

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B42/ER03

Board Decision

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

1. GF/B42/EDP03: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2017-2019 Allocation Period¹

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 (i) **US\$135,666,553** and **€25,693,664** of portfolio optimization funding to be integrated into the Afghanistan Malaria, Bangladesh TB , Bangladesh HIV, Bangladesh Malaria, Belarus TB/HIV, Benin HIV, Burkina Faso Malaria, Burundi Malaria, Central African Republic Malaria, Chad Malaria, Kyrgyz Republic TB/HIV, Lesotho TB/HIV, Madagascar Malaria, Mongolia TB, Mozambique HIV, Nepal HIV, Nepal Malaria, Nepal TB, Papua New Guinea TB/HIV, Philippines HIV, Sao Tome and Principe Integrated, Tajikistan HIV, Thailand TB/HIV, Togo Malaria, Turkmenistan TB, Uganda TB and Zambia Malaria grants; and (ii) **US\$2,628,000** of private sector contribution to be integrated into the Papua New Guinea Malaria grant.

Decisions

Decision Point: GF/B42/EDP03: 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 1 of GF/B42/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\$135,666,553 and €25,693,664** of portfolio optimization funding to be integrated into the Afghanistan Malaria, Bangladesh TB, Bangladesh HIV, Bangladesh Malaria, Belarus TB/HIV, Benin HIV, Burkina Faso Malaria, Burundi Malaria, Central African Republic Malaria, Chad Malaria, Kyrgyz Republic TB/HIV, Lesotho TB/HIV, Madagascar Malaria, Mongolia TB, Mozambique HIV, Nepal HIV, Nepal Malaria, Nepal TB, Papua New Guinea TB/HIV, Philippines HIV, Sao Tome and Principe Integrated, Tajikistan HIV, Thailand TB/HIV, Togo Malaria, Turkmenistan TB, Uganda TB and Zambia Malaria grants;
 - **US\$2,628,000** of additional investment through private sector contribution to be integrated into the Papua New Guinea 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/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/B42/EDP03: 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	Afghanistan	Malaria	AFG-M-UNDP	Portfolio Optimization	USD	25,650,956	1,092,920	26,743,876
2	Bangladesh	Tuberculosis	BGD-T-BRAC	Portfolio Optimization	USD	75,722,981	14,701,807	90,424,788
3	Bangladesh	HIV	BGD-H-SC	Portfolio Optimization	USD	12,144,935	599,568	12,744,503
4	Bangladesh	Malaria	BGD-M-NMCP	Portfolio Optimization	USD	12,480,383	1,322,081	13,802,464
5	Belarus	TB/HIV	BLR-C-RSPCMT	Portfolio Optimization	USD	16,990,452	3,400,000	20,390,452
6	Benin	HIV	BEN-H-PlanBen	Portfolio Optimization	EUR	3,961,196	196,933	4,158,129
7	Burkina Faso	Malaria	BFA-M-PADS	Portfolio Optimization	EUR	96,444,135	4,722,967	101,167,102
8	Burundi	Malaria	BDI-M-UNDP	Portfolio Optimization	USD	41,526,625	5,300,000	46,826,625
9	Central African Republic	Malaria	CAF-M-WVI	Portfolio Optimization	EUR	27,097,646	7,844,748	34,942,394
10	Chad	Malaria	TCD-M-UNDP	Portfolio Optimization	EUR	42,580,391	12,149,611	54,730,002
11	Kyrgyz Republic	TB/HIV	KGZ-C-UNDP	Portfolio Optimization	USD	22,157,492	3,018,988	25,176,480
12	Lesotho	TB/HIV	LSO-C-MOF	Portfolio Optimization	USD	55,499,451	8,544,633	64,044,084
13	Madagascar	Malaria	MDG-M-PSI	Portfolio Optimization	USD	41,518,651	24,469,795	65,988,446
14	Mongolia	Tuberculosis	MNG-T-MOH	Portfolio Optimization	USD	7,724,359	1,550,000	9,274,359

15	Mozambique	HIV	MOZ-H-MOH	Portfolio Optimization	USD	254,124,911	37,794,658	291,623,702 ²
16	Nepal	HIV	NPL-H-SCF	Portfolio Optimization	USD	23,200,510	960,000	24,160,510
17	Nepal	Malaria	NPL-M-SCF	Portfolio Optimization	USD	4,182,557	408,000	4,590,557
18	Nepal	Tuberculosis	NPL-T-SCF	Portfolio Optimization	USD	19,017,896	2,150,000	21,167,896
19	Papua New Guinea	TB/HIV	PNG-C-WV	Portfolio Optimization	USD	25,914,590	2,919,868	28,834,458
20	Papua New Guinea	Malaria	PNG-M-RAM	Private Sector Contribution	USD	25,790,597	2,628,000	28,418,597
21	Philippines	HIV	PHL-H-SC	Portfolio Optimization	USD	9,483,242	2,500,000	11,983,242
22	Sao Tome and Principe	Integrated	STP-Z-UNDP	Portfolio Optimization	EUR	5,088,901	504,055	5,592,956
23	Tajikistan	HIV	TJK-H-UNDP	Portfolio Optimization	USD	12,939,544	5,324,308	18,263,852
24	Thailand	TB/HIV	THA-C-DDC	Portfolio Optimization	USD	23,432,337	3,559,051	26,991,388
25	Togo	Malaria	TGO-M-PMT	Portfolio Optimization	EUR	31,580,235	275,350	31,855,585
26	Turkmenistan	Tuberculosis	TKM-T-UNDP	Portfolio Optimization	USD	5,083,665	1,560,500	6,644,165
27	Uganda	Tuberculosis	UGA-T-MoFPED	Portfolio Optimization	USD	23,945,026	3,000,000	26,945,026
28	Zambia	Malaria	ZMB-M-MOH	Portfolio Optimization	USD	63,711,576	11,490,376	75,201,952

² The revised program budget submitted also reflects US\$295,867 transfer of funds within the HIV component.

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

1.1 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).³

Through this process, the GAC has recommended interventions for immediate award out of the US\$650 million of funding made available by the Audit and Finance Committee (AFC) pursuant to GF/AFCo4/DPO1, GF/AFCo7/DPO1, GF/AFCo8/DPO4, GF/AFCo9/DPO1 and GF/AFC11/DPO2 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.⁴ The following section contains further details around the specific recommendations contained in this report.

1.2 In this report, the Secretariat recommends to the Board additional funding through the portfolio optimization award made in April 2019 for Bangladesh HIV and November 2019 for the Afghanistan Malaria, Bangladesh TB, Bangladesh HIV, Bangladesh Malaria, Belarus TB/HIV, Benin HIV, Burkina Faso Malaria, Burundi Malaria, Central African Republic Malaria, Chad Malaria, Kyrgyz Republic TB/HIV, Madagascar Malaria, Mongolia TB, Mozambique HIV, Nepal HIV, Nepal Malaria, Nepal TB, Papua New Guinea TB/HIV, Philippines HIV, Sao Tome and Principe Integrated, Tajikistan HIV, Thailand TB/HIV Togo Malaria, Turkmenistan TB, Uganda TB and Zambia Malaria grants. The GAC confirmed that these awards are in line with the criteria contained in the Prioritization Framework.

Afghanistan Malaria: UNDP (AFG-M-UNDP)

1.3 Although malaria is a major public health priority in Afghanistan, the provision of public health services is severely constrained due to ongoing conflict and limited domestic resources. Currently, long-lasting insecticidal nets (LLIN) are the only form of vector control in Afghanistan. Following the approval of previous portfolio optimization funding, the grant is currently procuring around 5 million nets. However, there are remaining coverage gaps due to underestimation of the population. Furthermore, the overachieved targets for mass and continuous distribution for 2018 confirm the need and the capacity to distribute additional quantities of LLINs.

The additional portfolio optimization investment will support LLIN procurement and distribution through mass campaign and antenatal care (ANC) services. The annual target for mass LLIN distribution in 2020 is increased from 2,593,847 to 2,892,344 LLINs, with no changes in geographical coverage. The annual target for continuous LLIN distribution through ANC services in 2020 is increased from 205,648 LLINs to 302,151 LLINs to cover additional 28 districts.

³ Available [here](#). Please note this document is part of an internal deliberative process of the Global Fund and as such cannot be made public.

⁴ 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.

Bangladesh TB: BRAC (BGD-T-BRAC)

1.4 Bangladesh is a high TB burden country with an annual incidence of 357,000 TB cases according to WHO estimates (Global TB report 2019). Moreover, it is estimated that 25 percent of new TB cases are neither diagnosed nor notified, according to the 2019 Global TB report. To improve TB case detection, the National TB program introduced a new diagnostic algorithm in 2017. Based on the national TB program reports, by the end of 2019, only 219 of the 650 sites targeted by the National Strategic Plan (NSP) were equipped with GeneXpert machines.

The additional funding provided by portfolio optimization will support the implementation of the new diagnostic algorithm and will contribute towards identifying additional missing people with TB. To support the roll-out, the additional investment will finance the procurement of 132 GeneXpert machines and 40 digital X-ray machines as well as 558,555 GeneXpert cartridges. Moreover, additional funding will be used for site renovation, infrastructure maintenance and installation costs and software to monitor site performance (GX Alert), staff trainings and project management costs. It is expected that 469 facilities will be equipped with GeneXpert machines by the end of 2020, covering 60 percent of the overall country need, as defined in the updated draft NSP.

Bangladesh HIV: Save the Children Federation, Inc. (BGD-H-SC)

1.5 Bangladesh is among the seven countries in the Asia-Pacific region with increasing numbers of HIV infections. Moreover, prevalence among people who inject drugs has increased significantly with the highest prevalence of 22 percent found in Dhaka city, according to the 2016 HIV surveillance survey; and hepatitis C prevalence in Dhaka among male people who inject drugs is around 39.6 percent. However, coverage of opioid substitution therapy (OST) is low and currently only 5.1 percent of people who inject drugs receive OST.

The additional funding provided by portfolio optimization seeks to scale up OST coverage, as well as to expand the basic package of services for people who inject drugs with hepatitis C. It is expected that OST enrollment for people who inject drugs will increase from 1,700 to 2,700 by the end of 2020. Moreover, routine hepatitis C screening will be provided to 316 HIV positive people who inject drugs in Dhaka with treatment being offered to around 130 people with HIV/hepatitis C co-infections, by the end of 2020. In addition, the investment will support interventions to enhance community engagement for outreach for OST adherence and sustainability, including the establishment of four new OST centers, enhancement of OST and antiretroviral therapy (ART) adherence including psychological support as well as capacity building for service centers. Lastly, initiation of satellite OST in prison located in high HIV burden areas and the design of an OST implementation framework for 2020 will be supported.

Bangladesh Malaria: Economic Relations Division, Ministry of Finance of the People's Republic of Bangladesh (BGD-M-NMCP)

1.6 Bangladesh is moving towards phased malaria elimination as only 13 endemic districts remain, according to a malaria program review conducted in 2019. Due to resource constraints, the national malaria program focused on the highest transmission areas in four endemic districts but was unable to cover hot spots in low transmission areas. Moreover, although LLINs were distributed to Rohingya refugee camps, effectiveness of nets could not be determined due to poor living conditions.

The additional funding provided through portfolio optimization is addressing this gap by covering the cost for LLIN campaigns in hotspots in low transmission areas, allowing for the procurement and distribution of an additional 703,500 LLINs. In addition, the investment will ensure coverage of the highly vulnerable Rohingya population. As a result, it is anticipated that transmission is further reduced which may lead to potential savings in case management for the 2020-2022 allocation period, as well as achieving increased coverage of vector control activities in areas that were previously not covered.

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

1.7 Belarus is a high multidrug-resistant TB (MDR-TB) burden country, and among the 30 high MDR-TB burden countries in the world, with one of the highest levels of rifampicin-resistance/multidrug-resistant TB (RR/MDR-TB) prevalence ever recorded. Belarus has already initiated transitioning to the new MDR-TB treatment regimens recommended by WHO.

Additional portfolio optimization funding will address the budget gap and support the transition to the new WHO regimens for all eligible patients in 2020 and 2021. Furthermore, the proposed investment will cover the procurement of MDR-TB drugs (Bedaquiline, Cycloserine, Delamanid and Linezolid) for the treatment of additional pre-extensively drug-resistant TB (pre-XDR) and XDR- TB patients using new regimens; and the needs for the rapid drug-resistance diagnostics and drug-susceptibility testing (DST). As a result, it is expected that the treatment success rate of RR/MDR-TB will reach 74 percent in 2020 (original target was 71 percent) and 80 percent in 2021 (original target was 75 percent).

Benin HIV: Plan International, Inc. (BEN-H-PlanBen)

1.8 With an HIV prevalence of 1.2 percent among the general population, prevalence is estimated to be over 8.5 percent among sex workers and above 7 percent among men who have sex with men according to the Integrated Biological and Behavioral Surveillance (IBBS) conducted in 2017. As part of HIV prevention and adherence to ART efforts, the program supports peer education through a number of educators as well as mediators.

The additional investment made available through portfolio optimization will be used to pay for the peer educators/mediators in 2020 (the Global Fund grant already supported the same peer educators in 2018 and 2019) who assist key populations and people living with HIV with adherence to treatment. It is anticipated that treatment adherence for people living with HIV on ART, and particularly among pregnant women and key populations, will be able to be maintained through the 200 peer educators/mediators.

Burkina Faso Malaria: Programme d'Appui au développement sanitaire (BFA-M-PADS)

1.9 Being one of the 11 highest burden malaria countries in the world, Burkina Faso declared free health care for under 5-year olds and pregnant women in 2016. The number of estimated malaria cases was 7.8 million in 2018 (World Malaria Report, 2019). Burkina Faso also adopted a community-based treatment strategy for malaria cases in 2018. However, less than 18 percent of community health workers have access to malaria commodities; notably, gaps remain for Artesunate and Artemisinin-based combination therapy (ACT).

The additional portfolio optimization funding will contribute towards covering the gap for Artesunate and ACT for 2020 to provide antimalaria treatment to 6,880,693 of confirmed outpatient malaria cases in public sectors facilities and to 1,214,240 confirmed malaria cases in the community (2020 national targets).

Burundi Malaria: United Nations Development Programme (BDI-M-UNDP)

1.10 In Burundi, malaria is endemic and a leading cause of morbidity and mortality, with the entire population at risk. Moreover, pregnant women and children under the age of 5 are particularly vulnerable. Following increased malaria cases in 2019, a fact-finding mission was conducted with support from WHO in the third quarter of 2019, which confirmed the status of the epidemic outbreak and proposed interventions.

The additional funding provided through portfolio optimization will address the malaria upsurge by covering the costs for additional antimalarial drugs for 3,44,5549 patients and rapid diagnostic tests for 4,586,781 people. The additional investment will help to prevent stockouts in-country and will allow to maintain current testing and treatment coverage targets of 100 percent of expected malaria cases being tested and 100 percent of confirmed malaria cases being treated.

Central African Republic Malaria: World Vision Inc. (CAF-M-WVI)

1.11 The Central African Republic recently saw a population increase attributed to the return of internally displaced and refugee populations to their villages. This population increase impacts operational costs and the number of LLINs needed in targeted regions. It also led to increased treatment trends at the health facility and community levels. This resulted in a significant financial gap and the delay of key activities.

The portfolio optimization investment aims to provide 752,300 additional LLINs to complete the LLIN campaign in targeted regions. This will contribute to achieving a 40 percent reduction in mortality and morbidity related to malaria. Furthermore, the portfolio optimization investment will cover the procurement of additional ACT and Artesunate and a 9-month buffer stock as well as the logistics costs for

the quarterly distribution of malaria medicines to 838 health facilities in 2020 for use at the facility and community level.

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

1.12 Malaria is a major public health problem in Chad and the leading cause of morbidity and mortality. According to the 2019 World Malaria Report, Chad is among the top 30 countries with the highest malaria burden and Chad contributes to 2 percent of global malaria deaths. Children under the age of five and pregnant women are the most affected by the disease. The additional portfolio optimization investment will fund the 2020 LLIN mass distribution campaign and the 2020 Seasonal Malaria Chemoprevention (SMC) campaign. The LLIN mass distribution campaign constitutes the major vector control strategy in Chad. Current available funding within the Global Fund grant and from the Government allows for the coverage of 13 out of 19 regions for the 2020 LLIN campaign as well as 39 districts for the 2020 SMC campaign, which leaves a gap of 21 eligible districts for the SMC campaign.

The additional portfolio optimization investment will cover the procurement of 2,906,337 LLINs for six additional regions and operational costs to implement the campaign in three of the six additional regions (Chari-Baguirmi, Ouaddai and Sila), thus reaching an overall 88 percent of the population at risk. Moreover, it will address the SMC gap and reach an additional 701,873 children. The overall target is to reach at least 95 percent of children 3-59 months with full number of courses of SMC per transmission season in the targeted areas. Efforts will be made to find additional savings in the grant and/or funding from other sources to fill the gap in operational costs under the 2020 LLIN mass campaign intervention, currently estimated at EUR 1,341,470.

Kyrgyz Republic TB: United Nations Development Programme (KGZ-C-UNDP)

1.13 As one of the high MDR-TB burden countries, RR/MDR-TB in Kyrgyz Republic is at 30 percent among new and 68 percent among previously treated cases. Pursuant to updated WHO MDR-TB guidelines in 2018, the country is transitioning to the new WHO recommended MDR-TB regimen. However, due to higher costs of the new regimen, there is a budget gap to support new MDR-TB treatments for all targeted enrollments in 2020.

In conjunction with a previous portfolio optimization award, the additional investment made available through portfolio optimization will support the transition to the 2018 WHO MDR-TB treatment guidelines and will enable the country to meet the target on the number of people with RR-TB and/or MDR-TB that began second-line treatment and complete the treatment for all enrollments. With the support provided through the additional funding, it is estimated that 1,104 people will receive MDR-TB treatment in 2020.

Lesotho TB/HIV: Ministry of Finance (LSO-C-MOF)

1.14 Despite noteworthy progress against HIV, Lesotho continues to have the second highest HIV prevalence in the world at 25 percent. Due to an unexpected budget shortfall from the Government of Lesotho for the fiscal year 2019/2020, there is an emerging gap for antiretroviral medicines (ARVs) with current stock availability up to February/March 2020. The ARV gap, if not addressed, will cause stock out by the second quarter of 2020 and result in ARV disruption among 275,941 patients. Lesotho is on track to reach the UNAIDS targets of 90/90/90 by 2020.

The additional portfolio optimization funding will address the identified gap for differentiated ART service delivery. The investment will be used for the procurement of ARVs to mitigate the risk of stock out and treatment disruption and to ensure full transition to tenofovir/lamivudine/dolutegravir combination for all patients. The number of people on ARV in Lesotho is 275,941 (267,130 adults and 8,811 children) and the target of 300,598 (89 percent) people on ARV by 2021 remains unchanged.

Madagascar Malaria: Population Services International (MDG-M-PSI)

1.15 The procurement for and implementation of Madagascar's LLIN mass campaign overlap two allocation periods. Preparatory activities of the last campaign were funded through the 2014-2016 allocation period and the procurement of bed nets and distribution was financed through the 2017-2019 allocation period, which had to be pre-financed due to campaign timing.

The additional funding made available through portfolio optimization seeks to address this misalignment by supporting the advanced procurement of bed nets for the 2021 mass campaign. This would allow full

coverage of the 2021 mass campaign through the 2017-2019 allocation. The grant for the 2020-2022 allocation period (if approved by the Board) will cover 3.5 years to allow for the full campaign to be financed within one allocation period as well as facilitate alignment with the country's fiscal cycle. Lastly, through the reinvestment of savings and efficiencies, performance targets have been revised upward, allowing for the procurement of additional malaria commodities.

The GAC noted that the portfolio optimization award was conditional upon receiving a letter of commitment to repay outstanding recoveries, as communicated to the applicant previously and in Madagascar's allocation letter. However, noting the urgency of the need to place orders for the campaign, the GAC is recommending this award for Board approval whilst the Secretariat continues to follow up with the country to ensure the letter of commitment is received.

Mongolia TB: Ministry of Health of Mongolia (MNG-T-MOH)

1.16 Mongolia has the lowest population density in the world, a nomadic population which faces extreme winter conditions. To find the missing TB cases, Mongolia needs to further strengthen access to diagnostic services by bringing the services close to the marginalized vulnerable populations and their contacts in remote, hard-to-reach and under-served areas.

The additional portfolio optimization investment would address the noted programmatic gaps and maximize the National TB strategy through the acquisition of 12 GeneXperts, and 11 Mobile digital X-rays. These investments aim to increase the case detection rate by 10 percent annually to detect 7,676 in 2020 from the 37 percent case detection, through systematic screening of key and vulnerable populations. In addition, the portfolio optimization funding will allow the procurement of TB second line drugs to support the transition to the WHO recommended MDR-TB regimen for all targeted enrollments in 2019 and 2020, 318 cases in 2019 and 391 cases in 2020.

Mozambique HIV: Ministry of Health (MOZ-H-MOH)

1.17 Since 2013, Mozambique has implemented a rapid scale up of HIV treatment and following the introduction of 'Test and Start' in 2016, the national HIV program saw a significant increase in the number of people on ART from 300,000 in 2012 to over 1.2 million by mid-2019. Despite this success, the retention rates are low at 67 percent at 12 months and suboptimal viral suppression rates for those in ART care are at 32 percent (IMA SIDA, 2015). Following joint annual missions (PEPFAR-UNAIDS-WHO-Global Fund) to review program performance on scale up and retention as well as the funding gap, the recommendation was to continue efforts to achieve the mid-range ambitious scale-up of 1.69 million on ART by the end of 2020.

The portfolio optimization funding will ensure the continuous supply of ARVs throughout 2020 and to fill the ARV pipeline with a minimum 6 months of stock at the end of 2020 to ensure the continuity of services for people on treatment without interruption in the supply chain. As a result, 72.6 percent of people living with HIV (with a target of 1,692,500) will receive ART by the end of 2020.

Nepal HIV: Save the Children Federation, Inc. (NPL-H-SCF)

1.18 Migrants are a key driver of new HIV infections in Nepal as approximately 75 percent of new infections come from returning migrants and their spouses. Prisoners have also been defined as a high-risk group. However, neither group is receiving HIV services.

The additional portfolio optimization funding will support the scale-up of HIV prevention services and linkages to treatment and care among migrants and prisoners starting in 2020. This investment will enable the scale-up of services in high priority districts to cover at least 108,400 returning migrants and approximately 12,550 prisoners in highly populated prisons.

Nepal Malaria: Save the Children Federation, Inc. (NPL-M-SCF)

1.19 The Government of Nepal committed to the ambitious goal of eliminating malaria by 2025. However, the need for closer surveillance was reinforced by recorded malaria outbreaks in 2018-2019 in areas that were originally considered 'malaria-free'.

The additional investment provided through portfolio optimization will support the coverage of approximately 180,000 at-risk and vulnerable populations with LLINs through continuous distribution.

Moreover, the additional investment will strengthen case management at the community level through the testing of 88,000 persons for malaria at the community level.

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

1.20 While Nepal has been focusing efforts to strengthen TB case finding with an estimated number of missing people with TB between 5,000 -12,000, preliminary results of a prevalence survey (to be published in March 2020) suggest that the TB burden is significantly higher than previously estimated. In order to detect all people with TB and link them to treatment, the country needs to strengthen TB diagnosis. However, there is insufficient access to rapid diagnosis, including challenges with the sputum transportation system and ongoing issues with the operationalization and quality assurance of laboratory services.

The additional funds provided through portfolio optimization will address the identified gaps by strengthening TB diagnosis and improving case finding which will further strengthen TB control in Nepal. The country will thus be able to increase case notification by approximately 8,000 to a total of 41,200 TB cases by 2020.

Papua New Guinea TB/HIV: World Vision International (PNG-C-WVI)

1.21 Papua New Guinea (PNG) has one of the highest burdens of HIV, TB, RR/MDR-TB and TB/HIV co-infection rates in the Asia Pacific region and is also among the 14 highest triple high burden countries in the world. In addition, PNG has been experiencing stockouts of HIV drugs since 2017 due to cash flow problems resulting from low Government revenues. Furthermore, in 2018, the HIV program with WHO conducted a drug resistance study that revealed resistance to first line HIV drugs-18,4 percent (95 percent CI: 13,8-24.3). As a result, immediate transition to dolutegravir (DTG) based regimen for the whole cohort was recommended.

The additional portfolio optimization funding will address the described gaps by allowing to switch the cohort of 29,420 people living with HIV on ART to DTG based regimen. It will also assure the replenishment of the ART buffer stock so that the continuum of the treatment cascade can be re-established and the high number of lost-to follow up cases be reduced.

Philippines HIV: Save the Children Federation, Inc. (PHL-H-SC)

1.22 The Philippines has the fastest increase in new HIV infections in Asia and Pacific region, with more than 13,000 new infections per year (UNAIDS, 2019). The current Global Fund HIV grant largely focuses on prevention among key populations, while the Government covers ARV costs.

The proposed Portfolio Optimization funding is a one-off investment to support the fast transition to Tenofovir/Lamivudine/Dolutegravir (TLD) regimen due to constraints linked to the Government budget cycle. The transition to TLD will support up to 13,000 patients, providing viral load tests to cover over 40,000 patients, enhancing case management, facilitation of transition plan implementation as well as training and supervision to treatment hubs. The transition to TLD is to start from the second quarter of 2020 and the full transition is to be completed by mid-2022. The Government is committed to procuring TLD from 2021 onwards.

Sao Tome and Principe TB: United Nations Development Program (STP-Z-UNDP)

1.23 Malaria transmission in São Tomé and Príncipe is moving towards elimination. Main key malaria indicators showed important improvements between 2012 and 2016 with reduction in the number of malaria cases, hospitalizations and deaths. However, a significant increase in the number of annual malaria cases was observed between 2016 and 2018, from 2,238 to 2,940 (31 percent increase). WHO recommended addressing this malaria upsurge and spraying the 3 districts from where the majority of the cases originated. Due to the recent change in the country's funding landscape, there is a funding gap in vector control.

The additional portfolio optimization funding will support the IRS gap through procurement of insecticides and implementation costs. This will ensure a wide coverage of people at risk of malaria with indoor residual spraying (IRS) in 2020 (year 3) with an increase of 26,504 households to reach a total of 39,329 households; the aim is to reach at least 85 percent of households in targeted areas for IRS.

Tajikistan HIV: United Nations Development Program (TJK-H-UNDP)

1.24 According to estimates from UNAIDS, there were around 13,000 people living with HIV in Tajikistan in 2018. A gap in prevention and treatment remains, with the grant from the 2017-2019 allocation period seeking to provide ART to 6,300 people (UNAIDS 2019 data report).

The additional investment made available through portfolio optimization addresses the gap by enrolling 1,200 people living with HIV on ART and providing counselling and support to increase adherence. Moreover, OST will be expanded to an additional 300 people who inject drugs. Furthermore, programs to reduce human rights-related barriers will be supported with the aim of reducing stigma against key populations and people living with HIV. In addition, the investment will support activities to integrate HIV services into the primary health care system, differentiated testing and interventions to strengthen universal precaution, nosocomial infection control and blood safety. Lastly, waste management at the central and regional level and the establishment of a monitoring, evaluation and control system is planned to improve the management of healthcare waste.

Thailand TB/HIV: Department of Disease Control, Ministry of Public Health of the Royal Government of Thailand (THA-C-DDC)

1.25 This portfolio optimization funding will support Thailand to transition to the new WHO recommended RR/MDR-TB regimen starting in 2020. The additional funding will also be invested in supporting intensified TB case finding and comprehensive treatment and care among migrants/refugees, diagnosis and treatment of TB infection among children in contact with index TB cases, and procurement of GeneXpert cartridges. As a result, the number of TB cases (all forms) notified in 2020 among key affected populations and high-risk groups (other than prisoners) is expected to increase from 8,687 to 9,687 and 1,000 children will receive TB preventive treatment.

Togo Malaria: Primature de la Republique Togolaise (TGO-M-PMT)

1.26 Like other countries in the regions, Togo was not able to reach full coverage of SMC despite the extraordinary results it has shown in the reduction of malaria incidence, malaria prevention and reduction of under-five mortality as well as childhood anemia. Limited resources in funding and a shortage in supply of medicines, restricted the scale up of SMC.

The additional portfolio optimization funding will be used towards the scaling up of SMC in 2020. This investment aims to cover all children (100 percent / 483,411 children) aged 3 to 59 months at risk in eligible regions and achieve the 4 cycles of SMC courses, as recommended by WHO. Programmatic changes will also be put in place to support key activities for the implementation of SMC campaigns such as investments in community health workers and health care providers, rapid assessment and supervision of the campaign.

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

1.27 Although Turkmenistan is no longer on the list of high MDR-TB countries, the preliminary data of DRS (2018) shows a 24 percent of RR/MDR-TB prevalence among new TB cases and 51 percent among previously treated cases. The treatment success rate of the RR/MDR-TB cohort of 2016 was 55 percent. Pursuant to updated WHO MDR-TB guidelines in 2018, the Government of Turkmenistan initiated the transition to the new WHO guidelines starting in 2019. However, there is a budget gap to ensure smooth transition to the new regimen for all patients in 2020 and 2021. Furthermore, to strengthen the community involvement in TB care provision, there is also a need to support the development of a mechanism for public financing of civil society organization service provision and to diversify the pool of NGOs working in TB area.

The proposed additional funding through portfolio optimization will thus cover the procurement of Bedaquiline for the MDR-TB patients, the procurement of second line drugs for child formulation due to the increased number of DR-TB cases diagnosed in children, as well as second line drugs for XDR/pre-XDR TB cases. Furthermore, the investment will support the procurement of lab-reagents, additional need in treatment adherence support, and introduction of social contracting mechanism under a joint UNDP-UNICEF initiative.

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

1.28 According to the Uganda prevalence survey 2015, Uganda is among the top 20 countries for missing TB cases, with around 40,000 TB patients missed from treatment every year.

This additional portfolio optimization funding will provide further support to the scale-up Active Case Finding (ACF) through Program Quality Efficiency (PQE) to involve high burden health facility, to procure more cartridges for GeneXpert. The National TB Reference Laboratory (NTRL) has increased the number of GeneXpert machines in the country to 264 machines in 2020. Using the ACF toolkit, and GeneXpert optimization plan, it is expected that the use of GeneXpert technology will continue its increase and result in finding more TB cases. The portfolio optimization funding will also support finding TB cases in key populations such as prisoners and among people living with HIV. The aim is to strengthen district and community level interventions to improve integrated management of childhood TB. It is expected that by the end of 2020 the number of notified cases of all forms of TB (i.e. bacteriologically confirmed and clinically diagnosed), including new and relapse cases, will increase by 12 percent.

The grant revision submitted for Board approval also incorporated funding from the Emergency Fund to address TB commodity gaps for refugees in Uganda as a result of the emergency in South Sudan and Democratic Republic of Congo (DRC). Based on the current projections, it is expected that in 2020 Uganda hosting a refugee population of 1,350,728 will need to manage 4,437 notified incident TB cases, 15 percent of them paediatric cases. The additional resources through Emergency Funding will allow the procurement of essential TB commodities including first line and second line medicines as well as essential diagnostics and infection control items for refugees settled in Uganda.

Zambia Malaria: Ministry of health of the Republic of Zambia (ZMB-M-MOH)

1.29 Malaria is a priority for the government of Zambia and despite the country's significant investments, gaps in the 2020 LLIN mass campaign remain, notably to fully cover at risk populations, which could threaten the gains achieved by the program.

The additional funding through portfolio optimization will address this gap by ensuring the achievement of full coverage of at risk populations by providing 4,872,457 LLINs for the 2020 national mass campaign.

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

Papua New Guinea Malaria: Rotarians Against Malaria (PNG-M-RAM)

2.1 Papua New Guinea (PNG) has one of the highest burdens of malaria outside of Africa, with 94 percent of the population living in malaria endemic areas. The historical achievement of the PNG national malaria control program has suffered setbacks in the last three years with increasing malaria prevalence. The resurgence in malaria is likely to worsen unless malaria control is re-intensified without delay, inclusive of sufficient funding for vector control, and access to prompt and effective case management.

Additional funds to be invested in this grant are from private sector contribution - Red Nose Day Fund at Comic Relief Inc. - and will cover the procurement and distribution of 245,000 single size LLINs for distribution among mothers attending ANC clinics and procurement of 138,000 extra-large LLINs for mass distribution. Furthermore, the funds will support (i) the malaria program review to inform the next National Strategic Plan and the Funding Request to the Global Fund; (ii) home-based malaria management (which had been discontinued due to shortage of funds); (iii) entomology activities for the Institute for Medical Research and National Department of Health; (iv) LLIN quality testing in country, due to recent issues; and (v) the hiring of antenatal care logistic coordinator and six extra provincial staff to support the distribution of LLINs to communities across the country.

3. Additional matters

3.1 The Board is hereby notified that the Secretariat approved the extension 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
Republic of the Congo	Malaria	COG-M-CRS	EUR	1,011,814	0	8	31-12-2020

4. Privileges and Immunities

4.1 Of the applicants for which funding recommendations are currently being made, Burkina Faso, Mozambique, Togo and Uganda have signed and ratified the Global Fund Agreement on Privileges and Immunities. Burundi 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,⁵ 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/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/AFCo4/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/AFCo7/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/AFCo8/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/AFCo9/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/AFC11/DP02: Decision on the amount of additional funding available for investment through portfolio optimization	This decision point approved an additional US\$150 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/EDP02: Decision on the Secretariat's recommendation for funding the Afghanistan malaria grant	This decision point approved Afghanistan malaria grant (AFG-M-UNDP)
GF/B37/EDP05: Decision on the Secretariat's recommendation for funding the Bangladesh Tuberculosis grant	This decision point approved Bangladesh Tuberculosis grant (BGD-T-BRAC)
GF/B37/EDP05: Decision on the Secretariat's recommendation for funding the Bangladesh HIV grant	This decision point approved Bangladesh HIV grant (BGD-H-SC)
GF/B37/EDP05: Decision on the Secretariat's recommendation for funding the Bangladesh Malaria grant	This decision point approved Bangladesh Malaria grant (BGD-M-NMCP)
GF/B39/EDP19: Decision on the Secretariat's recommendation for funding the Belarus TB/HIV grant	This decision point approved Belarus TB/HIV grant (BLR-C-RSPCMT)

⁵ 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/EDPo5: Decision on the Secretariat's recommendation for funding the Belarus HIV grant	This decision point approved Belarus HIV grant (Ben-H-PlanBen)
GF/B37/EDPo2: Decision on the Secretariat's recommendation for funding the Burkina Faso Malaria grant	This decision point approved Belarus Malaria grant (BFA-M-PADS)
GF/B38/EDPo4: Decision on the Secretariat's recommendation for funding the Burundi Malaria grant	This decision point approved Burundi Malaria grant (BDI-M-UNDP)
GF/B38/EDPo8: Decision on the Secretariat's recommendation for funding the Central African Republic Malaria grant	This decision point approved Central African Republic Malaria grant (CAF-M-WVI)
GF/B39/EDPo3: Decision on the Secretariat's recommendation for funding the Chad Malaria grant	This decision point approved Chad Malaria grant (TCD-M-UNDP)
GF/B39/EDPo1: Decision on the Secretariat's recommendation for funding the Kyrgyzstan TB/HIV grant	This decision point approved Kyrgyzstan TB/HIV grant (KGZ-C-UNDP)
GF/B39/EDPo3: Decision on the Secretariat's recommendation for funding the Lesotho TB/HIV grant	This decision point approved Lesotho TB/HIV grant (LSO-C-MOF)
GF/B39/EDPo7: Decision on the Secretariat's recommendation for funding the Madagascar Malaria grant	This decision point approved Madagascar Malaria grant (MDG-M-PSI)
GF/B37/EDPo7: Decision on the Secretariat's recommendation for funding the Mongolia Tuberculosis grant	This decision point approved Mongolia Tuberculosis grant (MNG-T-MOH)
GF/B39/EDPo3: Decision on the Secretariat's recommendation for funding the Mozambique HIV grant	This decision point approved Mozambique HIV grant (MOZ-H-MOH)
GF/B38/EDP15: Decision on the Secretariat's recommendation for funding the Nepal HIV grant	This decision point approved Nepal HIV grant (NPL-H-SCF)
GF/B38/EDP15: Decision on the Secretariat's recommendation for funding the Nepal Malaria grant	This decision point approved Belarus TB/HIV grant (NPL-M-SCF)
GF/B38/EDP15: Decision on the Secretariat's recommendation for funding the Nepal Tuberculosis grant	This decision point approved Nepal Tuberculosis grant (NPL-T-SCF)
GF/B38/EDPo8: Decision on the Secretariat's recommendation for funding the Papua New Guinea TB/HIV grant	This decision point approved Papua New Guinea TB/HIV grant (PNG-C-WV)
GF/B37/EDPo5: Decision on the Secretariat's recommendation for funding the Papua New Guinea Malaria grant	This decision point approved Papua New Guinea Malaria grant (PNG-M-RAM)

Relevant past Decision Point	Summary and Impact
GF/B37/EDP05: Decision on the Secretariat's recommendation for funding the Philippines HIV grant	This decision point approved Philippines HIV grant (PHL-H-SC)
GF/B38/EDP02: Decision on the Secretariat's recommendation for funding the Sao Tome and Principe Integrated component grant	This decision point approved Sao Tome and Principe Integrated component grant (STP-Z-UNDP)
GF/B38/EDP08: Decision on the Secretariat's recommendation for funding the Tajikistan HIV grant	This decision point approved Tajikistan HIV grant (TJK-H-UNDP)
GF/B38/EDP02: Decision on the Secretariat's recommendation for funding the Thailand TB/HIV grant	This decision point approved Thailand TB/HIV grant (THA-C-DDC)
GF/B37/EDP07: Decision on the Secretariat's recommendation for funding the Togo Malaria grant	This decision point approved Togo Malaria grant (TGO-M-PMT)
GF/B39/EDP01: Decision on the Secretariat's recommendation for funding the Turkmenistan Tuberculosis grant	This decision point approved Turkmenistan Tuberculosis grant (TKM-T-UNDP)
GF/B37/EDP05: Decision on the Secretariat's recommendation for funding the Uganda Tuberculosis grant	This decision point approved Uganda Tuberculosis grant (UGA-T-MoFPED)
GF/B38/EDP02: Decision on the Secretariat's recommendation for funding the Zambia Malaria grant	This decision point approved Zambia Malaria grant (ZMB-M-MOH)