

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B51/ER04

Board Decision

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

1. GF/B51/EDP06: Decision on the Secretariat's Recommendation on Grant Extension.¹

Document Classification: Internal.

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¹ The Secretariat recommends the approval of a 9-month grant extension for the CRI-H-HIVOS 2020-2022 allocation period grant to be funded with a total incremental funding of **US\$816,233**.

Decision

Decision Point: GF/B51/EDP06: Decision on the Secretariat's Recommendation on Grant Extension

The Board:

1. Approves the extension budget and revised implementation period recommended for each grant listed in Table 1 of GF/B51/ER04 ("Table 1"); and
2. Affirms that any additional funding provided to fund the extension budget (a) shall increase the upper-ceiling amount that may be available for the relevant implementation period for each grant listed in Table 1, and (b) is subject to the availability of funding.

This decision does not have material budgetary implications for operating expenses.

Executive Summary

Context and Input Received

Secretariat's Recommendation on Grant Extensions

The Secretariat recommends the approval of:

- A 9-month grant extension for the Costa Rica HIV grant to be funded with a total incremental funding of **US\$816,233**, as set out at Table 1.

Grant Revisions Approved by the Secretariat

The Secretariat hereby notifies the Board that it has approved, pursuant to its delegated authority:

- 6-month grant extensions of the Nepal HIV, TB and malaria grants to be funded with a total incremental funding of **US\$6,765,539**, as set out at Table 2.

Input Sought

The Board is requested to review the request and agree on a 'no objection' basis, the decision point GF/B51/EDP06: Decision on the Secretariat's Recommendation on Grant Extension.

Table 1: Secretariat's Recommendation on Grant Extension

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	Currency	Budget for Proposed Extension Period	Additional Funding Required	Previous Extensions Granted (Cumulative in Months)	Proposed Extension Duration (Months)	Proposed End Date	Rationale
1	Costa Rica	HIV/AIDS	CRI-H-HIVOS	US\$	918,233	816,233	0	9	31/03/2025 ²	To facilitate responsible transition from Global Fund-financing, an extension is sought to allow for limited transition activities.

² The extension, if approved, will be memorialized in the Implementation Letter amending the grant as part of the closure period, since closure activities are expected to run concurrently with these programmatic activities.

Summary of the Deliberations of the Secretariat's Grant Approvals Committee (GAC) on Revisions

Costa Rica HIV: Humanist Institute for Co-operation with Developing Countries (CRI-H-HIVOS)

1.1. Country Context and GAC Recommendation to the Board:

As per the Global Fund's transition projections³, Costa Rica is projected to transition to high-income status for Global Fund financing during the 2023-2025 allocation period and would become ineligible to receiving such financing from the 2026-2028 allocation period onwards. Consistent with the approach taken for several allocation periods and pursuant to the Sustainability, Transition and Co-Financing (STC) Policy, the 2023-2025 Allocation Letter required the country to submit a transition grant in the 2023-2025 allocation period focusing on social contracting of HIV services for key populations and community HIV prevention and testing services.

During TRP Window 4 in March 2024, the TRP recommended Costa Rica's HIV Funding Request for grant-making, with three issues to be addressed by the CCM. The Ministry of Health, which was nominated as the new Principal Recipient for the 2023-2025 allocation period, raised concerns about the feasibility of implementing two of the time-bound recommendations in the 2023-2025 country allocation due to timing and funding limitations. The Ministry of Health highlighted that the requested actions would require legislative and regulatory changes beyond the scope of the proposed grant, as well as extensive awareness-raising and lengthy negotiations with government and non-government stakeholders.

While reaffirming its commitment to the Funding Request's priorities, the country informed the Secretariat that the Ministry of Health would not proceed with grant-making as Principal Recipient but committed to support the continued implementation of the main interventions included in the Funding Request with national resources or by directly supporting a new implementer. Instead of proceeding with a new Principal Recipient or submitting a new Funding Request, the CCM proposed to bring the 2020-2022 allocation period grant implemented by HIVOS to closure, thus accelerating Costa Rica's full transition from Global Fund financing.

To support a responsible transition from Global Fund financing, the CRI-H-HIVOS grant is proposed to be exceptionally extended concurrently with grant closure activities to address critical sustainability bottlenecks, including for Civil Society Organizations (CSOs). The 9-month extension will be funded with US\$102,000 in savings from the 2020-2022 allocation period grant and US\$816,233 of incremental funding from Costa Rica's 2023-2025 country allocation. In addition to concluding the Integrated Biological and Behavioral Surveillance Survey (IBBS) initiated during the current grant, a 'Transition Technical Assistance Package', is proposed to be implemented during the extension period. 2023-2025 Allocation funds that remain unspent at the end of the extension period will be returned to the Global Fund.

1.2. Priorities for the Extension Period:

³ Projected transitions from Global Fund country allocations by 2028: projections by component, April 2024 update: https://www.theglobalfund.org/media/9017/core_projectedtransitionsby2028_list_en.pdf

As countries prepare to transition from Global Fund financing, the Global Fund supports them to identify and address specific sustainability and transition challenges with the goal of enabling full national ownership, financing and management of the national response against the diseases. The CRI-H-HIVOS extension period is planned to cover the following priorities of the Costa Rica HIV program:

- (i) **'Transition Technical Assistance Package'** to support the country in addressing critical sustainability bottlenecks in social contracting; conducting the ongoing HIV self-testing pilot; updating the HIV prevention and testing regulation and guidelines; and potentially supporting the interoperability of the Ministry of Health Surveillance System if sufficient funding is available. The 'Transition Technical Assistance Package' is a new programmatic activity and will last up to 7 months.
- (ii) **Finalization of an ongoing IBBS** for men who have sex with men and transgender women. Originally due to be finalized in June 2024, implementation of the IBBS was delayed due to the ethics approval process required for the IBBS and challenges in reaching the study's targets.

During the last few Global Fund grant cycles, the Costa Rica HIV program has been implemented as a transition grant, with progressive handover of the financial support for CSOs and HIV prevention services to the Government. To address financial sustainability risks that may impact CSOs, the Global Fund will support capacity building and revision of social contracting procedures for CSOs during the extension period. In addition, the Secretariat and Principal Recipient have undertaken measures to mitigate risks of further delays for the IBBS and to ensure the timely selection of the Technical Assistance providers.

Additional Information

Table 2: Grant Extensions Approved by the Secretariat

N	Applicant	Disease Component	Grant Name ⁴	Currency	Budget for Proposed Extension Period	Additional Funding Required	Previous Extensions Granted (Cumulative in Months)	Proposed Extension Duration (Months)	Proposed End Date	Rationale
1	Nepal	HIV	NPL-H-SCF	US\$	4,176,876	3,415,881	0	6	31/01/2025	Extension of the 2020-2022 allocation period grant to allow for program continuation pending negotiation and finalization of the 2023-2025 allocation period grant
2	Nepal	TB	NPL-T-SCF	US\$	3,172,010	3,172,010	0	6	31/01/2025	Extension of the 2020-2022 allocation period grant to allow for program continuation pending negotiation and finalization of the 2023-2025 allocation period grant
3	Nepal	Malaria	NPL-M-SCF	US\$	353,105	177,648	0	6	31/01/2025	Extension of the 2020-2022 allocation period grant to allow for program continuation pending negotiation and finalization of the 2023-2025 allocation period grant.

⁴ The Grant names are subject to change based on the ISO code.

Privileges and Immunities

Of the applicants for which funding recommendations are currently being made, neither Costa Rica nor Nepal has signed or ratified the Global Fund Agreement on Privileges and Immunities.

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Annex 1 – Relevant Past Decisions

Pursuant to the Governance Plan for Impact as approved at the Thirty-Second Board Meeting,⁵ the following summary of relevant past decision points is submitted to contextualize the decision points proposed in Section I above.

Relevant past Decision Point	Summary and Impact
GF/B44/EDP17: Decision on the Secretariat's Recommendation on Funding from the 2020-2022 Allocation.	This decision point approved the 2020-2022 allocation period Nepal NPL-H-SCF, NPL-T-SCF, NPL-M-SCF grants.

⁵ GF/B32/DP05: Approval of the Governance Plan for Impact as set forth in document GF/B32/08 Revision 2 (<http://www.theglobalfund.org/Knowledge/Decisions/GF/B32/DP05/>)