
Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B44/ER11

Board Decision

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

1. GF/B44/EDP17: Decision on the Secretariat's Recommendation on Funding from the 2020-2022 Allocation¹

Document Classification: Internal.

Document Circulation: Board Members, Alternate Board Members, Constituency Focal Points and Committee Members.

This document may be shared by the Focal Points within their respective Board constituency. The 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 2020-2022 Allocation for 3 grants: Nepal HIV, Nepal Malaria and Nepal TB, up to an amount of **US\$52,326,983**, including matching funds of US\$1,100,000 for Nepal HIV.

Decision

Decision Point: GF/B44/EDP17: Decision on the Secretariat's Recommendation on Funding from the 2020-2022 Allocation

The Board:

1. *Approves the funding recommended for each country disease component, and its constituent grants, as listed in Table 1 of GF/B44/ER11 ("Table 1");*
2. *Acknowledges each country disease component's constituent grants will be implemented by the proposed Principal Recipients listed in Table 1, or any other Principal Recipient(s) deemed appropriate by the Secretariat in accordance with Global Fund policies;*
3. *Affirms the funding approved under this decision (a) is subject to the availability of funding, and (b) shall be committed in annual tranches; and*
4. *Delegates to the Secretariat authority to redistribute the overall upper-ceiling of funding available for each country disease component among its constituent grants, provided that the Technical Review Panel (the "TRP") validates any redistribution that constitutes a material change from the program and funding request initially reviewed and recommended by the TRP.*

This decision does not have material budgetary implications for operating expenses.

Executive Summary

Context and Input Received

Secretariat's Recommendation on Funding from the 2020-2022 Allocation

- The Secretariat recommends the approval of funding from the 2020-2022 Allocation for 3 grants: Nepal HIV/AIDS, Nepal Malaria and Nepal TB, up to an amount of **US\$52,326,983**, including programs to remove human rights-related barriers to health services matching funds of US\$1,100,000 for Nepal HIV.
- 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](#).

Grant End-Date Revisions Approved by the Secretariat

The Secretariat hereby notifies the Board that it has approved a non-costed 3-month extension for Pakistan TB, as set out at Table 2.

Input Sought

The Board is requested to review the request and agree on a 'no objection' basis, the decision point GF/B44/EDP17: Decision on the Secretariat's Recommendation on Funding from the 2020-2022 Allocation

Table 1: Secretariat's Recommendation on Funding from the 2020-2022 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 ²	Grant End Date	Currency	Total Program Budget ³	Catalytic Funds in Grant	Domestic Commitment ⁴	Unfunded Quality Demand
1	Nepal	HIV	NPL-H-SCF	31-07-24	US\$	27,763,388	1,100,000	16,050,947	15,907,406
2		Malaria	NPL-M-SCF	31-07-24		4,075,805	-	14,161,839	1,822,000
3		TB	NPL-T-SCF	31-07-24		20,487,789	-	44,292,735	14,622,448

² The Grant names are subject to change based on the ISO code.

³ The Program budget for the Grant may be higher than the Program budget being recommended to the Board for approval where Covid-19 Response Mechanism funding has been integrated into the Grant.

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. Please note that the domestic commitments included in this report are recorded as of GAC date and may be updated during implementation for countries that have been granted policy flexibilities.

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

Unless otherwise specified below, each applicant has met the co-financing requirements for the 2017-2019 allocation period and has made sufficient co-financing commitments for the 2020-2022 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.

Following GAC recommendation, the Grant Confirmations relating to these grants have been transmitted to the Principal Recipients to commence the grant signature process contingent to Board approval. These grants will be countersigned by the Global Fund only if Board approval is obtained and will not come into effect until full execution. Execution will be subject to any further revisions recommended by the Board.

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

Nepal HIV, TB and Malaria: Save the Children Federation, Inc. (NPL-H-SCF, NPL-T-SCF and NPL-M-SCF)

1.1 Background and context for HIV

Nepal's HIV epidemic is highly concentrated among key populations with prevalence in 2019 of 0.13 percent among the general population, 11.5 percent among transgender people, 8.8 percent among people who inject drugs, 6 percent among men who have sex with men, 4.2 percent among sex workers, and 12 percent among transgender sex workers. People with HIV face significant barriers to accessing services for HIV in Nepal, especially for women and girls as well as key populations, with additional disruptions and barriers caused by COVID-19. The goal of the proposed program is to end the AIDS epidemic by 2030 in Nepal with the specific aims to:

- Expand access to HIV prevention, treatment, care and support services ensuring the needs of different communities;
- Improve health outcomes for people living with HIV and key populations; and
- Address stigma and discrimination in partnership with key populations that impede HIV prevention, treatment and care.

1.2 Background and context for TB

While Nepal's TB program has performed well in some key areas resulting in the high treatment success rate of 91 percent for all forms of TB and the provision of isoniazid preventative therapy to children under the age of five, significant challenges remain. A prevalence survey from 2019 found the estimated TB burden to be 50 percent higher than previous estimates highlighting the need to strengthen outreach and follow-up with vulnerable persons, diagnosis within health centers and the laboratory system, and private sector engagement. The goal of the proposed program is to achieve 80 percent reduction in the TB incidence rate and 90 percent reduction in the absolute number of TB deaths by 2030 compared to 2015 baseline levels, specifically to:

- Reduce TB incidence per 100,000 population from 238 in 2019 to 219 in 2022;
- Reduce TB mortality per 100,000 population from 58 in 2019 to 46 in 2022; and
- Increase notification of bacteriologically confirmed TB cases of all forms from 28.9 percent in 2019 to 53.1 percent in 2024.

1.3 Background and context for malaria

No malaria deaths have been reported in Nepal since 2017 and the government has committed to eliminating malaria by 2025. Treatment is available for all cases that test positive, although testing at public facilities and the community level are still not at target levels. The goal of the proposed program is to reduce the number of indigenous cases to zero by 2022 and sustain zero malaria mortality, with the objectives to:

- Strengthen surveillance and strategic information on malaria for effective decision making;
- Ensure effective coverage of vector control interventions in targeted malaria risk areas and universal access to quality assured diagnosis and effective treatment for malaria;
- Develop and sustain support from leadership and communities towards malaria elimination; and
- Strengthen programmatic technical and managerial capacities towards malaria elimination.

1.4 Risks and mitigation measures

COVID-19: The delivery of health services and activities for HIV, TB and malaria program activities in Nepal have been impacted significantly by COVID-19 due to lockdowns instituted repeatedly since March 2020. Current and future risk of programmatic disruption remains, including outreach and services for prevention, testing, care and treatment, requiring innovations in follow-up through community-based networks to ensure patients can continue ongoing treatment. In addition, the COVID-19 crisis has reportedly caused between 500,000 to 1 million migrants to return to Nepal, greatly expanding a high-risk key population across the three diseases, presenting further challenges related to limited service accessibility. To mitigate the ongoing risk of the impact of COVID-19 on disease programs, the Principal Recipient with Secretariat support has been working with the government and partners to intensify outreach and service delivery with the ambitious aim of achieving results aligned with planned targets.

Additional Safeguards Policy: Nepal grants have been managed under the Additional Safeguards Policy since 2015. This will continue under the 2020-2022 allocation period, until critical capacity gaps within relevant government entities are addressed to enable their direct management of Global Fund financing.

Recoveries: Following repayments of recoverable amounts in 2019 and 2020 relating to grants with government Principal Recipients that ended in 2015, the Government of Nepal was informed of updated recoverable amounts to be repaid. The specific grants and entities include NEP-T-NTC under National Tuberculosis Center, NEP-M-EDCD under the Epidemiology and Disease Control Division, and NEP-H-NCASC under the National Center for AIDS, STI Control. In early 2021, the Secretariat determined that outstanding amounts be deducted at a rate of two-to-one from the 2020-2022 allocations. As a result, US\$263,266 was deducted from the HIV allocation, US\$68,259 from the TB allocation, and US\$80,605 from the malaria allocation. Budgets of the new grants have been revised accordingly.

Allocation utilization period: In order to align Nepal's Global Fund grants with the government's fiscal cycle, the Secretariat approved an extension of Nepal's 2017-2019 allocation period grants by approximately 4.5 months in 2019. The new grants will therefore end on 31 July 2024.

Matching Funds: The GAC noted the programs to remove human rights-related barriers to health services Matching Funds access condition for the 2020-2022 allocation period was not met and approved an exception, consistent with the exception granted for the 2017-2019 allocation period. The GAC, therefore, endorsed the approach that the funds be matched through the Government of Nepal's co-financing commitments, instead of allocation funds.

1.5 GAC review and recommendation for HIV and TB

- GAC Partners expressed their support for the new grants and commended the focus on HIV key populations and vulnerable groups, including migrants and people who inject drugs among others. They highlighted the significant investments in human rights and strong engagement of communities in decision-making and programming, while reinforcing the importance of the development of government systems for contracting community-based organizations planned within the program.
- GAC Partners noted the TRP's encouragement of an integrated approach to HIV and TB and requested information on the level of integration in the design and planned implementation of the separate HIV and TB grants. The Secretariat responded that, while the programming was developed jointly and HIV/TB strengthening activities are planned, the separate funding requests enable the Principal Recipient, which is the same across all three diseases, to work more easily with the national programs in a limited capacity environment.
- In response to GAC Partner comments about human resource capacity gaps and strengthening, the Secretariat agreed on the need for a health systems approach and

highlighted the capacity development needs assessment underway. This is reinforced through the grant requirement of capacity strengthening of government staff, complemented by the development of a sustainable financing plan for the government to absorb Global Fund-financed positions by the end of the 2020-2022 allocation period.

- GAC Partners highlighted the opportunity to address stigma and discrimination in health care and welcomed the planned trainings, while suggesting that the trainers also receive training. The Secretariat agreed with Partner comments and will ensure they are considered upon review of the mid-term review of human rights interventions.
- GAC Partners called attention to the opportunity to utilize digital health solutions across the three diseases given the difficult terrain in Nepal and the limited access to health services. The Secretariat concurred and said it will support innovative approaches to increase outreach and ensure that patients are able to access testing and treatment.
- GAC Partners flagged the low number of pregnant women being tested for HIV leading to continuous high mother-to-child transmission rates and suggested more targeted interventions, including integration. The Secretariat highlighted its continuous advocacy for and successful work on increasing testing of pregnant women and providing of antiretroviral treatment at the time of birth, as well as community-based testing.

Additional Information

Table 2: Grant End-Date Revisions Approved by the Secretariat

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

N	Applicant	Disease Component	Grant Name	Currency	Budget for Proposed Extension Period ⁵	Additional Funding Required	Previous Extensions Granted (Cumulative in Months)	Proposed Extension Duration (Months)	Proposed End Date
1	Pakistan	Tuberculosis	PAK-T-MC	USD	2,411,456	0	0	3	31 Mar 2021

⁵ In accordance with the Comprehensive Funding Policy (GF/B36/02 – Annex 1, Rev 1), where the extension is for a grant for a disease component with a 2017-2019 allocation, the budget for the proposed extension period will be funded from the 2020-2022 allocation.

Privileges and Immunities

1.6 Nepal has not signed the Global Fund Agreement on Privileges and Immunities.

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.

Annex 1 – Relevant Past Decisions

Pursuant to the Governance Plan for Impact as approved at the Thirty-Second Board Meeting,⁶ 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/B36/02: Approval of the Amended and Restated Comprehensive Funding Policy (CFP)	This decision point approved the financial framework to support the full implementation of the allocation-based funding model. With regard to grant extensions, the CFP provides that funding used for extension periods will be part of, and not in addition to, the amount which is to be allocated to such grant for the subsequent allocation period.
GF/B38/EDP08: Decision on the Secretariat's recommendation for funding the grants (December 2017).	This decision point approved the allocation funding for the Pakistan TB grant (PAK-T-MC).

⁶ 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/>)