

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B49/ER06

Board Decision

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

1. GF/B49/EDP06: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation¹
2. GF/B49/EDP07: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2020-2022 Allocation Period ²

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 2023-2025 Allocation for 5 grants: Afghanistan HIV/TB and Malaria, Eritrea HIV, Eritrea TB, Eritrea Malaria, and Tajikistan HIV/TB, up to an amount of **US\$136,100,846** of country allocation funding.

² The Secretariat recommends the approval of **US\$4,400,000** of additional funding representing a private sector contribution to be integrated into the Malawi HIV/TB and Zambia HIV/TB grants.

Decision

Decision Point: GF/B49/EDP06: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation

The Board:

1. Approves the funding recommended for each country disease component, and its constituent grants, as listed in Table 1 of GF/B49/ER06 ("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/B49/EDP07: 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/B49/ER06 ("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 2023-2025 Allocation

The Secretariat recommends the approval of funding from the 2023-2025 Allocation for (5) grants: Afghanistan HIV/TB and Malaria, Eritrea HIV, Eritrea TB, Eritrea Malaria, and Tajikistan HIV/TB, up to an amount of **US\$136,100,846** 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 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 hereby recommends the approval of:

- **US\$4,400,000** of additional funding representing a private sector contribution to be integrated into the 2020-2022 allocation period Malawi HIV/TB and Zambia HIV/TB grants set out at Table 2.
- All relevant documents containing the Secretariat's reasons for its recommendations to the Board have been made available on the Governance Extranet and are accessible through [this link](#).

Input Sought

The Board is requested to review the request and agree on a 'no objection' basis, the decision point GF/B49/EDP06: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation; and GF/B49/EDP07 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 Funding from the 2023-2025 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	Afghanistan	HIV, TB and Malaria	AFG-Z-UNDP	31 Dec 2026	US\$	65,537,654	-	Non-CCM applicants exempt from co-financing requirements	53,807,779
2	Eritrea	HIV	ERI-H-MOH	31 Dec 2026	US\$	21,276,487	-	Pending finalization of the Commitment Letter	7,070,840
		TB	ERI-T-MOH	31 Dec 2026	US\$	5,303,054	-	Pending finalization of the Commitment Letter	2,565,460
		Malaria	ERI-M-MOH	31 Dec 2026	US\$	18,023,331	-	Pending finalization of the Commitment Letter	6,702,039
3	Tajikistan	HIV/TB	TJK-C-UNDP	31 Dec 2026	US\$	25,960,320	-	45,798,089	23,355,078

Table 2: Secretariat’s Recommendation on Additional Funding to be Integrated into Grants

N	Applicant	Disease Component	Grant Name	Additional Funding Source	Currency	Previous Approved Grant Budget	Recommended Additional Funding	Revised Grant Budget for approval
1	Malawi	HIV/TB	MWI-C-MOH	Private Sector	US\$	416,327,461	2,200,000	418,527,461
2	Zambia	HIV/TB	ZMB-C-MOH	Private Sector	US\$	182,886,122	2,200,000	185,086,122

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

This section will provide an overview of some grants recommended by the GAC, prioritizing for Board visibility by, among others, level of financing, strategic risks and impact on the achievement of the 2023-2028 Global Fund Strategy. Grant summaries will also highlight key observations and recommendations made by the GAC and Partners, as well as other key strategic issues. Unless otherwise specified, each applicant has met the co-financing requirements for the 2020-2022 allocation period and has made sufficient co-financing commitments for the 2023-2025 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 grant's 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:

Afghanistan HIV, TB and Malaria: United Nations Development Programme (AFG-Z-UNDP)

1.1 Background and programmatic context

Afghanistan's health system is burdened by rising cases of HIV, TB and malaria, worsened by the COVID-19 pandemic, political instability and severe economic challenges. Following the Taliban takeover in 2021, the Global Fund and other international donors have helped sustain some key health interventions. However, numerous issues still need to be addressed. These include intermittent shortages of essential supplies and medicines, limited access to healthcare in many remote communities and inadequate provision of gender-sensitive healthcare services, among others.

With an estimated 12,000 people living with HIV (PLHIV), Afghanistan has seen a 16 percent increase in new cases and a 15 percent rise in mortality since 2019. The epidemic is mainly driven by people who inject drugs (PWID), but 2021 program data suggest that sexual transmission is also a significant contributor among key populations. In 2022, Afghanistan fell significantly short of goals across the HIV testing, care and treatment cascade, with rates of 30-35-70.

The country has a high TB burden with incidence of 189 per 100,000, and mortality of 31 deaths per 100,000 among HIV-negative patients in 2021. Despite instability, notified new and relapsed TB cases increased by 80 percent, from 27,983 in 2011 to 50,324 in 2021. Treatment coverage also improved, rising from 51 percent in 2014 to 66 percent in 2021. Despite these improvements, one-third of TB cases remain missing in the country.

Malaria remains a public health concern in Afghanistan, severely affecting 27 percent of the population, while an additional 50 percent live in areas with moderate risk of malaria transmission. Significant progress has been made in combating the disease, with a 76 percent reduction in cases from 384,943 in 2016 to 86,370 in 2021. However, the country is experiencing a resurgence in malaria cases and outbreaks, exacerbated by climate events in 2022, stock-outs of medicine and diagnostics, and high levels of mobility within the country and between neighboring countries.

The goals of Afghanistan's HIV, TB and malaria grants include to:

- halt new HIV, STI & Hepatitis infections and improve the health and quality of life for people living with and affected by HIV, STIs, and Hepatitis in Afghanistan by 2026;
- reduce TB deaths by 75 percent by the end of 2026 compared to 2015;
- decrease the TB incidence rate by 20 percent by 2026 (to reach a 10/100,000 by 2035) in order to be aligned with the End TB Strategy;
- improve the quality of services and increase effectiveness of HIV, TB and malaria responses and strengthen the health systems;
- ensure the country is on track to reduce the malaria burden by 95 percent by 2030; and
- eliminate malaria by 2035 – contributing towards country development and the Sustainable Development Goals.

1.2 Co-financing commitment

Afghanistan is expected to increase their domestic financing of health systems and the national response to the three diseases; however, as a non-CCM applicant in the 2023-2025 allocation period, co-financing requirements are not applicable to Afghanistan.

1.3 Risks and mitigation measures

Sanctions. The Grant Conformation includes a condition requiring the Principal Recipient (United Nations Development Programme) to reasonably ensure that no Grant Funds are used in contravention of applicable sanctions, including by downstream entities, and to notify the Global Fund of any material findings inconsistent with such applicable sanctions.

1.4 GAC review and recommendation

- The GAC and Partners commended the strategic design of the grant, highlighting its adaptability in responding to the complex operational landscape following the Taliban takeover. The GAC underscored the program's successful contextual modifications to navigate these challenges.
- The GAC and Partners expressed concerns about substantial risks arising from critical programmatic gaps, notably in the supply of TB medicines, diagnostics and long-lasting insecticidal nets. The Secretariat will maintain its efforts to collaborate with partners in addressing these gaps, while actively identifying efficiencies and exploring alternative funding sources during implementation.

- Amid critical programmatic gaps and funding constraints, the Secretariat highlighted efforts to intensify alignment with the Health Emergency Response Project, focusing on HIV, TB and malaria components, and exploring co-investment strategies with development partners.
- **HIV investments:** The GAC raised concern regarding the suspension of HIV prevention and services for key populations following the Taliban takeover, acknowledging the necessity to ensure the safety of service providers and targeted groups. The Secretariat highlighted that efforts are in progress to integrate these interventions into the wider primary healthcare system to reach key populations. Additionally, gender and equity indicators will be integrated into the Performance Framework to monitor program responsiveness while maintaining safety for HIV interventions aimed at key populations.
- **TB investments:** GAC Partners acknowledged progress in scaling up Programmatic Management of Drug-Resistant TB and adopting advanced diagnostic technologies and highlighted that while this will increase the treatment of drug-resistant TB patients, it may also strain existing resources, redirecting funds from other underutilized program areas.
- **Malaria investments:** The GAC Partners emphasized that Afghanistan remains a high-priority area for addressing malaria, particularly considering climate change and the flood risks.

Eritrea HIV, TB and Malaria: Ministry of Health of the State of Eritrea (ERI-H-MOH, ERI-T-MOH and ERI-M-MOH)

1.4 Background and programmatic context

Eritrea is making good progress against HIV, with an estimated 12,347 PLHIV in 2022. The epidemic is declining, with fewer than 500 new cases and deaths. While prevalence is low in the general population, it's higher among key populations like sex workers and truck drivers. Progress towards UNAIDS targets stood at 85-72-65 in 2022.

The country has also gained ground in TB control, with a TB incidence of 74 per 100,000 and a mortality rate of 14 per 100,000 in 2021. Despite a gradual decrease in mortality, treatment coverage has remained stagnant at around 60 percent for the past five years, particularly among hard-to-reach groups and key populations like nomadic peoples, miners, prisoners and children.

Malaria is a significant health issue in Eritrea, with 68,756 cases reported in 2019. The epidemic is concentrated in three provinces, putting an estimated 70 percent of the population at risk. The country plans to develop a refined sub-national stratification map using epidemiological data for targeted interventions moving forward.

In line with the National Strategic Plans, the goals of Eritrea's HIV, TB and malaria grants include to:

- reduce new HIV infections among adults and children by 50 percent by 2026;
- reduce AIDS related mortality among PLHIV by 75 percent by 2026;
- strengthen health and community systems delivery, and demand creation for HIV/AIDS services;
- reduce TB incidence from 89 per 100,000 population in 2018 to 45 per 100,000 population by 2026;

- reduce TB mortality from 17.4 per 100,000 population in 2018 to 10 per 100,000 population by 2026;
- 100 percent of suspected malaria cases presented to health providers tested, with 100 percent of confirmed cases treated according to national guidelines by 2026;
- 100 percent of population at risk of malaria covered by effective, appropriate, and quality assured vector control methods by 2026;
- increase proportion of people utilizing malaria control interventions by 50 percent from 2019 levels by 2026;
- strengthen surveillance, monitoring and evaluation and operational research in all malaria transmission settings and ensure 100 percent of reported cases and foci will be fully investigated in Sub-Zobas earmarked for malaria elimination by 2026; and
- develop requisite capacity in program management at national and Zoba levels and in 72 percent of Sub-Zobas in order to strengthen the program towards malaria elimination by 2026.

1.5 Co-financing commitment

2020-2022 allocation period: Eritrea materially met its co-financing requirements, spending US\$127.3 million against a minimum requirement of US\$109.5 million, although it fell US\$5.8 million short of its commitment.

2023-2025 allocation period: Eritrea has submitted a signed commitment letter; however, the Secretariat has advised the government to provide a revised commitment letter which is more aligned with the current fiscal space and more targeted towards strategic RSSH and Primary Health Care activities. The new Commitment Letter linked to routine budget data and system strengthening will be submitted by 30 June 2024.

1.6 GAC review and recommendation

- GAC Partners observed that while the program goals are ambitious, they are achievable with the focused commitment from both the government and the Ministry of Health. The Secretariat will closely monitor implementation to ensure effective implementation and optimize program impact.
- The GAC commended the malaria program's plans for refined sub-national stratification map, noting that limited access to comprehensive information systems remains a significant constraint, hindering evidence-driven decision-making across all programmatic areas.

Tajikistan HIV/TB: United Nations Development Programme (TJK-C-UNDP)

1.7 Background and programmatic context

Tajikistan remains a high-burden country for HIV, with an estimated 15,000 PLHIV in 2022. While the epidemic is primarily concentrated among key populations such as PWID, female sex workers and men who have sex with men (MSM), the mode of transmission is shifting from drug use to high-risk sexual activities. As for the UNAIDS 95-95-95 targets, the progress in 2022 stood at 72-88-87.

Tajikistan is among the top 30 countries burdened by multidrug-resistant and rifampicin-resistant TB. The COVID-19 pandemic worsened the TB situation in 2021, with the incidence rising to 88 cases per 100,000 people and 1,200 deaths among HIV-negative individuals. Treatment coverage also sharply declined to 48 percent. Due to the impact of the COVID-19 pandemic, it is estimated that half of TB cases are missing.

Tajikistan's HIV and TB programs aim to contribute to ending the HIV and TB epidemics through:

- effective HIV response measures among most at risk populations, including prevention, early HIV diagnostics and immediate treatment initiation, in order to reach the 95-95-95 HIV care targets;
- scaling up access for early and quality TB, drug resistant TB and latent TB infection diagnosis, treatment and care;
- integrated care for people affected both by TB and HIV disease; and
- strengthening national public health response to ensure universal, patient-centered, efficient, human rights and gender sensitive approach to HIV, TB and integrated TB and HIV services.

1.8 Co-financing commitments

2020-2022 allocation period: Tajikistan surpassed its co-financing commitments for HIV and TB by US\$4,959,533. The Government has increased government health expenditure as a share of total Government expenditure from 7 percent in 2020 to 8 percent from 2021 onwards. The country is now fully funding key HIV interventions and has increased financial contributions toward HIV testing and TB control.

2023-2025 allocation period: Tajikistan is required to increase its HIV and TB spending by US\$3,894,622 during the next allocation period to comply with the minimum co-financing requirement. The Government of Tajikistan has committed an increase of US\$5,970,748 toward co-financing for HIV and TB programs, thus complying with co-financing requirements. The Commitment Letter has been signed by the Ministry of Health of Tajikistan. The government has been encouraged to strengthen evidence-based monitoring and evaluation of co-financing in the 2023-2025 allocation period.

1.9 GAC review and recommendation

- The GAC observed that HIV-related stigma continues to be a significant barrier to equitable implementation of prevention, treatment and care services for key and vulnerable populations. The Secretariat highlighted that funding allocated to combat human rights-related barriers has been significantly increased in the 2023-2025 allocation period to address these challenges.

Summary of the Deliberations of the Secretariat's Grant Approvals Committee on Additional Funding Recommendations

A private sector contribution of US\$14.5 million was made available for HIV Self-Testing Matching Funds for the 2020-2022 funding cycle, subject to access and programmatic conditions communicated in relevant countries' allocation letters. Since performance-based targets have been achieved during the course of implementation, this private sector donor has agreed to contribute an additional US\$10 million to cover technical assistance and programmatic needs related to HIV self-testing as set out in the UQD of the following portfolios: Malawi, Nigeria, Uganda and Zambia.

In this report, the Secretariat recommends to the Board additional funding revisions for the Malawi (MWI-C-MOH) and Zambia (ZMB-C-MOH) grants.

2.1 Malawi HIV/TB: Ministry of Health of the Republic of Malawi (MWI-C-MOH)

Malawi achieved notable progress towards the 95-95-95 HIV targets in 2021, reaching 93-91-93. However, performance disparities exist among districts and populations, particularly in achieving the first 95 for HIV diagnosis. To address this, Malawi plans to expand HIV self-testing. The strategy includes distributing self-testing kits during antenatal consultations for partners of HIV-negative women in seven high-burden districts—Blantyre, Lilongwe, Mangochi, Mulanje, Mzimba, Thyolo and Zomba. Additionally, kits will be distributed in communities, targeting key populations and vulnerable groups such as sex workers, MSM, PWID, transgender individuals, adolescents and young people and men in both formal and informal workplaces.

Additional private sector funding is poised to bolster the expansion of HIV self-testing services, facilitating the purchase of 873,000 kits and covering related program management costs. This supplemental funding is crucial for 2024, a period currently lacking in allocated resources for HIV self-testing commodities in seven high-priority districts. Partner contributions and Global Fund resources are also being leveraged to fill the remaining funding gaps. The infusion of these additional commodities is anticipated to enhance testing yields, help meet existing HIV testing objectives, and optimize overall impact in alignment with broader HIV response strategies.

All commodities will be procured via the Global Fund's Pooled Procurement Mechanism, and existing in-country storage and distribution systems will remain in place.

2.2 Zambia HIV/TB: Ministry of Health of the Republic of Zambia (ZMB-C-MOH)

Zambia has made significant strides toward achieving the UNAIDS 95-95-95 targets, particularly in the area of diagnosis, with approximately 89 percent of adults living with HIV aware of their status as of 2021. Despite this progress, there remain disparities in HIV awareness among key populations, adolescents and young people and adult men aged 25 to 34. As of 2021, national coverage of key populations affected by HIV who know their status

was at 54 percent. The country aims to contribute to closing these gaps by leveraging an additional US\$2.2 million in private sector funding to expand HIV self-testing.

The additional resources aim to elevate the first 95—HIV diagnosis—among key populations and vulnerable groups, bringing them closer to the national average. This additional funding will go towards procuring approximately 906,750 HIV self-test kits, focusing particularly on increasing coverage among key populations and adolescents and young women. The investment will also cover associated program management costs. The infusion of these kits is expected to increase the percentage of those aware of their HIV status, particularly in targeted sub-populations, thereby aiding in meeting the first 95 target of the 95-95-95 strategy.

The GAC acknowledged an ongoing investigation by the Office of the Inspector General (OIG) into C19RM-related procurement irregularities, with preliminary findings from the OIG indicating an amount of US\$ 78,030 not used in compliance with the Grant Agreement. In response, in 2021, the Secretariat instituted safeguard measures which will continue to apply to the 2023-2025 allocation grant, if approved by the Board:

- Pre-award reviews by the Local Fund Agent for procurements over US\$ 50,000;
- Strategic health products procured via Pooled Procurement Mechanism/Wambo.org;
- Non-strategic products procured through UN channels; and
- Procurement by the Ministry of Health was shifted from Procurement and Supplies Unit to the Zambia Medicines and Medical Supplies Agency.

After engaging with the OIG and understanding the materiality of the irregularities and the Secretariat's proposed mitigation measures, the GAC recommended this additional funding for Board approval. As the investigation progresses, the Secretariat and OIG will identify Agreed Management Actions, as per usual practice, in relation to the findings.

The GAC noted outstanding recoveries associated with the ZMB-C-MOH and ZMB-M-MOH grants, including US\$ 1,003,531 from the 2017-2019 allocation period and US\$ 53,595 from the 2020-2022 allocation period. The Secretariat is in regular communication with the Principal Recipient regarding these outstanding amounts. An oral agreement has been reached with the Government of Zambia to refund the identified VAT on fuel, which is embedded in fuel prices. The Secretariat will continue to work with the Principal Recipient to establish definitive timelines for repayment of the recoveries by the end of 2023.

Privileges and Immunities

3.1 Of the applicants for which funding recommendations are currently being made, Afghanistan and Malawi have signed and 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,³ 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/B44/EDP08: Decision on the Secretariat's recommendation on Funding from the 2020-2022 Allocation	This decision point approved the Zambia HIV/TB grant (ZMB-C-MOH)
GF/B43/EDP14: Decision on the Secretariat's recommendation on Funding from the 2020-2022 Allocation	This decision point approved the Malawi HIV/TB grant (MWI-C-MOH)

³ 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/>)