Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B40/ER12

Board Decision

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

1. GF/B40/EDP16: Decision on the Secretariat's Recommendation on Funding from the 2017-2019 Allocation[1]
2. GF/B40/EDP17: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2017-2019 Allocation Period[2]

1 The Secretariat recommends the approval of funding from the 2017-2019 Allocation for (i) 5 grants: Gabon TB, Georgia HIV, Peru HIV, Peru TB and Serbia HIV up to an amount of **US$22,812,319 and €2,160,589** of country allocation funding; and (ii) 2 multicountry grants (multicountry TB ECSA and multicountry TB LAC) up to an amount of **US$9,000,000** of catalytic investments.

2 The Secretariat recommends the approval of **US$23,081,687 and €30,948,444** of portfolio optimization funding to be integrated into the Belarus TB/HIV, Burkina Faso malaria, Burkina Faso HIV, Benin HIV, Chad malaria, Congo DRC TB/HIV, Congo DRC malaria, Cuba HIV, Haiti TB/HIV, Mali malaria, Montenegro HIV, Pakistan TB, Paraguay TB, Papua New Guinea TB/HIV, Sierra Leone HIV, Ukraine TB/HIV and Uganda TB grants.

Decisions

Decision Point: GF/B40/EDP16: 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 Table 1 of GF/B40/ER12 ("Table 1");*

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

3. *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/EDP17: Decision on the Secretariat's Recommendation on integration of 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/ER12 ("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 (i) 5 grants: Gabon TB, Georgia HIV, Peru HIV, Peru TB and Serbia HIV up to an amount of **US$22,812,319** and **€2,160,589** of country allocation funding; and (ii) 2 multicountry grants (multicountry TB ECSA and multicountry TB LAC) up to an amount of **US$9,000,000** of catalytic investments.
  - → **US$23,081,687** and **€30,948,444** of portfolio optimization funding to be integrated into the Belarus TB/HIV, Burkina Faso malaria, Burkina Faso HIV, Benin HIV, Chad malaria, Congo (DRC) TB/HIV, Congo (DRC) malaria, Cuba HIV, Haiti TB/HIV, Mali malaria, Montenegro HIV, Pakistan TB, Paraguay TB, Papua New Guinea TB/HIV, Sierra Leone HIV, Ukraine TB/HIV and Uganda TB grants.

- The grants in Table 1 have been found to be disbursement-ready by the Global Fund Secretariat following a thorough review process and in consultation with Partners.

- The funding requests for each country component were 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 each 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 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 1 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/EDP16: Decision on the Secretariat's Recommendation on Funding from the 2017-2019 Allocation; and GF/B40/EDP17: Decision on the Secretariat's Recommendation on integration of Additional Funding to Finance Unfunded Quality Demand from the 2017-2019 Allocation Period.

Table 1: 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[3]	Grant End Date	Currency	Total Program Budget	Catalytic Funds in Grant	Domestic Commitment[4]	Unfunded Quality Demand
1	Gabon	TB	GAB-T-CERMEL	31/12/2021	EUR	1,062,238	N/A	4,022,424	674,032
2	Georgia	HIV	GEO-H-NCDC	30/06/2022	USD	9,348,442	N/A	77,491,900	0
3	Multicountry Africa ECSA-HC	TB	QPA-T-ECSA	30/06/2022	USD	4,500,000	4,500,000	N/A	1,319,599
4	Multicountry LAC PIH	TB	QRA-T-PIH	30/06/2022	USD	4,500,000	4,500,000	N/A	0
5	Peru	HIV	PER-H-CARE	30/06/2022	USD	6,264,586	N/A	282,401,270	0
6	Peru	TB	PER-T-SES	30/06/2022	USD	7,199,291	N/A	492,726,063	0
7	Serbia	HIV	SRB-H-MOH	30/06/2022	EUR	1,098,351	N/A	71,681,915	257,933

Table 2: Secretariat's Recommendation on integration of 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	Belarus	TB/HIV	BLR-C-RSPCMT	Portfolio Optimization	USD	15,840,452	1,150,000	16,990,452

[3] The Grant names are subject to change based on the ISO code.

[4] 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.

2	Benin	HIV	BEN-H-PSLS	Portfolio Optimization	EUR	22,333,460	1,247,540	23,581,000
3	Burkina Faso	Malaria	BFA-M-PADS	Portfolio Optimization	EUR	84,645,309	11,798,826	96,444,135
4	Burkina Faso	HIV	BFA-H-SPCNLS	Portfolio Optimization	EUR	32,055,380	801,990	32,857,370
5	Chad	Malaria	TCD-M-UNDP	Portfolio Optimization	EUR	33,547,425	9,032,966	42,580,391
6	Congo (Democratic Republic)	TB/HIV	COD-C-CORDAID	Portfolio Optimization	USD	149,742,258	8,700,000	158,442,258
7	Congo (Democratic Republic)	Malaria	COD-M-MOH	Portfolio Optimization	USD	83,495,104	525,201	84,020,305
8	Cuba	HIV	CUB-H-UNDP	Portfolio Optimization	USD	13,253,225	450,000	13,703,225
9	Haiti	TB/HIV	HTI-C-PSI	Portfolio Optimization	USD	86,362,929	900,000	87,262,929
10	Mali	Malaria	MLI-M-PSI	Portfolio Optimization	EUR	47,427,333	7,887,217	55,314,550
11	Montenegro	HIV	MNE-H-MoH	Portfolio Optimization	EUR	556,938	179,905	736,843
12	Pakistan	Tuberculosis	PAK-T-MC	Portfolio Optimization	USD	15,000,000	1,177,877	16,177,877
			PAK-T-TIH	Portfolio Optimization	USD	40,000,000	1,180,438	41,180,438
13	Papua New Guinea	TB/HIV	PNG-C-WV	Portfolio Optimization	USD	21,076,614	918,820	21,995,434
14	Paraguay	Tuberculosis	PRY-T-AV	Portfolio Optimization	USD	2,915,321	279,351	3,194,672
15	Sierra Leone	HIV	SLE-H-NAS	Portfolio Optimization	USD	31,799,803	700,000	32,499,803
16	Uganda	Tuberculosis	UGA-T-MoFPED	Portfolio Optimization	USD	18,445,026	5,500,000	23,945,026
17	Ukraine	TB/HIV	UKR-C-AUA	Portfolio Optimization	USD	45,122,811	1,600,000	46,722,811

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

1.1 Unless otherwise specified below, each applicant has met the willingness to pay requirements for the 2014-2016 allocation period and the co-financing requirements for the 2017-2019 allocation period as set forth in the Sustainability, Transition and Co-Financing (STC) Policy. The Secretariat will monitor the finalization and realization of commitments over the implementation period. Domestic commitments for disease-specific and health-related spending are subject to local currency value fluctuations against US dollars and Euro currencies. Multicountry grants are not subject to willingness to pay or co-financing requirements.

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

Gabon TB: Centre de Recherches Médicales de Lambaréné (GAB-T-CERMEL)

1.2 Background and context:

Gabon has a high TB burden and incidence is estimated at 529 per 100,00 people in 2017 according to WHO. As the country with the highest TB burden in Central Africa region, treatment outcomes and patient monitoring remain low, with a TB treatment coverage of 49 percent; and a treatment success rate for new smear positive cases estimated at 48 percent and 45 percent among previously TB treated cases. The main driver of Gabon's TB epidemic is TB/HIV co-infection and, in 2016, only 54 percent of TB patients were tested for HIV, whilst 52 percent of registered TB/HIV patients received antiretroviral therapy (ART).

The fight against TB in Gabon is led by the National Tuberculosis Control Program (NTP) with funding from the Government particularly for the procurement of first line TB drugs, as well as contributions from research centers, namely the Principal Recipient, Centre de Recherches Médicales de Lambaréné, and Centre International de Recherches Médicales de Franceville, to strengthen program capacity in relation to diagnosis and treatment. However, the capacity in program management and coordination remains suboptimal, centers for TB diagnosis and treatment (CDT) to cover the population in need are limited, and stock out of first line drugs have been recurrent in previous years.

With this context, the goal of the program is to contribute to reducing TB mortality from 98 per 100,000 population in 2017 to 74 per 100,000 in 2021. The strategies to achieve this goal are:

- Improving TB notification of all forms;
- Increasing the treatment success rate for new cases of bacteriologically confirmed pulmonary tuberculosis;
- Providing counseling and HIV testing to at least 83 percent of TB patients and provide ARVs and cotrimoxazole to at least 74 percent of co-infected TB/HIV patients;
- Testing at least 234 of MDR-TB cases over 3 years and treating 100 percent of confirmed MDR-TB cases; and
- Strengthening the management and coordination of human resources of the NTP and at all levels of the health pyramid, including the capacity to ensure high quality monitoring and evaluation.

1.3 Co-financing and domestic commitment:

To access its 20 percent co-financing incentive, Gabon is required to invest a minimum of €4,090,000 in the TB program during the 2017-2019 allocation period. With the commitment of €6,084,489 signed by the Minister of Health and Minister of Budget, Gabon meets the minimum co-financing requirement to access its co-financing incentive for the 2017-2019 allocation period.

1.4 GAC review and recommendation:

- The GAC noted that while Gabon meets its co-financing requirement with regards to the amount expected, reviews of Government expenditures reflected that it did not invest in line with previous co-

financing agreements. For the 2014-2016 allocation period, it had been agreed that over 95 percent of the co-financing spending would be in the procurement of first line TB drugs and commodities, with the remainder invested in operating expenses, however only 30 percent of the 2015-2017 Government investment was on first line TB drugs and 70 percent was invested in recurrent costs (salaries and maintenance costs).

- Based on expenditures in 2015-2017 and the challenging fiscal context in Gabon, whilst welcoming the letter from the Ministries of Health and Budget committing to procure all first line treatment drugs, the GAC acknowledged the potential risks around non-materialization of agreed co-financing commitments and of potential stock outs should commitments to cover 100 percent of first line drugs not materialize. The Secretariat informed the GAC that materialization of Government commitments will be monitored closely including through bi-annual reviews of the of the Government's co-financing towards the Global Fund supported programs and analysis of lists of TB health procurements. The Secretariat also informed the GAC that it will continue to work with Partners and will pursue further advocacy efforts with Government authorities to work towards an increased budget for health.

Serbia HIV: Ministry of Health (SRB-H-MOH)

1.5 Background and context:

Serbia is an upper-middle income country, which became re-eligible for Global Fund financing for HIV in the 2017-19 allocation period due to increased prevalence in men who have sex with men (8.3%- most recent data as of 2017[5]). Serbia's previous Rounds-based HIV grants ended in 2014. HIV diagnostic and treatment services, including voluntary counselling and testing (VCT) services and opioid substitution therapy (OST), were transitioned to Government funding and the Government program was successful in continuing to scale-up coverage with antiretroviral therapy (ART) and OST. Despite this progress, financing for preventive and care and support services for key populations only materialized at a limited scale, resulting in significantly reduced service-delivery across the country throughout 2015-2017. Whereas historically, civil society organizations (CSOs) had played an important role in forming and developing a national response to the HIV epidemic, the concurrent dissolution of both the National AIDS Council and the Country Coordinating Mechanism (CCM) in 2014 and the expiry of the National HIV/AIDS Strategy, there has been limited dialogue between HIV stakeholders from thereon.

Noting the overall low coverage of services provided by CSOs to key populations, and the further decline in coverage after the end of the previous Global Fund grants, the grant has been designed to strategically focus investments on key populations in order to maximize impact of the Global Fund's contribution. The Secretariat and country stakeholders have ensured that the grant i) focuses on prevention, care and support activities for key affected populations; and ii) finances services through Serbia's social contracting mechanism for the engagement of non-governmental organizations.

The grant proposed for approval, aims to scale-up HIV testing services and preventive programs for key populations, including men who have sex with men, sex workers and people who inject drugs, while facilitating access to care and support services for people living with HIV and strengthening treatment literacy among them.

To maximize impact, as most key populations and HIV transmission are concentrated in 2 regions (Belgrade and Vojvodina), a great proportion of prevention and support interventions will be implemented in these geographic regions.

1.6 Co-financing and domestic commitment:

Given that Serbia became re-eligible for Global Fund financing under the 2017-2019 allocation period, the country was not subject to previous willingness to pay requirements.

To access its 25 percent co-financing incentive, Serbia is required to allocate an additional €274,588 to the HIV program for 2019-2021. With its allocation of €316,970 over the implementation period, Serbia exceeds the minimum co-financing requirement. 100 percent of the Government's co-financing contribution is focused on services for key and vulnerable populations.

[5] Source: UNAIDS

1.7 GAC review and recommendation:

- The GAC recognized the unique context of the HIV response in Serbia and congratulated in-country stakeholders and partners on the extensive work undertaken to design this grant in a way that fundamentally addresses sustainability. Specifically, the GAC noted the Ministry of Health's renewed commitment to re-catalysing and sustaining HIV preventive services with several concrete actions already taken to demonstrate this commitment including the re-establishment of the National AIDS Commission to provide oversight on the grants as a CCM; the development of a National HIV/AIDS Strategy for 2018-2025, in which CSOs are recognized as key strategic and implementation partners; the integration of specific budget lines in the Ministry of Health's budget for key populations services, with an annual commitment of €180,000 by 2021; and the development of procedures for contracting HIV service delivery organizations with Government funding (i.e. social contracting).

- Acknowledging that there are no plans to complete a transition readiness assessment at this time, the GAC appreciated that the grant itself has been designed to address the main sustainability and transition related challenges in the Serbia HIV context.

- The GAC noted that both Global Fund and Government financing will be jointly managed under the new mechanism for contracting NGOs, which means that the country will annually issue a joint call for proposals, select recipients through the national evaluation committee, and manage the funds under the national HIV program, without creating any parallel systems or procedures for programmatic or financial reporting to the Global Fund. Moreover, the Global Fund contribution will be reflected in the Ministry of Health's budget. This design model aims to strengthen the mechanism for contracting NGOs, while also reducing donor requirements on the country. The GAC noted the Secretariat's focus on maximizing efficiency whereby the Government and grant funds were jointly programmed using an aligned average unit cost per client reached for each key population. This approach will, amongst other things, allow the country to better link resources to targets and to transform the mindset of in country stakeholders from a grant-based support perspective to the procurement of health services delivered by NGOs.

Multicountry Africa TB: East, Central and Southern Africa Health Community (ECSA-HC) (QPA-T-ECSA)

1.8 Background and context:

The proposed multicountry TB grant covers 21 countries[6] in the East, Central and Southern Africa (ECSA) sub-region. It builds on the gains from the 2014-2016 multicountry grant to the same Principal Recipient in strengthening the quality and diagnostic capacity of target National Reference Laboratories (NRL) and their capacity to support national TB Laboratory networks.

In 2016 the estimated TB incidence in ECSA sub-region was 1.07 million cases (of an estimated population of 410 million). The approximate annual proportion of missing cases in the region is 46 percent (497,851)[7] of the estimated incident new TB cases[8]. Furthermore in 2016, about 25 percent of all notified new TB cases (clinically diagnosed) in the region were treated empirically. Access to high quality TB diagnosis and robust laboratory networks is critical for finding and treating missing TB cases. Given its geographic scope, the grant has the potential to contribute significantly to the global effort to find and treat missing TB cases and achieve the goals of the WHO End TB Strategy[9] and associated targets of a 90 percent reduction in TB deaths and an 80 percent reduction in the TB incidence rate by 2030 compared to 2015. The grant will also contribute to the related Sustainable Development Goals for 2030[10].

The grant objectives are to:

- Strengthen inter-state regional network of NRLs for improved TB management in the ECSA sub-region;

[6] Angola, Botswana, Burundi, Eritrea, Eswatini, Ethiopia, Kenya, Lesotho, Liberia, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Somalia, South Sudan, Tanzania, Uganda, Zambia and Zimbabwe.
[7] 'Missing TB cases are: either 'missed to diagnose' or 'missed to notify to the TB control programs'.
[8] Global TB report, WHO, Geneva.
[9] WHO End TB Strategy. WHO, Geneva. http://www.who.int/tb/strategy/en/ accessed on 5th March 2018
[10] United Nations. Sustainable development goals. 17 goals to transform our world.
http://www.un.org/sustainabledevelopment/sustainable-development-goals/ accessed on 5th March 2018

- Improve laboratory service provision for quality assurance, Phenotypic first and second line drug susceptibility testing (DST);
- Enhance impact of WHO Recommended Diagnostics (WRD) in the region; and
- Consolidate capacity of NRLs to undertake epidemiological/national level disease monitoring surveys such as drug resistance surveillance, TB Prevalence and other operational research.

1.9 GAC Review and recommendations:

- The GAC welcomed this cross-cutting investment to build capacity in the region noting the impact that it would have on diagnosing and treating TB through strengthening laboratory networks.
- The GAC emphasized that, as with all multicountry grants, it will be important to ensure coordination and alignment between this grant and the national TB programs for the countries involved.
- In line with the TRP's recommendation, the GAC noted the opportunity to expand the capacity for the provision of technical support and supervisory activities in the regional network of TB laboratories.
- The GAC reiterated the TRP's concern regarding the sustainability of programs beyond the Global Fund grants. It noted the potential risk of ensuring continuity of high quality TB diagnosis and robust laboratory networks across the region in the event of the Global Fund's exit from this strategic, well-performing and relatively low-cost regional social enterprise at the end of the 2017-2019 allocation period. The GAC acknowledged that ownership of programs and the engagement with Supranational Reference Laboratories (SRL) in the region are critical to promoting sustainability.

Multicountry Latin America and Caribbean TB: Partners in Health (QRA-T-PIH)

1.10 Background and context

The multicountry TB grant recommended for Board approval covers eight countries[11] in the Latin America and Caribbean (LAC) region. The grant aims to i) strengthen the interest of governments and of the national TB programs (NTP) to incorporate civil society in the national responses against TB under the ENGAGE TB approach; ii) increase awareness of and institutionalizing such activities as including monitoring, advocacy, communication and social mobilization of TB CSOs at the national and regional level, through the creation of the Social TB Observatories; and iii) support the exchange of knowledge and best practices among countries in the LAC region.

The grant is designed to bring regional stakeholders together for greater collaboration and joint strategic programming to have an empowered and better organized TB civil society with strengthened capacity, clear indicators to monitor TB related issues (focusing on human rights, gender equality, stigma and migration) affecting key and vulnerable populations in each country, and with identified internal funding opportunities in the national budgets to ensure the sustainability of their activities.

Partners in Health (PIH) and the TB Coalition of the Americas will work with civil society, the CCMs of the eight countries, the relevant Ministries, NTPs and the Parliamentary Front of TB of each country, to achieve the following objectives:

- Dissemination of the ENGAGE TB approach in eight countries in LAC and integration of community activities in the fight against TB in the work of civil society organizations.
- Establishment of eight national social observatories to monitor the response against TB, engage in advocacy, and support the mobilization of resources (including financial resources for civil society activities), as well as to develop the capacities of civil society to more effectively participate in the prevention, diagnosis and treatment of TB.
- Strengthening the TB Coalition of the Americas as a strategic regional organization in the LAC region for the monitoring and control of regional commitments, the effective exchange of

[11] Bolivia, Colombia, Dominican Republic, El Salvador, Guatemala, Haiti, Mexico and Peru.

experiences between communities in different countries and the assessment of the regional response against TB with a focus on human rights.

- Strengthening systems of accompaniment and community monitoring for effective referral and counter-referral processes for LAC migrants affected by TB.

1.11 GAC review and recommendation:

- The GAC echoed the TRP's observation and noted that the proportion of the grant supporting human resource and management costs remains relatively high. The GAC appreciated the efforts made by the Secretariat to reduce these costs during grant-making and acknowledged that the nature of this multicountry program, spanning 8 countries and including several costly oversight and coordination activities (including across offices in Haiti, Mexico, Peru and Boston, Massachusetts) led to these elevated management costs. They also acknowledged that given the nature of the grant, there are several travel related costs to facilitate advocacy with each Government and to successfully promote and monitor community-based approaches and to support the capacity building of the social observatories of TB. That said, the GAC reiterated the importance of always ensuring value for money of all Global Fund investments noting that high travel and human resources costs should only be considered in cases where the business case is strong and justified.
- The GAC recognized that the creation and consolidation of social observatories of TB (SOTB) in each of the eight countries comes with fundamental considerations for sustainability since this grant would largely contribute to the creation of these institutions, give them visibility to key national and regional stakeholders (civil society, government and technical partners) and also contribute to the beginning of their operational activities: salaries, travel-related costs to cover community monitoring activities, travel costs to attend regional workshops and trainings, and information technology equipment. The GAC noted that the Secretariat has designed and negotiated the grant to include work plan tracking measures that will ensure that the social observatories work with the Governments and civil society to secure budget lines in national budgets to progressively take over these costs within national programs in the medium to long term.
- The GAC noted that the work plan tracking measures will also contribute to sustainability of SOTB by (i) monitoring implementation and development of SOTB activities, including advocacy plans to address stigma, gender and human rights issues; and (ii) including an assessment of local CSOs that can become home to the SOTB, which in turn entails considerable savings and contributes to empower CSOs that will host SOTB.

2 Grant Revisions – Integration of Additional Funding into Board Approved Grants

2.1 The Secretariat has operationalized the Strategy Committee-approved 'Prioritization Framework for Funds that Become Available for Portfolio Optimization and Financing Unfunded Quality Demand' (Prioritization Framework) through a rigorous and comprehensive process with inputs from Partners and in line with the Strategy Committee decision (GF/SC04/DP02).[12]

Through this process, the GAC has recommended interventions for immediate award out of the US$500 million of funding made available by the Audit and Finance Committee (AFC) pursuant to GF/AFC07/03, GF/AFC04/DP01, GF/AFC08/DP01, GF/AFC09/DP01 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

[12] Available here. Please note this document is part of an internal deliberative process of the Global Fund and as such cannot be made public.

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 [13]. The following section contains further details around the specific recommendations contained in this report.

2.2 In this report, the Secretariat recommends to the Board additional funding through the portfolio optimization award made in December 2018 for the Belarus TB/HIV, Burkina Faso malaria, Burkina Faso HIV, Benin HIV, Chad malaria, Congo (DRC) TB/HIV, Congo (DRC) malaria, Cuba HIV, Haiti TB/HIV, Mali malaria, Montenegro HIV, Pakistan TB, Paraguay TB, Papua New Guinea TB/HIV, Sierra Leone HIV, Ukraine TB/HIV and Uganda TB grants. The GAC confirmed that these awards are in line with the criteria contained in the Prioritization Framework.

Benin HIV: National AIDS Control Program (BEN-H-PSLS)

2.3 Benin has a generalized HIV epidemic, which is estimated at 1 percent among the general population and concentrated sub-epidemics among key and vulnerable populations. This includes men who have sex with men (7 percent), people who inject drugs (2 percent), sex workers (16 percent) and prisoners (1.4 percent). At the end of December 2018, the National AIDS Control Program reported a total of 44,231 people living with HIV receiving ART. In the current grant, the coverage of ART was at 62 percent in December 2018 and estimated to be around 63 percent by December 2020.

The additional investment made available through portfolio optimization will allow the inclusion of 5,118 additional patients on ART and it is projected that ART coverage will reach 70 percent by the end of 2020.

Belarus TB/HIV: Republican Scientific and Practical Center for Medical Technologies, Informatization, Administration and Management of Health (BLR-C-RSPCMT)

2.4 Belarus is among the 30 countries with a high MDR-TB burden and is planning on rolling-out out the new MDR-TB treatment regimen, starting in the second quarter of 2019, following WHO's rapid communication in August 2018.

The portfolio optimization investment will cover the costs of drugs and will allow the transition 700 patients, whose treatment is entirely covered by the Government. In addition, 548 patients, who are currently treated under the Global Fund's funded extensively drug-resistant TB program, will also transition to the new regimen in 2019.

Burkina Faso malaria: Programme d'Appui au Développement Sanitaire du Burkina Faso (BFA-M-PADS)

2.5 Burkina Faso is among the 10 countries with the highest malaria burden in the world. All the country's 13 regions and 70 districts meet eligibility criteria for seasonal malaria chemoprevention (SMC). In 2018 and 2019, 65 out of the 70 districts were covered through resources provided by the Global Fund and partners, however, there is a funding gap for 2020 due to the withdrawal of some partner funding. As a result, there are 40 districts which are currently not covered under existing Global Fund resources.

The additional investment made through portfolio optimization will address this gap and will provide coverage for the 40 districts, supporting Burkina Faso's efforts to reduce the malaria burden and maintain SMC coverage in the country.

Burkina Faso HIV: Secrétariat Permanent du Conseil National de Lutte contre le Sida et les IST du Burkina Faso (BFA-H-SPCNLS)

2.6 Although the HIV prevalence is low among the general population (0.8 percent) in Burkina Faso, it is higher among key and vulnerable populations, such as pregnant women (1.3 percent found through antenatal clinical sero-surveillance in 2017). Comparatively, ART retention rates are low (around 70

[13] 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.

percent after 12 months). Early infant diagnostic (EID) was estimated at 34.8 percent in 2016 and the number of pregnant women on ART who were lost during follow up, has increased.

Following a pilot project from UNICEF in 3 districts, there is a need to expand the successful approach to 25 additional high burden districts, where around 65 percent of women on prevention of mother-to-child transmission (PMTCT) are located.

The additional funds provided through portfolio optimization will help to increase retention in treatment and care of both mothers and their babies (at least 90 percent) and will contribute to the elimination of mother-to-child transmission with the target of at least 96 percent of new born free of HIV by 2020. Finally, it is expected that EID coverage will reach 80 percent as a result of the outlined intervention.

Chad Malaria: United Nations Development Program (TCD-M-UNDP)

2.7 As one of the 30 countries with the highest malaria burden in the world and based on the country's epidemiology and program stratification, a total of 19 regions in Chad are in need of vector control interventions. In 2017, a coverage of 69 percent of populations at risk in 13 out of 19 eligible regions was achieved. However, currently only 44 percent of populations at risk, in 8 regions, are covered by combined Global Fund and government resources as part of the 2020 mass campaign.

The additional funding made available through portfolio optimization will address this gap and will provide investments for 5 additional regions to reach a total of 13 (out of 19 eligible regions covered in 2017), with the aim of achieving 72 percent coverage of populations at risk (12,251,029 people) through the 2020 mass campaign.

Congo DRC TB/HIV: CORDAID (COD-C-CORDAID)

2.8 The Democratic Republic of the Congo (DRC) has a generalized HIV epidemic with a prevalence rate of 1.2 percent among the general population (people aged 15 to 49). However, the prevalence increases with age and is more than three times higher among those aged between 30 and 39 and highest (2.9 percent) among people aged between 40 and 49 (National AIDS Control Program –NACP- Annual Report 2015).

The additional funding made available through portfolio optimization will support scale-up of treatment coverage for adults and children by 8.3% (from 34.9 to 43.2percent). As a result, it is projected that 29,773 new patients will be treated, out of which 1,516 are children.

Congo DRC Malaria : Ministry of Health and Population (COD-M-MOH)

2.9 Assessments of epidemics in the Congo (DRC) found that the majority of deaths occur at community-level and that outbreaks frequently develop before health centres note a rise in the number of cases. In order to reduce this risk, the Government has developed a community-based surveillance module in collaboration with the WHO. Moreover, a successful pilot was conducted in 2 provinces, which provided health workers with the tools to identify 16 diseases with epidemic potential, facilitate referrals and report to the health structures. However, additional resources are needed to scale up this approach to other provinces.

The additional investment made through portfolio optimization will address this gap and will support the implementation of the outlined approach in the Haut-Uele and Bas-Uele province. These two provinces have been affected by malaria outbreaks and other diseases with epidemic potential, such as Ebola in Bas-Uele in 2017.

Cuba HIV: United Nations Development Program (CUB-H-UNDP)

2.10 Cuba is currently implementing a transition grant and viral load suppression is one of the main gaps in Cuba's HIV treatment cascade. According to data from UNAIDS (2017), 43 percent of people living with HIV in Cuba have suppressed viral loads. The low viral load suppression is attributed to low adherence, drug resistance and failures in the operation of equipment as a result of sustained usage.

The additional investment made through portfolio optimization seeks to increase the percentage of people living with HIV and on antiretroviral treatment who are virologically suppressed to 76 percent (regardless of when they started ART), supporting Cuba's transition out of Global Fund funding.

Haiti TB/HIV: Population Services International (HTI-C-PSI)

2.11 HIV Component: Whereas Haiti has made progress in the first and second pillar of the HIV treatment cascade (87 percent coverage and 75 percent coverage in 2017 according to PEPFAR), there is a significant gap in the third pillar and only 42 percent of people living with HIV that are currently virally suppressed. In addition, there have not been any national surveys to assess the prevalence of resistance of HIV-1 to antiretroviral treatment.

The additional funding made available through portfolio optimization will support key activities to improve retention and viral load suppression, such as capacity development of HIV health providers, drug resistance prevention and quality of care. Moreover, the investment will support broader strategies for quality of services, including quality monitoring and quality improvement at all levels but especially in health facilities.

2.12 TB Component: TB notification rates in Haiti have gradually decreased since 2011 and only around 78 percent of expected cases were reported in 2016. One of the high-risk groups are prisoners, due to overpopulation, and incidence rates are estimated to be 41 times higher compared to the national average according to a joint 2018 report by the WHO, PAHO and Stop TB. In 2017, 63 percent of TB cases were detected among prisoners at the national prison of Port-au-Prince. Consequently, the introduction of infection control measures in prisons has been identified as one of the priorities during a monitoring visit by the WHO, the Green Light Committee and the Global Drug Facility of Stop TB in March 2018.

The additional investment through portfolio optimization will increase case detection by supporting the following activities: (i) active search for cases (contacts) in disadvantaged urban areas of municipalities in the departments of West, North, Artibonite and South, which are the densest departments in the country; and (ii) intensified screening for paediatric TB and measures to strengthen TB detection, treatment and infection control in prisons.

Mali Malaria: Population Services International (PSI) (MLI-M-PSI)

2.13 Mali is one of the 10 countries with the highest global malaria burden and as a result of funding gaps, there have been 'catch up' LLIN campaigns in Mali in 2019, which were originally scheduled for 2018. These were largely funded by the Global Fund with contributions from the US President's Malaria Initiative, government of Mali and the Senegal River Basin Development Organization. Whilst there is funding available to finance 2 campaigns in 2020, current funding is only sufficient for covering 2 out of the 3 regions of the 2019 campaign.

The additional funding made through portfolio optimization will cover the third region and will alleviate the need for additional resources that would otherwise be required to re-align regions for the 2021 campaigns.

Montenegro HIV: Ministry of Health (MNE-H-MOH)

2.14 Due to a lack of funding, no second generation surveillance survey has been conducted in Montenegro since 2014. As a result, there is no updated data available for assessing HIV prevalence, including the size estimates for key populations, behavioral trends and data. The TRP considered integrated bio-behavioral surveys (IBBS) as a high priority and particularly among men having sex with men. Data is also vital for advocacy for government funding for key populations services and to substantiate the country's eligibility of Global Fund support.

Through the additional investment made available through portfolio optimization, Montenegro will be able to implement IBBS and population size estimates among key populations, such as men who have sex with men, people who inject drugs, sex workers, and prisoners. Resulting data from this exercise will enable better targeting of interventions especially for the key populations.

Paraguay TB: Altervida (PRY-T-AV)

2.15 With a population of around 6.7 million in 2016, the geographic distribution of reported TB incidences in Paraguay is heterogeneous and as high as 84 cases per 100,000 inhabitants in some regions.

The additional funding provided by portfolio optimization will enhance active TB case finding activities in hard to reach areas, by strengthening sample transportation and laboratory capacity. More specifically, it focuses on the Caaguazu, Pte. Hayes, Boqueron, Canindeyu, Central and San Pedro regions and will contribute to a sustainable TB response in the country in the context of Paraguay's transition out of Global Fund funding.

Pakistan TB: Mercy Corps and The Indus Hospital (PAK-T-MC and PAK-T-TIH)

2.16 Pakistan ranks fifth among the 30 high TB burden, with an estimated TB incidence and prevalence of 270 and 341 per 100,000. In addition, there is an estimated number of around 510,000 new TB cases each year. The TB notification rate has increased in 2016, which was largely attributed to the scale up of private sector engagement in TB control efforts.

The portfolio optimization investment will thus support the engagement with additional 2,500 general practitioners, 210 non-governmental organizations, 50 private hospitals and 50 parastatal hospitals and will help to ensure that diagnosis and treatment of TB patients by private practitioners is in line with the national TB guidelines.

Papua New Guinea TB/HIV: World Vision Papua New Guinea Trust (PNG-C-WV)

2.17 Although Papua New Guinea (PNG) has a low-level mixed HIV epidemic, it has the highest HIV incidence and prevalence in the Pacific region. For instance, in 2017, the number of people living with HIV in PNG was estimated to be 48,000 out of which 34,600 were diagnosed (72 percent) and 26,400 on ART treatment (55 percent).

The additional funding provided through portfolio optimization will support additional staff in 4 focus districts and clinics (8 Expert Patient people living with HIV peer workers; 5 people living with HIV peer counsellors and 28 community health workers to high volume ART clinics). Furthermore, it will enable training, mentoring and support supervision of community health workers adjacent to these clinics. Lastly, ART retention will be increased from 55 to 75 – 80 percent and it is sought to address first line HIV drug resistance.

Sierra Leone HIV: National AIDS Secretariat (SLE-H-NAS)

2.18 With a generalized and heterogeneous HIV epidemic, there is an estimated number of 75,711 people living with HIV in Sierra Leone (SPECTRUM 2016). The number of people on ART increased by an average of 3,500 patients per year and nearly 6,000 new patients were added in 2017 (total of 23,693 patients). Although the government of Sierra Leone initially committed to cover 10 percent and 12 percent of ART coverage targets for 2019 and 2020 in addition to existing co-financing requirements, there is uncertainty whether the government will be able to fulfil this commitment.

The additional funding provided by portfolio optimization will address this gap and will contribute to increased ART coverage targets. Potentially increasing coverage to 56 percent by 2020, compared to current grant targets of 44 percent. ART coverage is expected to reach 42,409 people by 2020.

Ukraine TB/HIV: Alliance for Public Health (UKR-C-AUA)

22.19 Ukraine's TB epidemic is characterized by widespread multi and extensively drug-resistant TB and increasing TB/HIV co-infection rates. While mortality continues to decline, it remains the highest in the European region. The National TB Program plans to roll out the new MDR-TB regimen, following the new WHO guidelines from August 2018 and seeks to transition patients in Non-Government Controlled Areas (NGCA).

The additional investment made available through portfolio optimization will support this transition and will allow 1,132 patients in NGCA to transition covering the cost of drugs but not of lab services.

Uganda TB: The Ministry of Finance, Planning and Economic Development (UGA-T-MoFPED)

2.20 Uganda is among the 30 countries with a high MDR-TB burden and there is the need to procure Bedaquiline, among other essential drugs, as part of ongoing efforts to roll out the new MDR-TB treatment regimen, following the WHO rapid communication in August 2018. Although, Uganda has already rolled out some of the short course regimen and is taking steps away from injectable-containing regimens towards safer regimens, additional resources are required to complete the transition to the new MDR-TB treatment regimen.

The portfolio optimization investment will cover costs for capacity building for: health workers at all sites treating MDR-TB, updating standard operating procedures, risk allowances for clinicians, nurses, monitoring and evaluation staff and laboratory staff in 17 health facilities, training in active TB drug-safety monitoring and management, and procurement of new medicine regimens through the use of Extension of community healthcare outcome (ECHO). Moreover, it is planned to transition 80 percent of all new MDR TB patients to the modified shorter oral regimen under Operational Research (OR). A remaining 20 percent of patient will continue long oral regimen treatment.

3. Privileges and Immunities

3.1 Of the applicants for which funding recommendations are currently being made, Georgia has signed and ratified the Global Fund Agreement on Privileges and Immunities. Burkina Faso and Uganda have signed but not ratified the Global Fund Agreement on Privileges and Immunities. Of the applicants included in the multicountry grants, Ethiopia, Liberia, Malawi, Mozambique and Rwanda have signed and ratified the Global Fund Agreement on Privileges and Immunities. Burundi and Zimbabwe have signed the Agreement.

Annex 1 – Relevant Past Decisions

1. Pursuant to the Governance Plan for Impact as approved at the Thirty-Second Board Meeting,[14] 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/SC04/DP02: 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/AFC04/DP01: 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/AFC07/DP03: 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/AFC08/DP01: 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/AFC09/DP01: Decision on the amount of additional funding available for investment through portfolio optimization	This decision point approved an additional US$250 million to be made available for portfolio optimization
GF/B39/EDP15: 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

[14] 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/)

Relevant past Decision Point	Summary and Impact
GF/B37/EDP05: Decision on the Secretariat's recommendation for funding the Benin HIV grant	This decision point approved the Benin HIV grant (BEN-H-PNLS)
GF/B39/EDP19: Decision on the Secretariat's recommendation for funding the Belarus TB/HIV grant	This decision point approved the Belarus TB/HIV grant (BLR-C-RSPCMT)
GF/B38/EDP02: Decision on the Secretariat's recommendation for funding the Burkina Faso's malaria and HIV grants	This decision point approved the Burkina Faso malaria grant (BFA-M-PADS and BFA-H-SPCNLS)
GF/B39/EDP03: Decision on the Secretariat's recommendation for funding the Chad malaria grant	This decision point approved the Chad malaria grant (TCD-M-UNDP)
GF/B37/EDP07: Decision on the Secretariat's recommendation for funding the Congo (DRC) TB/HIV and malaria grants	This decision point approved the Congo (DRC) TB/HIV and malaria grants (COD-C-CORDAID and COD-M-MOH)
GF/B37/EDP05: Decision on the Secretariat's recommendation for funding the Cuba HIV grant	This decision point approved the Cuba HIV grant (CUB-H-UNDP)
GF/B38/EDP02: Decision on the Secretariat's recommendation for funding the Haiti TB/HIV grant	This decision point approved the Haiti TB/HIV grant (HTI-C-PSI)
GF/B40/EDP02: Decision on the Secretariat's recommendation for funding the Mali malaria grant	This decision point approved the Mali malaria grant (MLI-M-PSI)
GF/B39/EDP19: Decision on the Secretariat's recommendation for funding the Montenegro HIV grant	This decision point approved the Montenegro HIV grant (MNE-H-MoH)
GF/B39/EDP19: Decision on the Secretariat's recommendation for funding the Paraguay TB grant	This decision point approved the Paraguay TB grant (PRY-T-AV)
GF/B38/EDP08: Decision on the Secretariat's recommendation for funding the Pakistan TB grants	This decision point approved the Pakistan TB grants (PAK-T-TIH and PAK-T-MC)
GF/B38/EDP08: Decision on the Secretariat's recommendation for funding the Papua New Guinea HIV grant	This decision point approved the Papua New Guinea HIV grant (PNG-C-WV)
GF/B37/EDP07: Decision on the Secretariat's recommendation for funding the Sierra Leone HIV grant	This decision point approved the Sierra Leone HIV grant (SLE-H-NAS)
GF/B38/EDP02: Decision on the Secretariat's recommendation for funding the Ukraine TB/HIV grant	This decision point approved the Ukraine TB/HIV (UKR-C-AUA)
GF/B37/EDP05: Decision on the Secretariat's recommendation for funding the Uganda TB grant	This decision point approved the Uganda TB grant (UGA-T-MoFPED)