

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B48/ER11

Board Decision

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

1. GF/B48/EDP12: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2020-2022 Allocation Period ¹

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 **EUR 7,631,366** and **US\$3,248,934** of portfolio optimization funding to be integrated into the Chad Malaria, Mauritania Multicomponent and Turkmenistan TB grants.

Decision

Decision Point: GF/B48/EDP12: 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 1 of GF/B48/ER11 ("Table 1");
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 Additional Funding

The Secretariat hereby recommends the approval of:

- **EUR 7,631,366** and **US\$3,248,934** of portfolio optimization funding to be integrated into the 2020-2022 allocation period Chad Malaria, Mauritania Multicomponent and Turkmenistan TB grants set out at Table 1.
- 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/B48/EDP12: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2020-2022 Allocation Period.

Table 1: 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 Budget²	Recommended Additional Funding	Revised Program Budget³
1	Chad	Malaria	TCD-M-UNDP	Portfolio Optimization	EUR	51,671,962	7,631,366	59,303,328
2	Mauritania	Multicomponent	MRT-Z-SENL	Portfolio Optimization	US\$	19,591,501	2,872,513	22,464,014
3	Turkmenistan	TB	TKM-T-UNDP	Portfolio Optimization	US\$	5,067,499	376,421	5,443,920

² The previously approved Program budget for the Grant is exclusive of COVID-19 Response Mechanism (C19RM) funding that has been approved for integration/integrated into the Grant.

³ The Program budget for the Grant may be higher than the Program budget being recommended to the Board for approval where C19RM funding has been integrated into the Grant.

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

The Secretariat has operationalized the Strategy Committee-approved 'Prioritization Framework for Funds that Become Available for Portfolio Optimization and Financing Unfunded Quality Demand' (Prioritization Framework) through a rigorous and comprehensive process, including with inputs from partners, and in line with the Strategy Committee decision (GF/SC04/DP02).⁴

In November 2022, the GAC made portfolio optimization immediate awards totaling US\$63 million, for 10 portfolios. The GAC prioritized funding critical and urgent needs where there was a high potential for increased impact, informed by extensive programmatic analysis and the outcome of a rigorous financial assessment of current and past programmatic performance, while taking into consideration alignment with the aims of the allocation and the need for sustainability of Global Fund investments. These were portfolios where there were urgent needs that did not represent scale up. The GAC also considered urgency, given that several asks required financial commitments to be made or orders to be placed in Q4 2022 or Q1 2023 to account for longer lead times for commodities to arrive in country in a timely manner (e.g., ahead of malaria season or prior to stock outs).

The 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. 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 to in-country planning timelines and programmatic needs. Additionally, the Secretariat will continue to report on progress to the relevant Committees of the Board.⁵

In this report, the Secretariat recommends to the Board additional funding revisions for Chad (TCD-M-UNDP); Mauritania (MRT-Z-SENLS); and Turkmenistan (TKM-T-UNDP) grants. The GAC confirmed that these awards are in line with the criteria contained in the Prioritization Framework.

1.1 Chad Malaria: United Nations Development Programme (TCD-M-UNDP)

Malaria remains a significant public health challenge in Chad. In 2018, estimated malaria prevalence in the general population stood at 40 percent. The country's primary vector control strategy has shifted to universal coverage of long-lasting insecticidal nets (LLINs) to at-risk populations distributed through mass campaigns every three years, as well as routine distribution through antenatal care, and immunization programs. The country has made significant strides towards reaching 100 percent coverage in the 19 eligible provinces, with coverage increasing from 44 percent in 2011 to 97.5 percent in 2020.

Chad's ongoing mass LLIN campaign was launched in February 2023. At time of grant signature, the Global Fund allocation was initially budgeted to cover eight of the eligible 19 provinces for the campaign, while the Government covers two provinces, leaving nine provinces to be covered through alternative sources. The Against Malaria Foundation (AMF) has since committed to procuring 6.8 million nets covering 12 provinces. The realized savings from the Global Fund grant are being utilized to cover logistics and operational costs of the campaign in AMF's covered provinces. This additional investment through portfolio

⁴ Available [here](#). Please note this document is part of an internal deliberative process of the Global Fund and as such cannot be made public.

⁵ For further details on the approach to operationalize the Strategy Committee-approved 'Prioritization Framework for Funds that Become Available for Portfolio Optimization and Financing Unfunded Quality Demand', please refer to the GAC report to the Board GF/B39/EDP15.

optimization will procure 684,217 nets required as buffer stock for the 12 provinces funded by AMF, as well as cover remaining gaps in transport, procurement and supply management and operational costs (which AMF does not cover) to ensure 100 percent coverage for the campaign.

The Secretariat highlighted that Chad is facing economic crisis due to the effects of the COVID-19 pandemic, political instability, localized violence and overall threats to security, which have all diverted spending from the health budget. The current limited fiscal space may affect the capacity of the government to fulfill its commitment to finance the procurement of the PBO nets to cover two provinces. The Secretariat and in-country partners will continue engaging with the government to monitor progress and advocate for fulfillment of their commitments.

1.2 Mauritania HIV/TB/Malaria: National Executive Secretariat for Fight Against AIDS of the Islamic Republic of Mauritania (MRT-Z-SENLS)

Mauritania's malaria program aims to reduce confirmed malaria cases from 147,567 cases in 2020 to 60,230 cases by 2024. The country has relatively low malaria transmission, although 64 percent of the 4.6 million people in the country still live in areas at high risk of malaria transmission in 2020. Consistent mass LLIN campaigns have contributed to a significant decline in malaria incidence in areas considered endemic. The estimated number of malaria cases declined drastically between 2000 and 2021, from 113 per 1,000 population to 18 per 1,000 population.

Additional funding through portfolio optimization will support the mass campaign planned in Q3 of 2023. The investment will specifically procure 605,583 LLINs (including a 10 percent buffer stock) needed to implement the mass campaign in the South and South-East regions, and three regional capitals of South-West. Historically, these regions have been covered by Organisation pour la Mise en Valeur du Fleuve Senegal, however they will no longer be providing support for the mass campaign. The Global Fund's investment will also finance procurement, supply chain and operational costs for the LLIN mass campaign.

The Secretariat noted that Mauritania's parliamentary elections will take place in May 2023, before the launch of the planned LLIN mass campaign in July 2023. The Secretariat, in-country stakeholders and partners will closely monitor the electoral process to ensure smooth implementation of the campaign, including defining program adaptations if necessary.

1.3 Turkmenistan TB: United Nations Development Programme (TKM-T-UNDP)

Despite considerable progress, tuberculosis (TB) remains an issue of public health concern due to high prevalence of drug resistance and is among 18 high-priority TB countries in the World Health Organization's European region. In 2021, Turkmenistan recorded a multidrug-resistant TB (MDR-TB) prevalence of 45 percent among new cases, and 59 percent among previously treated cases. The country has exceeded the United Nations high-level meeting on TB targets for rifampicin-resistant TB and MDR-TB detection and treatment.

This additional investment through portfolio optimization will cover funding gaps for MDR TB treatment services in the country, as well as program management and routine reporting costs. The funding gap for TB essential services is a result of budget constraints caused by COVID-19 and high inflation rates (12 percent in 2021). The additional funding will procure essential equipment and tests for monitoring of side effects of new medicines for treatment of MDR TB and extensively drug-resistant TB, strengthening the treatment adherence program and improving the routine reporting for the program.

GAC Partners noted their support for this investment and underlined that Turkmenistan's National TB Program must continue to scale up active TB cases finding efforts and TB preventive treatment. The Secretariat was supportive of this recommendation, noting that in-country stakeholders and partners have agreed to consider innovative approaches to scale up the TB case finding efforts.

Privileges and Immunities

2.1 None of the applicants for which funding recommendations are currently being made, has signed or ratified the Global Fund Agreement on Privileges and Immunities.

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Annex 1 – Relevant Past Decisions

Pursuant to the Governance Plan for Impact as approved at the Thirty-Second Board Meeting,⁶ the following summary of relevant past decision points is submitted to contextualize the decision points proposed in Section I above.

Relevant past Decision Point	Summary and Impact
GF/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/B45/EDP05: Decision on the Secretariat's recommendation for funding the Chad Malaria grant	This decision point approved the Chad grant (TCD-M-UNDP)
GF/B46/EDP04: Decision on the Secretariat's recommendation for funding the Mauritania HIV/TB/Malaria grant	This decision point approved the Mauritania grant (MRT-Z-SENLS)
GF/B44/EDP08: Decision on the Secretariat's recommendation for funding the Turkmenistan TB grant	This decision point approved the Turkmenistan grant (TKM-T-UNDP)

⁶ GF/B32/DP05: Approval of the Governance Plan for Impact as set forth in document GF/B32/08 Revision 2 (<http://www.theglobalfund.org/Knowledge/Decisions/GF/B32/DP05/>)