

# Electronic Report to the Board

## Report of the Secretariat's Grant Approvals Committee

GF/B47/ER15

### Board Decision

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

1. GF/B47/EDP18: Decision on the Secretariat's Recommendation on Funding from the 2020-2022 Allocation<sup>1</sup>
2. GF/B47/EDP19: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2020-2022 Allocation Period<sup>2</sup>

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<sup>1</sup> The Secretariat recommends the approval of funding from the 2020-2022 Allocation for 2 grants, Guyana Malaria and Liberia Malaria, up to an amount of **US\$19,427,875** of country allocation funding.

<sup>2</sup> The Secretariat recommends the approval of **US\$31,210,000** and **EUR 4,096,570** of portfolio optimization funding to be integrated into the Central African Republic Malaria, Pakistan Malaria, Uganda Malaria and Zimbabwe Tuberculosis grants.

*Document Classification: Internal.*

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

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## **Decision**

### **Decision Point: GF/B47/EDP18: 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/ER15 ("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/EDP19: 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/ER15 ("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, Guyana Malaria and Liberia Malaria, up to an amount of **US\$19,427,875** 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 [here](#).

### Secretariat's Recommendation on Additional Funding

The Secretariat recommends the approval of:

- **US\$31,210,000** and **EUR 4,096,570** of portfolio optimization funding to be integrated into the Pakistan Malaria, Uganda Malaria, Zimbabwe Tuberculosis, and Central African Republic Malaria grants 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](#).

## **Input Sought**

The Board is requested to review the request and agree on a 'no objection' basis, the decision point GF/B47/EDP18: Decision on the Secretariat's Recommendation on Funding from the 2020-2022 Allocation; and GF/B47/EDP19: Decision on the Secretariat's Recommendation on Funding Unfunded Quality Demand from the 2020-2022 Allocation Period.

## 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 <sup>3</sup>	Grant End Date	Currency	Total Program Budget <sup>4</sup>	Catalytic Funds in Grant	Domestic Commitment <sup>5</sup>	Unfunded Quality Demand
1	<a href="#">Guyana</a>	Malaria	GUY-M-MOH	31/12/2025	US\$	1,185,793	-	26,018,690	2,010,715
2	<a href="#">Liberia</a>	Malaria	LBR-M-CRS	30/06/2024	US\$	18,242,082	-	-	21,398,100

## 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 <sup>6</sup>	Recommended Additional Funding	Revised Program Budget <sup>7</sup>
1	<a href="#">Central African Republic</a>	Malaria	CAF-M-WVI	Portfolio Optimization	EUR	53,760,205	4,096,570	57,856,775
2	<a href="#">Pakistan</a>	Malaria	PAK-M-DOMC	Portfolio Optimization	US\$	20,767,377	14,148,750	34,916,127
			PAK-M-TIH		US\$	13,657,282	4,101,250	17,758,532
3	<a href="#">Uganda</a>	Malaria	UGA-M-MoFPED	Portfolio Optimization	US\$	230,825,564	10,000,000	240,825,564

<sup>3</sup> The Grant names are subject to change based on the ISO code.

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> The previously approved Program budget for the Grant is exclusive of COVID-19 Response Mechanism funding or Emergency Fund funding that has been approved for integration/integrated into the Grant.

<sup>7</sup> 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 or Emergency Fund funding have been approved for integration/integrated into the grant.

4	<a href="#">Zimbabwe</a>	TB	ZWE-T-MOHCC	Portfolio Optimization	US\$	26,193,498	2,960,000	29,153,498
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# Summary of the Deliberations of the Secretariat's Grant Approvals Committee (GAC) on Funding Recommendations

Unless otherwise specified below, each applicant has met the co-financing requirements for the 2017-2019 allocation period and has made sufficient co-financing commitments for the 2020-2022 allocation period as set forth in the Sustainability, Transition and Co-Financing (STC) Policy. The Secretariat will monitor the finalization and realization of commitments over the implementation period. Domestic commitments for disease-specific and health-related spending are subject to local currency value fluctuations against US dollars and Euro currencies.

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

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

## **Guyana Malaria: Ministry of Health of the Co-operative Republic of Guyana (GUY-M-MOH)**

### 1.1 Background and context

The COVID-19 pandemic has had a negative impact on Guyana's malaria response, as well as the epidemiological context. The country has witnessed the sixth largest increase in malaria incidence worldwide, with cases doubling from 9,984 in 2015 to more than 20,850 in 2021. The malaria mortality rate is estimated to have risen by between 5-25 percent in the same period. If not addressed, the deteriorating situation in Guyana could potentially threaten progress towards elimination in neighboring Suriname and in the region more broadly. The country's malaria burden is uneven across the population. Four of the county's 10 administrative regions are disproportionately affected by malaria transmission, accounting for 90 percent of cases and just 10 percent of the population.

Guyana's allocation for the 2020-2022 allocation period will support key activities for the country to transition from Global Fund financing. The program goals include reducing malaria cases and malaria mortality rate by 75 percent by 2025 against the 2015 baseline and eliminating plasmodium falciparum malaria and malaria transmission from geographic foci 8b, 9a and 9c by 2025. The program aims to accomplish these goals through providing case management, vector control services, community-based monitoring and advocacy interventions.

### 1.2 GAC review and recommendation

- The GAC noted the US\$1,587,807 funding gap of Guyana's Transition Plan could negatively impact the planned transition from Global Fund financing. The Secretariat informed the GAC that efforts will be made working with the country and partners to bridge the gap, including through reprogramming. Guyana malaria is among the six components that received Transition Funding in the 2020-2022 allocation period that were made exceptionally eligible by the Board (GF/B47/DP04) for an additional allocation of Transition Funding for the 2023-2025 allocation period to mitigate the impact of the COVID-19. Should Guyana receive an additional malaria allocation, these additional resources will be used to address the gap and/or strengthening the



national malaria response in the 2023-2025 allocation period with the goal to support the country reversing the deteriorating malaria epidemiological situation.

- The GAC recognized the country's commitment to sustainability and transition, noting that Guyana progressively increased its malaria budget reaching US\$8.8m in 2019 and has been taking over key programmatic costs, especially for nets and case treatment. However, the GAC acknowledged that despite the overall positive economic outlook, national economic growth and funding for health can bear considerable risks due to inflation volatility (5.3 percent in 2021 from 2.09 percent in 2019).

## **Liberia Malaria: Catholic Relief Services – United States Conference of Catholic Bishops (LBR-M-CRS)**

### 1.3 Background and context

Malaria remains a leading cause of morbidity and mortality in Liberia. The entire population of over 5 million remains at risk of the disease throughout the year. Malaria places a heavy burden on Liberia's healthcare system – attributing to 35 percent of all outpatient cases and 48 percent of inpatient cases. Children under five years are disproportionately affected by malaria, accounting for 30 percent of all malaria cases, and 61 percent of in-patient deaths in 2021. Pregnant women accounted for 9 percent of all malaria cases in the same period.

The Government of Liberia and partners have made progress in combating malaria in recent years. Malaria incidence declined by 9 percent from 392 cases per 1,000 in 2017 to 358 per 1,000 in 2020; malaria-related mortality decreased by 4 percent in the same period. In line with the National Strategic Plan for Malaria, Liberia's 2020-2022 program aims to further reduce the malaria burden by 75 percent by 2025 (from 45 percent prevalence in 2016 to 11 percent in 2025) through:

- reducing malaria mortality rates by at least 75 percent compared to 2016 by 2025;
- reducing malaria case incidence by at least 75 percent compared to 2016 by 2025;
- promoting and maintaining a culture of evidence-based decision making to achieve malaria program performance at all levels by 2025; and
- strengthening and maintaining capacity for program management, coordination and partnership to achieve malaria program performance by 2025.

### 1.4 Risks and mitigation measures

**Change of Principal Recipient (PR):** The OIG report published in April 2022 (GF-OIG-22-008) revealed fraudulent and abusive practices in the Liberia portfolio managed by the Ministry of Health and Social Welfare of the Republic of Liberia (MoH), including the malaria grant (LBR-M-MOH), during the 2017-2019 allocation period. Following publication of the OIG report, the Liberia CCM, together with the Global Fund Secretariat, agreed to a change in the PR implementing the malaria grant, from the MoH to Catholic Relief Services – United States Conference of Catholic Bishops (CRS) for the implementation period starting from 1 December 2022 to 30 June 2024. Under this grant, the MoH will continue to implement as a Sub-recipient and the Secretariat will continue to monitor the risks and implementation of prescribed mitigation measures, with support from the Fiscal Agent and the Local Fund Agent.

**Office of the Inspector General (OIG) investigation and Agreed Management Actions (AMAs):** The findings and remedial actions summarized in sections 1.3 and 1.4 of "Secretariat's Recommendations on Funding from the COVID-19 Response Mechanism" GF/B46/ER07 remain relevant and applicable following finalization of the OIG report. In addition, the OIG and the Secretariat identified the six AMAs to mitigate the risk of similar prohibited practices in the 2020-2022 allocation period which are in progress.

- Actions to ensure certain individuals are no longer involved with program management have been completed, and recoveries processes are underway.
- A cross-functional fraud risk assessment will be performed for Liberia, aiming to devise a solution that balances fiduciary risk with delivery of programmatic objectives. This is expected to take place as of mid-November 2022, with a final report expected in December 2022.
- A review will be undertaken of the Liberia Principal Recipients' compliance with their obligations under the Global Fund Grant Regulations (2014) and Guidelines for Grant Budgeting for the 2017-2019 allocation period grants in relation to their tax-exempt status. This aims to ensure that the Principal Recipients have measures in place to ensure compliance with such obligations in the 2020-2022 allocation period.
- In consultation with the OIG, the Secretariat will implement a robust incident reporting process for fraud, prohibited practices and other wrongdoings identified as a part of its risk management and grant implementation monitoring processes, which will be reflected in Global Fund policies.
- A review of the MoH's expenditures for both the HIV/TB and malaria 2017-2019 allocation period grants will be performed across a risk-based sample, to support timely identification and recovery of identified non-compliant expenditures. This is expected to take place as of mid-November 2022; with a final report expected end of November 2022.

An additional 24 risk and mitigation measures were identified and implemented under the current LBR-M-MOH grant and will be reviewed and adapted as part of revised implementation arrangements. In finalizing this grant-making, the Secretariat was acutely aware of the urgent need to firmly establish risk mitigation measures that allow resumption of program implementation and maintain gains towards combating malaria in Liberia.

**Co-financing:** At the time of GAC review, there was inadequate data to determine compliance with the 2020-2022 allocation period co-financing commitments and establish a baseline for the 2020-2022 allocation period commitments. The Secretariat will apply applicable approved flexibilities to finalize the compliance review within six months of grant implementation. The Secretariat will request the following country actions:

- Within six months of grant implementation, submission of data and supporting documentation on (i) updated calculation of the 2018/19-2020/21 health sector expenditure baseline, including specific HIV, TB, malaria and RSSH expenditures, and (ii) commitments of actual and planned domestic expenditures for health, HIV, TB, malaria and RSSH for the 2020-2022 allocation period; and
- During grant implementation, submission of (i) the approved state annual budget for health and HIV, TB, malaria and RSSH-related activities no later than three months after its approval; and (ii) evidence of the execution of planned expenditures no later than three months after the end of each fiscal year.

**Liberia met its co-financing requirements for 2017-2019 allocation period.** The country's low-income status grants flexibility to direct domestic investments into RSSH to meet its co-financing requirements. Health spending for the period amounted to US\$216 million for 2018-2020, representing a US\$35 million increase compared to 2015-2017 and exceeding the minimum required spending.

### 1.5 GAC review and recommendation

- The GAC acknowledged the OIG's findings and the CCM and Secretariat's ongoing work to implement and monitor all agreed management actions, as well as other key risk and mitigation measures. The GAC recognized the pivotal role of this grant in contributing to Liberia's National Strategic Plan for Malaria and commended efforts to allow program implementation to resume promptly. The Secretariat informed the GAC of plans to undertake a fraud risk assessment and develop a comprehensive risk assurance plan for the entire portfolio. Interim risk mitigation plans have already been put in place to mitigate the risk of fraud or other prohibited practices for the current grants.

- The GAC noted the substantive involvement of technical partners and the CCM Oversight Committee in developing and negotiating the new grant and supported the approach for the grant in light of the aforementioned context. The GAC Partners reinforced their commitment to working in collaboration with the Global Fund and addressing the different disease and health system priorities.
- GAC Partners noted the change in PR and sought clarifications on whether prior health systems investments from the Global Fund and other donors, as well as political will from the CCM and MoH to address the risks identified had been fully leveraged. The Secretariat reinforced that given the financial risks and the high degree of uncertainty of the residual risks, the MoH could not be retained as PR but that the Secretariat recommended that the CCM consider a new, equally capable implementer, to which the CCM agreed.
- The GAC recognized that the change in PR, as one of the tools for risk mitigation in this instance, was a justified and necessary response given the Global Fund's zero tolerance for fraud or corruption. The Secretariat highlighted that in acknowledgement of the Government's and stakeholders' political will, the Global Fund is working closely with the MoH; supporting strengthening of its grant management capacities, improvement of the internal controls and accountability framework, and continued delivery of programs. The Secretariat reiterated that the Global Fund will continue working proactively with partners, leveraging synergies and comparative advantages of Global Fund investments to support the Liberian health system.
- GAC Partners sought further clarity around the performance-based incentive scheme referenced in the grant documents. The Secretariat clarified that a performance-based incentive scheme will be implemented for MoH staff who receive an incremental amount above their government salary. The sub-recipient, MOH, will be responsible for the implementation and management of the incentive scheme with the support of the Principal Recipient.
- The Secretariat highlighted that this new grant will have an implementation period of 18 months following a one-year extension of the MoH malaria grant.

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

### Additional Funding to Finance UQD from the 2020-2022 Allocation Period

In 2018, the Secretariat operationalized the 'Prioritization Framework for Funds that Become Available for Portfolio Optimization and Financing Unfunded Quality Demand' (Prioritization Framework) through a rigorous and comprehensive process with inputs from Partners in line with the Strategy Committee decision (GF/SC04/DP02).<sup>8</sup>

A portfolio optimization wave is currently underway. In August 2022, the Executive GAC recommended **US\$96 million** for immediate award to fund high impact interventions from the Register of Unfunded Quality Demand. The countries recommended reflected priority investment cases, where there were time sensitive needs and funds made available by the AFC were to be awarded for immediate investment (by end of 2022). Priority areas include: (i) gaps in malaria (insecticide-treated bed nets); (ii) TB (diagnosis); and (iii) urgent antiretrovirals (ARVs) needs to prevent stock outs in Q1 2023.

These additional funds will be integrated into existing grants through grant revisions to increase each grant's upper ceiling, subject to Board approval as per standard procedures. The GAC will continue to recommend grant revisions integrating additional funds awarded to countries through portfolio optimization in the GAC reports to the Board. Additionally, the Secretariat will continue to report on progress to the relevant Committees of the Board. The following section details the process and

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<sup>8</sup> Available [here](#). Please note this document is part of an internal deliberative process of the Global Fund and as such cannot be made public.

approach used to arrive at GAC recommendations on portfolio optimization, and details around the four specific recommendations contained in this report.

In this report, the Secretariat recommends to the Board additional funding revisions for Central African Republic Malaria (CAF-M-WVI); Pakistan Malaria (PAK-M-DOMC, PAK-M-TIH); Uganda Malaria (UGA-M-MoFPED); and Zimbabwe TB (ZWE-T-MOHCC) grants. The GAC confirmed that these awards are in line with the criteria contained in the Prioritization Framework.

## **Central Africa Republic Malaria: World Vision International (CAF-M-WVI)**

### **2.1 Investment case**

The Central African Republic is within the top five countries for malaria incidence worldwide, and is considered a challenging operating environment, with large numbers of refugees and internally displaced people. With Global Fund support, the country launched a 3-year mass distribution campaign for piperonyl butoxide (PBO) long-lasting insecticidal nets (LLINs) in 2021 to control the malaria epidemic. This ongoing rollout from 2021 to 2023, aims to reach the country's whole population with PBO nets for the first time. The previous campaign between 2018 and 2022 distributed over 3 million nets. Each mass distribution campaign aims to bring the country closer to achieving a single mass campaign every three years and maintain a robust routine distribution system.

The calculation of targets and quantification of LLINs included in the current grant for the ongoing campaign were based on the 2003 population survey (the only data available at the time). The survey projected a total population of 4,728,867 in 2021, 5,159,571 in 2022 and 5,288,560 in 2023. However, an ongoing exercise led by the United Nations Office for the Coordination of Humanitarian Affairs has provided an updated population estimate of 6,091,097, a difference of 1,362,230 people. Considering the new total population estimates, and, the movement of refugees and internally displaced persons, the quantity of the PBO LLINs acquired for the campaign will fall short in 2023.

The additional funding through portfolio optimization will be invested in procuring the additional 1,012,050 PBO LLINs needed to reach the entire population considering latest population estimates. This procurement is urgently needed to ensure the nets arrive in country in time for the campaign in 2023 and remedy the identified gap.

## **Pakistan Malaria: Directorate of Malaria Control and Indus Hospital & Health Network (PAK-M-DOMC, PAK-M-TIH)**

### **2.2 Investment case**

Pakistan has made significant progress in malaria reduction with incidence dropping from 10.3 per 1,000 population in 2016 to 6 per 1,000 population in 2018. These gains have been threatened by the COVID-19 pandemic and recent ongoing severe flooding. The country's LLIN mass distribution campaigns planned for 2021 and 2022 could not be implemented due to the COVID-19 pandemic and related lockdowns, as well as issues regarding replacement of water damaged and out-of-specification insecticide treated nets, and a delay in selecting the service provider for LLIN distribution. With COVID-19 related restrictions lifted and the other issues resolved, Pakistan will resume the planned campaigns with the aim of regaining lost ground. The next mass distribution of nets will be carried out in early 2023, in preparation for the rainy season starting in June.

The additional investment through portfolio optimization will cover part of the UQD for the procurement and distribution of 5.2 million LLINs to the population in malaria endemic zones. Timely procurement is essential to ensure delivery of nets needed by February/March 2023 to make sure they are distributed before the rainy season in 2023. Whilst the GAC awarded portfolio optimization funds in August 2022, recent and ongoing severe flooding in Pakistan has made this investment more critical. Since August 2022, 539,500 confirmed malaria cases were reported; almost 1.5 times the total confirmed cases reported across the country in 2021. The increase in cases has dramatically escalated the demand for

vector control and case management. A portion of the LLINs will be distributed to the victims of recent flooding and displaced populations - contributing to emergency relief efforts in flood hit districts in Sindh and Balochistan. The Secretariat is working closely with the Principal Recipients to minimize procurement lead times and facilitate rapid delivery to those in need.

This investment will supplement US\$9,999,996 of Emergency Funding approved for Pakistan on 21 September 2022 to support populations in flood-affected malaria, TB and HIV districts and increase access to health care services through: (i) the establishment of malaria and health camps; (ii) uninterrupted availability of diagnostics (mRDTs) and lifesaving antimalarials; (iii) vehicles for mobile clinics; and (iv) rehabilitation of damaged health facilities and antiretroviral treatment centers. The Emergency Funding also includes a Water, Sanitation and Hygiene (WASH) component consisting of water treatment and filtration products, as these have been identified as urgent needs in the affected areas.

## **Uganda Malaria: Ministry of Finance, Planning and Economic Development of the Republic of Uganda (UGA-M-MoFPED)**

### 2.3 Investment case

Uganda has made significant progress in reducing malaria prevalence over the past years; from 42 percent in 2009 to 19 percent in 2015 and 9 percent in 2018. However, these gains have proved to be fragile, as the country remains vulnerable to malaria resurgence in many districts. According to data from June 2022, 52 out of 136 districts have experienced an upsurge of cases, leading to increased mortality and case fatality rates since 2021. Furthermore, 16 percent and 36 percent of districts have inadequate stock of artemisinin-based combination therapy packs (ACTs) and mRDTs, respectively. The Ministry of Health is actively planning for an urgent re-distribution of the available commodities to cover urgent short-term needs, however critical resource gaps remained for both 2022 and 2023.

The additional funding through portfolio optimization will fill the gap to fund essential commodities for case management of malaria towards the end of 2022 and for 2023. Funds will facilitate the timely procurement of ACTs, mRDTs and injectable artesunate through the Global Fund's pooled procurement mechanism (PPM). With an upsurge of cases in almost all districts in the past months, stocks of diagnostic and treatment commodities have been considerably depleted – making the needs for this investment more critical. The portfolio optimization funds proposed for Board approval and the reinvestment of efficiencies from the current grant will cover the gap for ACTs and injectable artesunate in 2022 and 2023. However, this investment will not cover all of Uganda's critical malaria commodity needs, as a US\$6 million funding gap for mRDTs remains.

The GAC and Partners highlighted their support for the prioritization of commodities for malaria case management through this investment. However, the GAC and Partners raised concerns about the remaining gaps for case management of malaria remaining unfunded - noting that Uganda may have difficulty identifying additional funding sources, considering the country's ongoing Ebola outbreak and the economic situation. The Secretariat noted they will continue to explore options to fund the gap including through reinvesting efficiencies and savings from the grant and reprogramming.

## Zimbabwe TB: The Ministry of Health and Child Care of the Republic of Zimbabwe (ZWE-T-MOHCC)

### 2.4 Investment case

The COVID-19 pandemic has had a negative impact on Zimbabwe's Tuberculosis (TB) program, which has historically performed well. TB case notification rates fell from 83 percent in 2018, to 55 percent in 2020, and to 69 percent in 2021. Zimbabwe is currently facing a challenging economic situation, as well as continued high attrition of the health workforce. In response to this decline, Zimbabwe's National Tuberculosis Program designed a 2-year TB recovery plan for 2022 and 2023 which will scale-up existing activities within the grant and implement successful pilot projects. The recovery plan aims to:

- **Address the drop in TB notifications** through supporting more active case finding activities in the community utilizing mobile case finding, intensified facility based active case finding, contact screening in the community and geographic information system mapping. This is the primary focus of the recovery plan to further address declining notification rates.
- **Strengthen childhood TB activities**, including diagnostics, to achieve the target of 10-15 percent of cases of TB in children by 2023 (Zimbabwe is currently at 6 percent of cases in children).
- **Address low drug resistant (DR) TB detection rate (59 percent) and decreased treatment success rate (62.5 percent)** through drug susceptibility testing and transition to a newer, shorter and more effective DR-TB regimen, and investing in activities to improve the quality of care, throughout the cascade, for people with DR-TB.

The additional US\$2,960,000 Global Fund investment through portfolio optimization will finance the implementation of Zimbabwe's ambitious TB recovery plan with a view to support the program to reach its original targets by end of 2023. The Secretariat will be working closely with the program and all in-country stakeholders to ensure its successful delivery.

## Privileges and Immunities

3.1 Of the applicants for which funding recommendations are currently being made, Liberia, Uganda and Zimbabwe have signed and 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,<sup>9</sup> the following summary of relevant past decision points is submitted to contextualize the decision points proposed in Section I above.

<b>Relevant past Decision Point</b>	<b>Summary and Impact</b>
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/AFC19/DP03: Approval of Available Sources of Funds for Portfolio Optimization and Financing Unfunded Quality Demand for the 2020-2022 Allocation Period	This decision point approved US\$150 million to be made 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 Period	This decision point approved US\$100 million to be made available for portfolio optimization
GF/B44/EDP01: Decision on the Secretariat's recommendation for funding the Central African Republic Malaria grant	This decision point approved the Central African Republic grant (CAF-M-WVI)
GF/B44/EDP04: Decision on the Secretariat's recommendation for funding the Pakistan Malaria grants	This decision point approved the Pakistan grants (PAK-M-DOMC, PAK-M-TIH)
GF/B43/EDP18: Decision on the Secretariat's recommendation for funding Uganda Malaria grant	This decision point approved the Uganda grant (UGA-M-MoFPED)
GF/B44/EDP01: Decision on the Secretariat's recommendation for funding the Zimbabwe TB grant	This decision point approved the Zimbabwe grant (ZWE-T-MOHCC)

<sup>9</sup> 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/>)