to liaise with the Office of the Inspector General regarding the investigation report on the Naz Male Health Alliance (NMHA) in Pakistan. Activities previously under NMHA have been already successfully transitioned to six community-based organizations which are receiving additional support from the Principal Recipient. Additionally, the Secretariat is working with the applicant to mitigate other risks:

- Potential duplication of activities in Afghanistan: HIV prevention and testing services for men who have sex with men and transgender people have not been part of the national HIV response to date, a gap currently filled by the service delivery component of this grant. Following the recent inclusion of the HIV prevention interventions for men who have sex with men and transgender people in Afghanistan's national strategic plan, the Afghanistan HIV grant now includes HIV prevention interventions for MSM and TG persons. The Secretariat will continue to collaborate between this regional and the national program to ensure that potential overlaps of activities are avoided, as well as to transfer these activities to national entities.
- Financial risk: The use of Save the Children as Principal Recipient will help mitigate risks associated with implementation delays, absorption and financial oversight of sub-recipients.

1.28 Sustainability and transition. In order to promote the sustainability of the interventions in this grant, the following actions are being taken:

- The Principal Recipient of the grant has changed from UNDP to Save the Children, and has been requested to work with the Secretariat to seek other source of long-term funding prior to the end of the implementation period;
- The Principal Recipient will collaborate with the national programs and in-country partners in order to smoothly transition elements of the program, including the integration for testing services for men who have sex with men and transgender people. This transition is already under way in Afghanistan and the Principal Recipient will advocate for similar integration in Pakistan.

**ORAS-CONHU TB regional grant: Organismo Andino de Salud – Convenio Hipólito Unanue (QRA-T-ORAS)**

1.29 Strategic focus of the program. TB continues to be a significant public health problem in the region of the Americas. Incidence rate of 28 per 100,000 population and prevalence of 350,000 cases were estimated in 2014 in the region. Though the mortality rate for TB has decreased by more than 50 percent in the region of the Americas since 1990, there were an estimated 23,000 deaths caused by TB (including co-infection with HIV) in 2014, largely attributable to late diagnosis. The goal of this program is to help reduce the gap in detection of cases of TB in the Americas via strengthening diagnostic capacity through better collaboration among supranational and national reference laboratories, including technical assistance and oversight. Context-specific strategies to reach this goal include:

- Strengthening the technical and administrative capacities of three supranational TB laboratories (located in Argentina, Chile, and Mexico) in order to comply with their terms of reference in support of the national TB laboratory networks.
- Strengthening the national TB laboratory networks of the 20 countries of the Americas by generating technical capacities.
- Promoting sustainability of supranational assistance of the three supranational laboratories for TB.

Planned outcomes of the proposed programming include:

- Increasing the rate of detection of TB cases from 75 percent in 2014 to 90 percent by 2019.
- Increasing the number of TB supranational laboratories of that meet the six components defined in the terms of reference of supranational laboratories established by Stop TB from zero in 2015 to 100 percent by 2018

# 02 Summary of the Deliberations of the Secretariat's Grant Approvals Committee (GAC) on Early Applicants

**Introduction**

In this report, the Secretariat recommends to the Board additional funding for, and extension of, the second "Early Applicant" grant with an implementation period ending prior to 31 December 2017. As reported to the FOPC and the Board, Early Applicants are part of a sub-set of the grant portfolio, together with those country components where the Secretariat has applied operational flexibility provided by the Board to shorten the duration of certain grants (GF/B31/DP09), which have grants that end prior to 31 December 2017, which marks the end date of the typical four-year period over which the total funds allocated in March 2014 were to be utilized (GF/B31/DP09). Early Applicants participated in the concept note development and review process in 2013 as part of the transition to the allocation-based funding model, as authorized under GF/B28/DP05. As such, the resultant grant duration and related funding approved by the Board for such country components ended prior to 31 December 2017.

Early Applicants have been evaluated based on the need to continue grant implementation through at least 31 December 2017 to align with the rest of the grant portfolio given the transitional measures related to the 2014 – 2016 total allocation.

The GAC approved the final grant amounts for funding recommendation to the Board based on a systematic and robust process of validating programmatic assumptions in line with maintaining the existing scope and scale of interventions consistent with the final year of the current grant. In its review of the disbursement-ready extension to the grants, the GAC took into account risk assurance mechanisms, program progress made to date and the fulfillment of TRP and GAC clarifications during implementation.

Early Applicants are submitted to the Board for approval on a case-by-case basis. This is determined by the timing of when additional funding would be needed, by quarter and month, in line with estimated delivery lead times for commodities, timing of implementation of key programmatic activities, such as mass long-lasting insecticidal net campaigns and engagement of in-country stakeholders, including CCMs, Principal Recipients and in-country technical partners. This is to ensure program budgets and availability of funds for 2017 are aligned with the most up-to-date programmatic information.

The additional resources for investment in Early Applicants, requested for approval by the Board, are derived from the amount of available funding validated by the FOPC at its 17th meeting in March 2016. As presented to the FOPC, Early Applicants were established prior to the finalization of the allocation methodology for the 2014 to 2016 allocation period, which resulted in such programs having grant end dates prior to 31 December 2017. Accordingly, they have been included as priorities from the current allocation period that could receive additional funding from the available funds validated by the FOPC for portfolio optimization. This available funding has been managed within the limits of the 2014-2016 allocation, based on the operational mechanism put in place to leverage forecasted unspent funds across the portfolio through portfolio optimization, as most recently presented to the FOPC in March 2016 and the Audit and Finance Committee in October 2016.[10] Even as portfolio optimization aims to deal with potential funding needs at a country-disease level, it is based on:

- Regularly monitoring implementation and dynamic management of a grant's upper ceiling of funds, effectively and efficiently, after taking into consideration reprogramming of activities within the grant;

[10] As set forth in GF/FOPC17/10, GF/FOPC17/03 and GF/AFC01/05.

- Reprogramming of activities across all the grants for a disease component within the same country; and
- Reinvestment of identified savings and efficiencies for maximum impact.

Also taken into account are collaborative efforts to ensure effective programmatic implementation and absorption of committed funds aimed at demonstrating impact before the next replenishment, including strategies resulting from the Implementation through Partnership project.

**Multi-Country Eastern Europe and Central Asia regional HIV grant: Eurasian Harm Reduction Network (QMT-H-EHRN)**

1.30 Rationale for Extension. The GAC recommends for Board approval the additional funding and extension of the implementation period for the Eurasian Harm Reduction Network (EHRN) grant QMT-H-EHRN, an Early Applicant grant, to sustain the level of coverage for HIV interventions through the end of 2017. In light of the EHRN initial submission of a three year funding request for HIV as an Early Applicant for the 2014 to 2016 allocation period, this additional funding would prevent the risk of program disruption, align with national planning systems.

1.31 Background. As an Early Applicant to the allocation-based funding model, the EHRN concept note was reviewed by the TRP in October 2013 and was considered technically sound and strategically focused by the TRP. The TRP recommended the full allocation amount of €4,561,958 for funding, which was endorsed by the GAC and approved by the Board for a three year implementation period ending in March 2017. In order to maintain the same level of coverage of interventions from March 2017, the total amount of €1,041,886 would be needed. This is consistent with the budget level of the final year of the current grant. As of September 2016, total savings of €28,908 were forecasted as of March 2017 to be available for reinvestment within this regional disease program. This savings will originate from the grant management budget line. The remaining amount required to fill the 2017 funding gap is €1,012,978 with no reinvestments requiring additional approvals.

1.32 Strategic focus of the program. The aim of this extension is to support the same interventions and objectives approved under the current EHRN grant by strengthening advocacy by civil society including people who use drugs for sufficient, strategic and sustainable investments in harm reduction in the Eastern Europe and Central Asia region. Building both on achievements and lessons learned of the current implementation period, the extension will allow:
- Advancing a sustainable mechanism for understanding of the financial and programmatic needs of harm reduction programs in the region, based on service quality assessment and cost projection estimates conducted in the main implementation period;
- Institutionalizing approaches to budget advocacy, benefiting from civil society capacity-strengthening activities conducted at the main implementation period; and
- Reinforcing new productive alliances between civil society and governmental partners.

Furthermore, the extension will allow the full engagement in budget advocacy throughout the national 2018 budget cycles making the best use of partnerships, processes and tools developed in the current implementation period. This work will be well aligned with Global Fund processes by contributing to national work on sustainability and transition in line with the new policy on Sustainability, Transition and Co-Financing and enabling national discussions around resource allocations for the 2017-2019 allocation cycle.

1.33 Performance during the period. The EHRN grant has performed well during the 2014 to 2016 allocation period in both programmatic and financial terms. The grant was able to:
- Strengthen the community of people who use drugs and position them as leaders in advocating for harm reduction services that would respond to their needs;
- Estimate the unit costs and overall financial needs for harm reduction services;
- Advance the community-based involvement in decision-making and monitoring including conducting community assessment of quality of services from the community perspective;

- Build national partnerships to strengthen advocacy efforts and implement policy changes;
- Advance discussion on regional level in order to collectively address the common challenge of domestic resource mobilization for harm reduction in the region.

The advancement of budget advocacy and institutionalization of planning and budgeting for harm reduction are at the core of the activities of the current program year. The program has made strong efforts to analyze programmatic challenges and built on lessons learned. The lessons learned underscoring the complexity of capacity building, the need to build partnerships, increasing attention to harm reduction services cost optimization, the need to advance the broad health system perspective and the need for overall drug policy change are considered for this extension request.

1.34 Progress on key issues raised by the TRP and GAC. EHRN is compliant with TRP and GAC recommendations made at the time of review and approval of the original funding. The actions to address the TRP and GAC comments included:

- Protection of people who use drugs participating in activities: EHRN initiated collaboration with law enforcement agencies, in addition to ensuring safety measures were taken and medical aid was available during events;
- The monitoring and evaluation framework: In order to address the challenge of measuring the results of the grant mainly aimed on advocacy, the program conducted a baseline evaluation, an interim evaluation and prepares for a final evaluation;
- Inclusion of advocacy for harm reduction activities in closed settings, such as in prisons: After a priority-setting exercise in the first year of the program, initiative groups in two countries made a focus on expanding harm reduction services in a penitentiary sector;
- Strengthening the program by creating partnerships with technical partners, diplomatic missions and other partners: Stakeholders from bi- and multi-lateral agencies, development agencies, diplomatic missions, local non-governmental organizations, regional networks were engaged in national advocacy plan development, were invited to participate in national high-level events and working meetings, and take part in organizing regional high-level events such as Drug Users Forum and Regional Dialogue "Road to Success";
- Capacity of new implementers and associated risks: All sub- and sub-sub-recipients were selected based on a comprehensive analysis of experience and capacities. During the implementation, the detailed operational manual and regular monitoring by the Principal Recipient and by the oversight committee contribute to mitigating potential risks. EHRN also provides technical support and opportunities for capacity building in programmatic and management issues for sub- and sub-sub-recipients.

1.35 Sustainability. The grant is aimed at increasing investments, especially domestic ones, to harm reduction. The programmatic and financial transition of HIV prevention among key populations in EECA from international to domestic funding is the most challenging transition area. By its nature, this grant serves as a catalyst to a successful transition. The extension will allow further advancement of the work on the transition, which will also benefit from newly formulated Global Fund policy in this area.

# 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 3 below in accordance with the Board decision GF/B31/DP12.

## 02 Summary of the Deliberations of the Secretariat's Grant Approvals Committee (GAC) on Grant Extensions

**Iran malaria grant: United Nations Development Programme (UNDP)**

1.36 Rationale for extension. The GAC approved a 12-month non-costed extension (from 1 October 2016 to 30 September 2017) in order to facilitate the continuation of essential services for a successful transition of the Global Fund supported interventions under the malaria Program in the Islamic Republic of Iran. Phase 2 of the rounds-based malaria grant ended on 30 September 2016, and Iran is no longer eligible to receive funding from the Global Fund for malaria. The proposed no-cost extension will allow the implementation of transition specific-milestones including the continuation of key grant activities and services.

1.37 Strategic focus of the program. Together with the increased political, social and economic commitment from the government of Iran, including additional resources from the Global Fund, Iran has made significant progress in the implementation of its national malaria control programs The number of reported malaria cases in Iran per 100,000 population declined since 1990 to less than 300 cases in 2015, with zero malaria deaths reported since 2008. Iran is currently in the WHO list of countries with the potential to eliminate local transmission of malaria by 2020. During the proposed extension period, the grant will support the continuation of the rounds-based Phase 2 malaria control activities using a reduced but gradual phase-out approach. The specific modules to be funded by the extension are mainly key interventions for vector control, procurement of health products, and monitoring and supervision (HMIS), including program management.

1.38 Operational issues, risks and implementation challenges. Grant implementation is managed through UNDP systems under the Global Fund Additional Safeguards Policy. UNDP manages funds, procures health products from international markets, institutes additional layers of assurance, coordinates with the national sub-recipients, monitors program performance, builds capacities of the national counterparts, audits, and interfaces with the Secretariat to fulfill reporting requirements.

**Macedonia TB grant: The Ministry of Health (MKD-011-G04-T)**

1.39 Rationale for extension. The GAC approved a six-month non-costed extension to 31 March 2017 to ensure smooth transition of the Global Fund supported activities under TB program in the Republic of Macedonia and implementation of delayed activities. The current grant ends on 30 September 2016 and the country is not eligible for any further Global Fund allocation. The Republic of Macedonia is currently finalizing the transition activities under the Global Fund approved Transition Action Plan, and therefore, the requested extension would allow sufficient time for implementation of delayed activities within this Transition Action Plan as to ensure smooth transition and inclusion of the activities into the national budget.

1.40 Strategic focus of the program. The goal of the Global Fund supported TB program is to ensure high quality and sustainable directly observed treatment, short course (DOTS) interventions in the Republic of Macedonia, in particular, to assure high quality TB control by:

- Enhancing the DOTS strategy at all levels of health care; to scale-up activities to address MDR-TB, TB/HIV and other challenges with special consideration to vulnerable groups;
- Empowering people with TB by enhancing community activities and strengthening community systems; and
- Enabling and promoting operational research aimed at evidence based policy decisions.

## Table 3: Grant Extensions Approved by the Secretariat

| N | Country | Disease Component | Grant Name | Currency | Period of Extension (Months) | Additional Funding |
|---|---|---|---|---|---|---|
| 1 | Iran | Malaria | IRN-M-UNDP | US$ | 12 | 0 |
| 2 | Macedonia | TB | MKD-011-G04-T | € | 6 | 0 |