

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B41/ER07

Board Decision

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

1. GF/B41/EDP10: 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\$22,420,557** and **€12,641,646** of portfolio optimization funding to be integrated into the Bhutan HIV, malaria and TB; Niger malaria; South Sudan HIV and malaria; Tanzania TB and TB/HIV; and Turkmenistan TB grants; and (ii) **€4,455,500** of additional investment through private sector contribution to be integrated into the Niger malaria grant.

Decisions

Decision Point: GF/B41/EDP10: 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/ER07 (“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\$22,420,557** and **€12,641,646** of portfolio optimization funding to be integrated into the Bhutan HIV, malaria, TB; Niger malaria; South Sudan HIV and malaria; Tanzania TB and TB/HIV; and Turkmenistan TB grants;
 - **€4,455,500** of additional investment through private sector contribution to be integrated into the Niger 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/SC04/DP02.
- 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/EDP10: 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	Bhutan	HIV	BTN-H-MOH	Portfolio Optimization	USD	1,081,903	67,250	1,149,154
2		TB	BTN-T-MOH	Portfolio Optimization	USD	1,074,146	52,600	1,126,746
3		Malaria	BTN-M-MOH	Portfolio Optimization	USD	1,432,470	133,960	1,566,430
4	Niger	Malaria	NER-M-CRS	Portfolio Optimization	EUR	60,854,423	12,641,646	77,951,569
		Private Sector Contribution		4,455,500				
5	South Sudan	HIV	SSD-H-UNDP	Portfolio Optimization	USD	32,681,295	4,230,795	36,912,090
6		Malaria	SSD-M-PSI	Portfolio Optimization	USD	45,000,000	6,116,526	51,116,526
7	Tanzania (United Republic)	TB	TZA-T-MOF	Portfolio Optimization	USD	30,495,717	9,436,697	39,932,414
8		TB/HIV	TZA-C-Amref	Portfolio Optimization	USD	24,969,147	1,255,729	26,224,876
9	Turkmenistan	TB	TKM-T-UNDP	Portfolio Optimization	USD	3,956,665	1,127,000	5,083,665

2. Grant Revisions – Integration of Additional Funding into Board Approved Grants: Portfolio Optimization

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/SCo4/DPO2).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/AFCo4/DPO1, GF/AFCo7/DPO1, GF/AFCo8/DPO4 and GF/AFCo9/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 Board³. 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 April 2019. The GAC confirmed that these awards are in line with the criteria contained in the Prioritization Framework.

Bhutan HIV, malaria and TB: Ministry of Health, Kingdom of Bhutan (BTN-H-MOH, BTN-M-MOH and BTN-T-MOH)

2.3 The additional investment made available through portfolio optimization will support the Health Management Information Systems (HMIS) in Bhutan for HIV and malaria disease components and will contribute towards a resilient and sustainable health system by strengthening the information of the three diseases in the country. More specifically, the additional funding will support the establishment and roll-out of the national malaria electronic reporting system using District Health Information Software 2 (DHIS2) and improving nationwide and cross-border malaria data sharing. Moreover, the investment will help to address the information gap regarding the risk behaviors that drive the HIV epidemic among key populations, including men having sex with men, female sex workers and transgender people by establishing a national HIV sentinel surveillance system to capture routine data. Lastly, it will support a mid-term review of the national TB program to assess progress and inform prioritization of the country’s TB interventions. This assessment is important to enhance national program sustainability and support securing the gains of Global Fund investments while the country prepares its future transition out of Global Fund funding.

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.

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.

Niger malaria: Catholic Relief Services – United States Conference of Catholic Bishops (NER-M-CRS)

2.4 Given the rapid population growth in Niger, there is an increasing strain on the health system to provide basic malaria treatment services and appropriate scale-up of malaria prevention activities, including long-lasting insecticidal nets (LLIN) and seasonal malaria chemoprophylaxis (SMC) campaigns. With support from Partners and the Global Fund, including two portfolio optimization investments approved by the Board through GF/B40/EDP05 and GF/B40/EDP10 and through the reinvestment of savings, Niger has been able to scale-up SMC interventions in 2018 and 2019 and fund the LLIN campaign in Tahoua, Maradi and Zinder regions. However, there remains a financial gap for the 2020 LLIN campaign, which would cover the Diffa, Dosso and Tillabéri regions. The additional investment through portfolio optimization aims to address this gap. It will provide 4,120,267 LLINs to 27 districts in these three regions, covering 7,200,422 persons.

South Sudan HIV and malaria: United Nations Development Program (SSD-H-UNDP) and Population Services International (SSD-M-PSI)

2.5 HIV: According to data from UNAIDS (2018), there is an estimated 190,000 (uncertainty range from 140,000 to 240,000) people living with HIV in South Sudan. The grant resulting from 2017-2019 allocation, set ambitious Antiretroviral therapy (ART) targets of putting 52,000 people living with HIV on treatment by December 2020, moving from a baseline of 28,000 in December 2017. In October 2018, as part of the Global Fund supported reprogramming, a new quantification was conducted to assess the treatment needs of epidemics trends and a revised quantification and commodities supply plan was developed and shared with all in-country key Stakeholders. Through this assessment and following investment of efficiencies found during reprogramming, a funding gap for covering ARV needs was identified.

To ensure that the ARV coverage targets set for December 2020 are achieved and that programmatic gains are sustained, the additional investment made available through portfolio optimization will support procurement of ARVs for the Unity, Jonglei and Upper Nile States, which were previously not covered in the first and second year of the grant.

2.6 Malaria: The malaria burden in South Sudan increased significantly and due to the endemic situation, it is estimated that the entire population is at risk of malaria. The main method for vector control and the effective way to achieve universal coverage for all people at risk of malaria in the country is LLINs. For this reason, the country is implementing a rolling campaign through a geographical phased approach as well as routine distribution of LLINs. The original grant budget is not sufficient for covering all the required commodities and interventions and replacement of LLINs in the third year and there is a gap for LLIN coverage.

The additional funding provided through portfolio optimization seeks to address the gap in LLIN coverage and will support the procurement of around 1,989,620 LLINs in 2020. With these LLINs, plus additional LLINs procured through savings and efficiencies found in the current grant, and a carryover of undistributed LLINs (due to difficulties in accessing certain regions because of flooding and/or security situation) from 2018 and 2019, it is expected that the target of distributing a total of 4,768,789 LLINs will be reached in 2020 which is aligned with the National Strategic Plan targets.

Tanzania TB and TB/HIV: Ministry of Finance and Planning of the United Republic of Tanzania (TZA-T-MOF) and AMREF Health Africa (TZA-C-Amref)

2.7 Tanzania is among the 10 countries with the highest TB and TB/HIV burden. With a case detection rate of under 50 percent, it is estimated that the TB program in Tanzania continues to miss over 75,000 TB cases annually. The TB prevalence survey conducted in 2012, indicated a higher TB burden than previously assumed which confirms an increasing need for finding missing TB cases.

To complement the Tanzania TB grant and in line with its strategic focus, the additional funding provided by portfolio optimization will support the scale up of interventions to find, diagnose and treat an additional 30,000 people with TB by the end of December 2020.

Turkmenistan TB: United Nations Development Program (TKM-T-UNDP)

2.8 In 2018 there were 694 notified cases of resistant and multi drug resistant TB (RR/MDR-TB) and the treatment success rate of the 2016 cohort was estimated at 55 percent in Turkmenistan. Although detection has been scaled-up rapidly since 2014, there is a continued need for strengthening lab networks. Moreover, pursuant to WHO recommendations, the Government of Turkmenistan plans to transition to the new WHO guidelines and enroll patients on the new RR/MDR TB treatment in 2019. Increased MDR-TB prevalence and new WHO regimens pose a potential risk of a gap, which will be covered through portfolio optimization.

The additional funding will contribute to transitioning to the new regimens for the drug-resistant TB by covering the cost of drugs for the extra cases of Pre/extensively drug-resistant TB (Pre/XDR-TB), including the cost of bedaquiline and delamanid; strengthening lab capacities (including in the prison sector); training of medical staff and lab personnel as per the new WHO guidelines; and providing social support for additional XDR- TB patients.

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

3.1 Additional funding, made available through a private sector contribution by CRS Crush Malaria initiative is proposed for integration into the existing Niger malaria grant, which was approved by the Board in November 2017. The additional investment is aligned with the objectives of the existing Niger malaria grant.

3.2 The additional funding made available through private sector contribution will contribute to filling the existing funding gap for the 2020 SMC campaign, thus ensuring coverage for 2,354,086 children.

4. Privileges and Immunities

4.1 Of the applicants for which funding recommendations are currently being made, Niger has signed 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

⁴ GF/B32/DPo5: 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/DPo5/>)

Relevant past Decision Point	Summary and Impact
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/B39/EDP03: Decision on the Secretariat's recommendation for funding the Bhutan HIV, TB and malaria grants	This decision point approved the Bhutan HIV, TB and malaria grants (BTN-H-MOH, BTN-T-MOH and BTN-M-MOH)
GF/B40/EDP05: Decision on the Secretariat's recommendation for integrating Portfolio Optimization funding into Niger malaria grant	This decision point approved the integration of EUR 4,455,500 of Portfolio Optimization funding into Niger malaria grant (NER-M-CRS)
GF/B40/EDP10: Decision on the Secretariat's recommendation for integrating Portfolio Optimization funding into Niger malaria grant	This decision point approved the integration of EUR 11,831,103 of Portfolio Optimization funding into Niger malaria grant (NER-M-CRS)
GF/B38/EDP02: Decision on the Secretariat's recommendation for funding the Niger malaria grant	This decision point approved the Niger malaria grant (NER-M-CRS)
GF/B38/EDP04: Decision on the Secretariat's recommendation for funding the Tanzania TB grant	This decision point approved the Tanzania TB grant (TZA-T-MOF)
GF/B38/EDP08: Decision on the Secretariat's recommendation for funding the Tanzania TB/HIV grant	This decision point approved the Tanzania TB grant (TZA-C-Amref)
GF/B39/EDP01: Decision on the Secretariat's recommendation for funding the Turkmenistan TB grant	This decision point approved the Turkmenistan TB grant (TKM-T-UNDP)
GF/B38/EDP04: Decision on the Secretariat's recommendation for funding the South Sudan HIV and malaria grants	This decision point approved the South Sudan HIV and malaria grants (SSD-H-UNDP and SSD-M-PSI)