

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B49/ER01

Board Decision

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

1. GF/B49/EDP01: 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.

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¹ The Secretariat recommends the approval of **US\$4,400,000** of portfolio optimization funding to be integrated into the Ghana HIV/TB grant.

Decision

Decision Point: GF/B49/EDP01: 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/B49/ER01 ("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:

- **US\$4,400,000** of portfolio optimization funding to be integrated into the 2020-2022 allocation period Ghana HIV/TB grant 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/B49/EDP01: 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 Budget ²	Recommended Additional Funding	Revised Program Budget ³
1	Ghana	HIV/TB	GHA-C-MOH	Portfolio Optimization	US\$	74,860,800	4,400,000	79,260,800

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 an additional funding revision for the Ghana (GHA-C-MOH) grant. The GAC confirmed that these awards are in line with the criteria contained in the Prioritization Framework.

1.1 Ghana HIV: Ministry of Health of the Republic of Ghana (GHA-C-MOH)

Ghana has a generalized HIV epidemic, with national HIV prevalence at 1.7 percent and an estimated 350,000 people living with HIV (PLHIV) in 2021. The HIV program sets out to identify an additional 90,000 undiagnosed HIV cases and provide antiretroviral therapy for up to 290,000 PLHIV by 2023, through comprehensive testing and ensuring treatment for over 20,000 HIV-positive individuals per semester. The grant is currently on track to surpass grant targets of PLHIV on ART by the end of 2023, with promising rates of testing and treatment retention.

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.

The HIV testing program is currently experiencing critical stockouts of rapid diagnostic tests (RDTs) throughout the country. These stockouts have been intermittent since mid-2021 due to successful scale-up of key population programming and the implementation of expanded testing models, resulting in higher-than-anticipated utilization of RDTs. These trends pose a severe threat to program continuity and the achievement of targets.

Additional funding through portfolio optimization will address the RDT stockouts and maintain uninterrupted case finding activities. The investment will enable the procurement of 3,544,842 RDTs, filling a significant portion of the RDT gap in Q3 and Q4 of 2023. The first emergency order will be promptly procured and delivered to ensure the continuity of Ghana's testing program. Failure to address the RDT stockouts and procure the commodities in a timely manner will undermine the significant progress achieved thus far.

The GAC recognized the prevailing macroeconomic challenges confronting Ghana, including a substantial inflation rate of 45 percent and notable devaluation of the local currency. The Secretariat highlighted that while the International Monetary Fund has approved a USD3 billion bailout package to address the economic crisis, these challenges pose potential implications for Ghana's ability to conduct international procurement. The Secretariat will continue to closely monitor the situation and work in partnership with the Government and relevant stakeholders to fulfill existing procurement commitments. GAC Partners were supportive of the investment, noting the Government's challenges covering funding gaps for HIV and TB commodities due to the economic context.

2.1 Of the applicants for which funding recommendations are currently being made, Ghana has signed but not 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/B44/EDP10: Decision on the Secretariat's recommendation for funding the Ghana HIV grant	This decision point approved the Ghana HIV grant (GHA-C-MOH)

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/>)