

# Electronic Report to the Board

## Report of the Secretariat's Grant Approvals Committee

GF/B40/ER06

### Board Decision

Purpose of the paper: This document proposes the decision points as follows:

1. GF/B40/EDPo7: Decision on the Secretariat's Recommendation on Funding from the 2017-2019 Allocation<sup>1</sup>
2. GF/B40/EDPo8: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2017-2019 Allocation Period<sup>2</sup>

Document classification: Internal.

Document Circulation: Board Members, Alternate Board Members, Board Focal Points and Committee Members. This document may be shared by the Focal Points within their respective Board Constituency. This document must not however be subject to any further circulation or otherwise be made public.

---

<sup>1</sup> The Secretariat recommends the approval of funding from the 2017-2019 allocation for 1 multicountry grant: Southern Africa Malaria Elimination 8, up to an amount of **US\$12,176,571** of catalytic investments. In addition, the integration of **US\$2,100,000** of matching funds (catalytic investments) into the Liberia malaria grant is recommended.

<sup>2</sup> The Secretariat recommends the approval of **€1,495,735** of portfolio optimization funding to be integrated into the Guinea-Bissau TB/HIV grant.

# Decisions

## **Decision Point: GF/B40/EDPo7: Decision on the Secretariat's Recommendation on Funding from the 2017-2019 Allocation**

The Board:

1. Approves the funding recommended for each country disease component, and its constituent grants, as listed in the Tables 1a and 1b to GF/B40/ERo6 ("Table 1a" and "Table 1b");
2. Acknowledges each country disease component's constituent grants will be implemented by the proposed Principal Recipients listed in Table 1a, or any other Principal Recipient(s) deemed appropriate by the Secretariat in accordance with Global Fund policies;
3. Affirms the funding approved under this decision (a) is subject to the availability of funding, and (b) shall be committed in annual tranches; and
4. 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.

## **Decision Point: GF/B40/EDPo8: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2017-2019 Allocation Period**

The Board:

1. Approves the revised budget recommended for each grant listed in Table 2 of GF/B40/ERo6 ("Table 2");
2. Affirms the additional 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, and (b) is subject to the availability of funding; and
3. 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 operating expenses.***

# Executive Summary

## Context and Input Received

- The Secretariat recommends the approval of funding from the 2017-2019 allocation for one multicountry grant: Southern Africa Malaria Elimination 8, for up to an amount of **US\$12,176,571** of catalytic investments. In addition, the integration of **US\$2,100,000** of matching funds (catalytic investments) into the Liberia malaria grant is recommended. Finally, the Secretariat recommends the approval of **€1,495,735** of portfolio optimization funding to be integrated into the Guinea-Bissau TB/HIV grant.
- The grant in Table 1a has been found to be disbursement-ready by the Global Fund Secretariat following a thorough review process and in consultation with Partners.
- The funding request was reviewed by the Technical Review Panel (TRP) and determined to be strategically focused and technically sound. The TRP, upon its review and when relevant, highlighted issues for the applicant to clarify or address during grant-making and/or grant implementation.
- During grant-making, the applicant refined the grant documents, addressed relevant issues raised by the TRP and Grant Approvals Committee (GAC) and sought efficiencies where possible. For this grant, the GAC reviewed: the strategic focus of the program; operational issues, risks and implementation challenges; domestic contributions; and the final grant documents for disbursement-readiness. The GAC also confirmed that the applicant addressed issues requested for clarification by the TRP or the Secretariat to its satisfaction.
- A list of documents per disease component in Table 1a to substantiate the Board decision is provided below.
  - Funding request;
  - Funding request Review and Recommendation Form;
  - Grant-making Final Review and Sign-off Form;
  - Grant Confirmation; and
  - TRP Clarification Form (applicable only if the TRP requested clarifications).
- The GAC has reviewed the materials associated with the grants in Table 1a and has deemed the grants disbursement-ready. All relevant documents containing the Secretariat's reasons for its recommendations to the Board have been made available on the Governance Extranet and are accessible through [this link](#).
- Funding recommendations in Table 2 have been developed in accordance with the Prioritization Framework for Funds that Become Available for Portfolio Optimization and Financing Unfunded Quality Demand approved by the Strategy Committee under GF/SC04/DP02.

## Input Sought

The Board is requested to review the request and agree on a 'no objection' basis, the decision points GF/B40/EDPo7: Decision on the Secretariat's Recommendation on Funding from the 2017-2019 Allocation; and GF/B40/EDPo8: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand (UQD) from the 2017-2019 Allocation Period.

**Table 1a: Secretariat's Recommendation on Funding from the 2017-2019 Allocation** - Please note that each country name is linked to the extranet site where supporting documents are available for review

N	Applicant	Disease Component	Grant Name <sup>3</sup>	Grant End Date	Currency	Total Program Budget	Catalytic Funds in Grant	Domestic Commitment <sup>4</sup>	Unfunded Quality Demand
1	<a href="#">Multicountry Southern Africa E8</a>	Malaria	QPA-M-E8S	31/09/2021	USD	12,176,571	12,176,571	N/A	1,297,811

**Table 1b: Secretariat's Recommendation on Integrating Matching Funds into Board Approved Grants from the 2017-2019 Allocation** - Please note: Each country name is linked to the extranet site where supporting documents are available for review

N	Applicant	Disease Component	Grant Name	Additional Funding Source	Currency	Previously Approved Program Budget	Recommended Additional Funding	Revised Program Budget
1	<a href="#">Liberia</a>	Malaria	LBR-M-MOH	Catalytic Funds (Matching funds) <sup>5</sup>	USD	23,291,765	2,100,000	25,391,765

**Table 2: Secretariat's Recommendation on Additional Funding to Finance UQD from the 2017-2019 Allocation Period** - Please note that each country name is linked to the extranet site where supporting documents are available for review

N	Applicant	Disease Component	Grant Name	Additional Funding Source	Currency	Previously Approved Program Budget	Recommended Additional Funding	Revised Program Budget
1	<a href="#">Guinea-Bissau</a>	TB/HIV	GNB-C-MOH	Portfolio Optimization	EUR	13,484,471	1,495,735	14,980,206

<sup>3</sup> The Grant names are subject to change based on the ISO code.

<sup>4</sup> Domestic commitments pertain to the disease programs and exclude other specific commitments for RSSH, unless otherwise specified. Commitments for disease specific programs and RSSH are subject to local currency value fluctuation against US dollar and Euro currencies. Co-financing requirements do not apply to multicountry grants.

<sup>5</sup> This is for the catalytic investment priority area RSSH: Integrated service delivery and health workforce.

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

1.1 Multicountry grants (comprised solely of catalytic funding) are not subject to willingness to pay or co-financing requirements. As a result, for the grant presented for Board approval, there is no reference to the willingness to pay requirements for the 2014-2016 allocation period or to the co-financing requirements for the 2017-2019 allocation period as set forth in the Sustainability, Transition and Co-Financing (STC) Policy.

For the following grant, the GAC provided additional guidance or made specific observations to inform the investment decision:

## **Multicountry malaria Southern Africa - Southern Africa Malaria Elimination Eight Initiative Secretariat (QPA-M-E8S):**

### 1.2 Background and context:

The proposed multicountry malaria grant, which covers eight countries in the Southern Africa region (Angola, Botswana, Eswatini, Mozambique, Namibia, South Africa, Zambia, and Zimbabwe), is a continuation of an initiative aiming to eliminate malaria within the sub-region including addressing cross-border malaria transmission.

Four of the countries (Botswana, Namibia, South Africa and Eswatini), known as 'frontline' countries, have reduced malaria transmission and, according to the World Health Organization, have passed the threshold between pre-elimination and elimination. However, these frontline elimination countries face importation of malaria from northern neighboring countries (Angola, Mozambique, Zambia and Zimbabwe), known as 'second line' countries. Second line countries are unlikely to achieve elimination before 2030 and serve as a continuous reservoir of case importation to frontline countries and therefore might prevent these countries from achieving elimination.

The proposed multicountry grant aims to accelerate zero local transmission in the four frontline countries by 2020 through the provision of a mechanism for collaboration and joint strategic programming. This will be achieved through:

- i. Strengthening regional coordination in order to achieve elimination in each of the E8 member countries;
- ii. Expanding access to early diagnosis and treatment for border communities as well as mobile and migrant populations; and
- iii. Strengthening regional epidemiological and entomological surveillance systems by the end of 2021.

One hundred percent of service delivery through this program is focused on mobile and migrant populations as well as underserved populations in border regions.

### 1.3 GAC review and recommendations:

- The GAC noted the high management costs associated with human resources, but acknowledged that these costs are well justified since they are driven by continued support to health cadres manning 48 diagnostic and treatment sites in border districts for mobile and migrant populations across eight countries and indoor residual spraying (IRS) operators in Southern Angola.
- The GAC acknowledged the challenges around lack of sustained financing across the countries, which may lead to a potential risk of resurgence. The GAC emphasized the importance of resource mobilization, increasing domestic resources and the exploration of innovative finance mechanisms across the eight countries, as means to address this challenge. The GAC appreciated the plans under this grant to advocate for additional domestic resources and to explore innovative finance mechanisms with a regional lens. The GAC also noted the inclusion of grant requirements on resource mobilisation and the reference to individual countries' plans that have been included in the grant agreement to address the risk of sustainability.

- The GAC reiterated the TRP’s concern regarding synergies and governance arrangements across multicountry grants in the region (i.e. between the Elimination<sup>8</sup> and MOSASWA malaria grants<sup>6</sup>) and the need for alignment with national malaria control programs in the eight countries bordering Southern Angola. The GAC notably stressed the need for harmonizing governance mechanisms. The GAC noted that the applicant is aware of this need and that they are working towards harmonizing governance mechanisms by no later than December 2020.
- The GAC welcomed the strong and sustained engagement from Technical Partners throughout the grant-making process.

## **2. Grant Revisions – Integration of Additional Funding into Board Approved Grants due to Matching Funds**

### **Liberia malaria – Ministry of Health (LBR-M-MOH)**

2.1 Liberia submitted its malaria allocation funding request under the TRP Review Window of April 2017 and exercised the flexibility of submitting their matching funds requests separately. The Board approved the LBR-M-MOH grant in December 2017. Liberia was eligible to receive matching funds for the RSSH priority area: Integrated service delivery and health workforce.

In order to be eligible for matching funds, applicants need to meet four conditions: i) the program associated with the 2017-2019 allocation includes interventions/activities that directly support the designated strategic priority area; ii) the allocation investment in the priority area is higher than in the previous allocation period (2014-2016) (the “increase in allocation” condition); iii) funding within the 2017-2019 allocation invested in the strategic priority area is equal to, or more than, the matching funds requested (i.e. at least a 1:1 ratio) (the “1:1 matching” condition); and iv) the programs proposed under matching funds have clear potential to accelerate progress in the relevant strategic priority area and to maximize impact of the overall program.

Whilst 3 conditions, including the 1:1 matching condition were met, Liberia did not meet the increase in allocation condition.

The GAC Partners supported the request for an exception to meeting this condition given that the current Liberia grant has clearly retained a focus on RSSH and human resources for health. They also recommended that there should be collaboration with the National TB Program and TB Partners to ensure that the recruited staff have adequate knowledge and confidence to undertake prevention, diagnosis and care of TB.

Recognizing that Liberia fell short of meeting this condition, acknowledging that the investment as a proportion of its overall allocation was higher given the slight reduction in Liberia’s 2017-2019 allocation, and noting the catalytic impact that the funding would have for the program, the GAC approved an exception to the increase in allocation condition and approved the integration of total upper ceiling of US\$2,100,000 for matching funds into the malaria grant.

## **3. Grant Revisions – Integration of Additional Funding into Board Approved Grants due to Portfolio Optimization**

### **Operationalization of Prioritization Framework for Portfolio Optimization**

3.1 The Secretariat has operationalized the Strategy Committee-approved ‘Prioritization Framework for Funds that Become Available for Portfolio Optimization and Financing Unfunded Quality Demand’

---

<sup>6</sup> The Board previously approved additional funding to be integrated into the MOSASWA malaria grant (GF/B40/EDP05). The grant resulting from the 2017-2019 allocation will be presented for approval in the coming months.

(Prioritization Framework) through a rigorous and comprehensive process with inputs from Partners and in line with the Strategy Committee decision (GF/SCo4/DPO2).<sup>7</sup>

Through this process, the GAC has recommended interventions for immediate award out of the US\$250 million of funding made available by the Audit and Finance Committee (AFC) pursuant to GF/AFCo7/03, GF/AFCo4/DPO1 and GF/AFCo8/DPO1 for portfolio optimization to fund high impact interventions from the Register of Unfunded Quality Demand. The GAC recommended that in-country optimization be used to finance an additional set of interventions on the Register of Unfunded Quality Demand prioritized through this process.

The additional funds will be integrated into existing grants through grant revisions to increase each grant's upper ceiling, subject to Board approval as per standard procedure. The portfolio optimization exercise will be repeated when additional resources are made available by the AFC. Monthly GAC reports to the Board will reflect the GAC's recommendations to the Board for approval of each grant revision integrating additional funds awarded to countries through portfolio optimization. These will be presented for Board approval on a case-by-case basis, the timing of which will be aligned to in-country planning timelines and programmatic needs. Additionally, the Secretariat will continue to report on progress to the relevant Committees of the Board <sup>8</sup>. The following section contains further details around the specific recommendations contained in this report.

3.2 In this report, the Secretariat recommends to the Board additional funding through the portfolio optimization award made in December 2018 for the Guinea-Bissau TB-HIV grant. The GAC confirmed that this award was in line with the criteria contained in the Prioritization Framework.

#### **Guinea-Bissau TB/HIV - Ministry of Health (GNB-C-MOH):**

3.3 The HIV prevalence in Guinea-Bissau is 3.3 percent with a disproportionate impact on women (4.2 percent among women between 15-24 years old and 1.4 percent among men of the same age group). The Global Fund is the main partner covering HIV testing and treatment, with ad hoc support from Brazil. Due to budget limitations, the quantification of HIV tests currently covers only pregnant women and key populations (sex workers and men who have sex with men).

The additional investment made through portfolio optimization aims to accelerate testing through a differentiated approach (Provider-initiated HIV counselling and testing at health facility level and targeted testing for vulnerable populations) and covers the testing and treatment gaps. This investment will be instrumental in driving scale up of HIV treatment from 14,000 people living with HIV on treatment in 2020 to 18,080 (31 percent to 40 percent coverage) in 2020.

## **4. Additional Matters**

### **Corrigendum to the Electronic Report to the Board GF/B40/ERO4**

4.1 The component for the Sri Lanka grant (LKA-M-MOH), submitted for Board approval through GF/B40/ERO4 is malaria instead of HIV, as referenced in the footnote of page 1, first paragraph of page 3 and disease component column in the table of page 5.

## **5. Privileges and Immunities**

5.1 Of the single-country applicants for which funding recommendations are currently being made, Liberia has signed and ratified the Global Fund Agreement on Privileges and Immunities. Of the applicants included in the multicountry grants, Mozambique has signed and ratified the Global Fund Agreement on Privileges and Immunities. Zimbabwe has signed the Agreement.

---

<sup>7</sup> Available [here](#). Please note this document is part of an internal deliberative process of the Global Fund and as such cannot be made public.

<sup>8</sup> For further details on the approach to operationalize the Strategy Committee-approved 'Prioritization Framework for Funds that Become Available for Portfolio Optimization and Financing Unfunded Quality Demand', please refer to the GAC report to the Board GF/B39/EDP15.

## Annex 1 – Relevant Past Decisions

1. Pursuant to the Governance Plan for Impact as approved at the Thirty-Second Board Meeting,<sup>9</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
GF/SCo4/DPo2: Approval of the Prioritization Framework for Funds Becoming Available for Portfolio Optimization and Financing Unfunded Quality Demand	This decision point approved the prioritization framework to guide investments in the register of unfunded quality demand using funds available for portfolio optimization
GF/AFCo4/DPo1: Approval of Available Sources of Funds for Portfolio Optimization and Financing Unfunded Quality Demand for the 2017-2019 Allocation Period	This decision point approved US\$50 million to be made available for portfolio optimization
GF/AFCo7/DPo3: Decision on the amount of additional funding available for investment through portfolio optimization	This decision point approved an additional US\$100 million to be made available for portfolio optimization
GF/AFCo8/DPo1: Decision on the amount of additional funding available for investment through portfolio optimization	This decision point approved an additional US\$100 million to be made available for portfolio optimization
GF/B39/EDPo5: Decision on the Secretariat's recommendation on Funding Unfunded Quality Demand from the 2017-2019 Allocation Period	This decision point notes the Secretariat's review of the items on the 2017- 2019 allocation period's UQD register in accordance with the prioritization framework approved by the Strategy Committee
GF/B38/EDPo2: Decision on the Secretariat's recommendation for funding the Liberia's malaria grant	This decision point approved the Liberia malaria grant (LBR-M-MOH)
GF/B37/EDPo5: Decision on the Secretariat's recommendation for funding the Guinea-Bissau TB/HIV grant	This decision point approved the Guinea-Bissau TB/HIV grant (GNB-C-MOH)
GF/B40/EDPo4: Decision on the Secretariat's recommendation for funding the Sri Lanka malaria grant	This decision point approved the Sri Lanka malaria grant (LKA-M-MOH)
GF/B40/EDPo5: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2017-2019 Allocation Period	This decision point approved additional funding for the MOSASWA malaria grant (QPA-M-LSDI)

<sup>9</sup> GF/B32/DPo5: Approval of the Governance Plan for Impact as set forth in document GF/B32/o8 Revision 2 (<http://www.theglobalfund.org/Knowledge/Decisions/GF/B32/DPo5/>)