

# Electronic Report to the Board

## Report of the Secretariat's Grant Approvals Committee GF/B49/ER09

### Board Decision

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

1. GF/B49/EDP11: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation<sup>1</sup>

*Document Classification: Internal.*

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<sup>1</sup> The Secretariat recommends the approval of funding from the 2023-2025 Allocation for 6 grants: Congo Malaria, Bangladesh Malaria, Cuba HIV, Morocco HIV/TB and Papua New Guinea Malaria, up to an amount of **US\$79,941,371 and EUR60,308,153**, including private sector contributions of US\$2,700,000 for Bangladesh Malaria.

## Decision

**Decision Point: GF/B49/EDP11: 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/ER09 ("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 6 grants: Congo Malaria, Bangladesh Malaria, Cuba HIV, Morocco HIV/TB and Papua New Guinea Malaria, up to an amount of **US\$79,941,371 and EUR60,308,153** of country allocation funding, including private sector contributions of US\$2,700,000 for Bangladesh Malaria.

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/EDP11: 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 <sup>2</sup>	Grant End Date	Currency	Total Program Budget	Catalytic Funds in Grant	Domestic Commitment <sup>3</sup>	Unfunded Quality Demand (US\$)
1	<a href="#">Bangladesh</a>	Malaria	BGD-M-BRAC	31/12/2026	US\$	13,108,131 <sup>4</sup>	2,700,000	11,910,000	10,517,041
			BGD-M-NMCP	31/12/2026	US\$	9,683,062	-		
2	<a href="#">Congo</a>	Malaria	COG-M-CRS	31/12/2026	EUR	39,020,416	-	Pending finalization of the Commitment Letter	3,818,605
3	<a href="#">Cuba</a>	HIV	CUB-H-UNDP	31/12/2026	US\$	19,709,425	-	Pending finalization of the Commitment Letter	6,960,893
4	<a href="#">Morocco</a>	HIV/TB	MAR-C-MOH	31/12/2026	EUR	21,287,737	-	71,657,225	5,843,531
5	<a href="#">Papua New Guinea</a>	Malaria	PNG-M-RAM	31/12/2026	US\$	37,440,753	-	Pending finalization of the Commitment Letter	17,897,189

<sup>2</sup> The Grant names are subject to change based on the ISO code.

<sup>3</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>4</sup> The Total Program Budget for BGD-M-BRAC includes US\$2,700,000 of private sector contribution.

# **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:

## **Bangladesh Malaria: BRAC; and Economic Relations Division, Ministry of Finance of the People's Republic of Bangladesh (BGD-M-BRAC, BGD-M-NMCP)**

### 1.1 Background and programmatic context

Bangladesh has made significant strides in decreasing malaria cases, with an 82 percent reduction in malaria cases from 39,000 cases in 2015 to 7,000 in 2021 and maintaining a low mortality rate. Despite the declining trend in malaria cases over the year, the country has experienced periodic upsurges, with the most recent spike to 18,000 cases in 2022, most likely linked to COVID-19 related changes in mobility patterns and health-seeking behavior among high-risk occupational groups and migrant workers. Due to continuous coverage with malaria prevention interventions, and access to early diagnosis and prompt treatment in endemic districts, three out of 64 districts in Bangladesh now account for 95 percent of the total malaria cases.

Bangladesh's malaria grants aim to: (i) interrupt local transmission of and eliminate indigenous malaria and prevent re-establishment of local transmission by 2030; and (ii) attain zero mortality due to indigenous malaria and maintain this status by 2027, through:

- ensuring universal coverage by early case detection using quality assured parasitological tests and prompt and effective treatment of all confirmed malaria cases according to national treatment guidelines;
- ensuring universal coverage of populations at risk in targeted areas with appropriate preventive interventions;

- strengthening context-specific surveillance in all malaria settings and outbreak preparedness and response;
- enhancing social and behavior change communication with special emphasis on community engagement and mobilization, context-specific communication and advocacy;
- ensuring strengthened program management, monitoring and evaluation and partnership and coordination;
- conducting research to guide strategy and policy to address program gaps and challenges; and
- preventing the re-establishment of malaria transmission in malaria-free areas.

## 1.2 Co-financing

- **2020-2022 allocation period:** The Secretariat has granted Bangladesh a waiver for co-financing commitments related to malaria during the 2020-2022 allocation period. The Secretariat recognized that, due to COVID-19 containment measures, Bangladesh's expenditures under the malaria operational plan—serving as the foundation for their co-financing commitments—experienced a substantial decline during this period. Despite this, malaria services, integrated into primary health care, remained consistent, and there was an overall increase in the health budget.
- **2023-2025 allocation period:** Per the signed commitment letter, the Government will increase its health sector expenditure by 2 percent annually from 2023 to 2025. Additionally, the country will allocate US\$11.9 million towards the malaria response in the 2023-2025 allocation period, thereby fulfilling their co-financing requirements.

## 1.3 GAC review and recommendation

- The GAC recognized significant funding shortfalls in the third year of the malaria grant, particularly affecting Insecticide-Treated Net (ITN) coverage, posing challenges for malaria elimination. The Secretariat emphasized that, while rigorous prioritization during grant-making and an additional US\$2.7 million from a private sector donor have helped to reduce programmatic gaps, several pressing concerns remain, including: (i) intensified activities in high-endemic districts are currently limited to the first two years; (ii) the continuation of services and ITN distribution plan for the refugee camps in the third year are unfunded; and (iii) ITN distribution in Khagrachhari district has shifted from universal coverage to targeted village-level distribution due to financial constraints (which is justified based on epidemiological data but heightens the risk of malaria resurgence). The Secretariat stressed that, while savings might address the first point, they are unlikely to be sufficient for the latter two. As such, the GAC recommended the Secretariat continue exploring avenues for additional funding across the Partnership, as feasible.
- **C19RM complementarity.** The Secretariat emphasized that at the portfolio level, C19RM investments have played a crucial role in enhancing Bangladesh's molecular diagnostic network, creating a network of oxygen plants, bolstering the laboratory system, and expanding community health worker coverage to aid surveillance and offer integrated diagnostic/referral and treatment support services. Regarding the malaria program, these funds have been vital in counteracting the negative impact of the COVID-19 pandemic on its implementation, particularly concerning the postponed transition to government-led initiatives in the eight elimination districts.

## Congo Malaria: Catholic Relief Services - United States Conference of Catholic Bishops (COG-M-CRS)

### 1.4 Background and programmatic context

Malaria is a major public health challenge in Congo, with the entire population of 6 million at-risk. It was the main cause for medical consultations, at 71 percent in 2021 and 52 percent in 2022 and contributed to 14 percent of deaths in 2021 and 22 percent in 2022. Incidence increased from 26 to 62 per 1,000 between 2020 and 2021 due to decreased Long-Lasting Insecticidal Nets (LLIN) effectiveness and improved data completeness in the same period.

By December 2026, Congo's malaria grant aims to:

- reduce malaria-related deaths to 38/100,000 compared to the 2024 baseline of 68/100,000;
- reduce malaria prevalence from 83/100,000 compared to the 2024 baseline of 151/100,000;
- strengthen management capacities of the national malaria control program; and
- strengthen health systems at all levels of the health pyramid and epidemiological surveillance.

### 1.5 Co-financing

**2020-2022 allocation period:** A waiver has been granted to exempt Congo from complying with its minimum co-financing commitments for HIV, TB and malaria in the 2020-2022 allocation period. This exemption is due to Congo's declining GDP growth rate, stagnant government revenue and the economic impact of the COVID-19 pandemic. The economy shrunk by about 44 percent in real terms between 2018 and 2020. GDP per capita fell from US\$4,607 in 2012 to US\$2,584 by 2023. Congo transitioned from an upper-tier, lower- middle-income country in 2015-2017 to a lower-tier, lower-middle-income country in 2018. The country's debt rose from 30 percent of GDP in 2012 to 97 percent in 2023, limiting capacity for social sector spending. There are also challenges in government budget reporting due to a weak financial management system.

**2023-2025 allocation period:** Congo has submitted a signed commitment letter noting an increase in health expenditure, as a proportion of total government spending, from 11.72 percent in 2023 to 12.57 percent by 2025. However, given the previous unmet co-financing commitments for the 2020-2022 allocation period, the Secretariat has requested a revised co-financing commitment letter with a recalibrated commitment considering the level of spending for the 2020-2022 allocation period and the constrained fiscal landscape. The commitment will be focusing on domestic investments that can be consistently monitored and verified during the grant's tenure. The revised commitment letter will be submitted by no later than 30 June 2024.

### 1.6 GAC review and recommendation

- Partners acknowledged the country's historically low baseline in malaria response. With the scale-up of Global Fund support, GAC Partners assured continued backing for on-the-ground implementation and reiterated their commitment to advocacy with the Government for fulfillment of co-financing commitments. Partners stressed the critical role of the Government's active involvement in co-financing to effectively meet

established targets and to enhance the overall impact of the malaria response given the low baseline.

- GAC Partners expressed appreciation for the prioritized expansion of the malaria grant amidst constrained resources. They highlighted the strategic emphasis on improving access to prevention and care for all vulnerable populations by enlarging the CHW networks and adopting the Pyrethroid-Chlorfenapyr (CFP) nets nationwide. The GAC acknowledged the country's strategic shift towards CFP nets due to signs of resistance but underlined that this intervention is insufficient to achieve malaria targets, noting the need for a comprehensive malaria control strategy in the long term. The Secretariat reiterated plans to continue advocating for the country to increase domestic resources to support interventions and fill funding gaps.
- **Complementarity with C19RM.** The Secretariat confirmed that the C19RM reinvestment and portfolio optimization wave 2 were conducted in tandem with grant-making for the 2023-2025 allocation to ensure resource optimization, complementarity and holistic planning across funding streams. The Secretariat highlighted (i) bolstering long-term CHW interventions; (ii) bolstering data quality to inform program decision-making; and (iii) expanding laboratory networks with quality controls and biosafety measures.
- The GAC and Partners commended the Secretariat's direction with C19RM investments, emphasizing the importance of integrating CHWs within the health systems for the long term, Partners reinforced the importance of CHWs playing a broader, cross-disease role and a clear link to pandemic preparedness, beyond HIV, TB and malaria, for sustainability and program success. The Secretariat highlighted that C19RM funds have been shifted to support health system strengthening interventions, with CHWs playing pivotal roles in high-volume sites for integrated health services and in the surveillance of epidemic-prone diseases. With C19RM backing, additional cross-cutting CHWs are being onboarded and community-led monitoring will be enhanced. Furthermore, the Secretariat highlighted efforts to strengthen sustainability by ensuring official acknowledgment of CHWs in the health system, with the Ministry of Health endorsing more CHW training for supervisory roles. An RSSH indicator has been included in the 2023-2025 allocation grant to ensure improved monitoring of CHWs signing formal contracts and receiving payment.

## **Cuba HIV: United Nations Development Programme (CUB-H-UNDP)**

### **1.7 Background and programmatic context**

Cuba has made significant strides in its response to HIV, boasting a 13 percent reduction in new infections in the period between 2010 and 2022 (UNAIDS, 2022) since 2010 and successfully eliminating mother-to-child transmission of HIV and syphilis (UNAIDS, 2015). Yet, the COVID-19 pandemic and the subsequent economic downturn slowed down momentum. The current grant is designed to refocus efforts to achieve epidemic control by 2030, aiming to decrease HIV incidence and mortality, especially among key populations. The program's targeted municipalities represent 48.6 percent of the estimated population of men who have sex with men and 53 percent of the transgender community.

### **1.8 Risks and mitigation measures**

**Sanctions.** Cuba is subject to Office of Foreign Assets Control (OFAC) sanctions. An OFAC general license authorizes transactions, including those related to travel, related to humanitarian projects in or related to Cuba that are designed to directly benefit the Cuban



people provided that the traveler's schedule of activities does not include free time or recreation in excess of that consistent with a full-time schedule. This exemption expressly authorizes, among other categories, medical and health related projects; construction projects intended to benefit legitimately independent civil society groups; disaster preparedness, relief and response; and projects to meet basic human needs. The selection of UNDP as Principal Recipient provides additional assurances with regard to sanctions. In addition, the Grant Confirmation incorporates a sanctions requirement to provide assurances both with respect to UNDP's activities and further downstream with respect to any sub-recipients or suppliers. Taken together, the scope of the sanctions orders, general license, and sanctions requirement in the Grant Confirmation provide assurances that Global Fund grant funds will not be used in contravention of sanctions in the GC7 Cuba grant.

**Sustainability.** Macroeconomic challenges threaten the long-term sustainability of the HIV response. Despite the intensification of economic sanctions since 2018, Cuba has maintained access to antiretrovirals and other essential health products, leveraging the pooled procurement mechanisms of UNDP and the Pan American Health Organization.

#### 1.9 Co-financing.

- **2020-2022 allocation period:** According to reported data, Cuba met its co-financing commitments for the 2020-2022 allocation period in local currency but not in US dollar terms, due to substantial exchange rate fluctuations and an overly ambitious commitment (including procurement of essential health products). The Secretariat has required the evidence regarding HIV spending from 2021 to 2023, for further verification. Therefore, Cuba conditionally met its HIV co-financing requirement.
- **2023-2025 allocation period:** As per the draft commitment letter, Cuba's co-financing commitments for this allocation period exceed the required amount by US\$727,000, which the Secretariat considers attainable. Programmatic commitments align with the political will to ensure progressive absorption of interventions. Full acceptance of the commitment letter is conditioned to the verification of documentation from the Finance Department of the Ministry of Health, which includes annual expenditure and the procurement of products to monitor co-financing commitments, as well as the costed National Strategic Plan 2024-2028.

### **Morocco HIV/TB: Ministry of Health of the Kingdom of Morocco (MAR-C-MOH)**

#### 1.10 Co-financing.

**2020-2022 allocation period:** Morocco has conditionally met its co-financing commitment, subject to the provision of further documentation. Budgetary records indicate that the country surpassed the aggregate disease-specific requirement and reached the entire portfolio level spending criteria. The Secretariat has requested additional documentation to validate Morocco's co-financing commitment realization and verify health expenditure, expected by 30 November 2023.

**2023-2025 allocation period:** The Government of Morocco has committed an increase of EUR 6,339,786 toward co-financing for HIV and TB programs, thus complying with co-financing requirements. The Commitment Letter has been signed by the Director of Planning

and Financial Resources of Morocco. The government has been encouraged to strengthen evidence-based monitoring and evaluation of co-financing in the 2023-2025 allocation period.

### **Papua New Guinea Malaria: The Rotary Club of Port Moresby Inc. (PNG-M-RAM)**

#### 1.15 Co-financing.

**2020-2022 allocation period:** Papua New Guinea has conditionally met its co-financing commitment for procuring Rapid diagnostic tests (RDTs) and artemisinin-based combination therapy (ACTs) pending the submission of supporting documentation no later than June 2024.

**2023-2025 allocation period:** Papua New Guinea is conditionally compliant with co-financing commitments pending. The country has committed to increasing investments towards meeting the national needs for RDTs and ACTs. The Treasury or Ministry of Finance is expected to co-sign the Commitment Letter by 30 June 2024.

## 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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