

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B45/ER10

Board Decision

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

1. GF/B45/EDP11: 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.

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¹ The Secretariat recommends the approval of funding from the 2020-2022 Allocation for (i) 4 grants: Armenia HIV/TB, Eswatini HIV/TB and Guatemala Malaria up to an amount of US\$69,512,203 of country allocation funding, including matching funds of US\$3,800,000 for Eswatini HIV/TB and (ii) 1 multicountry grant (Multicountry Southern African TB in the Mining Sector (TIMS)); up to an amount of US\$10,500,000 of multicountry catalytic investment

Decision

Decision Point: GF/B45/EDP11: 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/B45/ER10 ("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 (i) 4 grants: Armenia HIV/TB, Eswatini HIV/TB and Guatemala Malaria up to an amount of US\$69,512,203 of country allocation funding, including matching funds of US\$3,800,000 for Eswatini HIV/TB and (ii) 1 multicountry grant {Multicountry Southern African TB in the Mining Sector (TIMS)}; up to an amount of US\$10,500,000 of multicountry catalytic investment.

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 Revisions Approved by the Secretariat

The Secretariat hereby notifies the Board that it has approved, pursuant to its delegated authority: EUR 40,058 to finance a 3-month end date revision for the Comoros TB grant, 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/B45/EDP11: 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 | Armenia | HIV/TB | ARM-C-MOH | 31/12/2024 | US\$ | 9,667,181 | - | HIV: 6,077,329; TB: 10,298,642 | 2,920,856 |
| 2 | Eswatini | HIV/TB | SWZ-C-CANGO | 30/09/2024 | US\$ | 6,308,101 | 1,800,000 | HIV: 57,900,499 TB: 17,293,163 | 98,037,438 |
| 3 | | | SWZ-C-NERCHA | 30/09/2024 | US\$ | 48,765,001 | 2,000,000 | | |
| 4 | Guatemala | Malaria | GTM-M-IDB | 31/12/2024 | US\$ | 4,771,920 | - | 9,890,343 | 750,000 |
| 5 | Multicountry Southern Africa TIMS | TB | QPA-T-TIMS | 30/06/2024 | US\$ | 10,500,000 | 10,500,000 | N/A | 2,968,520 |

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 the date of the GAC meeting 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.

Unless otherwise specified below, 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:

Armenia HIV/TB: Ministry of Health of the Republic of Armenia (ARM-C-MOH)

1.1 Background and context

Armenia has achieved significant progress over the last decade in managing its HIV epidemic. Between 2010 and 2019, new HIV infections decreased by 30 percent, while AIDS-related deaths decreased by 31 percent. Incidence among the adult population was 0.1 per 1,000 in 2020. While the HIV prevalence remains the lowest in the Eastern Europe, the HIV epidemic remains concentrated in key populations, whereby 2 percent of transgender people, 1.9 percent of men who have sex with men, 1.9 percent of people who inject drugs and 0.6 percent of sex workers were living with HIV in 2018.

Armenia's TB epidemic has also steadily decreased over the last decade including a reduction in incidence per 100,000 population from 61 in 2010 to 26 in 2019. Similarly, TB mortality has reduced per 100,000 population from 5 in 2012 to 0.6 in 2019. However, a key challenge for Armenia remains its high burden of drug resistant-TB. In 2019, 170 cases of rifampicin resistant-TB were recorded, representing 16 percent of new TB cases in the country.

The goals of Armenia's HIV/TB transition grant include to:

- Increase the percentage of people living with HIV who know their HIV status from 89.5 percent in 2020 to 95 percent in 2025;
- Increase the percentage of people living with HIV and on antiretroviral therapy who are virologically suppressed from 82.3 percent in 2020 to 95 percent in 2025;
- Reduce the TB mortality rate per 100,000 population from 1 in 2020 to 0.85 in 2025;
- Reduce the percentage of new TB cases which are rifampicin resistant and/or multidrug resistant from 13.3 in 2020 to 11 in 2025; and

- Leverage health and community system resources to remove structural barriers impeding key and marginalized populations in accessing HIV and TB services.

Additionally, the program will focus on increased uptake of key activities, including procurement of antiretrovirals, opioid substitution therapy, and prevention activities, by the Government of Armenia by 2024.

1.2 GAC review and recommendation

- The GAC acknowledged that the Principal Recipient and the Country Coordinating Mechanism in Armenia have been actively preparing for a transition over the last six years in anticipation of this last HIV allocation from the Global Fund, including through the development and assessment of a transition plan. The GAC commended the comprehensive efforts to ensure sustainability noting the significant efforts on national planning, improving efficiency and the procurement of health products, efforts around contracting, public financing of civil society organizations and the work of all stakeholders to use grant funds to catalyze the planning for sustainable transition.
- The GAC noted that the government fulfilled its co-financing commitments to take over the financing of opioid substitution therapies and that it has been partially covering antiretrovirals since 2018, with plans to increase funding for this as well as for other services during implementation.
- The GAC expressed concern about the sustainability of financing for prevention activities for key populations. The Secretariat clarified that the government plans to start to financially support prevention activities through social contracting over the course of the next three years.

Eswatini HIV/TB: National Emergency Response Council on HIV and AIDS (SWZ-C-NERCHA) and Coordinating Assembly of Non-Governmental Organisation (SWZ-C-CANGO)

1.3 Background and context

Eswatini continues to move towards HIV epidemic control. In 2019, the country surpassed its 95-95-95 targets: 96 percent of people living with HIV knew their status, of which 98 percent were on antiretroviral therapy, and of which 97 percent were virologically suppressed. Nevertheless, HIV prevalence remains substantial and highly variable between genders, whereby 27 percent of the adult population, 35.6 percent of adult women, and 18 percent of adult men were living with HIV in 2019; adolescent girls and young women in Eswatini are significantly more vulnerable to HIV infection due to numerous social, structural and behavioral risk factors. This is evidenced by HIV prevalence being five times higher among young women aged 20 to 24 years at 20.9 percent, than among young men at 4.2 percent and HIV incidence rates significantly higher among adolescent girls aged 15 to 19 at 2.3 percent than boys of the same age at 0.05 percent in 2019.

TB incidence in Eswatini has significantly decreased in recent years, from 1,382 per 100,000 population in 2013 to 363 in 2019. However, case notification rates remain low with only 65 percent of the estimated 4,821 people with TB being notified in 2019. This figure is even lower for drug resistant TB at 51 percent in 2018. Additionally, general prevalence of multidrug resistant-TB was 8.6 percent, while prevalence among new and previously treated people with TB was 17.5 percent in 2018.

The goals of Eswatini's HIV/TB program include to:

- Reduce the number of AIDS-related deaths per 100,000 population from 213 in 2019 to 137 in 2025;
- Reduce the number of new HIV infections per 1,000 population from 4,480 in 2019 to 3,043 in 2025;
- Decrease TB incidence per 100,000 population from 363 in 2019 to 169 in 2025;

- Decrease TB mortality per 100,000 population from 22 in 2019 to 8 in 2025; and
- Ensure the adequacy and robustness of health systems to support the attainment of health service targets.

1.4 Risks and mitigation measures

Co-financing. Due to significant macro-economic challenges, Eswatini received a partial waiver of its co-financing requirements for the HIV component for the 2017-2019 allocation period under the condition that the Government of Eswatini explore pooled procurement mechanisms for antiretrovirals that demonstrate competitive price and quality going forward. This will be monitored through a Management Action. The GAC reviewed the background for this and further mitigation actions are outlined below. At the time of GAC approval, the Government of Eswatini presented sufficient co-financing commitments for the 2020-2022 allocation period for TB but not for HIV. The GAC acknowledged the increased fiscal challenges faced in Eswatini due to the impact of COVID-19 and the consequent lower government spending on health. The GAC recognized the resulting funding gaps in the health programs and welcomed the Secretariat's engagement with the Ministries of Health and Finances and Partners in Eswatini to address these shortcomings. The GAC welcomed the Secretariat's intent to:

- Continue exploring opportunities for the government to increase its HIV co-financing commitment for the 2020-2022 allocation period to focus on (i) developing a robust sustainable financing plan for HIV and TB health products, with a focus on first line ARVs and anti-TB medicines; (ii) the progressive absorption of human resources costs for the activities financed by the Global Fund; and (iii) strengthening information systems to ensure timely tracking of health expenditures by financing source and disease.
- Strengthen monitoring and annual reporting on co-financing progress, with updates on government specific budget lines for procurement of disease commodities.
- Engage with partners and other donors to advocate for increased spending on health in Eswatini.

Work with the government to move to a pooled procured mechanism (Wambo or otherwise) to ensure procurement efficiency, as well as supporting the government as they improve the quality and price for domestic procurement.

1.5 GAC review and recommendation

- The GAC noted that the country met all the conditions in order to access matching funds for Adolescent Girls and Young Women (AGYW); and TB preventive treatment for people living with HIV.
- The GAC noted that whilst the country had surpassed the 95-95-95 targets (96-98-97) and in principle achieved significant strides in "epidemic control" in 2019, Eswatini still faces gaps in incidence reduction in key populations, particularly for AGYW and men over 35. They underlined the importance of striving for continued progress of targeted HIV prevention and sustaining the overall gains in the HIV program.

Guatemala Malaria: Inter-American Development Bank (GTM-M-IDB)

1.6 Background and context

While malaria has historically been a major public health problem in Guatemala, the country has seen a steady decline in the disease over the last decade. Malaria cases decreased from 9,657 in 2010 to 3,521 in 2018, and malaria-related deaths reduced over the same period from 3 in 2010 to 1 in 2018.

While the country failed to reach the target it had set in 2013 of eliminating the disease by 2020, it nevertheless achieved 77 percent reduction in malaria cases by the end of 2019. The proposed grant is based on a transition workplan, which is the result of a robust situational analysis and prioritized interventions according to the country's National Strategic Plan for malaria.

The goal of Guatemala's transitional malaria program is to support the country in the elimination of malaria by 2024 through the following objectives:

- Ensure institutional transition and continuity by establishing inter-institutional coordination mechanisms to monitor progress, address barriers, and plan for medium- and long-term challenges;
- Explore other fiscal spaces for additional funds and improvement of the financial absorption of the malaria program; and
- Update standards and tools for monitoring, stratification and outbreak management.

1.7 Risks and mitigation measures

Principal Recipient. A new Principal Recipient for the Guatemala malaria program, the Inter-American Development Bank (IDB), was selected for the 2020-2022 allocation period. IDB was selected by the Country Coordinating Mechanism as Principal Recipient in order to leverage IDB's effectiveness as Principal Recipient for the Regional Malaria Elimination Initiative (RMEI), which is financed by the Global Fund through catalytic funding in the 2017-2019 allocation period and included Guatemala. As the malaria component was eligible for transition funding in the 2020-2022 allocation period, the selection of IDB aligns with existing process and practice established through implementation of the RMEI grant. The intent is to capitalize on synergies with other available resources that are already closely coordinated with the Government of Guatemala as part of the RMEI grant and align reporting for the country to the extent it is substantively consistent with reporting being received through the RMEI grant. Additionally, IDB's selection as Principal Recipient will enable the Global Fund to leverage IDB's country presence and strong existing relationship with the Ministry of Public Health and Social Assistance and the Country Coordinating Mechanism, further facilitating successful and orderly transition to full domestic financing and management of the national malaria program and activities currently financed by the Global Fund.

Multicountry Southern Africa TB in the Mining Sector (TIMS): East, Central and Southern Africa Health Community (QPA-T-TIMS)

1.8 Background and context

TB remains a critical health challenge facing the Southern African region. Overall, 12 out of 15 Southern Africa Development Community member states are classified as high TB or high TB/HIV burden countries. Mineworkers are a particularly high-risk group, due to their exposure to silica dust and crowded living conditions, which increase the risk of pulmonary TB and result in 2 to 9 times higher risk than the general population. Communities around the mines are also exposed to higher risk due to the regular interaction with mineworkers and frequent movements of mineworkers to and from their homes.

The proposed third and final phase of the program aims for regional collaboration, coordination and data sharing to promote sustainability, and builds on work done in the previous two phases that have supported 10 out of 16 Southern Africa Development Community (SADC) member states since 2016. Programming will focus on key determinants of TB in the region, including data gathering to inform prioritization, strengthening coordination and information sharing, fostering collaboration, and capacity development and strengthening of community-based and -led organizations and networks. Specifically, the outputs of the proposed multicountry program are to:

- Operationalize and ensure the sustainability of a multi-sectoral and multi-country coordination mechanism and program;
- Strengthen capacity of mine health and safety structures and systems;
- Provide quality data/strategic information to promote accountability of commitments;
- Include interventions to address human rights and gender-related barriers to services in national TB programs;
- Strengthen key population advocacy and participation in governance structure at regional and country level and
- Ensure TB mining initiatives are coordinated by SADC Secretariat and integrated within the framework of the SADC Regional TB Strategic Plan and the Declaration of TB in the Mining Sector.

1.9 Risks and mitigation measures

Co-financing. As a multicountry grant, the Multicountry Southern Africa TIMS program is not required to meet formal co-financing requirements as outlined in the STC Policy.

Regional Coordinating Mechanism (RCM). The approval of the use of any grant funds by the RCM for program activities that the RCM is uniquely placed to implement will follow internal processes and assurance frameworks.

1.10 GAC review and recommendation

- GAC Partners expressed support for the TIMS program and particularly for the Heads of State declaration of TB and endorsement. GAC Partners reinforced that coordination and collaboration across the partnership would be key for sustainability. The Secretariat thanked partners and reinforced that success would take the form of sustainability of this program, as well as its learnings being transferred to other mining communities globally.
- GAC Partners encouraged a human-centered approach to building capacity of mining-affected communities, including ex-miners, to ensure sustainability following Global Fund financing of the project. The Secretariat shared that an important evolution in the program is moving away from a one-size-fits-all approach to strategically prioritizing key interventions, countries, and communities. Additionally, the Secretariat highlighted that this final phase of the TIMS program will need to be implemented in a gender-responsive way in collaboration with key population-led organizations and networks.
- The GAC highlighted the issue raised by the TRP regarding high program management and travel-related costs. While the Secretariat acknowledged this concern, it pointed out that high costs are partly due to travel and in-person trainings that had been envisaged due to the nature of this regional grant, which focuses on strengthening coordination among different regional stakeholders. The Secretariat pointed to the reduction of costs during grant-making as well as ongoing efforts to address this issue during implementation. These approaches include, but are not limited to, determining the location of trainings (including planning for virtual meetings when feasible), frequency of travel and number of people travelling due to potential COVID-19 restrictions, in order to reduce the projected costs.

Additional Information

Table 2: Grant Extensions Approved by the Secretariat

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

| N | Applicant | Disease Component | Grant Name | Currency | Budget for Proposed Extension Period | Additional Funding Required | Previous Extensions Granted (Cumulative in Months) | Proposed Extension Duration (Months) | Proposed End Date |
|---|-----------|-------------------|------------|----------|--------------------------------------|-----------------------------|----------------------------------------------------|--------------------------------------|-------------------|
| 1 | Comoros | Tuberculosis | COM-T-PNLT | EUR | 40,058 | 40,058 | 0 | 3 | 31/12/2021 |

Privileges and Immunities

1.1 Of the applicants for which funding recommendations are currently being made, Eswatini has signed and ratified the Global Fund Agreement on Privileges and Immunities. Of the applicants included in the multicountry TIMS grant, Eswatini, Lesotho, Malawi, Mozambique and Zimbabwe have signed and ratified the Agreement.

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Annex 1 – Relevant Past Decisions

Pursuant to the Governance Plan for Impact as approved at the 32nd 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/B39/EDP14: Decision on the Secretariat’s recommendation for funding the Comoros TB grant | This decision point approved the Comoros TB (COM-T-PNLT). |

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/>)