

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee GF/B49/ER08

Board Decision

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

1. GF/B49/EDP10: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation¹

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 9 grants: Guatemala HIV; and Indonesia HIV, TB, malaria and RSSH, up to an amount of **US\$334,715,686** of country allocation funding, including matching funds of **US\$3,500,000** for Indonesia HIV, **US\$4,000,000** for Indonesia TB and **US\$7,000,000** for Indonesia RSSH.

Decision

Decision Point: GF/B49/EDP10: 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/ER08 ("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.

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 9 grants: Guatemala HIV; and Indonesia HIV, TB, malaria and RSSH, up to an amount of **US\$334,715,686** of country allocation funding, including matching funds of **US\$3,500,000** for Indonesia HIV, **US\$4,000,000** for Indonesia TB and **US\$7,000,000** for Indonesia RSSH.

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](#).

Input Sought

The Board is requested to review the request and agree on a 'no objection' basis, the decision point GF/B49/EDP10: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation.

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 ²	Grant End Date	Currency	Total Program Budget	Catalytic Funds in Grant	Domestic Commitment ³	Unfunded Quality Demand
1	Guatemala	HIV/AIDS	GTM-H-INCAP	31/12/2026	US\$	24,972,106	-	27,103,067	3,409,575
2	Indonesia	HIV/AIDS	IDN-H-IAC	31/12/2026	US\$	19,116,338	1,500,000	481,603,330	32,096,048
3			IDN-H-MOH	31/12/2026	US\$	45,629,379	2,000,000		
4			IDN-H-SPIRITI	31/12/2026	US\$	38,955,792	-		
5			Malaria	IDN-M-MOH	31/12/2026	US\$	27,904,966		
6		IDN-M-PERDHAK		31/12/2026	US\$	7,717,306	-		
7		RSSH	IDN-S-SGMOH	31/12/2026	US\$	14,410,402	7,000,000	47,035,757	212,847,993
8		Tuberculosis	IDN-T-MOH	31/12/2026	US\$	123,180,397	3,747,242	677,297,282	
9			IDN-T-PBSTPI	31/12/2026	US\$	32,829,000	252,758		

² The Grant names are subject to change based on the ISO code.

³ 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.

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:

Guatemala HIV: Institute of Nutrition of Central America and Panama (GTM-H- INCAP)

1.1 Background and context

From 2010 to 2021, HIV incidence in Guatemala increased by 13 percent and mortality decreased by 42 percent. The epidemic is concentrated among key populations, specifically transgender women, men who have sex with men and female sex workers. As of 2021, 88 percent of people living with HIV (PLHIV) knew their HIV status, of whom 73 percent were on treatment and 67 percent were virally suppressed.

The objectives for this grant are to, by the end of 2026:

- reduce new HIV infections among men who have sex with men, transgender women, female sex workers and people in prisons;
- ensure timely access to antiretroviral therapy (ART);
- eliminate mother-to-child transmission of HIV through antenatal care, HIV testing and provision of ART to pregnant women living with HIV; and
- reduce stigma and discrimination towards key populations.

1.2 Co-financing commitment

2020-2022 allocation period: Guatemala is compliant with co-financing requirements based on the Secretariat's assessment of available data. Recognizing the need for an updated methodology to track co-financing compliance that emphasizes real expenditure over projections, the Secretariat recommended Guatemala to rely on the data reported by the government reporting and accounting

system, called “*Sistema de Contabilidad Integrada Gubernamental*”, SICOIN. The country has been granted a waiver to reflect the new baseline as a result of the shift in methodology.

Thus, based on data from SICOIN and efficiencies in ART procurement (by the transition to the *tenofovir disoproxil, lamivudine and dolutegravir* regimen), the Secretariat noted that Guatemala exceeded its co-financing requirement for the 2020-2022 allocation period, contributing an additional US\$14.1 million (considering both central and subnational levels), much larger than the required minimum co-financing.

2023-2025 allocation period: The Government of Guatemala has committed to an increase of US\$ 27,103,067 (between 2024-2026) toward co-financing for HIV programs and complies with co-financing requirements. An official commitment letter has been signed by national authorities, outlining both financial and programmatic commitments, including key areas and components aimed at strengthening HIV prevention, integrated care and the capacity of the health system to enhance the effectiveness of the national HIV response.

Indonesia HIV and TB: Indonesia AIDS Coalition (IDN-H-IAC); Directorate General of Disease Prevention and Control, Directorate General of Disease Prevention and Control, Ministry of Health of The Republic of Indonesia (IDN-H-MOH); Yayasan Spiritia (IDN-H-SPIRITI); Directorate General of Disease Prevention and Control, Ministry of Health of The Republic of Indonesia (IDN-T-MOH); and Konsorsium Komunitas PENABULU-STPI (IDN-T-PBSTPI)

1.3 Background and programmatic context

In 2022, Indonesia had an estimated 540,000 PLHIV. While the overall HIV prevalence for individuals older than 15 years stands at 0.3 percent, key populations, including men who have sex with men, transgender individuals, sex workers and people who inject drugs show higher prevalence rates at 14.1 percent, 11.6 percent, 1.89 percent and 14.6 percent, respectively. For the same year, Indonesia's HIV treatment and care cascade was 79-33-6: approximately 429,215 individuals knew their HIV status, 179,659 were on ART, but only 33,395, or 6 percent, received a viral load test and were found to be virally suppressed.

Indonesia has the second highest TB burden in the world. In 2022, the estimated TB incidence was 384/100,000 population and it was estimated that 1,060,000 people suffered from TB in the country. Estimates show that over 130,000 deaths could be caused by TB in 2022. The efforts of the National TB program were boosted in 2021 by the Presidential decree on TB setting a comprehensive and integrated approach to TB elimination in Indonesia. This significant national commitment, joint with effective high level political oversight, resulted in a significant 64 percent increase in TB case notification from 432,000 in 2021 to 708,658 in 2022.

In line with National Strategic Plans, Indonesia's HIV and TB programs aim to eliminate HIV and AIDS as a public health risk through achieving the global 95-95-95 targets by 2030, and accelerate TB elimination by 2030 and end the TB epidemic by 2050, through:

For HIV

- preventing new infection by expanding pre-exposure prophylaxis (PrEP) for key populations in at least 160 districts by 2026;
- achieving 95 percent of PLHIV knowing their status by 2026;
- reaching 75 percent of PLHIV on treatment 2026;
- achieving 68 percent PLHIV on ART and virally suppressed by the end 2026; and
- reducing the stigma and discrimination to key populations and PLHIV at the health care settings by the end of 2026;

For TB

- increasing HIV testing among TB patients and ART coverage among TB-HIV patients by the end of 2026;

- increasing TB treatment coverage of new and relapse TB cases from 67 percent to 90 percent between 2022-2026 onwards;
- improving TB quality of service by increasing treatment success rate (TSR) for case of all forms TB cases to 90 percent from 2024 onwards;
- increasing rifampicin-resistant TB (RR-TB) and/or multidrug-resistant TB (MDR-TB) treatment coverage from 42 percent to 75 percent between 2022-2026;
- improving TB quality of service by increasing TSR of RR-TB and/or MDR-TB cases to 80 percent by 2026 and removing TB stigma in community settings; and
- increasing TB treatment coverage of new and relapse TB cases from 70 percent to 90 percent between 2022-2026 and onwards.

1.4 Co-financing

2020-2022 allocation period: Indonesia has met its co-financing commitment for the 2020-2022 allocation period, pending the submission of further supporting documentation. The government has made significant progress in health spending, with the share of health funding rising from 23.7 percent in 2010 to 55 percent in 2020. Sufficient evidence has been provided to demonstrate disease-specific commitments were met for HIV and TB. For malaria, evidence is limited due to challenges assessing the data, such as malaria spending being integrated into the general health sector budget, and malaria spending not receiving a standalone budget projection or expenditure tracking. Further evidence will be provided by the end of December 2023.

2023-2025 allocation period: Indonesia has submitted a signed commitment letter with right-sized financial and strong programmatic commitments assessed by the Secretariat. Portfolio-level commitments represent a 29 percent increase in relation to the 2020-2022 allocation period.

1.5 Risks and mitigation measures

Indonesia's Ministry of Health (MOH) plans to consolidate the three existing Project Management Units (PMU) into one unified PMU by 1 January 2024. This unified PMU will oversee all grants, including the RSSH component. To confirm the operational readiness of the consolidated PMU, the Secretariat will timely commission an assurance provider to conduct an appropriately tailored capacity assessment of the integrated PMU's core competencies. The tailored capacity assessment is expected to affirm the Secretariat's diligence and understanding of the implementation and effectiveness of existing processes, procedures, and controls.

Salary incentives. The proposed programs include performance incentives in line with the Global Fund Guidelines for Grant Budgeting including US\$546,123 (IND-H-MOH), US\$839,145 (IND-H-SPIRITI), and US\$1,743,995 (IND-H-IAC) for the HIV allocation, as well as performance and task-based incentives of US\$10,651,555 (IND-T-MOH) and US\$198,142 (IND-T-PBSTPI) for the TB allocation. Principal Recipient and Sub-Recipient control measures are in place. Additionally, planned Local Fund Agent spot checks will be conducted, along with Progress Update and Disbursement Request sample verifications during grant implementation.

1.6 GAC review and recommendation

HIV

- The GAC and GAC Partners commended the inclusive consultation with the government, in-country stakeholders, civil society and key populations during the development of the HIV funding request and grants. Partners commended the dedicated funding earmarked for prevention among key populations and for monitoring and evaluation.
- The GAC acknowledged the strategic shift during grant-making towards high-priority areas, including prevention with disaggregated testing modalities for key populations and access to health products, expanding PrEP coverage, strengthening community-facility linkages, enhancing health product availability. Partners noted the need for accelerating multi-month dispensing from 6 months to 3 months and the introduction of a dapivirine vaginal ring pilot.
- GAC Partners recognized the program's progress and efforts towards adopting HIV treatment best practices, including transitioning to the *tenofovir disoproxil fumarate, lamivudine, and dolutegravir* (TLD) regimen, and flagged the opportunity to continue accelerating the progress

in these areas. The Secretariat noted sustained collaboration with in-country stakeholders over several years and emphasized the government's commitment to scaling up TLD as the first-line regimen through strengthened guidelines and regulations. Furthermore, the Secretariat highlighted that the ongoing transition plan to TLD is expected to be completed by the end of 2023.

- GAC Partners highlighted that the Secretariat should support the government in addressing commodity distribution challenges through community engagement, as well as in enhancing treatment retention through community partnerships. The Secretariat noted that there has been a positive shift towards increasing openness to use community platforms for service and commodity delivery at the national level and, increasingly, community health organizations will be involved in distribution of health products such as condoms, lubricants, needles and syringes. Efforts have been made to strengthen the linkage of HIV prevention services between health facilities and communities, emphasizing HIV testing and promoting self-testing and oral tests. This initiative is being expanded to cover a broader community base. Additionally, funds in the HIV grants have been allocated to bolster community activities, including drop-in centers providing essential services, reach key populations more effectively and enhance treatment availability.
- Partners enquired if the 75 percent ART coverage targets could be more ambitious, while also acknowledging the existing low baseline, operational challenges, structural barriers and political environment. The Secretariat highlighted that grant negotiations sought to strike a balance between ambition and realism, given the low baseline of 33 percent coverage in 2022. Achieving the existing targets will be challenging and the Secretariat will closely monitor progress during quarterly review meetings to further support the country's ambitions.
- The GAC reviewed external professional services and technical assistance investments totaling US\$2,271,549 (IND-H-MoH and IND-H-SPIRITIA) for Indonesia's HIV program, and concurred with the set priorities, including financial management, advocacy, and integrating human rights at community levels.

TB

- The GAC and Partners commended Indonesia's TB grants for their design and underscored that Indonesia has showcased significant progress backed by solid government commitment, advocacy and commendable outcomes.
- GAC Partners acknowledged the TRP's recommendation that the Applicant identifies savings to conduct a drug-resistant tuberculosis survey within the 2023-2025 allocation period to inform a revised MDR/RR-TB scale-up plan. The GAC and Partners pointed out that Indonesia currently has the diagnostic capacity to determine and monitor drug resistance prevalence, in alignment with WHO's normative guidance. There was a consensus on the limited value of a drug-resistance survey. Especially when considering other high-impact programmatic priorities which remain underfunded, including managing patients lost to follow-up, MDR-TB treatment, and enhancing the quality of drug-resistant TB response and surveillance systems. The Secretariat noted that this would be a topic for discussion in the upcoming TRP debrief.
- GAC Partners highlighted the essential role of the private sector in the TB response and the importance of bolstering its contribution. Acknowledging the success of the World Bank blended finance deal with the Global Fund in 2022, Partners urged the Secretariat and Partners to advocate for additional funding for private sector engagement, including via sub-national budgets. The Secretariat observed that, despite challenges in some parts of private sector treatment engagement, there has been notable progress in case notifications in the private sector since 2022. By actively collaborating with Partners and in-country stakeholders, the Secretariat aims to support national efforts and seize opportunities, such as the strategic purchasing pilot that provides direct incentives for handling uncomplicated TB in private primary settings. Insights from this initiative will be utilized to guide the 2024 national health insurance reforms.
- GAC Partners applauded the significant achievements in the previous allocation period, which saw the expansion of molecular diagnostics networks and a doubling of laboratory-confirmed

cases, subsequently identifying more DR-TB cases. Partners emphasized that the program should continue to strengthen efforts to ensure DR-TB patient linkage to and retention on treatment. The Secretariat highlighted plans in place to scale up DR-TB treatment and improve treatment outcomes, including through decentralization and engaging communities.

- The GAC acknowledged the continued World Health Organization's technical assistance in support of the National Tuberculosis Program, as well as the United Nations Development Programme's technical assistance for Finance/Human Resources/Information Technology management at the national level in the HIV program (IDN-T-MOH).

Indonesia Malaria: Directorate General of Disease Prevention and Control, Ministry of Health of The Republic of Indonesia (IDN-M-MOH); and Persatuan Karya Dharma Kesehatan Indonesia (IDN-M-PERDHAK)

1.7 Background and programmatic context

Indonesia has made significant strides in its malaria elimination efforts. As of June 2023, 381 districts had been certified as free from malaria transmission, while a further 75 were in the pre-elimination phase. However, 30 districts still have a moderate endemicity, while 28 districts show a high endemicity with an annual parasite incidence (API) greater than 5 per 1,000 population. Progress in malaria elimination has been slower in Eastern Indonesia, particularly in Tanah Papua.

By 2026, Indonesia's malaria program aims for 86 percent of the country to be malaria-free and for no district to have an API greater than 1 per 1,000 at-risk individuals through:

- increasing the number of malaria-free districts from 347 to 445 between 2022-2026;
- achieving positivity rate for Papua province (along with the newly created province) of less than 5 percent by the end of 2026; and
- maintaining malaria elimination status in districts determined to achieve malaria elimination.

1.8 Co-financing

Please refer to section 1.3 above.

1.9 Risks and mitigation measures

The Sub-recipient selection process for the IDN-M-PERDHAK grant continues, with decisions influenced by geographical reach and the essential nature of their supported activities and is expected to be finalized by December 2023. Given that 85 percent of the grant budget is to be executed by Sub-Recipients, the Secretariat will establish robust control measures to oversee their performance.

1.10 GAC review and recommendation

- The GAC observed that the program design for malaria, building upon the successes from the 2020-2022 allocation period, continues to emphasize high endemic areas – aiming to reduce malaria in high-risk districts, especially Papua, support mass LLIN campaigns and bolster community health systems. The GAC emphasized that despite Indonesia's overall low malaria burden, malaria must remain a national health priority, considering that 26 High Endemic Districts, primarily in Eastern Indonesia provinces and notably Tanah Papua, account for 95 percent of the total positive cases reported in Indonesia. The Secretariat will continue its efforts to engage in advocacy with senior government officials to ensure that adequate resources are allocated to the malaria program from central government funding.
- The GAC noted that while significant progress continues to be made towards malaria elimination building on good political commitment, certain malaria-free districts remain at risk of malaria resurgence or outbreaks. The Secretariat highlighted that mitigating measures have been put in place to reduce the risk of resurgence, including strengthened surveillance/early detection, as well as test, treat and track capacity even in malaria-free districts. There is also a focus on surveillance and reporting through the WHO and the national malaria information system, along with continued prioritization of social and behavior change communication.

Indonesia RSSH: Ministry of Health of the Republic of Indonesia (IDN-S-SGMOH)

1.11 Background and programmatic context

Despite the progress of the last decade, inequity among geographic regions and socioeconomic groups persists in Indonesia's health sector. This grant will support implementation of the National Strategic Plan, with focus on health sector planning and governance for integrated people-centered services, health financing systems, human resources for health and quality of care, laboratory systems and monitoring and evaluation systems.

The RSSH program aims to: (i) realize comprehensive, high-quality primary health services and strengthen community empowerment; (ii) establish an efficient, effective and equitable health financing system; and (iii) ensure the provision of competent and equitably distributed health human resources through:

- improving the quality of primary health care service to village and hamlet level through integrated primary care services in 40 districts;
- supporting country efforts to strengthen the national network of laboratory systems that promote tiered systems in quality assurance; and
- supporting improvement in district level planning, budgeting and spending, aligned with Indonesia's decentralized system of governance and funding flows.

1.12 Co-financing

Please refer to section 1.3 above.

1.13 GAC review and recommendation

- **Complementarity with C19RM investments.** The Secretariat highlighted that the HIV, TB, malaria and RSSH grants were developed in conjunction with the proposed C19RM portfolio optimization wave 2 funding request (pending C19RM Investment Committee review) to avoid duplication, whilst ensuring strong synergies and complementarity with the investments presented for Board approval. The proposed C19RM funding, to be considered by the C19RM Investment Committee in October 2023, is aimed at enhancing existing programs through investments in scaling-up laboratory networks, genome sequencing, surveillance, early warning systems and logistics management information systems.

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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