

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B41/ER03

Board Decision

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

1. GF/B41/EDPo4: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2017-2019 Allocation Period¹

Document classification: Internal.

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¹ The Secretariat recommends the approval of i) **US\$15,975,603** of portfolio optimization funding to be integrated into the Pakistan HIV, Philippines TB, and Rwanda TB grants; and ii) **US\$2,000,000** of additional investment through private sector contribution to be integrated into the multicountry RAI2E malaria grant.

Decisions

Decision Point: GF/B41/EDP04: 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 1 of GF/B41/ER03 ("Table 1");
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:
 - **US\$ 15,975,603** of portfolio optimization funding to be integrated into the Pakistan HIV, Philippines TB, and Rwanda TB grants;
 - **US\$ 2,000,000** of additional investment through private sector contribution to be integrated into the multicountry RAI2E malaria grant.
 - Portfolio Optimization funding recommendations 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/SCo4/DPO2.
 - 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](#).

Input Sought

The Board is requested to review the request and agree on a 'no objection' basis, the decision point GF/B41/EDPO4: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2017-2019 Allocation Period.

Table 1: 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	Multicountry RAI2E	Malaria	QSE-M-UNOPS	Private Sector Contribution	USD	243,690,850	2,000,000	245,690,850
2	Pakistan	HIV	PAK-H-NZT	Portfolio Optimization	USD	17,477,536	5,012,000	22,489,536
3	Philippines	TB	PHL-T-PBSP	Portfolio Optimization	USD	108,543,887	10,000,000	118,543,887
4	Rwanda	TB	RWA-T-MOH	Portfolio Optimization	USD	14,154,994	963,603	15,118,597

2. Grant Revisions - Integration of Additional Funding into Board Approved Grant: Private Sector Contribution

Regional Artemisinin Resistance Initiative 2 Elimination (RAI2E) Malaria Grant: United Nations Office for Project Services (QSE-M-UNOPS)

2.1 Additional funding, made available through a private sector contribution by Dhanin Tawee Chearavanont Foundation Limited, is proposed for integration into the existing multicountry Regional Artemisinin Resistance Initiative 2 (RAI2E) grant, which was approved by the Board in November 2017. The additional investment is aligned with the objectives of the existing RAI2E grant, and is in line with RAI2 countries' (Cambodia, Lao, Myanmar, Thailand, and Viet Nam) national strategic plans towards malaria elimination by 2030.

2.2 The investment will reinforce malaria surveillance and elimination in the Thailand-Myanmar, Thailand-Cambodia and Thailand-Malaysia borders and adjacent areas by: i) extending surveillance public health services in Tak Province (from border hospitals/clinics), covering a population of 50,000; ii) extending services to additional border provinces (South of Thailand and Thai - Cambodia) covering more than 100,000 people; iii) increasing support for elimination to non-governmental organizations working with migrants, covering more than 120,000 people living in Thailand; iv) monitoring the progression of resistance to malaria medicines in border provinces; and v) supporting prevention and treatment of P.vivax malaria in pregnant women and children in the Tak province covering 12,500 people per year. The additional funding will also support the community-based work of 140 malaria volunteers in the southern provinces of Thailand including monitoring of resistance, case investigation, and surveillance data collection and communication.

3. Grant Revisions – Integration of Additional Funding into Board Approved Grants: 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' (Prioritization Framework) through a rigorous and comprehensive process with inputs from Partners and in line with the Strategy Committee decision (GF/SC04/DP02).²

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/AFC04/DP01, GF/AFC07/DP01, GF/AFC08/DP04, 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 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

² Available [here](#). Please note this document is part of an internal deliberative process of the Global Fund and as such cannot be made public.

Committees of the Board³. 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 April 2019 for the Pakistan HIV, Philippines TB and Rwanda TB grants. The GAC confirmed that these awards are in line with the criteria contained in the Prioritization Framework.

Pakistan HIV: Nai Zindagi (PAK-H-NZT)

3.3 Background and context

Pakistan's HIV prevalence has been rising with high burden among people who inject drugs, and prevalence rates of up to 70 percent in major cities in the Punjab province. The Government's commitment to fund 36 percent and 59 percent of the country's HIV program in 2018 and 2019 respectively, has not materialized. Thus, despite efforts to reprogram savings from the 2018 implementation, a funding gap remains, leaving 75 percent of people who inject drugs without access to services. GAC prioritized identified programmatic gaps for portfolio optimization award including comprehensive prevention programs for people who inject drugs, HIV testing services and ART.

The GAC noted with concern that a general population HIV outbreak (mostly in children) has been reported in the Larkana district in the Sindh province, the full implications of which are still being assessed and determined. At the same time, the GAC acknowledged the need to maintain continued focus on the rapidly growing epidemic amongst people who inject drugs and men who have sex with men.

3.4 GAC review and recommendations:

- The GAC therefore recommended a step-wise approach to responding to the reported HIV outbreak while maintaining focus on the continued rise in HIV prevalence among key populations in Pakistan.
- Accordingly, the GAC recommends for Board approval investments to address the identified programmatic gaps by expanding comprehensive services for key populations to 8 additional cities, which were not previously covered by the grant. These funds will i) provide HIV prevention packages of services to 26,000 people (i.e. an increase of 7 percent compared to previous targets); ii) provide antiretroviral therapy to 6,535 additional people living with HIV; and iii) increase from 2,304 to 3,325 the number of diagnosed people who inject drugs and their spouses as well as link them to HIV care and treatment services. These activities will support reducing the transmission risk and expanding treatment coverage for people living with HIV.
- In parallel, the GAC recommends that the Secretariat in collaboration with Partners, closely monitor the situation in Pakistan as additional evidence is gathered to better understand the magnitude and underlying causes of the recent outbreak, and while the Government's response to the outbreak is further developed. The GAC stressed the need to better understand the underlying fundamental health systems issues that precipitated this outbreak and to prepare for an increased demand for HIV prevention and treatment services in Pakistan. In addition, considering the unsafe injection practices, the GAC highlighted the need to harmonize approaches with GAVI's investments in Pakistan. The GAC acknowledged the risk that other districts may also be affected and stressed that any reprogramming of remaining portfolio optimization funds should reflect meaningful inputs from Partners, noting that material shifts would require TRP review.

Philippines TB: Philippine Business for Social Progress, Inc. (PHL-T-PBSP)

3.5 GAC review and recommendations

- Following WHO's communication on rolling-out the new MDR-TB treatment regimen, Philippines, an early adopter of the new regimen, developed a plan in close collaboration with Partners to shift patients to the new regimen. This shift was supported through a prior portfolio optimization award approved by

³ 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.

the Board in March 2019. Nevertheless, a funding gap remains to fully cover the upfront costs associated with the change to the new regimen. This additional funding recommended for Board approval is needed to cover the procurement of second line anti-TB drugs (including new drugs) and GeneXpert cartridges, as well as support programmatic operational costs associated with the roll-out of the new regimen, including active drug safety monitoring and management and patient support. With this additional funding, the program will be able to initiate 60 percent of new enrolment with an injection free regimen (either long all-oral regimen or the modified shorter regimen with Bedaquiline (BDQ), the latter under operational research), and gradually increase to 80 percent in 2020.

- The additional funding presented for approval contributes to accelerated roll-out of the new treatment regimen which is a one-off change and will increase the country's capacity to cover of the MDR-TB patients costs in the future.

Rwanda TB: Ministry of Health (RWA-T-MOH)

3.6 GAC review and recommendations

- The focus of the TB grant in Rwanda is on prevention and care, with specific attention to increasing TB screening through supporting the roll out of chest radiographs in identified high risk groups, particularly people living with HIV/AIDS. Rwanda continues to face constraints within the health system, hindering the optimal use of x-ray screening and there are challenges to access to radiography services.
- The additional funding seeks to address this issue by i) investing in five digital radiography machines for district hospitals in an effort to increase early detection and treatment, leading to reduced mortality and morbidity from TB/HIV coinfections; ii) conducting a Catastrophic Cost Survey, aimed at determining the magnitude of costs incurred in order to establish a baseline for the End TB indicator 5, where the goal is zero families face catastrophic costs related to TB by 2020. The determination of costs will also support efforts towards a national policy on reducing TB patient costs, to lead to further improvements in diagnosis and treatment adherence.

4. Additional Matters

4.1 The Board is hereby notified that the Secretariat approved extensions in Table 2 as follows:

Table 2: Extensions Approved by the Secretariat

Applicant	Disease Component	Grant Name	Currency	Total Extension Budget	Additional Funding	Proposed Extension Duration (Months)	Proposed End Date
Multicountry Regional Malaria Elimination Initiative (RMEI)	Malaria	QRA-M-IDB	USD	N/A	N/A	12	12/31/2023

5. Privileges and Immunities

5.1 Of the applicants for which funding recommendations are currently being made, Rwanda has signed and ratified the Global Fund Agreement on Privileges and Immunities.

Annex 1 – Relevant Past Decisions

1. Pursuant to the Governance Plan for Impact as approved at the Thirty-Second Board Meeting,⁴ 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/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/AFCo8/DPo4: 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/AFCo9/DPo1: 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
GF/B38/EDPo4: Decision on the Secretariat's recommendation for funding the Pakistan HIV grant	This decision point approved the Pakistan HIV grant (PAK-H-NZT)
GF/B37/EDPo5: Decision on the Secretariat's recommendation for funding the Philippines TB grant	This decision point approved the Philippines TB grant (PHL-T-PBSP)
GF/B39/EDP15: Decision on the Secretariat's recommendation on Financing Unfunded Quality Demand from the 2017-2019 Allocation Period of the Philippines TB grant	This decision point approved the Funding of Unfunded Quality Demand from the 2017-2019 Allocation Period of the Philippines TB grant (PHL-T-PBSP)
GF/B40/EDP10: Decision on the Secretariat's recommendation on Financing Unfunded Quality Demand from the 2017-2019 Allocation Period of the Philippines TB grant	This decision point approved the Funding of Unfunded Quality Demand from the 2017-2019 Allocation Period of the Philippines TB grant (PHL-T-PBSP)

⁴ 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/>)

Relevant past Decision Point	Summary and Impact
GF/B38/EDPo2: Decision on the Secretariat's recommendation for funding the multicountry RAI2E Malaria grant	This decision point approved the multicountry RAI Malaria grant (QSE-M-UNOPS)
GF/B38/EDPo8: Decision on the Secretariat's recommendation for funding the Rwanda TB grant	This decision point approved the Rwanda TB grant (RWA-T-MOH)
GF/B38/EDP16: Decision on the Secretariat's recommendation for funding the multicountry Regional Malaria Elimination Initiative (RMEI)	This decision point approved the multicountry RMEI grant (QRA-M-IDB)