

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B51/ER07

Board Decision

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

1. GF/B51/EDP10: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation.¹

Document Classification: Internal.

Document Circulation: Board Members, Alternate Board Members, Constituency Focal Points and Committee Members. This document may be shared by the Focal Points within their respective Board constituency. The document must not however be subject to any further circulation or otherwise be made public.

¹ The Secretariat recommends the approval of funding from the 2023-2025 Allocation for three grants: Belarus HIV/TB, Congo (Democratic Republic) HIV/TB and Turkmenistan TB, up to an amount of **US\$193,341,393** of country allocation funding, including matching funds of **US\$1,000,000** for Belarus HIV/TB and **US\$2,000,000** for Congo (Democratic Republic) HIV/TB.

Decision

Decision Point: GF/B51/EDP10: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation

The Board:

1. Approves the funding recommended for each country disease component, and its constituent grants, as listed in Table 1 of GF/B51/ER07 ("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 three grants: Belarus HIV/TB, Congo (Democratic Republic) HIV/TB and Turkmenistan TB, up to an amount of **US\$193,341,393** of country allocation funding, including matching funds of US\$1,000,000 for Belarus HIV/TB and US\$2,000,000 for Congo (Democratic Republic) 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 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](#).

Secretariat Update on Co-financing Commitments from Board-approved 2023-2025 Allocation Period grants

- The Secretariat hereby notifies the Board, as set out in Table 2, of the co-financing compliance outcomes for the following countries, and relevant components as listed below: Benin (HIV, TB and malaria), Congo (HIV, TB and malaria), Djibouti (HIV, TB and malaria), Ivory Coast (HIV, TB and malaria), Kazakhstan (HIV), Zambia (HIV, TB and malaria) and Zanzibar (HIV, TB and malaria). This includes, where relevant, final co-financing compliance from the 2020-2022 allocation period and final co-financing compliance / commitments for the 2023-2025 allocation period.

Input Sought

The Board is requested to review the request and agree on a 'no objection' basis, the decision point GF/B51/EDP10: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation.

Table 1: Secretariat's Recommendation on Funding from the 2023-2025 Allocation

Please note that each country name is [linked](#) to the extranet site where supporting documents are available for review.

N	Applicant	Disease Component	Grant Name ²	Grant End Date	Currency	Total Program Budget	Catalytic Funds in Grant	Domestic Commitment ³	Unfunded Quality Demand (US\$)
1	Belarus	HIV/TB	BLR-C-RSPCMT	31 December 2027	US\$	23,394,182	1,000,000	HIV: 98,184,702 TB: 219,312,433 RSSH: 1,966,570	6,666,605
2	Congo (Democratic Republic)	HIV/TB	COD-C-UNDP	31 December 2026	US\$	163,709,018	2,000,000	HIV: 8,310,000 TB: 2,595,000 RSSH: 117,795,773	94,091,826
3	Turkmenistan	TB	TKM-T-UNDP	31 December 2027	US\$	6,238,193		Pending finalization of the commitment letter	1,736,023

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.

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:

Belarus HIV/TB: Republican Scientific and Practical Center for Medical Technologies, Informatization, Administration and Management of Health (BLR-C-RSPCMT)

1.1 Risks and mitigation measures

Sanctions. The proposed grant is consistent with major sanctions regimes relevant to Belarus. This is due to the nature of the activities (provision of medicines and activities related to health and basic human needs) and the scope of the relevant sanctions orders and applicable licenses and exemptions. Additionally, the grant agreement includes (i) an obligation requiring adherence to applicable sanctions; (ii) downstream compliance and upstream reporting by all Sub-recipients and suppliers; and (iii) cascading down of the same obligations by Sub-recipients and suppliers. Additionally, most of the planned procurements will be carried out by the United Nations Development Programme (UNDP).

1.2 Co-financing

2020-2022 allocation period: Belarus has met its co-financing commitment for the 2020-2022 allocation period. The government spent an estimated US\$316 million on HIV, TB and RSSH programs during this allocation period, exceeding the US\$294 million requirement by 7%.

2023-2025 allocation period: The Secretariat considers the country to have met its co-financing commitments for the 2023-2025 allocation period. Belarus has provided a commitment letter outlining the government's commitment to spending US\$319 million on HIV, TB and RSSH during the 2023-2025 allocation period, exceeding the required minimum of US\$316 million, despite a 0.6% decrease in commitments for HIV (including RSSH) compared to the previous allocation period spending, which is attributed to an elevated baseline for the allocation period caused by increased spending on COVID-19 response. The specific programmatic commitments include covering costs for key populations prevention, differentiated HIV testing, treatment, and care, as well as TB drug costs and strengthening the lab network.

Congo (Democratic Republic) HIV/TB: United Nations Development Programme (COD-C-UNDP)

1.3 Background and context

The Democratic Republic of the Congo (DRC) is a country with a high burden of HIV. While progress has been made in reducing the overall prevalence of HIV in the general population, from 1.2% in 2013 to 0.74% in 2022, key populations such as sex workers, men who have sex with men, and people who inject drugs continue to experience high rates of HIV infection with prevalence rates standing at 7.7%, 7.1% and 3.9% respectively. New HIV infections have declined by 50% from 2010 to 2021, while AIDS-related mortality has decreased by 68% between 2015 and 2021. However, the number of people living with HIV has increased marginally from 483,829 in 2021 to an estimated 547,016 in 2023. The HIV treatment and care cascade stood at 82-82-73 in 2021. There has been an increase in HIV prevalence among pregnant women, rising from 1.8% in 2013 to 2.77% in 2017. Prevention of mother-to-child transmission (PMTCT) remains a critical area, with only 43% of HIV-positive pregnant women on antiretroviral therapy.

DRC is a top 10 country for drug-susceptible (DS-TB), drug-resistant TB (DR-TB) and TB/HIV co-infection. In 2022, the estimated TB incidence was 317 (205-454) cases per 100,000, with MDR-TB incidence at 6.4 (1.2-12) cases per 100,000 individuals and a mortality rate of 34 (20-52) cases per 100,000. The trends in TB case notification (new and relapse cases, all forms) increased from 160 in 2016 to 249 in 2022 per 100,000. In 2023, 257,000 people were diagnosed with TB (new and relapse), resulting in a notification rate of 249.5 cases per 100,000. Treatment coverage was 78% in 2022, leaving 68,000 people undiagnosed. Of the 6,300 expected MDR-TB patients, only 1,600 were identified, and 1,400 began treatment. Significant progress has been made in TB management, increasing the treatment success rate in the country. The treatment success rate for patients diagnosed with DS-TB was 95%, while MDR-TB was 87%, and the TB-HIV co-infected was 88%.

1.4 Risks and mitigation measures

Challenging Operating Environment. The Global Fund categorizes DRC as a challenging operating environment with a fragmented and fragile health system, significant operational and fiduciary risks, conflicts, and recurrent Ebola and mpox outbreaks. The Secretariat emphasized that continuous monitoring will be conducted to assess risks, actively course-correct, and implement necessary mitigation measures during implementation.

1.5 Co-financing

DRC submitted a signed commitment letter on 24 November 2023 committing to a total co-financing of US\$140.1 million for 2024-2026, including: (i) US\$22.3 million for essential commodities for HIV, TB and malaria, and (ii) RSSH investments. Please refer to the full summary in GF/B50/EDP08.

1.6 GAC review and recommendation

- The GAC and Partners commended the program design and the Secretariat's efforts to navigate a difficult prioritization process. They also acknowledged the efforts to build on the COD-C-MOH grant approved in GF/B50/EDP08 and the challenges in selecting the Principal Recipient, resulting in the Country Coordinating Mechanism's (CCM) nomination of UNDP as Principal Recipient in July 2024. The Secretariat will continue to work closely with the CCM and Partners to ensure a smooth transition from the outgoing Principal Recipient to UNDP.
- The GAC and Partners noted the provision in the grant to support DRC's mpox response following Africa CDC's declaration of mpox as a public health emergency of continental security and the World Health Organization's declaration of mpox as a public health emergency of international concern in August 2024. The grant will leverage the existing network of health centers to deliver essential prevention interventions and support community engagement through the existing TB and HIV community health workers. In addition, funding will be allocated towards reinforcing the national response in key priority areas, including coordination and planning, community

engagement, molecular testing expansion, surveillance system strengthening, data sharing and biosafety and infection prevention and control measures.

- The GAC acknowledged the new implementation arrangement approach to reduce the number of Sub-recipients from 28 to 15 to streamline operations and respond to budgetary constraints. Noting that the selection of Sub-recipients was not finalized due to the expedited grant-making process, the GAC emphasized the need for careful oversight to ensure smooth program delivery. The Secretariat will work with the Principal Recipient to ensure that a proper due diligence process is conducted and will carry out capacity and implementation readiness assessments to identify risks and course-correct any areas of concern. UNDP will develop a plan to provide implementation support to Sub-recipients and key population community centers, with the necessary budget allocated for this. Additionally, a condition has been included in the Grant Confirmation requiring a review of the program management unit to ensure adequate human resourcing for financial oversight of Sub-recipients.
- The GAC acknowledged the potential risks associated with fulfilling domestic commitments for the 2023-2025 allocation period. Building on lessons learned from issues with internal coordination, delayed disbursement and procurement bottlenecks, the Secretariat will collaborate with the Ministry of Health to plan commodity quantifications and support the Ministry of Finance's funds disbursement.
- Acknowledging the grant's heavy focus on procuring health products and equipment, the GAC and Partners emphasized the need for increased advocacy to secure more domestic financing for first- and second-line HIV and TB drugs and laboratory supplies for TB.
- The GAC and Partners highlighted the importance of continued alignment of interventions planned under the grant with the ongoing standalone RSSH grant approved in GF/B50/EDP08 and GF/B51/EDP08, as well as the need to maximize the use of collective investments in health systems strengthening in the country.
- The GAC acknowledged that DRC was designated the following matching funds: "Scaling up programs to remove human rights and gender related barriers". The GAC noted that the total budget for this priority area is 30% less than the expected amount to meet the access conditions. Acknowledging the critical need for continued investment in human rights programs, particularly in response to anti-lesbian, gay, bisexual, and transgender movements in DRC and noting that the proposed level of programming is sufficient for solid human rights programs within the reduced grant implementation period, the GAC granted a waiver to meeting access conditions. The Secretariat will oversee implementation progress and allocate any available savings from the UNDP and/or Ministry of Health HIV/TB grants to further scale up human rights response as appropriate.

HIV

- The GAC and Partners recognized the significant efforts in maximizing resources during grant-making to find savings for reinvestment in critical HIV commodities. They welcomed the grant's enhanced focus on data quality, quality of prevention and care through Pre-exposure Prophylaxis, viral load testing and the emphasis on pediatrics and PMTCT. Partners recognized the increased PMTCT coverage compared to the previous allocation period but underlined the remaining concerns regarding pediatric coverage and the elimination of mother-to-child transmission. Partners expressed their support for further collaboration with the Secretariat to find ways to increase coverage in these areas.
- Partners acknowledged the grant's provisions for supporting community engagement and human rights and gender interventions and expressed support for optimizing the key population strategy in service delivery, geographical prioritization and package regimens.

TB

- The GAC and Partners applauded the Secretariat's and Principal Recipient's joint efforts during grant-making to maximize the coverage of first-line TB drugs and GeneXpert cartridges and close the funding gap until 2025. However, they expressed concerns about the remaining gaps for buffer stocks for 2026, noting that the active case-finding efforts in the country put pressure on the budget to cover essential commodities and services. The Secretariat will closely monitor grant performance during implementation, prioritizing these elements as part of dynamic grant budget management and reinvestments to the extent possible.
- Partners commended the grant for including community-led monitoring activities. They emphasized the need for increased investments during grant implementation if additional resources become available to ensure effective national expansion.

Complementarity with C19RM Investments: Please refer to GF/B50/ER07 and GF/B51/ER05 for a full description on complementarity of the 2023-2025 allocation period investments and C19RM.

Turkmenistan TB: United Nations Development Programme (TKM-T-UNDP)

1.7 Co-financing

2020-2022 allocation period: Turkmenistan is compliant with the co-financing requirement for the 2020-2022 allocation period. The country spent an estimated US\$73 million on the TB program, surpassing the US\$40 million requirement by 83.6%.

2023-2025 allocation period: Turkmenistan presented a commitment letter from the Ministry of Health and Medical Industry of Turkmenistan, which has been verified by the Secretariat and is now awaiting further required endorsements by the Government. The Grant Confirmation requires the submission of the final co-financing commitment letter within six months from the implementation period start date.

Additional Information

Table 2: Co-financing update to the Board from 2023-2025 allocation period grants

The Secretariat hereby notifies the Board of the status of co-financing for the 2020-2022 and 2023-2025 allocation periods pertaining to Board-approved 2023-2025 allocation period grants assessed as “conditionally compliant” or “conditionally non-compliant” at the time of Board approval. For these countries, a grant requirement was included in Grant Confirmations, requesting specific information and/or a final signed commitment letter to be submitted by an agreed due date to finalize the compliance assessment. Throughout grant implementation, the Secretariat will notify the Board of final co-financing compliance for outstanding countries. This report provides an update on co-financing compliance for the following countries:

Country	Components	2020-2022 Allocation Period		2023-2025 Allocation Period	
		Status at Board Approval	Update	Status at Board Approval	Update
Benin	HIV TB Malaria	Conditionally compliant Documentation for verification due 31 March 2024	Full waiver Full waiver approved on 12 July 2024 due to methodological challenges in reporting 2020-2022 allocation period requirements, resulting in unspecified and potentially inflated requirements	Conditionally compliant Final commitment letter pending submission (due 31 March 2024)	Compliant Government provided final commitment letter, with commitments meeting the total minimum requirements: <ul style="list-style-type: none"> • HIV: EUR 13,353,339 • TB: EUR 1,290,128 • Malaria: EUR 6,958,863 • RSSH: EUR 18,598,780
Congo (Republic of)	HIV TB Malaria	Full Waiver	n/a	Conditionally Compliant Final commitment letter pending submission (due 30 June 2024)	Compliant Government provided final commitment letter, with commitments meeting the requirement for additional investments: <ul style="list-style-type: none"> • HIV: EUR 6,784,391 • TB: EUR 1,018,207 • Malaria: EUR 6,593,949 • RSSH: EUR 245,289

Djibouti	HIV TB Malaria	Full waiver	n/a	Conditionally compliant Final commitment letter pending submission (due 30 April 2024)	Compliant Government provided final commitment letter, with commitments meeting the total minimum requirements: <ul style="list-style-type: none"> • HIV: US\$182,787 • TB: US\$397,590 • Malaria: US\$488,258 • RSSH: US\$1,077,763
Ivory Coast	HIV TB Malaria	Compliant	n/a	Conditionally compliant Final commitment letter pending submission (due 30 June 2024)	Compliant Government provided final commitment letter, with commitments meeting the total minimum requirements: <ul style="list-style-type: none"> • HIV: EUR 52,724,221 • TB: EUR 14,824,051 • Malaria: EUR 67,707,759 • RSSH: EUR 17,334,083
Kazakhstan	HIV	Compliant	n/a	Conditionally compliant Final commitment letter pending submission (due 31 January 2024)	Compliant Government provided updated commitment for the 2024 budget in local currency meeting the total minimum requirement: <ul style="list-style-type: none"> • HIV: US\$205,136,207 (converted from local currency (Tenge))
Zambia	HIV TB Malaria	Full Waiver	n/a	Conditionally compliant Final commitment letter pending submission (due 30 June 2024)	Compliant Government provided final commitment letter, with overall commitments surpassing the 2020-2022 allocation period spending by 19% and meeting the requirements for additional investment: <ul style="list-style-type: none"> • HIV: US\$37,167,769 • TB: US\$3,484,479 • Malaria: US\$27,983,282 • RSSH: US\$20,228,965

Zanzibar	HIV TB Malaria	Compliant	n/a	Conditionally compliant Final commitment letter pending submission (due 30 Mar 2024)	Compliant Government provided final commitment letter, with commitments meeting the total minimum requirements: <ul style="list-style-type: none"> • HIV/TB: US\$3,839,082 • Malaria: US\$265,182 • RSSH: US\$6,016,123
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Privileges and Immunities

Of the applicants for which funding recommendations are currently being made, none of the countries have 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,⁴ 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/B50/EDP10: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation	This decision point approved the allocation funding for the Benin HIV (BEN-H-PlanBen) and HIV/TB/Malaria (BEN-Z-CNLS-TP) grants.
GF/B49/EDP11: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation	This decision point approved the allocation funding for the Congo Malaria (COG-M-CRS) grant.
GF/B49/EDP12: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation	This decision point approved the allocation funding for the Congo HIV/TB (COG-C-UNDP) grant and the Kazakhstan HIV (KAZ-H-RAC) grant.
GF/B49/EDP05: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation	This decision point approved the allocation funding for the Ivory Coast HIV (CIV-H-MOH), HIV/TB (CIV-C-ACI) and TB (CIV-T-MOH) grants.
GF/B50/EDP03: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation	This decision point approved the allocation funding for the Ivory Coast Malaria (CIV-M-MOH and CIV-M-SCI) and RSSH (CIV-S-MOH) grants.
GF/B50/EDP05: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation	This decision point approved the allocation funding for the Djibouti HIV/TB/Malaria (DJI-Z-MoH) grant, Zambia HIV/TB (ZMB-C-CHAZ and ZMB-C-MOH) and Malaria (ZMB-M-CHAZ and ZMB-M-MOH) grants, and Zanzibar HIV/TB (QNB-C-MOH) and Malaria (QNB-M-MoH) grants.

⁴ 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/>)