

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B46/ER16

Board Decision

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

1. GF/B46/EDP21: Decision on the Secretariat's Recommendation on Funding from the 2020-2022 Allocation¹
2. GF/B46/EDP22: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2020-2022 Allocation Period ²
3. GF/B46/EDP23: Decision on the Secretariat's Recommendation on Grant Extensions³

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) 6 grants: Guatemala TB, Malaysia HIV and South Africa HIV/TB, up to an amount of **US\$555,118,010** of country allocation funding, including matching funds of US\$10,000,000 for South Africa HIV/TB; and (ii) 2 multicountry grants: Multicountry Africa ECSA-HC TB and Multicountry HIV SEA AFAO, up to an amount of **US\$16,500,000** of multicountry catalytic funding.

² The Secretariat recommends the approval of **US\$1,547,119** of portfolio optimization funding to be integrated into the Albania HIV/TB grant.

³ The Secretariat recommends the approval of a 24-month extension for the Albania HIV/TB grant for total incremental funding of **US\$1,288,150** from portfolio optimization through GF/B46/EDP22.

Decision

Decision Point: GF/B46/EDP21: 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/B46/ER21 ("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/B46/EDP22: Decision on the Secretariat's Recommendation on Funding Unfunded Quality Demand from the 2017-2019 Allocation Period

The Board:

1. Approves the revised budget recommended for the grants listed in Table 2 of GF/B46/ER22 ("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.

Decision Point: GF/B46/EDP23: Decision on the Secretariat's Recommendation on Grant Extensions

The Board:

1. Approves the extension budget and revised implementation period recommended for each grant listed in Table 3 of GF/B46/ER23 ("Table 3"); and
2. Affirms that any additional funding provided to fund the extension budget (a) shall increase the upper-ceiling amount that may be available for the relevant implementation period for each grant listed in Table

3, and (b) is subject to the availability of funding.

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) 6 grants: Guatemala TB, Malaysia HIV and South Africa HIV/TB, up to an amount of **US\$555,118,010** of country allocation funding, including matching funds of US\$10,000,000 for South Africa HIV/TB; and (ii) catalytic funding for 2 grants: Multicountry Africa ECSA-HC TB and Multicountry HIV SEA AFAO, up to an amount of **US\$16,500,000** of multicountry catalytic 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\$1,547,119** of portfolio optimization funding to be integrated into Albania HIV/TB grant set out at Table 2.
- 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/DP02.
- 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 Grant Extensions

- The Secretariat recommends the approval of a 24-month grant extension for the Albania HIV/TB grant to be financed by total incremental funding of **US\$1,288,150** from portfolio optimization, as set out at Table 3.

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 Multicountry Caribbean MCC HIV/TB grant to be funded through the savings in the current grant, as set out at Table 4.

Input Sought

The Board is requested to review the request and agree on a 'no objection' basis, the decision point GF/B46/EDP21: Decision on the Secretariat's Recommendation on Funding from the 2020-2022 Allocation. GF/B46/EDP22: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2017-2019 Allocation Period; and GF/B46/EDP23: Decision on the Secretariat's Recommendation on Grant Extensions.

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	Guatemala	TB	GTM-T-MSPAS	30/06/2025	US\$	4,387,112	-	TB: 11,831,776	1,877,316
2	Malaysia	HIV	MYS-H-MAC	30/06/2025	US\$	3,964,273	-	Commitment letter has yet to be received by the Global Fund	-
4	Multicountry Africa ECSCA-HC	TB	QPA-T-ECSA	30/06/2025	US\$	4,000,000	-	Multicountry grants are not subject to co-financing requirements.	-
3	Multicountry HIV SEA AFAO	HIV	QSA-H-AFAO	30/06/2025	US\$	12,500,000	-	Multicountry grants are not subject to co-financing requirements.	3,649,048
5	South Africa	HIV/TB	ZAF-C-AFSA	31/03/2025	US\$	109,588,291	-	HIV: 6,299,775,607 TB: 465,144,510	337,453,896
6			ZAF-C-BZ	31/03/2025	US\$	95,932,030	-	HIV: 6,299,775,607 TB: 465,144,511	
7			ZAF-C-NACOSA	31/03/2025	US\$	81,547,973	-	HIV: 6,299,775,607 TB: 465,144,512	
8			ZAF-C-NDOH	31/03/2025	US\$	259,698,331	10,000,000	HIV: 6,299,775,607 TB: 465,144,513	

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.

Table 2: Secretariat's Recommendation on Additional Funding to Finance UQD from the 2017-2019 Allocation Period

Please note that each country name is [linked](#) to the extranet site where supporting documents are available for review.

N	Applicant	Disease Component	Grant Name	Additional Funding Source	Currency	Previously Approved Program Budget	Recommended Additional Funding	Revised Program Budget
1	Albania	HIV/TB	ALB-C-MOH	Portfolio Optimization	US\$	1,633,092	1,547,119	3,180,211

Table 3: Secretariat's Recommendation on Grant Extensions

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	Albania	HIV/TB	ALB-C-MOH	US\$	1,288,150	1,288,150 ⁷	-	24	31/12/2024

⁷ This amount is a portion of the total portfolio optimization award for Albania. Of the total (US\$1,547,119) requested, US\$258,969 will finance the scaling up of interventions during the ongoing implementation period and US\$1,288,150 is budgeted to finance the proposed 24-month extension.

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.

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:

Malaysia HIV: Malaysian AIDS Council (MYS-H-MAC)

1.1 Background and context

Malaysia's HIV epidemic is concentrated among key populations primarily residing in urban areas. In 2020, 87 percent of the 92,000 people living with HIV were reported as knowing their status. Reconciling this data with reported low testing coverage among key populations, at 35-43 percent in 2020, indicate key gaps in basic HIV service coverage that need to be further examined and addressed. Between 2017 and 2020, new HIV infections increased by 31 percent. New HIV infections in men who have sex with men accounted for almost two thirds of the total of new infections in 2019, compared to 10 percent in 2010. Most new infections have shifted from people who use drugs to men who have sex with men, although the decreased impact of HIV among people who use drugs populations is partly due to the success of HIV programming targeting people who use drugs. Antiretroviral therapy coverage among people living with HIV in Malaysia remains low and has declined from 56 percent in 2019 to 51 percent in 2020.

Malaysia is an upper middle-income country and funds most of its HIV program from domestic resources through a strong public health system. Ninety-five percent of the national AIDS program is financed by the government, however critical gaps remain in services targeting key populations. The proposed grant aims to continue supporting national efforts to address this gap, while strengthening differentiated service delivery modalities, some of which include civil society organizations and community-based organizations, to strengthen preparation for transition from Global Fund financing.

Goals for Malaysia's 2020-2022 HIV program include, to increase:

- outreach coverage of men who have sex with men through physical outreach activities and online outreach activities;
- outreach coverage of sex workers through physical outreach activities and online outreach activities;

- outreach coverage of transgender communities through physical outreach activities and online outreach activities;
- the testing uptake to 95 percent of the total reached key populations over the grant period; and
- the antiretroviral therapy initiation by 90 percent of total cases detected within the grant period.

1.2 Risks and mitigation measures

Co-financing: Co-financing requirements were met for the 2017-2019 allocation period. At the time of GAC review of Malaysia HIV, Malaysia had not yet submitted sufficient information on its overall co-financing commitments for the 2020-2022 allocation period. The country will be required to provide updated information on commitments within 6 months of implementation start date, leveraging available flexibilities in the STC policy. The Secretariat will follow up with the situation closely.

1.3 GAC review and recommendation

- The GAC noted that while Malaysia may transition to high income status and become ineligible for Global Fund financing during the 2023-2025 allocation period, it currently remains below the threshold of “high-income” due to slow economic growth and the impact of the COVID-19 pandemic. The GAC appreciated progress toward preparing for potential transition but noted that further work is required and is ongoing.
- The GAC reiterated the TRP’s concern regarding the sustainability of the program beyond the Global Fund grant, and the potential risk to continuation of HIV services for underserved key populations. Efforts to engage with the government to develop a plan to cover program gaps and address flatlining resources during the current allocation period were welcomed.
- In recognition of sustainably efforts, the GAC acknowledged the government’s commitment to fund the expansion of services for key populations and continue domestic financing of coverage for people on treatment. The Secretariat flagged that evidence of financial commitments is pending, but the issue will be followed closely.
- The GAC noted that the TRP recommendation for the 2017-2019 allocation period on integrating key populations services data into the national health information system during grant implementation is in progress, and has been partially met due to delays caused by COVID-19 restrictions. The Secretariat will continue to monitor the situation and ensure completion.

Guatemala TB: Ministry of Health and Social Assistance of the Republic of Guatemala (GTM-T-MSPAS)

1.4 Background and context

Guatemala is a low burden country, with a TB incidence rate that has stagnated since 2009 and was estimated to be 26 cases per 100,000 population in 2019. TB-related mortality has been slowly declining and was estimated to be 1.7 deaths per 100,000 population in 2019. The country notified 3,762 cases of all TB forms in 2019, including 3,671 incident cases. Of the notified TB cases, 1,946 were amongst vulnerable populations, with indigenous groups and people in prisons experiencing the highest number of cases. Due to the impact of COVID-19, there was a 28 percent decrease in the reported number of people with TB; and a 24 percent decrease in the detection of people with multidrug-resistant TB in 2020.

Guatemala was classified by the Global Fund as an upper middle-income (UMI) country in 2020 and, as a UMI with less than high TB burden, became ineligible and received transition funding in the 2020-2022 allocation period to support moving towards a fully domestically financed and managed national program for activities that are currently financed by the Global Fund. The grant recommended for Board

approval aims to support the country's National Strategic Plan Multisectoral TB (NSP-MTB) 2019-2023 to reduce prevalence, incidence and mortality of all forms of tuberculosis in the country through:

- strengthening the early detection and diagnosis of TB and DR-TB, especially in high-risk groups through the use of molecular tests and other means of rapid diagnosis;
- improving treatment success for people with TB and DR-TB, with patient-centered support;
- reducing the burden of tuberculosis among people living with HIV and HIV among those affected with tuberculosis; and
- improving compliance of TB prevention activities.

1.5 Risks and mitigation measures

Co-financing: Guatemala met co-financing requirements as per the STC Policy for the 2017-2019 allocation period, and has committed sufficient additional domestic investments for the 2020-2022 period. TB investments between 2022 and 2024 are projected to increase by US\$2.6 million compared to the 2019-2021 period, well above the minimum requirement.

Domestic Government expenditure on health has progressively increased in absolute terms and as a percentage of Government Expenditure during the last two allocation periods, and it is expected to continue increasing. The country has also demonstrated progressive uptake of program costs of the disease programs such as human resources, first and second-line drugs and GeneXpert cartridges and other laboratory supplies.

1.6 GAC review and recommendation

- The GAC applauded efforts to ensure sustainability of the TB response and echoed the TRP's recommendation for continued integration of the National TB Program components into the country's health system during the grant cycle.
- Despite the additional co-financing commitments for 2020-2022 and compliance with previous requirements, the GAC noted that the 2021 TB Transition Plan revealed continuing low levels of domestic investments and significant dependence on external resources, however preliminary results of Guatemala's first-ever TB expenditure measurement signal that domestic investments in TB are underestimated. The Secretariat will continue work with the TB program to propose a roadmap to expand the routine tracking of health expenditure to other agencies not currently captured in the Integrated Accounting System of the Ministry of Public Finance of Guatemala.
- At their meeting in March 2022, the Strategy Committee decided to recommend for Board consideration that the six country components that received Transition Funding in the 2020-2022 allocation period be made exceptionally eligible for an additional allocation of Transition Funding to mitigate the impact of the COVID-19 pandemic and continue addressing transition challenges. With this backdrop, the GAC underlined the need for a continued focus on transition planning and sustainability during the implementation of this current transition grant, noting that this decision, if approved by the Board, would not guarantee an allocation for Guatemala TB beyond the 2020-2022 allocation period.

Multicountry HIV SEA AFAO: Australian Federation of AIDS Organisations Limited (QSA-H-AFAO)

1.7 Background and context

Approximately 5.8 million people in the Asia-Pacific region are estimated to be living with HIV, including 420,000 young people and 2.1 million women. Despite the progress toward the UNAIDS 95-95-95 goals, coverage for HIV services for key populations is lagging in the region. This multicountry grant aims to improve sustainability of evidence-driven HIV services for key populations in four countries: Bhutan, Mongolia, Philippines and Sri Lanka. The program is designed to catalyze country-specific investments while building on lessons learned from the previous allocation period to:

- accelerate financial sustainability;
- improve strategic information availability and use;
- promote programmatic sustainability; and
- remove human rights- and gender-related barriers to HIV services.

1.8 Risks and mitigation measures

Co-financing. Co-financing requirements are not applicable to the Multicountry HIV SEA AFAO grant, which is comprised solely of catalytic funding. Ensuring sustainability of activities financed under this grant and all multicountry catalytic investments will remain a priority.

Multicountry Africa ECSA-HC TB: East, Central and Southern Africa Health Community (QPA-T-ECSA)

1.9 Background and context

TB is a leading cause of morbidity and death in the East, Central and Southern Africa (ECSA) region. In 2020, the ECSA region accounted for 9 percent of the 4 million missed TB cases estimated globally. Fortifying TB laboratory networks, and thus improving diagnostics and data collection, will remain key to finding missing TB cases.

This grant aims to strengthen capacity of national TB reference laboratories in 26 countries within the region: Angola, Botswana, Burundi, Cabo Verde, Comoros, Eritrea, Eswatini, Ethiopia, Guinea Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Sao Tome and Principe, Seychelles, Somalia, South Sudan, Tanzania, Uganda, Zambia, and Zimbabwe. Building on the impact and lessons learned from the programs implemented during the 2014-2016 and 2017-2019 allocation periods, this grant will continue to expand country capacity to support TB lab networks in the region through the following activities:

- strengthening the interstate regional network of national reference laboratories (NRLs) for improved TB management;
- improving the uptake of WHO Recommended Diagnostics, Quality Laboratory Management Systems, and National Integrated Sample Referral Systems to enhance the impact of diagnostics in TB control;
- consolidating the capacity of NRLs to undertake epidemiological/national level disease monitoring surveys; and
- strengthening partnerships for sustainability.

1.10 GAC review and recommendation

- Whilst co-financing requirements are not applicable to multicountry grants comprised solely of catalytic funding, the GAC underlined the importance of ensuring the sustainability of

activities financed under this grant (and all TB multicountry catalytic investments), as there is no guarantee of additional funding in the next allocation period.

- The GAC noted that there is an outstanding non-OIG identified recoverable amount of an immaterial nature owed to the Global Fund under the previous implementation period for this grant. While the Principal Recipient agreed to a repayment protocol, repayment is delayed, and the GAC thus concluded that a repayment condition should be included in the Grant Agreement.

South Africa HIV/TB: AIDS Foundation South Africa (ZAF-C-AFSA); Beyond Zero (ZAF-C-BZ); Networking HIV and AIDS Community of Southern Africa (ZAF-C-NACOSA); and National Department of Health of the Republic of South Africa (ZAF-C-NDOH)

1.11 Background and context

South Africa has the largest HIV epidemic in the world with a prevalence of 19 percent among people aged 15-49. The country has made great strides reducing new HIV infections and deaths, but prevention remains a top priority with 230,000 new HIV infections reported in 2020. Despite progress towards achieving the 95-95-95 goals (93-75-88 as of March 2021), significant geographic variance in the HIV epidemic and its socio-structural drivers remain. Out of the 7.8 million people living with HIV in 2020, women are disproportionately affected by the HIV epidemic with a prevalence of 24.7 percent compared to 13.5 percent for their male peers. Among adolescent girls and young women aged 15-24 years, HIV prevalence is 3 times greater than their male peers (10.2 compared to 3.4 percent). Key populations are also disproportionately affected by HIV, specifically sex workers, clients of sex workers, men who have sex with men and transgender people.

Additionally, South Africa represents 3.6 percent of the global TB burden and accounts for 87 percent of estimated incident cases worldwide. TB is the deadliest infectious disease in South Africa and the epidemic is largely HIV-driven. The country is among the 14 countries with the highest burden of TB, TB/HIV co-infection and drug resistant TB. In 2019, 62 percent of the 58,000 people who died from TB were living with HIV. Finding missing people with TB is a key national priority and according to the World Health Organization, 136,926 TB patients were missing in 2020.

This program is driven by South Africa's National Strategic Plan for HIV, TB and Sexually Transmitted Infections (STIs), which aims to reduce new HIV infections by more than 60 percent and reduce TB incidence by at least 30 percent. The proposed goals of all four grants include to:

- accelerate prevention to reduce new HIV and TB infections and STIs;
- reduce morbidity and mortality by providing treatment, care and adherence support;
- reach all key vulnerable populations with customized and targeted interventions;
- address the social and structural drivers of HIV, TB and STIs, linking these efforts to the National Development Plan; and
- ground the response to HIV, TB and sexually transmitted infections (STIs) in human rights principles and approaches.

1.12 Risks and mitigation measures

Co-financing and domestic commitment: South Africa's investments in HIV and TB highlighted the country's continued commitment to fighting these epidemics. In the 2020-2022 allocation period, South Africa has committed US\$6,299,775,607 to the HIV program, which is a 17 percent increase from the previous allocation period (additional investment of US\$ 924,530,724). This surpasses the Global Fund minimum requirement for co-financing by 106 percent. Commitments will cover key priority areas including: 81 percent of antiretroviral needs by 2024, 85 percent of condom procurement, and 40 percent of requirements for adolescent girls and young women. US\$106 million of South Africa's allocation will specifically target key and vulnerable populations.

For the TB program, the country committed US\$465,144,510, which represents an 8 percent reduction. This decline in TB co-financing commitment however, was primarily driven by efficiency gains from a more effective treatment regimen, as well as service delivery disruptions due to COVID-19 and unaccounted shared costs. Investments will support interventions for screening and testing, case detection and diagnosis, drug-resistant TB treatment and drug-sensitive TB treatment. In alignment with Global Fund's STC Policy for upper middle-income countries, US\$15 million will specifically target interventions for key and vulnerable populations.

Overall, a total of US\$6,764,930,117 of co-financing commitments were submitted for HIV and TB programs for the 2020-2022 allocation period, representing an increase of US\$882 million from the 2017-2019 allocation period. Increasing trends in government expenditure on health continued during the current allocation period with a 14 percent increase compared to the 2014-2016 allocation period.

1.13 GAC review and recommendation

HIV:

- The GAC and Partners welcomed increased targets and overall expansion of districts of the HIV program, as well as the emphasis on legal support and the role of communities. The Secretariat confirmed that it will continue to support the monitoring of quality of services delivered and the achievement of ambitious targets. GAC Partners reinforced their commitment to support implementation. Adoption of new innovations into the programs, especially new pre-exposure prophylaxis (PrEP) options such as Dapivirine and long-acting injectable cabotegravir (CAB-LA), virtual interventions, progress towards multi-month dispensing and community pick up were also well-received. GAC Partners commended successful collaboration in key areas, including provision of core packages based on vulnerability, risk assessments and layers, delivery of comprehensive sex education and working towards one PrEP platform to be sustained and further strengthened by the country.
- The GAC acknowledged high human resource costs and concerns regarding program sustainability and value for money. While high human resource costs can be expected for portfolios with predominant HIV prevention and TB community-level activities, the GAC noted that this calls for dedicated attention and continuous monitoring to ensure value for money and increasing domestic investment with a view to securing longer term program sustainability. The Secretariat clarified that the human resources budget has been closely scrutinized and rationalized during grant-making and efficiencies identified have been reinvested to expand key interventions. Further efficiencies identified in addressing TRP recommendations will be invested in high priority activities on the UQD register, including Dapivirine vaginal ring implementation, as well as the expansion of the program among key populations.
- The GAC and Partners emphasized that the sex work program must be managed closely during the implementation period, as operations will be transferred from one Principal Recipient (the Networking HIV & AIDS Community of Southern Africa) to another (the AIDS Foundation South Africa AFSA). The Secretariat informed the GAC that a transition plan was developed in close consultation with the CCM and sex worker community networks, and mitigation measures are in place to ensure a seamless transition. Mitigants include grant requirements on human resource budget lines to manage a staged approach and the recruitment of an experienced program management consultant.
- GAC Partners noted that the provision of opioid substitution treatment (OST) for people who inject drugs will be impacted by the price of methadone. The Secretariat clarified that prices for methadone have lowered in South Africa and this trend is expected to continue as additional suppliers are brought into the market. They further clarified that efficiencies identified through the lowering of costs would be reinvested to expand OST coverage.
- GAC Partners called for continued efforts and advocacy to accelerate progress towards breaking down human rights-related barriers to health services, and HIV and TB services in particular. The Secretariat noted that lessons learned and the outcomes of the mid-term

assessment of investments in breaking down human rights-related barriers to health services are already being used as a strong basis to inform programming of catalytic funds moving forward and accelerate progress in this area.

- The GAC acknowledged poor performance of activities under adolescent girls and young women subcomponent (including male sexual partners and Technical and Vocational Education and Training colleges) in the 2017-2019 allocation period and welcomed plans to streamline implementation arrangements of specific activities. The GAC Partners emphasized opportunities for coordination and exchange between PEPFAR DREAMS and Global Fund programs for better impact for adolescent girls and young women and adolescent boys, youth, and men programs during implementation.
- The GAC reinforced the TRP's recommendation that program interventions for key population prevention activities in non-PEPFAR supported districts be considered as a high priority in the UQD register and be prioritized for the reinvestment of savings.

TB:

- The GAC and GAC Partners applauded the strong design of the TB grants in catalyzing current government investments and addressing: (i) coverage and quality of TB services, and (ii) TB screening. The GAC acknowledged that the grants proposed for approval aim to address close to 50 percent of the TB burden in the country. Given the ambitious nature of these targets, close collaboration with the national program, partners and other in-country stakeholders will be vital to ensure success. GAC Partners reinforced their commitment to support implementation of the grants.
- The GAC noted that through the funding request, the CCM revised the TB program split by shifting US\$94 million from HIV to TB. This was partly to respond to the revised burden estimates for 2019 which were substantially higher than the 2018 estimates used in the 2020-2022 allocation and given the high rates of HIV/TB co-infection and TB program needs. The GAC and Partners appreciated the negotiation of the TB component of the grants, which builds on past success, while aligning with current priorities and addressing linkages but underlined the need to plan for continued increase in domestic investments in the TB program and sustainability of such investments. Emphasizing the need for strong implementation, monitoring effectiveness of program delivery and achievement of ambitious targets, GAC Partners reinforced their commitment to working in close collaboration with the national program, in-country stakeholders and the Global Fund Secretariat, including conducting joint missions to South Africa.
- The GAC noted the need to sustain strong political commitment towards TB over the grant implementation period and the implications for sustaining domestic financing given high disease burden for drug sensitive TB, drug resistant TB and TB/HIV co-infection, but recognized the renewed commitment in recent months by the Government of South Africa. GAC Partners shared the GAC's concern and committed to support continued advocacy for increased domestic funding for TB, including through joint high-level discussions.
- The GAC recalled that South Africa was designated matching funds for two strategic areas: programs to remove human rights-related barriers to health services and finding missing people with TB. The GAC noted that all conditions had been met for these priority areas and the funds were integrated into the grant presented for approval.

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

Additional Funding to Finance UQD from the 2017-2019 Allocation Period

In October 2021, the Audit and Finance Committee made US\$100 million available for portfolio optimization to fund high impact interventions from the 2017- 2019 and 2020-2022 Register of Unfunded Quality Demand (GF/AFC17/DP03) in line with the Strategy Committee approved "Prioritization Framework for Funds that Become Available for Portfolio Optimization and Financing Unfunded Quality Demand."⁸

Investing portfolio optimization funds in 2017-2019 allocation period transition grants to address transition challenges and strengthen sustainability

In line with the STC Policy, and as previously communicated to the Strategy Committee, the Secretariat is maintaining a flexible and pragmatic approach to transition grants. Operationalization of this approach has included monitoring progress of transition milestones of identified disease components, proactively analyzing the performance of transition grants including potential programmatic impacts of COVID-19, as well as mitigating those challenges using tools and flexibilities available to the Secretariat. A 2021 analysis of the performance of the 2017-2019 allocation period disease components transitioning from Global Fund financing highlighted successes, but also ongoing challenges in some contexts. Investment levers to address transition challenges that were applied include: (a) extension of implementation periods to allow countries to complete activities with available grant funds; and (b) investment of additional funds through portfolio optimization to support targeted priority activities to address transition challenges and strengthen sustainability.

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 with in-country planning timelines and programmatic needs. The following section contains further details around the specific recommendations contained in this report.

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

Albania's national TB and HIV response has been severely impacted by the COVID-19 pandemic. HIV testing coverage is very low for key populations, while only 48 percent of people living with HIV were on treatment in 2020. COVID-19 had a more considerable impact on the country's TB program, with TB notifications dropping by 42 percent in 2020, and remaining low in 2021. Albania is an upper middle-income country with a low disease burden and became ineligible for Global Fund funding after its last transition grant in the 2017-2019 allocation period.

In recognition of ongoing transition challenges posed by the COVID-19 pandemic, a 24-month extension is being recommended to the Board, alongside additional funding through portfolio optimization. Program implementation was negatively affected by the pandemic's disruption of health services, with TB notifications and testing, as well as provision of HIV testing for key population communities, being severely affected. This grant extension will bring the total allocation utilization period to five years and

⁸ The Prioritization Framework for Funds that Become Available for Portfolio Optimization and Financing Unfunded Quality Demand is available [here](#). Please note this document is part of an internal deliberative process of the Global Fund and as such cannot be made public.

will accelerate the country's HIV response, mitigate the impact of the pandemic on TB and facilitate a smooth transition to government financing.

The proposed additional investment will aim to accelerate the national HIV response to achieve new National Strategic Plan targets and roll-back the impact of COVID-19 on TB through:

- scaling up HIV surveillance system and testing coverage for key populations;
- HIV prevention programs among key population communities;
- strengthening voluntary counselling and testing (VCT);
- implementation of ambitious National Strategic Plan targets, including reaching 60 percent testing coverage for key populations in 2022 and 65 percent by 2025;
- reinforcing TB treatment adherence program and support sputum transportation to facilitate TB case detection; and
- enhancing diagnostic capacity for drug sensitive and drug resistant TB.

The Secretariat clarified that additional funds deployed over the next 24 months will enhance sustainability efforts and better prepare for a full and responsible transition from Global Fund financing. Namely, closing the country's HIV treatment coverage gap through increased testing coverage and finding more cases and strengthening prevention services will also reduce transmission and make the program more affordable to sustain. Finally, the additional time will allow the development of an enabling legal framework for civil society organizations (CSOs) contracting for prevention and care services.

Additional Information

Table 4: Grant Extensions Approved by the Secretariat

The Board is hereby notified that the Secretariat approved the extension in Table 4 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 Caribbean MCC	HIV/TB	QRB-C-OECS	US\$	US\$279,241	-	-	3 months	30/06/2022	A 3-month extension was requested and approved to enable sufficient time to complete grant-making.

Privileges and Immunities

1.1 Of the applicants for which funding recommendations are currently being made, Eswatini, Ethiopia, Lesotho, Liberia, Malawi, Mozambique, Rwanda, Uganda and Zimbabwe have signed and ratified the Global Fund Agreement on Privileges and Immunities. Burundi has signed but not ratified the Agreement.

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Annex 1 – Relevant Past Decisions

Pursuant to the Governance Plan for Impact as approved at the Thirty-Second Board Meeting,⁹ 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/SC04/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/AFC17/DP03: Approval of Available Sources of Funds for Portfolio Optimization and Financing Unfunded Quality Demand for the 2020-2022 and 2017-2019 Allocation Periods	This decision point approved US\$100 million to be made available for portfolio optimization
GF/B41/EDP17: Decision on the Secretariat's recommendation on funding the Albania HIV/TB grant.	This decision point approved the Albania HIV/TB grant (ALB-C-MOH)
GF/B40/EDP09: Decision on the Secretariat's recommendation for funding the Multicountry Caribbean MCC grant	This decision point approved the Multicountry Caribbean MCC (QRB-C-OECS)
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.

⁹ 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/>)