

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B50/ER03

Board Decision

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

1. GF/B50/EDP03: 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 19 grants: Bangladesh HIV, Cambodia HIV/TB, Côte d'Ivoire Malaria, Côte d'Ivoire RSSH, Iran HIV, Kyrgyz Republic HIV/TB, Mauritius HIV, Multicountry Western Pacific Malaria, Multicountry Western Pacific HIV/TB, Pakistan Malaria, Pakistan TB, Somalia TB, Timor-Leste Malaria and Timor-Leste HIV/TB, up to an amount of **US\$ 408,986,656** and **EUR144,523,529** of country allocation funding, including matching funds of **US\$10,500,000** for Bangladesh HIV, Cambodia HIV/TB, Kyrgyz Republic HIV and Pakistan TB and **EUR6,039,000** for Côte d'Ivoire Malaria.

Decision

Decision Point: GF/B50/EDP03: 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/B50/ER03 ("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 19 grants: Bangladesh HIV, Cambodia HIV/TB, Côte d'Ivoire Malaria, Côte d'Ivoire RSSH, Iran HIV, Kyrgyz Republic HIV/TB, Mauritius HIV, Multicountry Western Pacific Malaria, Multicountry Western Pacific HIV/TB, Pakistan Malaria, Pakistan TB, Somalia TB, Timor-Leste Malaria, and Timor-Leste HIV/TB, up to an amount of **US\$408,986,656** and **EUR144,523,529** of country allocation funding, including matching funds of US\$10,500,000 for Bangladesh HIV, Cambodia HIV/TB, Kyrgyz Republic HIV and Pakistan TB and EUR6,039,000 for Côte d'Ivoire 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/B50/EDP03: 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	Bangladesh	HIV	BGD-H-ICDDRB	31/12/2026	US\$	11,505,121	1,075,000	Pending finalization of the Commitment Letter	7,157,173
2		HIV	BGD-H-NASP	31/12/2026	US\$	4,988,831	500,000		
3		HIV	BGD-H-SC	31/12/2026	US\$	10,899,767	425,000		
4	Cambodia	HIV/TB	KHM-C-MEF	31/12/2026	US\$	60,394,355	4,000,000	HIV: 28,271,992	15,618,448
								TB: 15,052, 514	
5	Côte d'Ivoire	Malaria	CIV-M-MOH	31/12/2026	EUR	85,798,196	-	Pending finalization of the Commitment Letter	30,714,187
6		Malaria	CIV-M-SCI	31/12/2026	EUR	32,026,389	6,039,000		
7		RSSH	CIV-S-MOH	31/12/2026	EUR	26,698,944	-		
8	Iran	HIV	IRN-H-UNDP	31/03/2027	US\$	13,983,498	-	HIV: 86,696,895	4,320,966
9	Kyrgyz Republic	HIV/TB	KGZ-C-UNDP	31/12/2026	US\$	27,861,752	500,000	Pending finalization of the Commitment Letter	12,850,000
10	Mauritius	HIV	MUS-H-NAS	31/12/2026	US\$	2368481	-	Pending finalization of the Commitment Letter	1,023,262
11	Multicountry Western Pacific	Malaria	QUA-M-UNDP	31/12/2026	US\$	2,461,679	-	Multicountry grants are exempt from co-financing requirements.	701,190
12		HIV/TB	QUA-C-UNDP	31/12/2026	US\$	11338271	-		5,105,000
13	Pakistan	Malaria	PAK-M-DOMC	31/12/2026	US\$	21,039,813	-	Pending finalization of the Commitment Letter	83,788,024
14		Malaria	PAK-M-TIH	31/12/2026	US\$	13,386,081	-		
15		TB	PAK-T-MC	31/12/2026	US\$	40,000,000	4,000,000		99,351,958
16		TB	PAK-T-NTP	31/12/2026	US\$	145,689,888	-		
17	Somalia	TB	SOM-T-WV	31/12/2026	US\$	27,474,515	-	Non-CCM applicants are exempt from co-financing requirements	12,573,536
18	Timor-Leste	Malaria	TLS-M-MOH	31/12/2026	US\$	4,531,047	-	Malaria: 1,977,067	1,325,775
19		HIV/TB	TLS-C-MOH	31/12/2026	US\$	11063557	-	HIV: 3,273,886 TB: 4,222,445	7,749,718

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. Where co-financing commitments for the 2023-2025 allocation period are indicated as pending, final commitments will be shared with the Board, upon receipt of duly finalized and signed commitment letters. In most cases, the letters are expected to be received within six months of the implementation period start date, in line with requirements in the Grant Confirmations. 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 HIV: International Centre for Diarrhoeal Disease Research, Bangladesh (BGD-H-ICDDR); Economic Relations Division, Ministry of Finance of the People's Republic of Bangladesh (BGD-H-NASP); and Save the Children Federation, Inc. (BGD-H-SC)

1.1 Background and context

Bangladesh has an estimated 14,513 people living with HIV as of 2022. The epidemic is primarily concentrated among key populations, with prevalence ranging from 0.1 percent to 4.7 percent among female sex workers and people who inject drugs (PWID) respectively. Bangladesh has made steady progress towards the 95-95-95 targets on the HIV treatment cascade, but at 67-77-85 in 2022, further effort is needed to close the gaps between the various pillars. Despite the challenges involved in identifying such a low number of cases in a population of 165 million, the Bangladesh HIV program has made significant progress throughout the 2020-2022 allocation period.

1.2 Risks and mitigation measures

Sustainability. Bangladesh is projected to achieve upper-middle-income status during the 2026-2028 allocation period, however the economic setbacks caused by the COVID-19 pandemic and the global impact of the Russia-Ukraine war may hinder preparations for reduced funding and a gradual withdrawal from Global Fund support. Bangladesh CCM is currently developing sustainability and transition plans for all three disease programs and the Secretariat will intensify advocacy efforts for the continuous absorption of program components to government funding. Technical assistance through catalytic funding has also been designated in the 2023-2025 allocation period for developing human resources for a health sustainability plan, focusing on long-term financing strategies.

1.3 Co-financing

2020-2022 allocation period: Bangladesh has met its HIV disease specific co-financing commitments. Domestic financing focused on full coverage of anti-retroviral therapy, HIV prevention for key populations, case detection and additional services for people living with HIV. Resilient and Sustainable Systems for Health (RSSH)-specific co-financing compliance is under review pending methodology clarification.

2023-2025 allocation period: Confirmation of HIV and RSSH commitments is pending an addendum to the signed TB and malaria commitment letter. The Grant Confirmation requires the submission of the finalized letter within 6 months of the start of grant implementation.

1.4 GAC review and recommendation

- The GAC acknowledged the program progress and coverage increases made throughout the 2020-2022 allocation period and applauded the scale-up of pilot interventions (such as pre-exposure prophylaxis virtual outreach) and differentiated service delivery approaches, planned for the 2023-2025 allocation period. The program design incorporates comprehensive interventions to address legal barriers and stigma and discrimination, in all settings, including the legal environment, and proposes measures to build the capacity of community-based networks representing the interests of various key population groups.
- The GAC highlighted the geographic and epidemiological prioritization in the program design, which gives priority to PWID, men who have sex with men (MSM) and male sex workers (MSW) as groups with the highest prevalence. Additionally, coverage of prevention services for transgender women is being increased, recognizing their high vulnerability. The program aims to reach 88 percent of the estimated PWID population and 80 percent of MSM and MSW and transgender women in the priority districts, with 95 percent of those reached being tested for HIV. The GAC recognized the prioritization and trade-offs made in light of resource limitations and noted the scale-back of interventions for female sex workers, with 80 percent of young female sex workers reached in 14 priority districts, down from 16 districts in the 2020-2022 allocation period.
- The GAC noted that the current implementation structure, with three PRs responsible for a set of relatively small grants carries significant costs for the program and the Global Fund operations alike. To overcome this, the CCM has been requested to consolidate the number of grants during the 2020-2022 allocation period. The GAC took note of the CCM's justification of the delay in the consolidation process and appreciated the CCM's efforts to reduce the program management costs across the program. At the same time, the GAC also requested the Secretariat to ensure that the grants are consolidated throughout the 2023-2025 allocation period and to document the mutual understanding of the expected timelines in a time-bound action plan, prior

to the start of the next grant. The GAC also requested the Secretariat to continue working with the PRs on developing a leaner grant management structure, with further reductions in program management costs.

- The GAC acknowledged that Bangladesh was designated matching funds for HIV Prevention for Key Populations and for Scaling-up Programs to Remove Human Rights. Bangladesh also benefits from technical support through the Human Rights Strategic Initiative (Breaking Down Barriers), which supports strengthening community legal empowerment, access to justice and stigma reduction efforts for all key populations. The TRP confirmed that access and programmatic conditions had been met, and the Secretariat reaffirmed this following grant-making.
- The Secretariat noted that C19RM complementarity with 2023-2025 allocation period grants was communicated to the Board with the TB and malaria grants in GF-B49-ER07 and GF-B49-ER09, submitted for approval in October and November 2023. The Secretariat emphasized the significant impact of C19RM awards at the portfolio level in Bangladesh. These awards have played a crucial role in expanding the country's molecular diagnostic network, establishing a network of oxygen plants, enhancing the laboratory system and increasing community health worker coverage. This expansion supports improved surveillance and provides integrated services for diagnosis, referral and treatment. Specifically for the HIV program, C19RM funds have been vital in mitigating the impacts of the COVID-19 pandemic on program implementation. This includes increasing the number of peer educators and volunteers to extend outreach, diversifying service delivery methods and bolstering patient support.

Cambodia HIV/TB: Cambodia Ministry of Economy and Finance (KHM-C-MEF)

1.5 Background and programmatic context

Cambodia has made significant progress on its HIV response in the last two decades, with prevalence dropping among the general adult population from 1.2 percent in 2000 to 0.5 percent in 2019 and with new HIV infections and mortality dropping by 62 percent and 54 percent respectively between 2010 and 2019. One third of new infections are found in children under the age of 15 and young adults (aged 15-24). While MSM have a similarly high rate of infection, rates are dropping among female sex workers and PWID.

Strong progress has also been made against TB, with mortality and incidence rates decreasing by half between 2000 and 2021, with rates per 100,000 population at 21 and 288, respectively. In 2022, 32,865 cases of TB were reported, of which 12,858 were bacteriologically confirmed. In the same year, Cambodia reported 95.5 percent of TB cases successfully treated. The success of Cambodia's TB control efforts is due in part to the expansion of community-based TB care, TB/HIV collaborative activities and childhood TB initiatives.

1.6 Risks and mitigation measures

Technical assistance. Following transition to the Cambodia Ministry of Economy and Finance as Principal Recipient in 2018, which resulted in reduced costs for fiduciary arrangements, international technical assistance will be budgeted as part of grants for the 2023-2025 allocation period to continue supporting capacity building, particularly in the areas of finance and in monitoring and evaluation. A plan is in place to reassess the need for these positions after two years, with the intention of having them gradually transition to domestic funding.

1.7 Co-financing

2020-2022 allocation period: Cambodia has met its co-financing commitment for the 2020-2022 allocation period. The government has made progress in health spending, with the government funding 27.6 percent of health expenditures in 2020 compared to 25 percent in 2017. Government investments in health increased from US\$373 million in 2018 to US\$385 million in 2021. Compared to the 2017-2019 allocation period, domestic funding increased by 109 percent for the HIV program and 51 percent for the TB program.

2023-2025 allocation period: Cambodia has submitted a commitment letter for the 2023-2025 allocation period, signed by the Ministry of Health. The letter commits to increasing the health budget from US\$385,200,000 in 2023 to US\$407,700,000 in 2024. Disease-specific commitments exceed the minimum co-financing requirements, with an additional US\$8.5 million allocated for HIV and US\$3.1 million for TB, beyond the respective co-financing requirement.

1.8 GAC review and recommendation

- GAC Partners praised the inclusive and collaborative process in developing Cambodia's grant, emphasizing the active participation of communities, civil society organizations, development partners and the Government. Partners noted that such inclusivity is a critical factor in the success of the HIV response and the achievement of high-impact results.
- The GAC and Partners appreciated the investments into human rights and community ownership and encouraged the greater integration of these areas into the formal health sector to better ensure sustainability. The Secretariat highlighted that in line with TRP recommendations, prevention and treatment strategies for people deprived of liberty have been successfully included in Ministry of Health's 2026-2030 Strategic Plan for HIV/AIDS and Sexually Transmitted Infections Prevention, Care, and Treatment. This includes needle and syringe programming and opioid substitution treatment, aligning with established normative guidance. The Secretariat will continue to work with the Partnership and in-country stakeholders to advocate for increased human rights and community engagement.
- GAC Partners noted the importance of Cambodia following through on co-financing commitments and implementing its sustainability roadmap. The Secretariat highlighted medium- to long-term macroeconomic and fiscal challenges impacting the sustainability of domestic health financing and noted the country's progress in conducting transition readiness assessments and developing HIV sustainability roadmaps for effective transition planning.
- The GAC recalled that Cambodia was designated US\$4 million in matching funds for the "Find and treat missing people with TB" matching fund priority area under the focus areas "*accelerate implementation of private sector engagement models*" and "*catalyze early and accurate diagnosis*". The TRP confirmed that access and programmatic conditions had been met, and the Secretariat reaffirmed this following grant-making.

Côte d'Ivoire Malaria and RSSH: Ministry of Health, Public Hygiene and Universal Health Coverage of the Republic of Côte d'Ivoire (CIV-M-MOH), Save the Children Federation, Inc. (CIV-M-SCI); Ministry of Health, Public Hygiene and Universal Health Coverage of the Republic of Côte d'Ivoire (CIV-S-MOH)

1.9 Background and context

Côte d'Ivoire ranks among the top ten countries with respect to malaria burden. The disease is endemic, with year-round transmission and a seasonal peak from April to June. Malaria is the first reason for outpatient visits, hospital admissions and deaths, especially among children under five years of age. In 2022, there were about 8.3 million cases and 1,555 deaths, up from 1,276 in 2021. Incidence rates have increased from 230 to 266 per 100,000 between 2019 and 2022. Côte d'Ivoire is not on track to meet global targets of a 75 percent reduction in malaria cases and mortality. Results show that, since 2015, incidence decreased by less than 25 percent and mortality decreased by less than 40 percent.

More broadly, in terms of the health system, Côte d'Ivoire experiences substantial challenges due to a high incidence of diseases beyond malaria, such as diarrhea and pneumonia. The country has made progress in reducing mortality of children under the age of five, which stands at 74 deaths per 1,000 live births in 2022, down from 100.1 in 2012. Côte d'Ivoire also faces a growing burden of non-communicable diseases like diabetes and hypertension. Malaria, HIV, measles, diarrhea and respiratory infections are the leading causes of death for this age group. The current life expectancy is 62.9 years, lower than the global average of 73.3 years.

1.10 Risks and mitigation measures

The quality of the malaria program is a primary area of concern highlighted both by the TRP and the Secretariat given the rising malaria incidence. There are planned studies and evaluations in the 2023-2025 allocation period in order to better understand program limitations and define further mitigation measures. Challenges with data generation, availability and use will be addressed through scaling up of digitalization. The absence of an integrated sample transport system is also a major concern, which will be addressed through the scale-up of a pilot focused on the design and use of an integrated system. Challenges persist in planning the distribution of health products at peripheral levels, particularly from provincial or regional stores to health facilities. To mitigate this, the Secretariat is deploying technical assistance through catalytic funding to enhance last-mile distribution capabilities. Additionally, support is being extended to establish a 'distribution action plan' and a 'distribution steering committee' to set up proper processes and tools for the effective distribution of health products at the community-level.

Sustainability and domestic health financing are also persisting challenges and the conclusion of an integrated health financing plan (under preparation with Global Fund financing at the time of this report) is expected to provide a roadmap to address this area.

1.11 Co-financing

2020-2022 allocation period: Côte d'Ivoire has consistently increased its government health expenditures in nominal terms, with a notable 44 percent rise in the health budget for 2023. The country has exceeded its total co-financing requirement for increased spending on the disease programs and RSSH by investing US\$106,472,490, well above the minimum of US\$86,305,927. The country met the disease-specific co-financing requirements for malaria and HIV; however, it did not meet the TB co-financing requirement.

The Secretariat has granted Côte d'Ivoire a waiver for the TB-specific co-financing shortfall, recognizing the country's overall increase and surplus in health and aggregate disease spending, which exceeded the total additional requirements for the three diseases.

2023-2025 allocation period: The country has presented a draft commitment letter that has been verified by the Secretariat and is now awaiting final signatures from the Minister of Finance and Budget and the Minister of Health. The Grant Confirmations require submission

of the co-signed co-financing commitment letter within six months from the implementation period start date.

1.12 GAC review and recommendation

Malaria

- The GAC and Partners praised the joint efforts in grant development with the Partnership and national entities, recognizing that optimal use was made of the resources provided and they emphasized that diligent implementation and sustained country commitment are crucial to eventually get on track to achieving global targets. The Secretariat highlighted the main challenges in the malaria response, which include a threefold increase in insecticide resistance since 2019, compromising the effectiveness of control measures. Additionally, there is a concerning low use of insecticide-treated nets (ITNs), with 58 percent utilization reported in 2021. Routine coverage for vector control is 58 percent, while the rate of the first antenatal visit is 44 percent, leading to reduced coverage of intermittent preventive treatment in pregnancy. Furthermore, there is a limited range and quality in other malaria prevention activities, such as seasonal malaria chemoprevention. The challenges extend to detection and treatment, with issues such as non-adherence to diagnostic and treatment protocols and insufficient investments in community-level interventions.
- Partners appreciated the national malaria control program's targeted strategies for a more effective response, including the upcoming micro-stratification of malaria incidence in greater Abidjan to inform the quantification and planning of ITN distributions for a focused campaign in 2025, as well as preparations for the 2024 long-lasting insecticidal net (LLIN) campaign.
- GAC Partners acknowledged that while efficiency gains, primarily due to reductions in the costs of ITNs and artemisinin-based combination therapies, have addressed gaps for current implementation, there remains a significant shortfall to the malaria response. Specifically, there is a critical need for 5.5 million additional ITNs for mass distribution in 2027, for which orders must be placed in Year 3 of the grant. The Secretariat will continue to advocate for additional resources within the Partnership and from domestic resources and seek efficacy gains during implementation to address funding gaps.
- The GAC recognized that the grants align with the Global Fund's Strategy, positioning the country to progress towards global health targets. This includes financing for: a multi-product ITN campaign in 2024, strengthening continuous distribution channels and developing an integrated strategy for managing insecticide resistance. The Secretariat highlighted that the Global Fund will finance seasonal and perennial malaria chemoprevention, currently in pilot phases in two of the country's 113 health districts. Additionally, the deployment of 8,500 community health workers (CHW) across 53 districts will enhance integrated community case management, improving access to malaria testing and treatment for those living more than five kilometers from health facilities. The GAC also appreciated the significant investment in monitoring and evaluation to ensure high-quality data collection and effective malaria surveillance management.

RSSH

- The GAC recognized and appreciated the health system strengthening investments through the standalone RSSH grant, which finances key strategic interventions to bolster health systems. The Secretariat highlighted other key pillars supported by

RSSH investments, including: (i) strengthening health sector governance and planning; (ii) enhancing integrated service delivery at the community level; (iii) improving data management for impactful decision-making; (iv) optimizing health product management; (v) strengthening laboratory systems; (vi) and a World Bank blended-finance investment.

- The GAC and Partners acknowledged and welcomed the innovative blended finance arrangement, set to launch in Q1 2024. A EUR 6 million Global Fund contribution is expected, in accordance with the Administration Agreement to be entered into between the Global Fund and the World Bank, to co-finance the *Programme de Sante, Nutrition et Developpement de la Petite Enfance*, focusing on reducing maternal mortality and stunting, enhancing early childhood development, and strengthening resilience against future pandemics. The Secretariat highlighted EUR 5 million (seven percent of the total World Bank investment) will support the national performance-based program, which will add two new indicators to the performance-based financing manual. These indicators will focus on: (i) community-level service delivery by CHW; and (ii) supervision of CHW by health facility personnel/nurses. An additional EUR 1 million will support the national mandatory health insurance scheme (*Couverture de Maladie Universelle*), comprising 3 percent of the World Bank's total investment. This portion will subsidize premiums for socio-economically vulnerable people living with HIV who are not covered under schemes for indigents or under employer-based insurance. The GAC recognized the importance of such catalytic investments in promoting sustainability, fostering in-country partnerships and advancing progress in strengthening RSSH.
- **Complementarity with C19RM.** The Secretariat noted that, while Côte d'Ivoire did not seek C19RM portfolio optimization wave 2 funding, it strategically reprogrammed 50 percent of available funds to reinforce pandemic preparedness and RSSH, ensuring a comprehensive approach to the allocation of all Global Fund investments. Key areas of complementarity between the 2023-2025 allocation period funds and C19RM include health product management and waste management, with specific actions such as: (i) bolstering national capacity for health product storage; (ii) completing the rollout and operationalization of the M-supply system (an electronic inventory system); (iii) improving sample transportation and digital results reporting; (iv) and promoting system interoperability, notably between various information management systems and the health management information system.
- Furthermore, laboratory quality assurance efforts initiated with C19RM funding will continue under the RSSH grant until the end of 2025. Pandemic preparedness initiatives for community-based organizations, currently supported by C19RM funds, will transition to grant funds in 2026 to ensure sustained impact.

Iran HIV: United Nations Development Programme (IRN-H-UNDP)

1.13 Background and context

HIV is a significant public health issue in Iran with a reported total of 45,512 people living with HIV in 2022, including 1,007 children under 15 years and 44,505 adults (29,377 men and 15,128 women). The country has seen a steady rise in HIV cases attributed to sexual transmission, with a notable increase in diagnoses among women — from 26 percent of people living with HIV in 2018 to 34 percent by 2022. Iran's HIV treatment cascade in 2022 stood at 52-72-90, indicating substantial results in treatment and viral load suppression, but highlighting the critical need for enhanced initiatives in HIV case detection.

1.14 Risks and mitigation measures

Sanctions. The proposed 2023-2025 allocation period activities are consistent with major sanctions regimes involving Iran. This is because of the nature of the activities themselves (provision of medicines and activities related to health and basic human needs), the implementation arrangements (including having UNDP as a Principal Recipient), and the scope of major Iranian sanctions orders.

In addition, the Grant Confirmation for the Iran grant includes an obligation requiring UNDP to: (i) adhere to 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 grant funds.

1.16 Co-financing

2020-2022 allocation period: Iran met its co-financing commitments for the 2020-2022 allocation period despite challenges such as sanctions, limited market access and currency devaluation. Investments in health programs were maintained, ensuring steady program coverage, with a substantial share of HIV program funding sourced domestically.

2023-2025 allocation period: Iran has submitted a commitment letter, signed by the Ministry of Health and Medical Education, pledging a HIV co-financing amount of US\$86,696,895. This represents a 66 percent increase in government health spending in nominal terms. The programmatic commitments are directed towards key areas, including infrastructure enhancement, care and treatment, and the strengthening of epidemiological surveillance and data management systems.

The Secretariat acknowledged the strong commitments and that, given the sanctions and economic challenges, the devaluation of the Iranian rial presents a substantial risk to the fulfillment of these co-financing commitments.

1.17 GAC review and recommendation

- The GAC acknowledged the Secretariat's efforts to facilitate operation in a challenging context to provide services to key populations, expressing concerns about how harmful laws, regulations or policies limit access to these services. The Secretariat highlighted that, due to the deteriorating political situation and human rights environment in Iran, implementing HIV prevention-outreach programs among certain key populations has become increasingly difficult. The Secretariat highlighted that same-sex sexual activity is prohibited under Iran's Penal Code (2013), for which the maximum penalty is death. Therefore, maintaining the safety of key populations and service delivery providers is of the utmost importance. The Secretariat will continue to advocate for the safety of key populations during program implementation, as well as for the development of strategies for the safe delivery of services.
- The GAC and Partners praised the inclusion of Afghan migrants and refugees as key vulnerable populations in the HIV/TB program, in line with the recommendations of the TRP, with the group constituting 20.3 percent of the country's total TB diagnoses, as of March 2023. The Secretariat emphasized the unique challenges associated with this demographic, requiring significant investment beyond the current grant capacity. To track the effectiveness of this initiative, the Performance Framework incorporates a specific indicator for monitoring progress within this sub-component.

Kyrgyz Republic HIV/TB: United Nations Development Programme (KGZ-C-UNDP)

1.18 Background and programmatic context

HIV cases in the Kyrgyz Republic increased by 1.5 times, from 7,948 in 2018 to 12,231 in 2022, with a prevalence of 1.7 per 1,000 population. The epidemic disproportionately affects key populations, particularly PWID and MSM. There is a growing trend in new HIV infections attributed to heterosexual transmission, indicating a potential shift towards a more generalized epidemic.

The Kyrgyz Republic continues to be among the top 30 countries with a high burden of drug-resistant tuberculosis (DR-TB), and a high priority in the European Region of the World Health Organization. In 2021, the TB incidence rate was 58.1 per 100,000 population, with a consistent gender distribution ratio of 1:3 between men and women. The country reported that 23 percent of all new TB cases and 46.8 percent of previously treated cases in 2021 were multidrug-resistant TB (MDR-TB) or rifampicin-resistant TB (RR-TB). Notably, there was a decrease in new TB infections, from 5,853 cases in 2015 to 4,038 in 2022.

1.19 Risks and mitigation measures

Political context and CCM oversight landscape. The Kyrgyz Republic has witnessed a notable transformation in its political climate over the past few years, marked by an increasing trend towards centralization and institutional control accompanied by an extensive review of relevant laws. Emphasizing reshaped values, a more conservative legislation on 'protection of minors from harmful information' and 'introduction of 'foreign agent' concepts in the context of non-governmental organization law' have been introduced and endorsed by the President.

This evolving political landscape has given rise to vocal scrutiny within the parliament regarding the Global Fund grant in the country, and current focus on key population programs, including MSM- and transgender-focused services, the grant has been subject to certain criticism for its perceived misalignment with national values and interests. Consequently, there has been mounting pressure to reform the CCM, with calls to enhance government involvement in program development, monitoring and oversight, which resulted in suspension of the CCM's work in May 2023 and revision of related CCM by-laws in October 2023. The expectation is that the CCM in the new composition will become operational by end of 2023, aligning with the commencement of the new grant cycle. It worth noting that the restructured CCM, consisting of 21 members, signifies a smaller body with an increased representation of government officials (11 members), and while meeting CCM eligibility requirements and ostensibly enhancing grant oversight and government accountability, this restructuring represents a regression in terms of the CCM evolution criteria of performance.

Additionally, there are clear indications to designate the Ministry of Health of the Kyrgyz Republic or other state institution as the principal recipient at the earliest opportunity. While relevant agreements have been reached, the Secretariat anticipates that navigating the current environment will pose certain challenges in the upcoming period.

The Kyrgyz Republic is eligible for human rights matching funds and has largely met access and programmatic conditions; however, recent changes pose risks to the civil society role in implementation of some of the human rights programs. Technical assistance from the Human Rights SI is made available to the principal recipient and partners to assess and mitigate risks.

1.20 Co-financing

2020-2022 allocation period: The Kyrgyz Republic has met its co-financing requirements. State expenditure on health increased year on year throughout the 2020-2022 allocation period (KGS 171.9 million in 2020 to KGS 311.1 million to 2022), and investments in HIV and disease programs exceeded the minimum requirements.

The Secretariat noted that significant fluctuations in the US\$/KGS exchange rate mean that an analysis in US dollars would not be reflective of the efforts of the country. The Kyrgyz Republic has demonstrated an increased co-financing of Global Fund supported programs when assessed in local currency.

2023-2025 allocation period: The country has submitted a signed commitment letter. The co-financing requirement is conditionally met, given a change in national reporting. The Grant Confirmation requires the resubmission of the commitment letter by 31 January 2024.

1.21 GAC review and recommendations

- The GAC acknowledged the Kyrgyz Republic's recent political climate and congratulated the country for reinstating the CCM following challenging negotiations, noting that the CCM should be fully operational by the grant start date.
- The Secretariat articulated that it looks forward to continuing engaging with the country, its new CCM, civil society and technical partners throughout grant implementation to ensure key services reach most-in-need populations, in an inclusive manner, and in adherence with Global Fund's policies. The Secretariat highlighted that the shift in the political climate makes it more challenging for the Global Fund and the CCM to operate effectively, and that the Secretariat will continue to support the CCM to ensure full compliance with the Global Fund's CCM eligibility requirements.
- The GAC acknowledged the difficult trade-offs made during in-country negotiations regarding the CCM and appreciated that maintaining a functional CCM and ensuring services for all key populations remained a priority for the Secretariat. The Secretariat underlined that concerns persisted regarding the requirement that the government endorse civil society election results and regarding the disproportionate influence of the government in CCM decision-making. These issues could potentially breach eligibility criteria, necessitating a response. The Secretariat will closely monitor these developments and is prepared to address any issues that may affect grant signing.

Multicountry Western Pacific Malaria and HIV/TB: United Nations Development Programme (QUA-M-UNDP, QUA-C-UNDP)

1.22 Background and context

The Multicountry Western Pacific Program aims to enhance HIV and TB prevention, treatment, and care across 12 Pacific Island Countries (PICs) (Cook Islands, Fiji, Federated States of Micronesia, Marshall Islands, Palau, Nauru, Tonga, Samoa, Niue, Kiribati, Tuvalu, and Vanuatu). It also focuses on providing universal coverage of LLINs to combat malaria in Vanuatu.

HIV prevalence in the Pacific Islands is generally low, with Fiji reporting the highest number of people living with HIV in the region. The HIV epidemic in Fiji is rising, with 151 new cases in 2021 and an increase to 245 cases in 2022, including 14 pediatric cases (0-4 years) and 49 cases in the 15-24 age group. In the other 11 PICs, the proportion of estimated people living with HIV on ART was 97 percent (66/69) and 56 percent (37/66) of those on treatment were virologically suppressed in 2022.

TB incidence is notably high in four countries: Marshall Islands (483 cases per 100,000 population), Kiribati (424), Tuvalu (296), and Nauru (193). Since 2011, TB incidence has decreased in Federated States of Micronesia, Samoa, Tonga and Vanuatu but increased in

Fiji, Marshall Islands and Tuvalu. In 2021, out of an estimated 1,652 TB cases in the 12 PICs, 1,047 (68 percent) were diagnosed and began treatment.

Malaria, historically a major health issue in Vanuatu, has seen a significant decline. From 15,000 cases and 14 deaths in 2003, the number fell to 321 cases in 2021 with no malaria-related deaths since 2011. Despite a surge in cases in 2022 due to COVID-19, cyclones and other natural disasters, Vanuatu aims to achieve zero indigenous malaria cases in all provinces by 2028 and seeks WHO certification of malaria elimination by 2031.

1.23 Co-financing

As per Global Fund policy, co-financing requirements do not apply to multicountry grants comprised of catalytic funding. Nevertheless, ensuring sustainability of activities financed under these grants will remain a priority.

1.24 GAC review and recommendation

- The GAC acknowledged the TRP's recommendation for strengthening the Health Information System (HIS) in the region. This involves developing a comprehensive HIS plan to enhance data collection processes, to integrate HIV, TB and malaria data systems with national health information systems, and to promote system integration and harmonization among island countries in the region. The Secretariat emphasized that a detailed assessment of the HIS will be conducted in the first year of the grant. Although there are no immediate funds available for this initiative, the Principal Recipient will collaborate with regional technical partners, ministries of health, United Nations agencies and bilateral donors in the first half of 2025 to advocate for and mobilize additional resources. Additionally, the Secretariat will work closely with the Principal Recipient to identify potential savings within the grant which could supplement resources for enhancing HIS.
- The GAC acknowledged considerable advances in the malaria response while recognizing the setbacks caused by the COVID-19 pandemic and appreciated that the grant for the 2023-2025 allocation period will strategically pivot to a more focused approach to reach the last mile in malaria elimination. The Secretariat highlighted that this approach includes: (i) decentralizing the response to the provincial level to enhance local action; (ii) amplifying active community engagement to foster grassroots support; and (iii) intensifying foci management in identified malaria clusters, prioritizing 10 health zones for immediate attention.

Pakistan Malaria, TB: Mercy Corps (PAK-T-MC), National TB Control Programme Pakistan (PAK-T-NTP), Directorate of Malaria Control of the Ministry of National Health Services, Regulations and Coordination of Pakistan (PAK-M-DOMC) and the Indus Hospital & Health Network (PAK-M-TIH)

1.25 Background and programmatic context

The severe flooding in 2022 led to a malaria outbreak with 1.62 million cases, hampering previous advances on reaching the goal of eliminating indigenous *P. falciparum* transmission by 2030 in Pakistan. Malaria transmission is geographically concentrated and seasonal in the country, with 30 percent of the population living in high-risk malaria zones. Between 2003 and 2021, cases increased from 125,152 to 399,097.

Pakistan aims to achieve universal access to TB diagnosis and treatment by 2030. Currently, the country has an estimated TB incidence of 258 per 100,000 population and an incidence of

MDR-TB or RR-TB of 6.2 per 100,000 population. TB mortality has decreased from 54,000 deaths in 2017 to 47,000 deaths in 2022 and TB-related mortality continues to be a concern, as does the treatment coverage gap.

1.26 Risks and mitigation measures

Governance, political and security concerns in the country continue to represent a challenge to the smooth implementation of health programs. Furthermore, frequent changes to appointees in both the disease program and the CCM result in continuity challenges. The Secretariat has included requirements in the Grant Confirmations aimed at reducing turnover of key program positions during the implementation period. The Global Fund Secretariat also works closely with the Secretariat of the CCM, to brief and build capacity of new appointees. In addition, the Secretariat continues to foster collaboration and communication between national and local health authorities, non-governmental organizations and other relevant stakeholders. A detailed financial fraud risk analysis was performed in 2023. While no significant issues or new risks emerged, the Secretariat is working to ensure the recommended changes to procedures are implemented.

1.27 Co-financing

2020-2022 allocation period: The Secretariat is working in close collaboration with Pakistan's Common Management Unit on remodeling the co-financing methodology to ensure consistent and quality reporting across Federal and Provincial levels. Despite significant inputs from both in-country stakeholders and international Partners, significant data gaps persist, which will need to be addressed through collaboration with the relevant Provinces. In light of these challenges, the GAC endorsed a co-financing compliance determination of "Requirements Conditionally Not Met." The Secretariat further noted plans to address data gathering challenges on co-financing by implementing resource mapping and expenditure tracking in the 2023-2025 allocation period.

2023-2025 allocation period: Co-financing adherence is pending the submission of a signed commitment letter, anticipated in January 2024. This submission is expected to be accompanied by supporting documents that provide evidence of the commitments at both Provincial and Federal levels, specifically in the form of official budgets or allocations.

1.28 GAC review and recommendation

- The GAC and Partners recognized the challenges of implementing malaria and TB grants with limited resources in a volatile and difficult context and acknowledged the prioritization work conducted by the Secretariat.
- The GAC noted outstanding recoveries of US\$2.8 million and noted that a condition has been included in the relevant Grant Confirmations with a view to addressing them.
- **Complementarity with C19RM.** The Secretariat highlighted that the investment from C19RM will support the expansion of integrated community case management and strengthen Pakistan's preparedness for emergency response. Notably, investments will help prevent and protect the health workforce from infections, support the installation of racking and heating, ventilation, and air conditioning systems for the central warehouse, strengthen laboratory systems, develop new modules for the health information management system and scale up oxygen generation plants.

Malaria

- The GAC and Partners noted that, given the trajectory of malaria in Pakistan following the floods and given the funding constraints, the proposed grants represent the most impactful investments. The Secretariat highlighted that, although Pakistan's malaria allocation for the 2022-2023 allocation period was increased, epidemiological trends, particularly surges in cases due to natural and environmental factors, have effectively left the allocation unchanged. The GAC and Partners also noted that the malaria program will need regular reviews, course corrections and re-prioritizations of interventions to keep the program on track during grant implementation.
- The GAC and Partners noted with appreciation the US\$14 million in efficiencies that were able to be re-invested across the HIV grants. The Secretariat highlighted that, despite reinvestment of efficiencies, gaps remain in the malaria program, which include routine distribution of ITNs, case management, routine surveillance in areas not covered by the grants and emergency preparedness. While alternative funding sources, such as portfolio optimization and emergency funding awarded in 2022, bridged some of the gaps, the Secretariat highlighted that the impact of the 2023-2025 allocation period grants may be compromised by the limited funding in a context of deteriorating epidemiology. The GAC and Partners agreed that to bridge remaining gaps it would be essential to closely collaborate, to mobilize Partner support and to advocate for additional funding.
- The GAC and Partners appreciated the frequent engagement thus far and supported continued close engagement of the Secretariat with provincial authorities as a priority to help ensure alignment on targets, on priority areas and on distribution of responsibilities.

TB

- The GAC and Partners commended the Secretariat for the collaborative grant-making process and the ambitious, yet achievable targets, despite implementation challenges. GAC Partners noted their collaboration with the Global Fund on funding complementary TB interventions, acknowledged with appreciation the planned interventions to improve and enhance TB prevention in Pakistan, and voiced their support for continued collaboration on the scale-up of these interventions.
- The GAC and Partners noted the relevance of the private sector for the fight against TB in Pakistan and commended the expansion of related interventions. Partners noted that the relevant Principal Recipient will be requested to procure relevant first-line and TB-preventive therapy medicines through the STOP TB Partnership's Global Drug Facility, in addition to the second-line anti-TB medicines that would be purchased through this mechanism.
- The GAC and Partners noted the recommendations from the TRP to lower targets related to DR-TB, to increase support to drug-sensitive TB (DS-TB), especially in the private sector. GAC Partners aligned with the Secretariat recommendation to maintain targets. The Secretariat highlighted that, by building on price reductions for commodities, support was increased for DS-TB during grant-making without compromising targets.

Privileges and Immunities

2.1 Of the applicants for which funding recommendations are currently being made, Côte d'Ivoire has signed and ratified the Global Fund Agreement on Privileges and Immunities.

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