

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B49/ER10

Board Decision

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

1. GF/B49/EDP12: 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 11 grants: Congo HIV/TB, Niger HIV, Niger Malaria, South Sudan HIV/TB, Venezuela HIV/TB, Venezuela Malaria, Kazakhstan HIV, Thailand HIV/TB (3 grants) and Guinea-Bissau HIV/TB, up to an amount of **US\$ 204,286,687, EUR 202,927,122**, including matching funds of **US\$2,000,000** for South Sudan HIV/TB and **US\$1,500,000** for Thailand HIV/TB.

Decision

Decision Point: GF/B49/EDP12: 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/ER10 ("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 **11** grants: Congo HIV/TB, Niger HIV, Niger Malaria, South Sudan HIV/TB, Venezuela HIV/TB, Venezuela Malaria, Kazakhstan HIV, Thailand HIV/TB (3 grants), and Guinea-Bissau HIV/TB, up to an amount of **US\$204,286,687** and **EUR202,927,122** of country allocation funding, including matching funds of **US\$2,000,000** for South Sudan HIV/TB and **US\$1,500,000** for Thailand HIV/TB.

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/EDP12: 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 (US\$)
1	Congo	HIV/TB	COG-C-UNDP	31/12/2026	EUR	32,659,607	-	Pending finalization of the Commitment Letter	3,818,605
2	Niger	HIV	NER-H-MSP	31/12/2026	EUR	30,135,943	-	Pending finalization of the Commitment Letter	9,619,834
		Malaria	NER-M-CRS	31/12/2026	EUR	112,597,063	-		21,853,035
3	South Sudan	HIV/TB	SSD-C-UNDP	31/12/2026	US\$	90,682,856	2,000,000	Pending finalization of the Commitment Letter	24,608,004
4	Venezuela	HIV/TB	VEN-C-UNDP	31/12/2026	US\$	21,739,990	-	Exempt as a non-CCM country	10,390,384
		Malaria	VEN-M-UNDP	31/12/2026	US\$	14,744,295	-		5,178,517
5	Kazakhstan	HIV	KAZ-H-RAC	31/12/2026	US\$	7,422,991	-	Pending finalization of the Commitment Letter	4,508,807
6	Thailand	HIV/TB	THA-C-DDC	31/12/2026	US\$	27,349,811	-	Pending finalization of the Commitment Letter	25,549,424
			THA-C-RTF	31/12/2026	US\$	30,500,180	-		
			THA-C-WVFT	31/12/2026	US\$	11,846,564	1,500,000		
7	Guinea-Bissau	HIV/TB	GNB-C-MOH	31/12/2026	EUR	27,534,509	-	Pending finalization of the Commitment Letter	9,002,895

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:

Congo HIV/TB: United Nations Development Programme (COG-C-UNDP)

1.1 Background and context

HIV incidence and mortality rates in Congo rank among the world's highest. HIV prevalence in the general population increased from 3.6 percent to 3.8 percent from 2017 to 2022. Prevalence is highest among key and vulnerable populations, including men who have sex with men (MSM) (41.2 percent), sex workers (8.1 percent) and prisoners (3.8 percent). The country recorded an estimated 13,932 new infections in 2022, 18 percent of which were children under 14 years old.

Congo is among the 30 countries with the highest TB burdens in the world and has the third-highest TB incidence rate in the West and Central African Region. In 2021, TB incidence was 370/100,000 population, while mortality of all forms was markedly high at 54/100,000 population for TB-HIV negative patients and 45/100,000 population for TB-HIV positive patients. Case detection remains a concern with up to 45 percent of incident cases not recorded and not linked to treatment. While the treatment success rate increased, reaching 75.2 percent in 2021, this area still faces challenges.

1.2 Risks and mitigation measures

The complex macroeconomic environment in Congo, notably the loss in gross domestic product (GDP) and debt servicing, poses a potential risk to the adequate financing of HIV, TB

and malaria interventions. While growth in the domestic health budget during the 2023-2025 allocation period is projected, prevailing macroeconomic and fiscal challenges could hinder the necessary funding for these interventions. The Secretariat will closely monitor socio-economic trends to ensure adaptive and optimized implementation.

1.3 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 implementation period. The revised commitment letter will be submitted by no later than 30 June 2024.

1.4 GAC review and recommendation

HIV

- The GAC acknowledged the challenging circumstances and commended the progress made and the Secretariat's efforts in guiding the country through difficult trade-offs and prioritization decisions during grant-making. GAC Partners acknowledged that the best possible outcome has been achieved, with interventions aligned with normative guidance, set against a backdrop of a constrained budget and worsening HIV indicators, noting that achieving full coverage remains out-of-reach. The GAC and Partners praised the tremendous efforts in collaboration with the country and stakeholders to allocate resources towards high-impact interventions and based on geographic prioritization. The GAC and Partners further recognized that the Secretariat will continue to monitor implementation closely, ensuring the program design delivers maximum effectiveness.
- GAC Partners highlighted the impact of the country's limited investment in HIV, which has contributed to deteriorating HIV indicators, including a significant rise in incidence and mortality. The GAC and Partners underscored the importance of unified advocacy to the Government to ensure the fulfillment of co-financing commitments - noting that the Government will be responsible for supplying HIV commodities essential for meeting programmatic targets. Partners reiterated their support to diligently track progress and advocate for the country to uphold its financing commitment, acknowledging that significant programmatic gaps will emerge if these are not met.

- The GAC and Partners recognized the in-country progress towards adopting a decentralized model for diagnostic sites, leading to a notable increase in laboratory-confirmed cases in 2022. Partners emphasized that, despite progress over the past six years, there is substantial potential for further expansion and enhancement, given that the current network of 87 laboratories equates to one diagnostic site for every 153,000 individuals. The Secretariat echoed the Partners' concerns and noted that it will actively explore efficiencies to reinforce and expand the diagnostic coverage during grant implementation.
- GAC Partners stressed the need to ensure an adequate supply of GeneXpert TB cartridges across the 40 genomic sequencing laboratory sites, recalling past cartridge shortages in the country. The Secretariat affirmed that the Global Fund grant has accounted for this, by increasing the allocation for cartridges. Moreover, efficiency gains from recent price reductions have been leveraged to procure more cartridges to meet the needs.

Kazakhstan HIV: Kazakh Scientific Center of Dermatology and Infectious Diseases of the Ministry of Health of the Republic of Kazakhstan (KAZ-H-RAC)

1.4 Background and context

Kazakhstan has a concentrated HIV epidemic, with a prevalence of 0.3 percent in the general adult population, with key populations including people who inject drugs (PWID) and MSM being disproportionately affected. In 2022, there was an estimate of 38,600 people living with HIV (PLHIV). The country made progress towards achieving the 95-95-95 targets - in 2022, HIV treatment cascade was 79-84-87. While the country funds more than 90 percent of the HIV national response, Global Fund funding serves as a vital catalyst for advancing towards the global targets through the concentrated investments in pivotal catalytic programmatic components.

1.5 Co-financing

2020-2022 allocation period: Kazakhstan has fulfilled its co-financing commitments, despite a dip in investments in 2020 and 2021, with health expenditure data from 2020-2025 projecting a recovery to US\$4,374 million in 2023. Kazakhstan's total programmatic spending exceeded the required US\$137.7 million. The country covers more than 90 percent of the national response including allocations to HIV prevention and ARV treatment.

2023-2025 allocation period: The country will submit a revised commitment letter signed by the Ministry of Health within the first six months of implementation. An initial commitment letter was provided during the funding request stage; however, following discussions during grant-making the Secretariat recommended that the country re-assesses co-financing commitment for the 2023-2025 allocation period.

Niger HIV and Malaria: Ministry of Public Health, Population and Social Affairs; and Catholic Relief Services – United States Conference of Catholic Bishops (NER-H-MSP, NER-M-CRS)

1.7 Background and context

Niger faces a concentrated HIV epidemic among key populations, with a low prevalence in the general population. The epidemic is notably high among sex workers at 9.5 percent and MSM at 6.4 percent in 2019. From 2012 to 2022, HIV incidence has remained stable, and HIV-related mortality has decreased by 66 percent. Prevention of mother-to-child transmission (PMTCT) remains a challenge, with a transmission rate to newborns of 26 percent. In 2022, only 40 percent of pregnant women were tested for HIV, and among those diagnosed, 79 percent received treatment.

Malaria is a serious public health problem in Niger as the entire country is endemic with a seasonal upsurge during the rainy season. According to the latest data, Niger had 4 million confirmed cases of malaria and 4,430 malaria-related deaths in 2021. Although the incidence of malaria has declined in the past several years, the number of estimated malaria cases and deaths has increased since 2017. Chronic food insecurity and malnutrition levels in Niger have had a negative impact on malaria incidence in the country. Acute malnutrition affected 11.5 percent of children in 2021 and severe acute malnutrition rose from 1.6 to 2.4 percent between 2016 and 2022, increasing vulnerability to malaria, especially in children under five.

1.8 Risks and mitigation measures

Sanctions. The GAC acknowledged that on 23 October 2023, the European Union (EU) established a sanctions framework with respect to Niger, which includes asset freezes, travel bans and restrictions on making funds available to blocked persons or entities. As of the date of this report, the Global Fund notes that no individuals or entities have been included in the list of sanctioned individuals or entities. The framework moreover incorporates an exemption for the delivery of humanitarian assistance and for activities supporting basic human needs, where these are carried out by international organizations, humanitarian organizations having observer status with the United Nations General Assembly, and grantees and implementing partners of these entities. This exemption currently covers activities and downstream implementers contemplated in the grant proposed for approval. Therefore, even if subsequent designations occur, the exemption would continue to apply.

For the above reasons, the 2023-2025 allocation period implementation arrangements are consistent with the EU sanctions framework. Additionally, both Principal Recipients will have obligations pursuant to the terms of the relevant Grant Confirmations to ensure they and any Sub-recipient or supplier complies with applicable sanctions laws and has reasonable controls in place to ensure such compliance.

Should the sanctions landscape for Niger further evolve, the Secretariat may reassess the implementation arrangements during the implementation period and will be able to trigger relevant flexibilities under the Additional Safeguards Policy and the Challenging Operating Environments Policy, as relevant.

Co-financing. The Secretariat noted significant risks to Niger's ability to meet co-financing commitments for the 2023-2025 allocation period amid the country's unstable political and macroeconomic situation. Despite progress after the military coup, with the Country Coordinating Mechanism (CCM) coordinating with the Ministry of Public Health and Ministry of Finance to include annual commitments in the government's Budget Acts, the Government's announced a 40 percent budget cut for 2023 in October 2023, putting co-financing commitments at risk. Consequently, the Secretariat is re-evaluating the commitments for the 2023-2025 period and will continue to engage with the new authorities to establish realistic commitments.

Salary Incentives. The NER-H-MSP grant includes EUR 4,967,769 worth of salary incentives for community health workers and community-based organizations, which are tied to the

execution of defined tasks and/or deliverables that are verified during routine supervisions and are in line with the Global Fund's Guidelines for Grant Budgeting.

1.9 Co-financing

2020-2022 allocation period: A waiver of Niger's co-financing commitments for the 2020-2022 allocation period was approved by the Secretariat, acknowledging the country's challenging macroeconomic and political context during this period, as well as health budget execution issues linked to cash flow difficulties and public financial management weaknesses. These fiscal challenges, along with past methodological issues and unrealistic commitments, have influenced the decision to request a waiver for Niger.

2023-2025 allocation period: A partial waiver of the total minimum requirement for the 2023-2025 allocation period is proposed and in process for Niger due to uncertainties regarding the country's fiscal capacity and overall financial flexibility following the announcement in October of a 40 percent reduction of the 2023 Budget Act. The initial commitments made before the coup d'état are now considered unrealistic. As a result, the Secretariat will support the country in developing a revised commitment letter during the TB funding request and grant-making period in 2024, to be finalized and submitted to the Secretariat by 31 December 2024.

1.10 GAC review and recommendation

- The GAC and Partners acknowledged the challenging programmatic environment following the military coup, highlighting significant implementation risks and the need to continue to advocate for government commitments. Partners emphasized the importance of maintaining close communication and coordination for effective implementation as events progress. The Secretariat underlined that, due to the restricted fiscal space, diminishing partner support, and evolving sanctions landscape post-coup, several measures have been taken to minimize risks and maximize resources, including: (i) initiating contingency planning for the portfolio and considering flexibilities for the implementation of activities — by September 2023, the CCM and local stakeholders had drafted an initial contingency plan which is currently being strengthened for finalization before year's end; (ii) adjusting budgets in both grants to accommodate potential increases in procurement costs for health products and exploring alternative shipping methods and delivery routes to Niger; and (iii) reserving funds in the HIV grant, presented for Board approval, to cover the critical technical assistance needs of the HIV program, in view of the reduction in funding from other partners.
- **Complementarity with C19RM funding:** The Secretariat underscored the comprehensive approach taken to align investments in resilient and sustainable systems for health (RSSH) from the allocation and C19RM investments. This strategy ensures cohesion across priority RSSH areas, including supply chain and waste management, laboratory systems strengthening, human resources for health, particularly at the community level, surveillance and community systems strengthening, particularly community led monitoring and advocacy.

Malaria

- GAC Partners commended the Secretariat in supporting the country to navigate difficult prioritization decisions within the constrained malaria allocation during grant-making,

appreciating the fully funded seasonal malaria chemoprevention (SMC) campaigns. Partners also noted concerns about remaining gaps in critical areas, including insecticide-treated nets (ITNs) for routine distribution, funding for piperonyl butoxide nets in areas with resistance, and other malaria commodities. The Secretariat will actively seek opportunities for additional funding and reinvest efficiencies in these areas.

- Partners appreciated the consolidation of the ITN campaigns for the 2023-2025 allocation period into one national mass campaign in 2024, while recognizing the heightened risk of disruptions and confirmed their readiness to provide support to respond to the challenges. The Secretariat set aside contingency buffer envelopes in the budget for the ITN and SMC campaigns, which can be considered as a best practice for challenging contexts. These buffer funds are earmarked to facilitate program adaptability to changing circumstances and to uphold quality amidst the efficiency measures the program put in place.

HIV

- GAC Partners commended the grant's design, highlighting that it addresses critical needs, including the provision of HIV commodities such as antiretrovirals (ARVs). Partners welcomed the inclusion of a hepatitis B pilot, in the context of triple elimination for pregnant women, and stressed the urgency of expanding PMTCT initiatives to match the country's population and growing birth rate.
- Partners emphasized the importance of transitioning HIV patient data from temporary Excel-based tools to the more comprehensive district health information software 2 (DHIS2), in order to strengthen HIV data management and quality. The Secretariat confirmed that funds from the grant proposed for approval are earmarked for rolling out the HIV tracker in DHIS2.

South Sudan HIV/TB: United Nations Development Programme (SSD-C-UNDP)

1.11 Background and context

South Sudan's HIV epidemic has escalated, with infections rising by 21 percent from 2010 to 2021. In 2022, there were 164,453 PLHIV, 8.5 percent being children under 15 and 61 percent adult females. The country reported approximately 10,932 new HIV cases in 2022 alone, with children comprising 14 percent of cases. Despite this, HIV-related deaths are decreasing, with 7,359 reported in 2021. The HIV treatment cascade for 2022 reveals limited progress, standing at 39-32-15.

TB continues to be a major public health issue in South Sudan. In 2021, the incidence rate for drug-susceptible TB (DS-TB) was estimated at 227 cases per 100,000 people, totaling approximately 24,000 cases, while drug-resistant TB (DR-TB) had an incidence of 5.1 cases per 100,000, amounting to 550 cases, with burden being unchanged since 2011. Only 49 percent of new and relapsed TB cases were bacteriologically confirmed in 2021, indicating a shortage of access to advanced diagnostics.

1.12 Co-financing

2020-2022 allocation period: The Secretariat waived South Sudan's co-financing requirements, recognizing the difficult operating environment and economic shocks affecting the country. Government financial reports for the 2020-2022 allocation period demonstrate high variability in the: (i) overall health budgets (US\$24.4 million to US\$90 million), (ii) actual execution rates (7 percent to 92 percent; median 39 percent), and (iii) contribution to total

government expenditure (0.3 to 2.7 percent). These trends are indicative of the volatile socio-economic context.

2023-2025 allocation period: The Secretariat is in the process of negotiating the terms of South Sudan's co-financing requirements for the 2023-2025 allocation period.

1.13 GAC review and recommendation

HIV/TB

- GAC Partners shared the Secretariat's concern regarding the country's resource constraints and deteriorating HIV trends, including a 21 percent increase in incidence, and low rates of treatment coverage and viral load suppression. GAC Partners acknowledged that, while there are robust policies for differentiated service deliveries, the actual implementation of these policies needs strengthening. The Secretariat emphasized that the 2023-2025 allocation period program builds on lessons learned from the previous grant focusing on areas for maximum impact, including: (i) prioritizing community-based/owned interventions to provide comprehensive support to PLHIV on ART in communities, (ii) optimizing HIV service delivery in prioritized facilities, complemented by investments in community-led and mobile approaches, and (iii) prioritizing the building of in-country capacity to design and implement comprehensive programs to address and reduce human rights barriers to access, uptake and retention in HIV and TB services.
- GAC Partners supported the increased ambition in South Sudan's HIV grant, acknowledging plans for an upward revision of ART targets in Q2 2024 to address the currently low HIV cascade. The Secretariat confirmed that this decision aligns with positive trends in ART recruitment and retention, consistent with South Sudan's status as an HIV incidence reduction priority country.
- The GAC highlighted challenges in the TB program, such as limited diagnostic capacity and inadequate coordination among health sector partners, resulting in missed opportunities for TB screening, diagnosis and care. The GAC appreciated the grant's strategic investment, complemented by C19RM funding, in enhancing GeneXpert capacity. This includes strengthening and expanding sample transportation networks, scaling up DR-TB diagnosis and treatment, and enhancing the lab information system and digital modalities for more efficient sample tracking and reporting.
- **Complementarity with C19RM investments.** The Secretariat highlighted that the development of the C19RM Wave 2 portfolio optimization funding and reinvestment strategy was coordinated alongside the Funding Request and grant-making process for the 2023-2025 allocation period to ensure optimal complementarity across all investments. A detailed analysis ensured synergy in bolstering surveillance systems, laboratories and diagnostics, as well as community systems strengthening, avoiding duplication and optimizing resource use for maximum value for money.
- The GAC acknowledged that South Sudan was designated Matching Funds for RSSH/Pandemic preparedness: Laboratory systems. The TRP confirmed that access and programmatic conditions have been met, and the Secretariat reaffirmed this during grant-making.

Thailand HIV/TB: Department of Disease Control, Ministry of Public Health of the Royal Government of Thailand; Raks Thai Foundation; and World Vision Foundation of Thailand (THA-C-DDC, THA-C-RTF, THA-C-WVFT)

1.14 Background and context

Thailand's HIV epidemic predominantly affects key populations with varying prevalence rates: 10.96 percent in PWID, 7.3 percent in MSM and 4.2 percent in transgender women as of 2020. Stigma and discrimination are a significant barrier to the HIV response and often delay treatment initiation among PLHIV. Pre-exposure prophylaxis (PrEP) services, mainly facilitated by community-led initiatives, have reached only 13.2 percent of the yearly country target. There is a significant risk of a decline of PrEP indicators due to recent regulatory restrictions on PrEP distribution by community-led initiatives.

TB is a major public health issue in Thailand, placing it among the top 30 high TB burden countries globally. In 2021, the estimated TB incidence rate was 143 per 100,000 population, equating to around 103,000 cases yearly. The mortality rate among HIV-negative individuals was 13 per 100,000 population in 2021. The country also faces a challenge with multidrug-resistant TB, with an incidence rate of 3.4 per 100,000 population, translating to about 2,400 cases in 2021. The COVID-19 pandemic adversely impacted TB case detection, risking the reversal of recent advancements in TB control.

1.15 Co-financing

2020-2022 allocation period: Thailand has conditionally met its co-financing commitments for HIV and TB pending submission of the final supporting documentation of expenditures.

2023-2025 allocation period: Thailand's Ministry of Health has submitted a draft commitment letter for HIV and TB, incorporating information from the National Health Security Office and Department of Disease Control, which is currently pending finalization. The Secretariat has included a grant condition stipulating the submission of the revised commitment letter by 31 March 2024.

1.16 GAC review and recommendation

- The GAC recognized the challenges faced due to punitive laws that impede the HIV and TB responses aimed at key populations. The Secretariat highlighted plans, in accordance with TRP recommendations, to initiate activities focused on sensitizing, advocating and engaging law enforcement and other stakeholders to modify attitudes and practices detrimental to key populations, aiming for changes by the end of Year 1 of implementation.
- The GAC expressed concerns regarding upcoming regulatory changes in 2023 that could limit the capabilities of community-led initiatives in providing essential services, emphasizing the subsequent impact on key populations' access to healthcare services. The GAC underscored that programmatic targets might be compromised due to the pivotal role community-based organizations (CBOs) play, constituting 55 percent of HIV testing in 2018 and supporting 82 percent of current PrEP users among key populations in 2021. To navigate these challenges, the Secretariat highlighted that grant funds are allocated to foster a sustainable certification program for civil society organizations/CBOs and community health workers, thus enabling the integration of public funds for collaborations, consistent with ongoing legislative adaptations for policy improvement.
- The GAC acknowledged that Thailand was designated for Human Rights Matching Funds. The TRP deemed that access and programmatic conditions have been met and the Secretariat reaffirmed this following the conclusion of grant-making.

- The GAC acknowledged the comprehensive technical assistance included across grants, targeting areas such as audit capacity, laboratory services strengthening and to develop an integrated community-led monitoring platform. Terms of Reference, processes and unit costs were reviewed by the Local Fund Agent and deemed reasonable.

Venezuela HIV/TB and Malaria: United Nations Development Programme (VEN-C-UNDP, VEN-M-UNDP)

1.17 Background and context

Venezuela's HIV epidemic predominantly affects key populations, with 98,347 estimated cases in 2022. General prevalence was 0.5 percent, but significantly higher among transgender women (35.8 percent), MSM (22.3 percent), and female sex workers (3.7 percent) in 2019. From 2008 to 2017, HIV-related deaths were 21,232, and mortality rates rose from 5.9 to 8.3 per 100,000 population. In 2021, 76 percent of PLHIV knew their status, and 77 percent of them were receiving treatment.

In 2021, the reported TB incidence was 27.6 per 100,000 population, with higher risks among indigenous peoples and prisoners, having incidences of 63.1 and 459.2 per 100,000 population respectively. Treatment coverage stood at 69 percent in 2021, with a treatment success rate of 85 percent overall, and 81 percent among TB cases also diagnosed with HIV in 2020.

Since 2010, Venezuela experienced an unprecedented increase in malaria cases, reaching a historic peak in 2018. Following a marked increase between 2017 and 2019, malaria transmission decreased progressively in high burden areas, but it has since been reestablished in other parts of the country. Malaria deaths dropped by 83 percent from 2019 to 2022, with 19 reported deaths in 2021.

This is Venezuela's first HIV/TB allocation. The country became newly eligible for a Global Fund allocation for HIV in 2022 due to the high prevalence among key populations, while TB was exceptionally made eligible for the 2023-2025 allocation period by the Board acknowledging that Venezuela is temporarily unclassified in the World Bank as of July 2021. The Board also granted exceptionally eligible for malaria for a second time due to the continued high malaria transmission in line with Paragraph 11 of the Eligibility Policy (GF/B47/EDP10).

1.18 Risks and mitigation measures.

Sanctions. Although Venezuela is subject to certain sanctions orders, these do not and should not impact the implementation of the grants presented for approval. OFAC sanctions orders include general licenses that facilitate humanitarian aid, authorizing: (i) activities undertaken pursuant to the official business of United Nations Development Programme (UNDP) and other international organizations; (ii) transactions ordinarily incident and necessary to the exportation/re-exportation of medicine and medical devices; (iii) provision and receipt of non-scheduled emergency medical services and other medical services involving the Government; (iv) non-governmental organization (NGO) activities involving the Government in support of humanitarian projects; and (v) activities involving the Government ordinarily incident to using ports/airports. These licenses cover the proposed 2023-2025 allocation period program activities. The 2023-2025 allocation period implementation arrangements are also consistent with other relevant sanctions regimes. In addition, the Grant Confirmations for both Venezuela grants include an obligation requiring UNDP to; (i) adhere with applicable sanctions; (ii) ensure both downstream compliance and upstream reporting by all sub-recipients and suppliers; and

(iii) ensure that all sub-recipients and suppliers cascade down the same obligations in any contracts entered into using Global Fund grant funds.

Salary Incentives. The proposed programs incorporate performance incentives aligning with both the Global Fund Guidelines for Grant Budgeting and with the sanctions assurance framework referenced above. An incentive of US\$1,721,088 is included in VEN-M-UNDP to support in-country staff crucial for program implementation and impact delivery, contingent upon satisfactory standard operating procedures and a robust assurance framework. These incentives would be paid directly to individuals – no funds would transit through the government.

1.19 Co-financing

As a non-CCM applicant in the 2023-2025 allocation period, co-financing requirements are not applicable to Venezuela.

1.20 GAC review and recommendation

- The GAC and Partners commended the Secretariat for the achievements and design of the grant, acknowledging this is Venezuela's first HIV/TB allocation. Partners noted that, despite existing gaps, prioritizing commodities and community engagement is a strategic approach that is likely to have the greatest impact.
- The GAC emphasized the need for a cautious approach in transitioning to new implementation arrangements. UNDP, as the Principal Recipient (PR) for both HIV/TB and malaria grants, will gradually take on responsibilities such as procurement and distribution of commodities, as well as community-led monitoring and CSO capacity-building. The GAC Partners reaffirmed their commitment to ensuring a smooth handover and maintaining consistent forecasting for TB and HIV health products.
- The Secretariat highlighted that funding constraints have limited investments in key areas, including: (i) differentiated and innovative services for key populations, (ii) laboratory systems, (iii) health management information systems (HMIS), and (iv) monitoring and evaluation (M&E). The Secretariat highlighted planned technical assistance interventions to support the Ministry of Health in developing and implementing a national M&E framework, a program and data quality assurance plans and in strengthening the HMIS, as strategies to address gaps and mitigate risks related to data quality and availability.
- The GAC recommended these grants for Board approval and noted that both Grant Confirmations, given the new and/or exceptional eligibility of Venezuela for the 2023-2025 allocation, should be released for signature following Board approval.

Guinea Bissau HIV/TB: Ministry of Health of the Republic of Guinea-Bissau (GNB-C-MOH)

1.21 Co-financing

2020-2022 allocation period: Guinea Bissau met its total minimum co-financing commitment in the 2020-2022 allocation period of EUR 12,661,956. The budget execution data confirms the country complies with co-financing requirements, in line with flexibilities allowing for co-financing to be fully dedicated to RSSH interventions in low-income contexts.

2023-2025 allocation period: The Government has submitted a commitment letter signed by the Ministry of Health, awaiting the availability of detailed specifications for each aspect of the

RSSH investments following the completion of the country's 2024 budget. The Secretariat noted that the county will submit detailed specifications of RSSH investments by June 2024 following the completion of the country's 2024 budget.

Guinea-Bissau is required to maintain its 2020-2022 allocation period-levels of co-financing commitments. The GAC has exceptionally approved a "zero increase" in Guinea-Bissau's co-financing commitment for the 2023-2025 allocation period compared to the 2020-2022 allocation period. This decision considers the country's challenging macroeconomic context, recognizing that an increase in co-financing commitments could lead to the diversion of funds from other crucial health programs.

The Secretariat highlighted that complementarity with C19RM investments has been reported to the Board with the approval of the Malaria grant in GF-B49-ER05.

Privileges and Immunities

2.1 Of the applicants for which funding recommendations are currently being made, Niger has signed and ratified the Global Fund Agreement on Privileges and Immunities and Guinea-Bissau has signed the Agreement, which is pending ratification.

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