

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B41/ER13

Board Decision

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

1. GF/B41/EDP17: Decision on the Secretariat's Recommendation on Funding from the 2017-2019 Allocation¹
2. GF/B41/EDP18: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2017-2019 Allocation Period²

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.

¹ The Secretariat recommends the approval of funding from the 2017-2019 Allocation for (i) 5 grants: Albania TB/HIV, Algeria HIV, Bolivia TB, Ecuador HIV and Guyana malaria up to an amount of **US\$15,978,440** of country allocation funding; and (ii) 1 multicountry grant (multicountry Southern Africa MOSASWA) up to an amount of **US\$5,780,000** of catalytic investments and **US\$21,226,512** of private sector contribution.

² The Secretariat recommends the approval of (i) **US\$25,679,286** and **€2,602,959** of portfolio optimization funding to be integrated into the Azerbaijan TB, Côte d'Ivoire TB, Lao (Peoples Democratic Republic) TB, Moldova TB/HIV, Nepal TB, Pakistan HIV, Papua New Guinea TB/HIV and malaria, Somalia TB and malaria, Tajikistan TB, Zambia malaria grants; and (ii) **US\$2,700,000** of private sector contribution to be integrated into the Guatemala HIV grant.

Decisions

Decision Point: GF/B41/EDP17: 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/B41/ER13 ("Table 1");
2. Acknowledges each country's 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/B41/EDP18: 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/B41/ER13 ("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: Albania TB/HIV, Algeria HIV, Bolivia TB, Ecuador HIV and Guyana malaria up to **US\$15,978,440** of country allocation funding; (ii) and 1 multicountry grant (multicountry Southern Africa MOSASWA) up to an amount of **US\$5,780,000** of catalytic investments and **US\$21,226,512** of private sector contribution.
 - **US\$25,679,286** and **€2,602,959** of portfolio optimization funding to be integrated into the Azerbaijan TB, Côte d'Ivoire TB, Lao (Peoples Democratic Republic) TB, Moldova TB/HIV, Nepal TB, Pakistan HIV, Papua New Guinea TB/HIV and malaria, Somalia TB and malaria, Tajikistan TB and Zambia malaria grants and **US\$2,700,000** of private sector contribution to be integrated into the Guatemala HIV grant
- 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](#).
- Portfolio optimization 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/B41/EDP17: Decision on the Secretariat's Recommendation on Funding from the 2017-2019 Allocation; and GF/B41/EDP18: 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 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	Albania	TB/HIV	ALB-C-MOH	31-12-22	USD	1,638,134	N/A	10,224,886	516,791
2	Algeria	HIV	DZA-H-MOH	31-12-22	USD	2,312,936	N/A	130,297,323	1,321,451
3	Bolivia	TB	BOL-T-UNDP	31-12-22	USD	5,648,949	N/A	12,524,577	0
4	Ecuador	HIV	ECU-H-MOH	31-12-22	USD	5,328,421	N/A	109,500,000	0
5	Guyana	Malaria	GUY-M-MOH	31-12-22	USD	1,050,000	N/A	19,098,259	0
6	Multicountry Southern Africa MOSASWA	Malaria	QPA-M-LSDI	31-12-22	USD	27,006,512	5,780,000	N/A	9,308,591

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.

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	Azerbaijan	TB	AZE-T-MOH	Portfolio Optimization	USD	6,529,446	2,227,664	8,757,110
2	Côte d'Ivoire	TB	CIV-T-MOH	Portfolio Optimization	EUR	8,005,185	1,726,787	9,731,972
3	Guatemala	HIV/AIDS	GTM-H-INCAP	Private Sector Contribution	USD	14,761,220	2,700,000	17,461,220
4	Lao (PDR)	TB	LAO-T-GFMOH	Portfolio Optimization	USD	7,835,594	811,423	8,647,017
5	Moldova	HIV/AIDS	MDA-C-PCIMU	Portfolio Optimization	EUR	12,012,630	876,172	12,888,802
6	Nepal	TB	NPL-T-SCF	Portfolio Optimization	USD	16,997,964	2,019,932	19,017,896
7	Pakistan	HIV/AIDS	PAK-H-NACP	Portfolio Optimization	USD	17,478,571	3,360,000	20,838,571
8	Papua New Guinea	Malaria	PNG-M-RAM	Portfolio Optimization	USD	22,990,597	2,800,000	25,790,597
9		TB/HIV	PNG-C-WV	Portfolio Optimization	USD	21,995,434	3,919,156	25,914,590
10	Somalia	TB	SOM-T-WV	Portfolio Optimization	USD	23,575,494	2,552,961	26,128,455
11		Malaria	SOM-M-UNICEF	Portfolio Optimization	USD	22,110,931	1,519,618	23,630,549
12	Tajikistan	TB	TJK-T-RCTC	Portfolio Optimization	USD	10,922,360	249,999	11,172,359
13	Zambia	Malaria	ZMB-M-MOH	Portfolio Optimization	USD	57,493,044	6,218,533	63,711,577

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

1.1 Unless otherwise specified below, the 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:

Albania TB/HIV: Ministry of Health and Social Protection of Albania (ALB-C-MOH)

1.2 Background and context:

The republic of Albania has a low burden of TB and HIV. The overall estimated TB incidence rate in 2018 is at 18/100.000, TB mortality rate at 0.29/100.000 and HIV-prevalence epidemic is low with HIV incidence estimated at 0.03 percent, however the number of new HIV cases has been increasing from 49 cases in 2008 to 102 new cases in 2018. Albania, as an upper-middle income country with less than high burden, was eligible for Transition Funding for the 2017-2019 allocation period. The transition grant presented for approval, aims to support Albania HIV and TB programs to sustain the achievements and scale up diagnostics and treatment for TB and HIV without the Global Fund resources. Overall objectives of the grant are:

- i. Ensure equitable access to high quality TB and HIV prevention, treatment, care and support with a focus on key populations;
- ii. Ensure a sustainable response to HIV through strengthening coordination, leadership and financial and political commitment of the Government; and
- iii. Strengthen health and community systems that enable needs-based, evidence-based and cost-effective prevention interventions for key populations mostly affected by the HIV and TB epidemic.

1.3 Co-financing and domestic commitment:

The Government of Albania has contributed US\$7.9 million to the HIV and TB programs in 2017-2019 implementation period. The government spending for the two programs in 2017-2019 represents an increase of US\$2.97 million compared to the previous implementation period, exceeding the requirement of a minimum additional investment of US\$0.9 million.

For 2020-2022 period, the Government is planning to commit US\$10.2 million to finance the direct costs of the HIV and TB programs (US\$7.6 million for HIV and US\$2.6 million for TB). During the course of the next implementation period, co-financing is committed to cover cost of 100 percent of Antiretroviral therapy (ART), first and second-line TB drugs, part of HIV and TB diagnostics, and services for management of ART, susceptible and drug resistant TB, and to gradually take over the procurement of commodities required to provide HIV prevention service packages for key populations. This includes 30 and 50 percent in the second and third year for HIV viral load tests, HIV rapid tests, condoms, lubricants and CD4 testing; 50 percent in the second and third year for methadone; and 100 percent of mobile unit operational costs and the costs of regular monitoring visit for both TB and HIV program. In addition, the Government is committed to cover human resources and administrative costs of NGOs by 30 and 50 percent in the second and third year of implementation.

1.4 GAC review and recommendations:

- The GAC welcomed the development of a costed and prioritized Transition Work Plan (TWP) which has been designed to support the transition from Global Fund financing. The GAC noted that the Global Fund engagement has catalysed the development of a roadmap for public financing of Civil

Society Organizations (CSO) by the Ministry of Health which will contribute to sustainability of the programs.

People's Democratic Republic of Algeria HIV: Ministry of Health, Population and Hospital Reform of the People's Democratic Republic of Algeria (DZA-H-MOH)

1.5 Background and context:

After Algeria became re-eligible for HIV in the 2014-2016 allocation period, the country had to re-establish CCM and Program Management Unit (PMU) functions; as such grant-making for that allocation period was delayed and the start date of the grant was pushed to early 2017. For the 2017-2019 allocation period, Algeria moved to Transition Funding as they became ineligible for HIV due to having less than high disease burden. This change occurred at the same time as grant negotiations, making it challenging for stakeholders to focus on transition planning from the onset. Given this context, the transition readiness assessment (TRA) and transition planning process was finalized in a condensed timeline at the end of March 2019.

With this background, the current grant proposed for approval aims to prepare the country for transitioning from Global Fund financing while seeking to i) reduce the number of new infections; ii) stabilize the HIV-specific mortality rate; and iii) reduce the various forms of AIDS-related stigma and discrimination. The strategies to achieve these goals are:

- i. Implement transition activities to ensure that adequate modalities are in place for prevention, outreach and other community-based activities implemented by CSO currently funded by the Global Fund to be progressively funded by the Government or other donors.
- ii. Facilitate prevention for key and vulnerable populations through advocacy, support in HIV testing strategies and linkages to HIV treatment referral centers, retention and psychosocial and legal assistance.
- iii. Scale up the new HIV testing strategy in line with international recommendations by broadening the scope of community implications for both HIV testing and linkages of people who live with HIV, to the HIV treatment referral centers.
- iv. Strengthen and institutionalize coordination between CSOs.

1.6 Co-financing and domestic commitment:

Algeria has a 15 percent co-financing incentive equal to US\$346,940 and as an upper middle-income country receiving a transition grant, 50 percent of the additional investment should be targeted towards key populations. In nominal terms, government commitments against specific interventions is greater than the minimum requirements and in addition to covering all costs linked to HIV testing and treatment, will include: i) implementation of differentiated care strategies for access care and treatment for key populations; ii) capacity building of professionals, particularly on the fight against stigmatization and discrimination; iii) extension of geographical coverage and access using CSOs; and iv) initiation of a pilot study and planning process for introduction of pre-exposure prophylaxis with (PrEP) as part of a comprehensive package of services for people most at risk of HIV.

Algeria is facing fiscal challenges which have resulted in an 8 percent decrease in the Government's budget for health between 2015 and 2019. While it is envisaged that the Government will meet its co-financing commitment through covering HIV testing, treatment and medical costs, there are risks related to commitments focused on activities for key and vulnerable populations. Working to realize these commitments will remain a focus of the transition funding grant implementation.

1.7 GAC review and recommendations:

- The GAC noted that despite conducting the TRA and including activities in the grant to support the transition, given the socio-cultural and current political environment in the country, it is likely that the grant will encounter challenges. The GAC encouraged the Secretariat to continue engaging with Partners and the Government to ensure necessary measures for a successful transition to domestic financing of the program.
- The GAC noted that program management costs remain high. The GAC acknowledged that this is due to the nature of grant activities including resource mobilization and other transition-related capacity building and technical assistance activities, as well as prevention and outreach activities

led by a network of peer educators. The GAC, however, further encouraged that the Principal Recipient continue working with the Secretariat to potentially reduce these costs, where possible.

MOSASWA malaria Regional grant: Lubombo Spatial Development Initiative 2 (QPA-M-LSDI)

1.8 Background and context:

The MOSASWA malaria regional grant, is a continuation of a collaborative public-private cross-border initiative between Mozambique, South Africa and Eswatini. The goal of this program is to work collaboratively to accelerate to pre-elimination in southern Mozambique (Maputo, Gaza, Inhambane Provinces) and accelerate the elimination of malaria in Eswatini and South Africa, so as to achieve zero local transmission in Eswatini, South Africa and Maputo province. The program is aligned with the malaria Strategic Plans of the three countries and builds on this larger initiative by implementing a more focused set of interventions that are unique to the epidemiology and the priorities of the tri-border area.

The strategies to achieve this goal are:

- i. Harmonization of policies, strengthening sub-national capacity and sharing expertise and strategic information among the three countries to accelerate actions towards the goal of malaria elimination.
- ii. Expanding and sustaining access to malaria elimination interventions across the MOSASWA region with particular focus on mobile and migrant populations, malaria risk localities and residents in order to rapidly reduce and interrupt malaria transmission.
- iii. Strengthening capacity in the three MOSASWA countries for malaria surveillance, operational research, monitoring and evaluation to support elimination efforts, respond to outbreaks, resurgence and generate evidence for intervention response.
- iv. Mobilizing resources and advocating for increased and sustainable malaria financing to achieve and sustain malaria elimination.

1.9 GAC review and recommendations:

- The GAC and Partners appreciated the alignment of this regional grant with malaria programs of the three countries and emphasized the importance of synergies with the multicountry Southern Africa Elimination 8 malaria grant, other regional initiatives and national grants. The Secretariat will continue engaging closely with stakeholders and monitoring implementation approaches to ensure alignment is in place throughout the grant implementation period.
- The multicountry grant proposed for approval includes additional investments from two private sector donors. The GAC notes and mandates the inclusion of a grant requirement, making the disbursement of grant funds subject to the availability of funding from the relevant donors to mitigate any risks of delayed donor payments.
- The GAC Partners re-iterated the TRP's comment in relation to the need for developing strategies to remove discriminatory barriers faced by migrants and mobile populations; and clarity on the implementation of vector control efforts for Southern Mozambique. The GAC Partners expressed their support in engaging and providing support for implementation of the related activities.

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).⁵

⁵ Available [here](#). Please note this document is part of an internal deliberative process of the Global Fund and as such cannot be made public.

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 Board.⁶ 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 for the Azerbaijan TB, Côte d'Ivoire TB, Lao (People's Democratic Republic) TB, Moldova TB/HIV, Nepal TB, Pakistan HIV, Papua New Guinea TB/HIV and malaria, Somalia TB and malaria, Tajikistan TB and Zambia malaria grants. The GAC confirmed that these awards are in line with the criteria contained in the Prioritization Framework.

Azerbaijan TB: Ministry of Health of Azerbaijan Republic (AZE-T-MOH)

2.3 As a multidrug-resistance TB (MDR-TB) high-burden country, there are an estimated 1,300 MDR/rifampicin-resistant (RR) TB cases among notified pulmonary TB cases in Azerbaijan. RR/MDR TB prevalence in new cases is 12 and 28 percent respectively among previously treated cases. Pursuant to the updated WHO MDR-TB guidelines in 2018, Azerbaijan has started transitioning patients to the new regimen. Although it expected that more than 700 RR/MDR-TB patients will start treatment with the new regimen in 2019 and another 1,096 patients in 2020, a funding gap remains to fully cover the costs associated with the transition to the new WHO guidelines and MDR-TB treatment regimen.

The additional investment made available through portfolio optimization will support a smooth transition by covering the procurement of new and repurposed TB drugs as well as the procurement of laboratory consumables.

Côte d'Ivoire TB: Ministry of Health and Public Hygiene (CIV-T-MOH)

2.4 TB diagnosis among children remains low in Côte d'Ivoire and creates a bottleneck in diagnostic scale up. Radiography is an important tool for strengthening TB diagnosis among children. Furthermore, radiography can also help to rule out active TB disease, before deciding to provide TB preventive treatment.

The additional funding made available through portfolio optimization will be invested in purchasing nine digital radiography devices and digitize the 17 old radiography tables, in addition to providing trainings for trainers and for users of digital radiography equipment. The investment will contribute to removing barriers to achieve the set programmatic targets, including in finding missing TB cases and strengthening TB control in the country.

Lao People's Democratic Republic (PDR) TB: Ministry of Health of the Lao People's Democratic Republic (LAO-T-GFMOH)

2.5 The national TB program of the Lao People's Democratic Republic is largely supported by the Global Fund, covering 56 percent of National Strategic Plan (NSP) needs. Whilst domestic resources cover 30 percent of NSP needs, a 14 percent funding gap remains. Among the main challenges of the program is the lack of TB services in hard to reach communities, due to limitations in access and availability of primary health services. As a result, there is a higher TB burden among older populations in remote areas.

⁶ 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 additional portfolio optimization investment aims to cover the funding gap by supporting: i) active case finding through mobile teams equipped with portable digital X-ray and GeneXpert machines; ii) increased coverage and output of Community Based Organizations (CBOs) in 22 high TB burden districts; iii) expanded PPM TB interventions in 50 clinics and 90 pharmacies in high TB burden districts; iv) integration of the TB program into District Health Information Systems (DHIS2); and v) the equipping of 3 MDR-TB units with electrocardiograms (EKG) and audiometers to improve active Drug Safety Monitoring (DSM) of patients under MDR-TB treatment, allowing earlier detection and prompt management of possible second line anti-TB medicines (SLD) side effects. The additional funding will contribute to reaching and treating missing TB cases among vulnerable populations in remote areas.

Moldova TB/HIV: Public Institution - Coordination, Implementation and Monitoring Unit of the Health System Projects (MDA-C-PCIMU)

2.6 The Republic of Moldova is among the 27 high MDR-TB burden countries in the world and MDR-TB burden is the biggest challenge for the National TB Program. Pursuant to updated WHO MDR-TB guidelines in 2018, the National TB Program started transiting patients to the new MDR-TB treatment regimen in the second quarter of 2019.

The additional investment made available by portfolio optimization will support the transition by covering the cost of drugs and lab services, and significant scale up for second-line drug susceptibility testing. Through this investment, 1,007 patients will transition to the new MDR-TB regimen.

Nepal TB: Save the Children Federation, Inc. (NPL-T-SCF)

2.6 TB diagnosis remains a serious challenge in Nepal. The preliminary results from the national TB prevalence survey confirms that the number of undetected TB cases is much higher than previously estimated; overall management of MDR/RR-TB is considered weak, resulting in delayed enrolment on treatment and a high initial default rate.

The additional funding made available through portfolio optimization will support strengthening of drug resistant TB management and case finding through the expansion of access to rapid diagnosis. This investment will result in i) 300 additional diagnosis and treatment of MDR/RR- TB patients by 2021; ii) improved treatment outcomes among MDR/RR-TB cases; and iii) improved and expanded access to rapid diagnosis of TB leading to a reduction in missed TB cases/missing people with TB. These investments are in line with the strategic focus of the grant and will lead to further strengthening of TB control in Nepal.

Pakistan HIV: Ministry of Health, Regulations and Coordination of Pakistan, National AIDS Control program (NACP) (PAK-H-NACP)

2.7 Background and context

Pakistan received portfolio optimization funding in June 2019 with the focus on prevention for people who inject drugs (approved by the Board through B41/EDPo4). At the time, the GAC noted a general population HIV outbreak in the Sindh province. Given that the full implications were still being assessed at the time, the GAC recommended a step-wise approach to addressing the epidemic outbreak while additional evidence was gathered to better understand the magnitude and underlying causes and the Government's response was further developed. In line with comments received from the Board, the Ministry of Health investigated and gathered evidence on the underlying root causes of the recent HIV outbreak. Following broad consultations with Partners (including UNAIDS, WHO, UNICEF, UNFPA, and representatives of key populations), the Secretariat conducted material reprogramming to fund new activities prioritized after an investigation into the outbreak conducted by the Ministry of Health. GAC approved the material reprogramming based on TRP review and recommendations of proposed interventions to address the HIV crisis.

In addition, the GAC recommends the remaining portion of the portfolio optimization funding for strengthening the response to the HIV crisis in Sindh province. Investments made available through portfolio optimization will address the epidemic outbreak by supporting procurement of pediatric ARVs, surveillance system through sentinel sites, nutrition support for HIV positive children, village support groups, differentiated testing, and HIV treatment care and support, training on HIV counseling, treatment adherence, strengthening routine reporting system and improving data quality and general population interventions in Sindh. As a result, it is expected that coverage of programs for men who have sex with men

and transgender people will also increase by 40 percent in the period between January and June 2020 and by 60 percent in the period of July to December 2020, compared to the baseline. In addition, it is estimated that Antiretroviral therapy (ART) coverage will further increase from 11 to 18 percent coverage. Savings identified during material reprogramming will in addition finance procurement of health and pharmaceutical products which are critical to curb the HIV outbreak in Pakistan.

- The GAC emphasized the importance of continued monitoring of the HIV situation in Pakistan and the need to continue working with Partners to understand and address the fundamental systemic issues that led to the recent outbreak.
- *Recoveries:* The GAC noted the outstanding reimbursement of non-compliant expenditures. While acknowledging the recoveries, the GAC recommends award of portfolio optimization for addressing the immediate priorities in response to the outbreak. The Global Fund will, therefore, release an initial disbursement under portfolio optimization to address the outbreak. Release of remaining funds will be subject to adequate steps being taken, to the Secretariat's satisfaction, by the Government of Pakistan to address the outstanding recoveries.

Papua New Guinea TB/HIV and Malaria: World Vision International (PNG-C-WVI) and Rotarians Against Malaria (PNG-C-RAM)

2.8 TB/HIV:

Papua New Guinea (PNG) has one of the highest burdens of TB, HIV, MDR/RR-TB and TB/HIV co-infection rates in the Asia Pacific region. The country has low coverage and limited access to high quality diagnosis of TB, MDR-TB with only about 30 percent of notified cases receiving bacteriological confirmation. Furthermore, viral load monitoring for people living with HIV on ART is inadequate with less than 10 percent of people on ART tested for viral load in 2018. The scale-up of GeneXpert will catalyze viral load testing in a country with a heightened need for treatment monitoring due to high ARV resistance at 16 percent.

The additional investment will be used for procurement, distribution and training for use of GeneXpert and ventilated work station and related cost, which strengthen the peripheral laboratory network for both TB and HIV and improving infection control in remaining microscopy sites through quality assurance and capacity building of staff. The investments are in line with the national laboratory strategic plan and will contribute towards meeting the targets of NSP and curb the epidemics.

2.9 Malaria:

PNG has one of the highest burdens of malaria outside of Africa with 94 percent of the population living in malaria endemic areas. Malaria indicator survey (MIS) shows that achievement of the PNG National Malaria Control Program has suffered a major setback in the last three years increasing prevalence from less than 1 percent up to 9.5 percent (MIS, 2017). To control the resurgence, immediate action is required.

The additional funding will be used to address the immediate needs of the country to mitigate increases in malaria transmission and reduce morbidity and mortality. This investment aims to meet the urgent need of rapid diagnostic tests (RDTs), artemisinin-based combination therapy (ACT), and primaquine, stock-outs of which have contributed to an increased transmission, and support distribution of these commodities to all health facilities in the country.

Somalia TB and malaria: World Vision International (SOM-T-WV) and UNICEF (SOM-M-UNICEF)

2.10 TB:

Although Somalia has made progress in case finding and management of MDR-TB, the country has one of the highest burden of MDR RR/TB globally, with an estimate of 4,200 new cases annually and the coverage rate of the current TB grant is only 42 percent. Thus, additional funds are required to further improve case finding, particularly for hard-to-reach populations, testing and overall management of MDR-TB.

The additional funding (1) will allow for the scale-up of outreach interventions, including to Internally Displaced Persons (IDP) camps, prisons and large health facilities and (2) is expected to increase case detection. Moreover, the additional funding will support the expansion of GeneXpert test services, including procurement of GeneXpert test cartridges, MDR-TB guideline development and training,

maintenance of GeneXpert machines and GeneXpert diagnosis training, which is expected to improve MDR-TB detection.

2.11 Malaria:

Despite the Challenging Operating Environment, strides have been made towards malaria control in Somalia. However, challenges remain in Somalia's delivery of vector control services to populations in hard-to-reach areas and among most-at-risk populations, including IDPs. Moreover, available funding is not sufficient to scale-up interventions in hard-to-reach areas or ensure the distribution of long lasting insecticidal nets (LIINs) for IDPs.

The additional investment made available through portfolio optimization addresses this gap by supporting the procurement and distribution of 310,000 LLINs in 9 high burden, hard-to-reach districts that are inaccessible by road and require air charters. In addition, in line with the strategic focus of the grant, the additional investment will also support the procurement and distribution of 61,650 LLINs for IDPs.

Tajikistan TB: Republican Center of Tuberculosis Control (TJK-T-RCTC)

2.12 Tajikistan is among the 27 high burden countries in terms of MDR-TB, with 940 estimated MDR/RR-TB cases in 2017. Pursuant to the 2018 WHO MDR TB guidelines in 2018, Tajikistan plans to transition patients to the new MDR/RR-TB treatment guidelines.

The additional funding provided by portfolio optimization will contribute to transitioning 812 patients to the new treatment guidelines. The proposed interventions under the additional funding are i) procurement of anti-TB drugs for treatment of multidrug- and rifampicin-resistant TB patients; ii) cover supplies and reagents for rapid testing iii) operational research on modified short course treatment regimen; and iv) activities related to strengthening pharmacovigilance, trainings for doctors and nurses related to the introduction of the new MDR-TB treatment regimen. The proposed interventions under the additional funding will support a successful transition to new treatment regimens.

The additional funding will also cover the technical support that is required to develop and operationalize the medicines Quality Assurance/Quality Control (QA/QC) policies and procedures for an effective medicines QA system throughout the supply chain which will contribute to strengthening the capacity of PR.

Zambia malaria: Ministry of Health (ZMB-M-MOH)

2.13 Although there has been significant progress towards reducing the malaria burden in Zambia, malaria remains a major public health concern with the entire population at risk. The National Malaria Elimination Program's vector control strategy includes protecting half of the population with indoor residual spraying (IRS) and providing LLIN to the other half. However, despite the support from partners and the Global Fund, including a previous portfolio optimization investment for covering IRS needs, gaps remain for both IRS coverage and the mass LLIN campaign.

The additional investment provided by portfolio optimization will support previously unfunded insecticide to be ordered through the Global Fund's Pooled Procurement Mechanism (PPM), ensuring full continuation of IRS in 2019 and 2020 and meeting the target of providing coverage to 60.6 percent of households by 2020.

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

Guatemala HIV: Institute of Nutrition of Central America and Panama (GTM-H-INCAP)

3.1 Additional funding, made available through a private sector contribution by the Red Nose Day Fund Comic Relief INC., is proposed for integration into the existing Guatemala HIV grant, which was approved by the Board in August 2018 by GF/B39/EDP09. The additional investment is based on the new costed national strategic plan for elimination of mother-to-child transmission (EMTCT), which is the outcome of the gap assessment of the EMTCT response which was conducted with the support from the Pan American Health Organization (PAHO) in second half of 2018.

The investment represents an opportunity to strengthen the country's EMTCT response and will focus on 16 health areas, concentrating about 80 percent of the pregnant women and largely consist of addressing critical gaps, which were identified in the national strategy. This includes: i) reducing barriers of access for pregnant women to attend antenatal care (ANC) services, raising awareness and implementing behavioral change interventions adapted to ethnographic specificities of the different communities; ii) increasing the number of pregnant women attending ANC services and iii) increasing HIV, Syphilis and Hep. B testing coverage for pregnant women by ensuring the procurement and supply of rapid diagnostic tests (RDTs) (in the community and at health center level). As a result, it is expected that 90 percent of women are attending ANC services, out of which 81 percent know their HIV status by 2020. Lastly, it is planned that by 2020, 90 percent of new born children that are exposed to HIV have received a virologic test within 2 months of being born.

4. Additional Matters

4.1 The Board is hereby notified that the Secretariat, approved the extension in Table 3 as follows:

Table 3: Extensions Approved by the Secretariat

Applicant	Disease Component	Grant Name	Currency	Total Extension Budget	Additional Funding	Proposed Extension Duration (Months)	Proposed End Date
Multicountry Asia IHAA	HIV/AIDS	QSA-H-IHAA	USD	1,329,815	0	12	31-12-20
El Salvador	Malaria	SLV-M-MOH	USD	300'000	0	6	30-06-20

5. Privileges and Immunities

5.1 Of the applicants for which funding recommendations are currently being made, Cote d'Ivoire has signed the Global Fund Agreement on Privileges and Immunities. Of the applicants include in the multicountry grants, Mozambique and Eswatini have 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,⁷ 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

⁷ 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/AFC07/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/AFC08/DP04: 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
GF/B38/EDP08: Decision on the Secretariat's recommendation for funding the Azerbaijan TB grant	This decision point approved the Azerbaijan TB grant (AZE-T-MOH)
GF/B37/EDP05: Decision on the Secretariat's recommendation for funding the Côte d'Ivoire TB grant	This decision point approved the Côte d'Ivoire TB grant (CIV-T-MOH)
GF/B39/EDP09: Decision on the Secretariat's recommendation for funding the Guatemala HIV grant	This decision point approved the Guatemala HIV grant (GTM-H-INCAP)
GF/B37/EDP05: Decision on the Secretariat's recommendation for funding the Lao TB grant	This decision point approved the Lao TB grant (LAO-T-GFMOH)
GF/B37/EDP07: Decision on the Secretariat's recommendation for funding the Moldova TB/HIV grant	This decision point approved the Moldova TB/HIV grant (MDA-C-PCIMU)
GF/B38/EDP15: Decision on the Secretariat's recommendation for funding the Nepal TB grant	This decision point approved the Nepal TB grant (NPL-T-SCF)
GF/B38/EDP04: Decision on the Secretariat's recommendation for funding the Pakistan HIV grant	This decision point approved the Pakistan HIV grant (PAK-H-NACP)
GF/B38/EDP08: Decision on the Secretariat's recommendation for funding the Papua New Guinea TB/HIV grant	This decision point approved the Papua New Guinea TB/HIV grant (PNG-C-WV)
GF/B37/EDP05: Decision on the Secretariat's recommendation for funding the Papua New Guinea malaria grant	This decision point approved the Papua New Guinea malaria grant (PNG-M-RAM)
GF/B38/EDP02: Decision on the Secretariat's recommendation for funding the Somalia TB grant	This decision point approved the Somalia TB grant (SOM-T-WV)
GF/B37/EDP05: Decision on the Secretariat's recommendation for funding the Somalia malaria grant	This decision point approved the Somalia malaria grant (SOM-M-UNICEF)
GF/B38/EDP15: Decision on the Secretariat's recommendation for funding the Tajikistan TB grant	This decision point approved the Tajikistan TB grant (TJK-T-RCTC)

Relevant past Decision Point	Summary and Impact
GF/B38/EDPo2: Decision on the Secretariat's recommendation for funding the Zambia malaria grant	This decision point approved the Zambia malaria grant (ZMB-M-MOH)