

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B47/ER01

Board Decision

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

1. GF/B47/EDP01: Decision on the Secretariat's Recommendation on Funding from the 2020-2022 Allocation¹
2. GF/B47/EDP02: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2020-2022 Allocation Period²

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 2 grants: Peru HIV/TB and Serbia HIV, up to an amount of **US\$19,917,177** and **EUR1,508,648** of country allocation funding.

² The Secretariat recommends the approval of **US\$6,707,083** in Debt2Health funds originally integrated into the 2017-2019 allocation period El Salvador HIV/TB grant which remained unused at the end of the implementation period of the grant, to be rolled over into the 2020-2022 allocation period El Salvador HIV/TB grant through an additional funding revision, and **EUR2,719,950** from a private sector contribution to be integrated into the Niger Malaria grant through an additional funding revision.

Decision

Decision Point: GF/B47/EDP01: 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/B47/ER01 ("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.

Decision Point: GF/B47/EDP02: Decision on the Secretariat's Recommendation on Funding Unfunded Quality Demand from the 2020-2022 Allocation Period

The Board:

1. Approves the revised budget recommended for the grants listed in Table 2 of GF/B47/ER02 ("Table 2");
2. Affirms the additional funding approved under this decision (a) increases the upper-ceiling amount that may be available for the relevant implementation period of each country disease component's constituent grants, and (b) is subject to the availability of funding; and
3. Delegates to the Secretariat authority to redistribute the overall upper-ceiling of funding available for each country disease component among its constituent grants, provided that the Technical Review Panel (the "TRP") validates any redistribution that constitutes a material change from the program and funding request initially reviewed and recommended by the TRP.

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

Executive Summary

Context and Input Received

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

The Secretariat recommends the approval of funding from the 2020-2022 Allocation for 2 grants: Peru HIV/TB and Serbia HIV, up to an amount of **US\$19,917,177** and **EUR1,508,648** of country allocation funding. 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](#).

Secretariat's Recommendation on Additional Funding

The Secretariat recommends the approval of:

- **US\$6,707,083** in Debt2Health funds – originally integrated into the 2017-2019 allocation period El Salvador HIV/TB grant, which remained unused at the end of the implementation period of the grant owing to COVID-19 and construction contracting/permitting related delays with respect to the planned national laboratory infrastructure rehabilitation – to be integrated into the 2020-2022 allocation period El Salvador HIV/TB grant through an

additional funding revision,³ and **EUR2,719,950** from a private sector contribution to be integrated into the Niger malaria grant, as set out at Table 2.

- 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, a 3-month extension of the Multi-country Latin America and Caribbean TB: Partners in Health grant to be funded through the savings in the current grant, as set out at Table 3.

Input Sought

The Board is requested to review the request and agree on a 'no objection' basis, the decision point GF/B47/EDP01: Decision on the Secretariat's Recommendation on Funding from the 2020-2022 Allocation; and GF/B47/EDP02: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2020-2022 Allocation Period.

³ The Secretariat notes that the carryover had been anticipated at the time of finalizing grant-making for the El Salvador HIV/TB grant in 2021, and is consistent with the Amended and Restated Comprehensive Funding Policy (GF/B36/DP04) and the Amended and Restated Policy on Restricted Financial Contributions (GF/B41/DP05).

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 ⁴	Grant End Date	Currency	Total Program Budget ⁵	Catalytic Funds in Grant	Domestic Commitment ⁶	Unfunded Quality Demand
1	Peru	HIV/TB	PER-C-SES	31/12/2025	US\$	19,917,177	-	HIV: 234,051,405 TB: 347,486,804	5,935,570
2	Serbia	HIV	SRB-H-MOH	31/12/2025	EUR	1,508,648	-	HIV: 61,453,700	2,151,675

Table 2: Secretariat’s Recommendation on Additional Funding to Finance UQD from the 2020-2022 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 ⁷	Recommended Additional Funding	Revised Program Budget ⁸	Rationale
1	El Salvador	HIV/TB	SLV-C-MOH	Debt 2 Health	US\$	11,587,015	6,707,083	18,294,098	This funding sourced through unspent funds from a Debt2Health swap agreement between Germany and El Salvador

⁴ The Grant names are subject to change based on the ISO code.

⁵ 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.

⁶ 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.

⁷ The previously approved Program budget for the Grant is exclusive of COVID-19 Response Mechanism funding that has been approved for integration/integrated into the Grant.

⁸ The Program budget for the Grant may be higher than the revised Program budget being recommended to the Board for approval where COVID-19 Response Mechanism funding has been integrated into the Grant.

									(signed in February 2019) and originally integrated into the 2017-2019 allocation period grant, will finance the Relocation, Adaptation, and Equipment of the National Public Health Laboratory of El Salvador.
2	Niger	Malaria	NER-M-CRS	CRS CRUSH Malaria	EUR	88,416,382	2,719,950	91,136,332	This additional funding from CRUSH malaria will cover the cost of piperonyl butoxide nets and the fifth round of Seasonal Malaria Chemoprevention in four districts.

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

Recommendations on Funding from the 2020-2022 Allocation

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.

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:

Peru HIV/TB: Socios en Salud sucursal Perú (PER-C-SES)

1.1 Background and context

Peru is classified as a high-burden country for HIV and TB, and the COVID-19 pandemic has severely disrupted its national response to these epidemics. The country's HIV epidemic is concentrated among key populations and is most prevalent among transgender women (31.8 percent) and men who have sex with men (10 percent). In 2019, only 47.7 percent of HIV-positive transgender women and 39 percent of men who have sex with men knew their status. The impact of service delivery disruptions caused by COVID-19 has been severe on the HIV response. In 2020, HIV screening dropped by 34 percent compared to 2019, while antiretroviral therapy initiation among people living with HIV fell by 40 percent.

For TB, progress towards fighting the epidemic has been varied. Between 2015 to 2019, incidence rates declined by just 2 percent, while mortality rates only fell by 8 percent. However, there has been significant progress in advancing treatment. Between 2012 to 2019, treatment success in people with new and relapse TB increased from 67 percent to 83 percent, respectively. While in 2019, TB treatment coverage stood at 82 percent. Peru's TB response has also been hard-hit by the pandemic. In 2020, 25 percent fewer TB cases were diagnosed, and 33 percent fewer TB cases started treatment, compared to 2019.

The proposed grant aims to support the country's effort to reduce the HIV and TB burden through ensuring access to quality and timely comprehensive health services. Program goals include:

- Improving response capacity and access to health services for the prevention, diagnosis, linkage and treatment of TB and HIV in key populations including: men who have sex with men, transgender communities, sex workers and prisoners;
- Strengthening the capacity of health services in prioritized areas for prevention and control activities among key populations;
- Improvement of the HIV care continuum for people living with HIV;
- Strengthening of community systems to improve the TB and HIV response; and
- Strengthening health information systems.

1.2 Risks and mitigation measures

Co-financing: Co-financing requirements were met for the 2017-2019 allocation period. Peru's domestic government expenditure on health has progressively increased during the 2017-2019 allocation period, and it is expected to continue increasing due to economic growth. The county has committed sufficient additional domestic investments for the 2020-2022 period.

1.3 GAC review and recommendation

- The GAC acknowledged that current health sector expenditure data may underestimate the full public investment toward HIV and TB. The Secretariat informed the GAC that a comprehensive TB/HIV expenditure assessment will be implemented to obtain a better picture of overall HIV and TB investments during the implementation period. This assessment will help identify potential efficiencies to better inform programming.
- GAC Partners called for increased domestic funding in TB response given the impact of the COVID-19 pandemic and echoed the TRP's recommendation that available additional resources be reinvested in active case finding in underreporting areas. GAC Partners emphasized that such investments be accompanied by analysis of impact, as well as efforts to build laboratory diagnostic capacity in the underserved locations for longer term impact. Partners clarified that active case finding in underserved areas as a surge activity would be further strengthened by complementary investments in routine diagnostics for sustained impact on the TB epidemic.
- GAC Partners stressed the need for integration of TB services at the primary health care level to facilitate access to and use of health services, as well as continued support to the expansion of mobile health teams to close the gaps in priority regions and populations as part of the intervention plan aimed at reducing the gaps in the provision of TB services. Partners further recommended consolidation of multiple information systems and the integration of information systems on HIV and tuberculosis.
- GAC Partners also highlighted innovative elements of the proposed investments that should be prioritized for funding, including introduction of TB preventive treatment (12 dose regimen of isoniazid–rifapentine (3HP)), the provision of services to indigenous populations and the reduction or elimination of stigma and discrimination.
- The GAC noted that the allocation utilization period for this grant covers 3.5 years in line with the 2020-2022 allocation letter. The allocation utilization period is proposed to be extended by 6 months to align the grant with the country's fiscal cycle.

Serbia HIV: Ministry of Health of Republic of Serbia (SRB-H-MOH)

1.4 Background and context

Serbia is a low burden country, with a HIV prevalence rate of less than 0.1 percent and 3,300 people estimated to be living with HIV. Key populations are most severely affected by the epidemic. The most affected groups are men who have sex with men, people who inject drugs and sex workers, with a prevalence of 5.8 percent, 2.3 percent and 1.5 percent, respectively. Eighty-seven percent of people living with HIV (PLHIV) know their status. Despite Serbia's push toward achieving the 90-90-90 targets for HIV testing and universal access to antiretroviral therapy, success has been mixed. Only 75 percent of people diagnosed are on HIV treatment and data on viral load suppression is not available.

In line with Serbia's National AIDS Strategy 2018-2025, the proposed grant will support the scaling-up of HIV testing services for all key populations and strengthen contracting mechanisms for HIV prevention services through:

- Improving access to voluntary counseling and testing services for all key population target groups including men who have sex with men, people who inject drugs and sex workers;
- Interventions to boost prevention services for key populations; and
- Improving partnership between medical facilities and non-governmental organizations of PLHIV to increase the number of PLHIV receiving support especially on treatment initiation and adherence.

1.5 Risks and mitigation measures

Co-financing: Serbia has met and surpassed co-financing commitments for the 2020-2022 allocation period. EUR 53,247,370 has been allocated through social health insurance for the HIV program. Additionally, EUR 810,330 from government revenues has been committed specifically to HIV prevention services for key vulnerable populations (KVP) over the next implementation period. Government health expenditure for the 2020-2022 allocation period is projected to stay around 13 percent, remaining one of the highest in the Eastern Europe and Central Asia region.

1.6 GAC review and recommendation

- The GAC acknowledged that the grant has a 'payment for results' component (39 percent of the budget) co-funded by the Ministry of Health of Republic of Serbia (MOH). While the use of MOH funding and procedures build sustainability and national capacity, the risk of programmatic and reporting delays is higher. To mitigate this risk, a program implementation unit will be established and embedded into the MOH to support efficient operations.
- The GAC noted that while the HIV program, including Voluntary Counselling and Testing (VCT), ARV treatment, and Opioid Substitution Therapy (OST) are mainly funded domestically, HIV prevention among KVP is the main funding gap. The Global Fund supported program therefore focuses on establishing and strengthening a sustainable mechanism to finance these KVP services domestically. With additional funding from the EECA regional HIV program, efforts are in place to further strengthen the HIV program and its sustainability. In consultation with stakeholders, a strategic vision document for the sustainability of KVP HIV prevention services was developed, to be approved by the CCM and translated into an action plan by the end of 2022. The

document provides a comprehensive review of priority issues to be addressed in the upcoming period: (i) improving governance and coordination of HIV response; (ii) antiretroviral therapy price optimization; (iii) building a supportive regulating and legal environment for civil society organization financing; (iv) engaging local governments and municipalities; and (v) strategic information, program data and its management.

- The GAC noted that the allocation utilization period for this grant covers 3.5 years in line with the 2020-2022 allocation letter. The allocation utilization period is proposed to be extended by 6 months to align the implementation period with the country's fiscal year.

Additional Information

Table 3: Grant Extensions Approved by the Secretariat

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

Additional Information

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	Rationale
1	Multicountry TB LAC PIH	Tuberculosis	QRA-T-PIH	US\$	178,801 ⁹	-	-	3	30/09/2022	The grant is not continuing in the 2020-2022 cycle. This revision was approved to extend the grant by 3 months to fully utilize the catalytic funds awarded for this grant.

⁹ The total budget for the extension period is US\$391,102, of which US\$178,801 corresponds to savings accrued from the originally approved funding, while the remaining US\$212,301 comes from C19RM 2021 funding.

Privileges and Immunities

1.1 Of the applicants for which funding recommendations are currently being made, Niger has signed but not ratified the Global Fund Agreement on Privileges and Immunities.

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.

Annex 1 – Relevant Past Decisions

Pursuant to the Governance Plan for Impact as approved at the Thirty-Second Board Meeting,¹⁰ 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/EDP19: Decision on the Secretariat's recommendation on funding the El Salvador grant	This decision point approved the El Salvador HIV/TB grant (SLV-C-MOH)
GF/B38/EDP02: Decision on the Secretariat's recommendation on funding the Niger grant	This decision point approved the Niger Malaria grant (NER-M-CRS)
GF/B40/EDP16: Decision on the Secretariat's recommendation for funding the Multicountry LAC PIH	This decision point approved the Multicountry LAC PIH TB grant (QRA-T-PIH)
GF/B36/ DP04: 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/B41/DP05: Policy for Restricted Finance Contribution (PFRC)	The decision point allows eligible donors to support investments subject to certain conditions

¹⁰ 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/>)