

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B51/ER10

Board Decision

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

1. GF/B51/EDP14: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation.¹
2. GF/B51/EDP15: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2023-2025 Allocation Period.²

Document Classification: Internal.

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¹ The Secretariat recommends the approval of funding from the 2023-2025 Allocation for 13 grants: Bolivia (Plurinational State) Malaria, Botswana HIV/TB, Comoros HIV/TB, Comoros Malaria, Dominican Republic HIV, Gabon HIV, TB and Malaria, Guyana HIV/TB, Kosovo HIV/TB, Mauritania HIV, TB and Malaria, Nicaragua Malaria, Niger TB, Multicountry Middle East MER HIV, TB and Malaria and Uzbekistan HIV/TB, up to an amount of **US\$176,093,350** and **EUR 25,881,776** of country allocation funding, including matching funds of **US\$750,000** for Botswana HIV/TB. As a corrigendum to the Electronic Report to the Board GF/B51/ER08, the Secretariat recommends the approval of funding from the 2023-2025 Allocation for four grants: Pakistan HIV grants (PAK-H-NACP and PAK-H-UNDP) and Sri Lanka HIV and TB grants (LKA-H-MOH and LKA-T-MOH), up to an amount of **US\$40,036,678** of country allocation funding, including matching funds of **US\$1,000,000** for Pakistan HIV.

² The Secretariat recommends the approval of **US\$6,000,000** of additional funding representing a private sector contribution to be integrated into the 2023-2025 allocation period Mozambique RSSH grant and **US\$11,885,500** of Debt2Health funds to be integrated into the 2023-2025 allocation period Mongolia HIV/TB grant.

Decision

Decision Point: GF/B51/EDP14: 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 and Table 2 of GF/B51/ER10 ("Table 1" and "Table 2");
2. Acknowledges each country disease component's constituent grants will be implemented by the proposed Principal Recipients listed in Table 1 and Table 2, 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.

Decision Point: GF/B51/EDP15: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2023-2025 Allocation Period

The Board:

1. Approves the revised budget recommended for the grants listed in Table 3 of GF/B51/ER10 ("Table 3");
2. Affirms the additional funding approved under this decision (a) increases the upper-ceiling amount that may be available for the relevant implementation period of each country disease component's constituent grants, and (b) is subject to the availability of funding; and
3. 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 13 grants: Bolivia (Plurinational State) Malaria, Botswana HIV/TB, Comoros HIV/TB, Comoros Malaria, Dominican Republic HIV, Gabon HIV, TB and Malaria, Guyana HIV/TB, Kosovo HIV/TB, Mauritania HIV, TB and Malaria, Nicaragua Malaria, Niger TB, Multicountry Middle East MER HIV, TB and Malaria and Uzbekistan HIV/TB, up to an amount of **US\$176,093,350** and **EUR 25,881,776** of country allocation funding, including matching funds of **US\$750,000** for Botswana HIV/TB.

Corrigendum to the Electronic Report to the Board GF/B51/ER08

The grant names for the Pakistan HIV and the Sri Lanka HIV and TB grants were interchanged in Table 1 presented for Board approval through GF/B51/EDP11. This decision request, if approved by the Board, is intended to supersede GF/B51/EDP11 for the following grants only: PAK-H-UNDP, PAK-H-NACP, LKA-T-MOH and LKA-H-MOH.

Accordingly, the Secretariat recommends the approval of funding from the 2023-2025 Allocation for four grants: Pakistan HIV grants (PAK-H-NACP and PAK-H-UNDP) and Sri Lanka HIV and TB grants (LKA-H-MOH and LKA-T-MOH), up to an amount of **US\$40,036,678** of country allocation funding, including matching funds of **US\$1,000,000** for Pakistan HIV. The total allocation amounts per grant are now correctly reflected in Table 2 below.

The grants in Table 1 and Table 2 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 Table 2 and has deemed the grants disbursement-ready.

Secretariat's Recommendation on Additional Funding

The Secretariat hereby recommends the approval of:

- **US\$6,000,000** of additional funding representing a private sector contribution to be integrated into the 2023-2025 allocation period Mozambique RSSH grant and **US\$11,885,500** of Debt2Health funds to be integrated into the 2023-2025 allocation period Mongolia HIV/TB grant as set out at Table 3.

Input Sought

The Board is requested to review the request and agree on a 'no objection' basis, the decision point GF/B51/EDP14: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation; and decision point GF/B51/EDP15: Decision on the Secretariat's Recommendation on Funding Unfunded Quality Demand from the 2023-2025 Allocation Period.

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

All relevant supporting documents are available for review through the following [link](#).

N	Applicant	Disease Component	Grant Name*	Grant End Date	Currency	Total Program Budget	Catalytic Funds in Grant	Domestic Commitment **	Unfunded Quality Demand (US\$)
1	Bolivia (Plurinational State)	Malaria	BOL-M-UNDP	31/12/2027	US\$	4,757,020	-	Malaria: 16,522,714	1,467,590
2	Botswana	HIV/TB	BWA-C-BMoH	31/12/2027	US\$	24,773,510	750,000	TB: 1,600,000 HIV: 29,527,162	12,837,373
3	Comoros	HIV/TB	COM-C-MOH	31/12/2027	EUR	1,491,242	-	Pending finalization of commitment letter	2,037,219
4	Comoros	Malaria	COM-M-PNLP	31/12/2027	EUR	4,878,374	-	Pending finalization of commitment letter	
5	Dominican Republic	HIV	DOM-H-CONAVIH	31/12/2027	US\$	16,101,778	-	HIV: 90,849,867	894,484
6	Gabon	Multicomponent	GAB-Z-MOH	31/12/2027	EUR	8,014,277	-	HIV: 4,951,379 TB: 4,942,386 Malaria: 7,756,973	2,038,711
7	Guyana	HIV/TB	GUY-C-MOH	31/12/2027	US\$	4,566,316	-	HIV: 74,568,771 TB: 18,369,245	697,506
8	Kosovo	HIV/TB	QNA-C-CDF	31/12/2027	EUR	3,180,098	-	Pending finalization of commitment letter	1,813,478
9	Mauritania	Multicomponent	MRT-Z-SENL	31/12/2027	US\$	21,002,652	-	HIV: 4,304,372 TB: 1,265,819 Malaria: 3,462,185	9,952,523

N	Applicant	Disease Component	Grant Name*	Grant End Date	Currency	Total Program Budget	Catalytic Funds in Grant	Domestic Commitment **	Unfunded Quality Demand (US\$)
10	Multicountry Middle East MER	Multicomponent	QSF-Z-IOM	31/12/2027	US\$	54,446,469	-	N/A***	34,798,985
11	Niger	TB	NER-T-MSP	31/12/2026	EUR	8,317,785	-	Pending finalization of commitment letter	3,964,226
12	Nicaragua	Malaria	NIC-M-REDNICA	31/12/2027	US\$	6,284,069	-	Pending finalization of commitment letter	763,767
13	Uzbekistan	HIV/TB	UZB-C-RAC	31/12/2027	US\$	44,161,536	-	Pending finalization of commitment letter	18,285,583

Table 2: Secretariat’s Recommendation on Funding from the 2023-2025 Allocation: Corrigendum to the Electronic Report to the Board GF/B51/ER08

All relevant supporting documents are available for review through the following [link](#).

N	Applicant	Disease Component	Grant Name*	Grant End Date	Currency	Total Program Budget	Catalytic Funds in Grant	Domestic Commitment**	Unfunded Quality Demand (US\$)
1	Pakistan	HIV	PAK-H-NACP	31/12/2026	US\$	5,673,192	-	HIV- 7,833,708 TB - 40,972,234 Malaria - 14,672,663	29,401,691
2	Pakistan	HIV	PAK-H-UNDP	31/12/2026	US\$	25,012,769	1,000,000		
3	Sri Lanka	HIV	LKA-H-MOH	31/12/2027	US\$	6,381,149	-	Pending finalization of commitment letter	960,185
4	Sri Lanka	TB	LKA-T-MOH	31/12/2027	US\$	2,969,568	-		1,763,637

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

** 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.

*** As a non-CCM and multicountry applicant, the Multicountry MER does not have formal co-financing requirements.

Table 3: Secretariat’s Recommendation on Additional Funding to Finance UQD from the 2023-2025 Allocation Period

All relevant supporting documents are available for review through the following [link](#).

N	Applicant	Disease Component	Grant Name	Additional Funding Source	Currency	Previous Approved Grant Budget	Additional Funds	Revised Grant Budget for approval
1	Mongolia	HIV/TB	MNG-C-MOH	Debt to Health (D2H) swap with the Government of Germany to fund UQD to address programmatic and financial gaps and expand the scope of activities.	US\$	14,094,536	11,885,500	25,980,036
2	Mozambique	RSSH	MOZ-S-MOH	Private sector contribution for community systems strengthening to fund UQD.	US\$	67,496,112	6,000,000	73,496,112

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 may be 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:

Bolivia Malaria: United Nations Development Programme (BOL-M-UNDP)

1.1 Co-financing

2020-2022 allocation period: Bolivia has met the first co-financing requirement by increasing its investment in health. Government spending on health as a percentage of total government spending has risen from an average of 7.5% in the 2017-2019 allocation period to 8.2% in the 2020-2022 allocation period. The country is conditionally compliant with the second co-financing requirement, pending the receipt of actual expenditure data for 2023. Provisional data indicates that the government spent US\$15.3 million on malaria, which exceeds the minimum co-financing requirement of US\$14.7 million.

Bolivia has also demonstrated the uptake of key program costs by investing an average of US\$3.5 million annually in prevention activities, including strengthening community outreach, early community surveillance and outbreak preparedness.

2023-2025 allocation period: Bolivia is compliant with the co-financing requirements for the 2023-2025 allocation period. In the commitment letter, the country commits to raising the proportion of health spending in its total government expenditure to 8.22% by 2027 and allocating US\$16.5 million to malaria, along with specific programmatic commitments.

The Secretariat acknowledged the potential risks of not meeting the co-financing commitments due to volatile economic and financial conditions and the possibility of further currency devaluation if the government adopts a floating exchange rate. The Secretariat will monitor the implementation of malaria interventions, particularly the procurement of essential commodities, and will provide necessary support to mitigate the risks.

Botswana HIV/TB: Botswana-Ministry of Health (BWA-C-BMoH)

1.2 Co-financing

2020-2022 allocation period: Botswana has sustained its large-scale financial support for the HIV and TB responses and health and community system strengthening. However, due to limitations in the methodology and data used to set the commitments and assess performance, the Secretariat has waived the second co-financing requirement of the 2020-2022 allocation period for HIV and TB. The Secretariat considers Botswana to have made acceptable progress in meeting an ambitious list of qualitative programmatic commitments.

2023-2025 allocation period: Botswana is compliant with the co-financing requirements for the 2023-2025 allocation period. The revised commitment letter dated 9 September 2024 details the plans to invest US\$31.1 million in HIV, TB and RSSH, exceeding the minimum additional co-financing requirement by US\$6.7 million. The commitment letter also specifies programmatic commitments to co-finance the TB prevalence survey and increase the number of community health workers (CHW) paid by the government by 1,300 from 2025/2026.

1.3 GAC review and recommendation

- The GAC acknowledged that Botswana was designated the following matching funds: “Scaling up programs to remove human rights and gender related barriers.” The Secretariat confirmed that the conditions for accessing the matching funds have been met.

Comoros HIV/TB and Malaria: Ministry of Health, Solidarity, Social Protection and Gender Promotion of the Union of the Comoros (COM-C-MOH) and Ministry of Health, Solidarity, Social Protection and Gender Promotion of the Union of the Comoros (COM-M-PNLP)

1.4 Co-financing

2020-2022 allocation period: Comoros has met the first co-financing requirement for the 2020-2022 allocation period. Budgetary documents demonstrate an increase in health budgets. Government health budgets rose from an average of EUR 21.5 million during 2019-2021 to EUR 29.7 million for the period 2022-2024, representing a 38% increase. Health budgets were also on an upward trajectory as a proportion of the total government budget.

The country has not met the second co-financing requirement. Despite limitations in data quality, the most recent data on co-financing shows that government expenditure on HIV, TB and malaria fell below the required minimum amounts. Throughout the allocation period, the government allocated EUR 1.1 million to HIV, TB and malaria, which is 62% lower than the required EUR 2.8 million. Due to non-compliance, the Secretariat approved a reduction of EUR 107,044 to the malaria allocation. This is less than a proportionate reduction to the level of under-realization in order to minimize the impact on program performance while encouraging the government to take up a specific, measurable co-financing commitment, including the purchase of insecticide-treated nets (ITN).

2023-2025 allocation period: Comoros is conditionally non-compliant with the co-financing requirements for the 2023-2025 allocation period. The commitment letter submitted in April 2024 does not contain a commitment related to government health expenditure. In addition, the reported baseline expenditure data for the three diseases could not be substantiated with budget or budget execution data, and financial commitments could not be tied to specific programmatic commitments. As a result, the commitment letter is considered non-compliant with co-financing requirements. The Secretariat is working with the country on an updated commitment letter that complies with the requirements.

The Secretariat acknowledged risks related to the materialization of the co-financing commitments due to the challenges associated with domestic revenue mobilization, budget execution, and the lack of quality data to track expenditures.

Dominican Republic HIV: Consejo Nacional para el VIH y el SIDA (DOM-H-CONAVIH)

1.5 Co-financing

2020-2022 allocation period: The Dominican Republic has met the co-financing requirements for the 2020-2022 allocation period. The country spent US\$85.3 million on HIV, surpassing the required amount of US\$72.9 million. The availability of domestic funding for the absorption of key program costs for prevention and testing for key populations was delayed in the first year of the grant due to changes in the government, affecting the achievement of the national targets in 2022. The budgetary issues were resolved in 2023, and the country achieved a performance rate of 124%, with further progress in 2024. The Secretariat considers that the country has demonstrated the uptake of key program costs.

2023-2025 allocation period: The Dominican Republic is compliant with the co-financing requirements for the 2023-2025 allocation period. The country has submitted a letter committing to investing US\$90.9 million into HIV, meeting the minimum amount. The government has also outlined plans to maintain the absorption of procurement of ART, laboratory reagents and tests, strengthen public institutional capacities and continue expanding the Single Beneficiary System (*SIUBEN* in Spanish), which provides social protection benefits to people living with HIV, among others. Additionally, the country has committed to increasing its investment in prevention and testing for key populations, fulfilling the requirements stipulated in the Allocation Letter.

1.6 GAC review and recommendation

- The GAC acknowledged that based on the successful implementation of the results-based funding modality between the Principal Recipient and sub-recipients in the 2020-2022 allocation period, the availability of adequate programmatic and financial data management systems in the country, and the Global Fund's intention to continue supporting countries to move towards sustainability of the response, the grant will continue to operate under the targeted payment for results modality. This approach aims to accelerate improvement in prevention, testing and treatment coverage, retention and quality while advancing national ownership of programmatic and financial decisions.

Gabon HIV, TB and malaria: Ministry of Health of the Gabonese Republic (GAB-Z-MOH)

1.7 Background and context

For the 2023-2025 allocation period, Gabon is eligible and has received funding for HIV and malaria in addition to TB. The malaria funding will support implementing a universal ITN distribution campaign and associated activities. The funding for HIV will focus on several areas, including conducting population size estimates and a Biological and Behavioral Survey, procuring HIV test kits and viral load tests and capacity building. Additionally, the grant will enable social protection, respect for human rights and gender, and equity in the national response to HIV.

1.8 Risks and mitigation measures

Transition of the Principal Recipient role to the Ministry of Health. The Country Coordinating Mechanism (CCM) has selected the Ministry of Health as the Principal Recipient to ensure the sustainability of investments, especially with the expanded scope to include HIV and malaria. The Ministry has completed the organizational structure for the Program Management Unit and is finalizing the job descriptions of key staff positions. Several support measures are being implemented to ensure a smooth transition. These include temporary expertise from the outgoing Principal Recipient, *Le Centre de Recherches Médicales de Lambaréné* (CERMEL), technical assistance from Expertise France to address human resource gaps post-recruitment and the development of a Procedures Manual for the grant.

1.9 Co-financing

2020-2022 allocation period: Gabon has met the cofinancing requirements for the 2020-2022 allocation period. The government has spent EUR 4.7 million on TB, linked to the purchase of first-line TB drugs and

operational costs for the National TB Program, indicating a 213% overall co-financing realization for the allocation period.

The country has also invested EUR 274,171 into interventions for key and vulnerable populations, including treatment of drug-susceptible TB for incarcerated populations, children under five and people living with HIV.

2023-2025 allocation period: Gabon is compliant with the co-financing requirements for the 2023-2025 allocation period. The commitment letter indicates that the government plans to invest EUR 5 million in HIV, EUR 4.9 million in TB and EUR 7.8 million in malaria, including the government's contribution to the ITN mass campaign.

The country has also provided a breakdown of programmatic commitments related to key and vulnerable populations.

Guyana HIV/TB: Ministry of Health of the Co-operative Republic of Guyana (GUY-C-MOH)

1.10 Background and context

The World Bank classified Guyana as a 'high' income country in 2023³. Countries that are 'high' income are not eligible for Global Fund financing or transition funding, and this grant has been structured as a final transition grant for HIV and TB.

The grant aims to enhance effective and sustainable responses to HIV and TB, focusing on interventions that reduce new HIV/TB infections and AIDS-related deaths and promote a people-centered, gender-sensitive and rights-based enabling environment. The Secretariat is collaborating with the government and technical partners to prepare for this transition and ensure the long-term sustainability of the programs.

1.11 Co-financing

2020-2022 allocation period: Guyana has met the co-financing requirements for the 2020-2022 allocation period. According to the updated assessment methodology, Guyana's minimum co-financing requirements have been revised to US\$25.9 million for HIV and US\$11.7 million for TB. During the allocation period, the country spent an estimated US\$48 million on HIV and US\$18.7 million on TB, exceeding the total minimum co-financing requirement for both diseases by 77%.

Although complete disaggregation is not possible due to data limitations, the Secretariat considers that increased investments in drugs, equipment and human resources from US\$32.7 million in the 2017-2019 allocation period to US\$62.8 million in the 2020-2022 allocation period have been directed towards key and vulnerable populations, demonstrating the achievement of the uptake of key program costs.

2023-2025 allocation period: Guyana is compliant with the co-financing requirements for the 2023-2025 allocation period. The country has committed to spending US\$74.6 million on HIV, which exceeds the minimum co-financing requirement of US\$49 million, representing an increase of 52%. Although the commitment to spending US\$18.4 million on TB is lower than the required minimum co-financing amount by 2.4%, the Secretariat considers this decrease will not affect the program due to exceeded investments in the previous allocation period. The Secretariat believes that the co-financing requirement is met.

³ The Global Fund Eligibility Policy uses the latest three-year average of gross national income (GNI) per capita to determine income classification using World Bank thresholds. For the 2024 Eligibility, Guyana remains an 'upper-middle' income country. However, when applying the latest three-year average, Guyana is also a 'high' income country for the Global Fund.

Guyana has also committed to investing US\$1.7 million to increase the uptake of key programmatic costs.

Kosovo HIV/TB: Community Development Fund (QNA-C-CDF)

1.12 Background and context

Under the Global Fund's Eligibility Policy, Kosovo is no longer eligible for HIV and TB funding as an upper-middle-income country with less than high disease burden. However, in recognition of the challenges posed by the COVID-19 pandemic, the Board approved an additional allocation of transition funding for the 2023-2025 allocation period for components that received transition funding in the 2020-2022 allocation to support the shift to full domestic financing of activities currently funded by the Global Fund.⁴

This final grant will focus on transitioning to government funding and other financing sources to sustain all services currently supported by the Global Fund. It will also ensure the continuation of evidence-based programs for key and vulnerable populations and address human rights and gender-related barriers to service access. Since 2021, Kosovo has had a transition plan to shift towards a self-sustained health financing system, particularly for the HIV and TB programs.

1.13 Co-financing

2020-2022 allocation period: Kosovo has met the co-financing requirements for the 2020-2022 allocation period. The country has spent an estimated EUR 4.28 million on HIV and EUR 2.8 million on TB, exceeding the total minimum co-financing requirement for the allocation period for both diseases by 105%.

2023-2025 allocation period: Kosovo is conditionally compliant with the 2023-2025 allocation period co-financing requirements, pending the submission of the final commitment letter by the Ministry of Health. The Grant Confirmation includes a condition for the country to submit the final signed letter by 30 April 2025.

Mauritania HIV, TB and Malaria: National Executive Secretariat for the Fight against AIDS of the Islamic Republic of Mauritania (MRT-Z-SENLS)

1.14 Risks and mitigation measures

Transition of the Principal Recipient role to the Ministry of Health. Following the CCM's decision in September 2024, the Principal Recipient is expected to transition from the National Executive Secretariat for the Fight against AIDS of the Islamic Republic of Mauritania (SENLS) to the Ministry of Health on 1 January 2026, contingent upon the completion of a capacity assessment to the Global Fund's satisfaction. This transition aims to enhance program ownership and ensure the sustainability of investments.

1.15 Co-financing

2020-2022 allocation period: Mauritania has met the first co-financing requirement for the 2020-2022 allocation period. Budget allocation to the Ministry of Health increased both as a percentage of the overall government expenditures, increasing from 4.13% in 2022 to 5.4% in 2024, and in absolute terms, rising from US\$283.5 million during the 2017-2019 allocation period to US\$427.8 million in the 2020-2022 allocation period.

⁴ GF/B47/DP04: Approval of the Eligibility of the 2020-2022 Transition Funding Components for an Additional Allocation.

In the commitment letter dated 15 October 2021, the government committed to investing US\$28.05 million in HIV, TB and malaria from 2022 to 2024. While a 101% execution rate was reported, this rate pertains mostly to health commodity purchases for malaria. The absence of a national procurement plan and commodity list for HIV and TB in the commitment letter makes it challenging to verify the realization.

In addition, due to various methodological challenges and unmonitorable commitments, including the absence of a total minimum co-financing benchmark against which achievements could be measured, unclear co-financing activities, and lack of RSSH commitments, the Secretariat could not assess compliance with the second co-financing requirement. As a result, the Secretariat has waived the second co-financing requirement for HIV, TB, malaria and RSSH.

2023-2025 allocation period: Mauritania is compliant with the co-financing requirements for the 2023-2025 allocation period.

The Medium-Term Expenditure Framework indicates that the Ministry of Health's budget is projected to increase from US\$153.5 million in 2025 to US\$159.1 million in 2027, maintaining approximately 5.5% of the overall government budget.

In the commitment letter, the country indicates its intention to invest US\$9 million in HIV, TB and malaria, along with programmatic commitments related to the procurement of health commodities, funding the SENLS and covering 100% of the motivation payments for health workers for HIV and multidrug-resistant TB (MDR-TB). To address the limitations experienced during the 2020-2022 allocation period, a joint procurement plan has been developed, and a list of commodities to be procured with government funds (co-financing) is enclosed with the commitment letter.

Multicountry Middle East MER HIV, TB and Malaria: International Organization for Migration (QSF-Z-IOM)

1.16 Background and context

The Multicountry Middle East Response (MER) program aims to ensure continuity of treatment and essential services for people affected by HIV, TB and malaria in Yemen, Syria, Iraq, Jordan, Lebanon and Palestine.

HIV. The HIV epidemic in the Middle East region remains concentrated in key and vulnerable populations, varying across the region. In Lebanon, the epidemic is driven by men who have sex with men, of which 76% are Lebanese and 24% are non-Lebanese, with Syrians representing 75% of the non-Lebanese population. In Yemen and Jordan, men who have sex with men and female sex workers are the most affected, with a prevalence rate of 7.5% among men who have sex with men and 2.5% female sex workers in Jordan.

Access to HIV services is a critical issue because of legal and societal barriers, including criminalization of key populations, stigma and discrimination and conflicts in the region.

TB. The TB program builds on and accelerates progress made since the grant started in 2017. The TB response will focus on pre-elimination strategies in Jordan, Palestine and Lebanon, while the emphasis will be on TB control in Yemen, Iraq, Libya and Syria. The grant will target case finding and invest in diagnostic technologies, including GeneXpert and TrueNat.

Malaria. Yemen is the only country implementing malaria interventions, accounting for 40% of the grant funds. Based on the Sub-National Tailoring exercise conducted in 2023, more resources are being directed towards North Yemen for malaria case management and vector control, with a gradual shift towards surveillance and malaria pre-elimination in South Yemen.

1.17 Risks and mitigation measures

Challenging operating environment. The grant is operating in a challenging environment marked by ongoing conflicts in the region, political instability, restrictive legal environment for human rights and

gender, with tailored arrangements for supply chain and funds flow, fragile national program governance and data quality challenges.

Sanctions. The proposed grant activities and implementation arrangements are consistent with relevant major sanctions regimes. This assessment remains subject to ongoing monitoring and revision in the rapidly evolving MER context and reflects Global Fund present review of: (1) the nature of budgeted activities, planned implementation arrangements and funds flow; (2) IOM's status and exemptions as an intergovernmental organization under the United Nations System, allowing limited IOM contracting with and funding of sub-recipients and other implementers; (3) applicable sanctions exemptions e.g., for humanitarian and health funding and activities; and (4) inclusion of a Grant Confirmation legal requirement, obligating IOM to: (i) an obligation requiring adherence by the Principal Recipient 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.

Procurement and supply chain challenges. The ongoing conflicts have resulted in supply chain disruptions, with increasing commodity prices, longer lead/delivery timelines, and the risk of stockouts of essential health products. The Secretariat will continue exploring innovative supply chain and commodity security approaches, subject to applicable law and policy requirements.

Contingency support for Palestine and Lebanon. To mitigate the impact of the current conflicts and ensure program and service continuation, the following strategic approaches are considered for Palestine and Lebanon:

- **Palestine:** A contingency post-war investment of US\$1.2 million is earmarked under the grant budget for laboratory and related systems strengthening for increased case finding and screening activities for TB and HIV once a ceasefire is achieved. The Secretariat will monitor the situation and adjust priorities as necessary.
- **Lebanon:** Some funds under the 2020-2022 allocation period grant have been reprogrammed to ensure commodity security for key and vulnerable populations. During the 2023-2025 allocation period grant implementation, further discussions and reassessment of the situation will inform potential reinvestments and reprioritization.

1.18 Co-financing

As a non-CCM and multicountry applicant, the Multicountry MER portfolio does not have formal co-financing requirements.

1.19 GAC review and recommendation

- The GAC and partners commended the Secretariat's efforts to maximize investments in the challenging context, navigate complex negotiations during the grant-making process and the program design that prioritizes program essentials while leveraging achievements from the 2020-2022 allocation period. In particular, the GAC highlighted the strategic shift towards targeted HIV testing and service delivery for key populations despite the political sensitivities associated with this approach.
- The partners recognized the TB program's focus on key populations to enhance TB detection and care, TB/HIV collaborative interventions and support access to DR-TB care. Additionally, they highlighted the necessity for flexibility and contingency planning in response to the evolving conflict situation, especially for Lebanon and Palestine, which are part of the pre-elimination countries.
- The GAC and partners acknowledge that despite the challenges presented by the protracted conflict, the malaria program managed to distribute over 10 million ITNs while underscoring the collaborative efforts of technical partners to improve program quality. In the meantime, the GAC noted that while efficiencies identified during grant-making narrowed the ITN gap, increasing the

number of nets to 2.1 million, there is still a gap of 1.7 million ITNs. The Secretariat will monitor implementation and redirect savings or efficiencies to address the outstanding gap. Additionally, partners will be engaged to help address the identified gap.

- The GAC and partners noted the ongoing engagement initiatives with civil society organizations (CSO) to enhance demand creation and integrated services delivery while addressing human rights barriers through advocacy. The partners raised questions about opportunities for greater investments in community systems strengthening and the capacity-building of community-based organizations, particularly considering the community engagement challenges in the region. The Secretariat will closely monitor the grant's implementation and consider investing any savings or additional funds that may become available in strengthening community systems to the extent possible while leveraging other collaborative opportunities with other funding mechanisms to broaden the resource mobilization process initiative by CSO. Additionally, the Secretariat will work to enhance partner engagement to advocate for human rights.

Nicaragua Malaria: Federación Red NICASALUD (NIC-M-REDNICA)

1.20 Risks and mitigation measures

Sanctions. The proposed activities under the 2023-2025 allocation period grant are consistent with relevant major sanctions regimes. This is due to the nature of the activities and the scope of the relevant sanctions orders and applicable licenses and exemptions. Additionally, the Grant Confirmations include (i) an obligation requiring adherence by the Principal Recipient 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.

New regulations concerning non-governmental organizations (NGO). In 2024, Nicaragua authorities introduced legislative changes for NGOs, including that (a) NGOs are now required to update their registration status with the Ministries of Interior and Foreign Affairs, and (b) tax exemptions and benefits that NGOs previously enjoyed have been removed. While these changes increase government control over civil society, representatives from the civil society Principal Recipient confirmed to the Secretariat on 30 October 2024 that the 2020-2022 allocation period grant activities are still being carried out with support from the CCM and the Ministry of Health. Additionally, in October 2024, the CCM confirmed its continued support of the proposed 2023-2025 implementation arrangements. Officials from the Ministry of Health also expressed their ongoing willingness to collaborate with the Global Fund.

As the implementation of these new laws is still in progress, the Secretariat will closely monitor developments to ensure continued compliance with Global Fund policies and procedures, including those regarding the management and use of grant funds, audit and access rights, reporting and general oversight.

1.21 Co-financing

2020-2022 allocation period: Nicaragua is conditionally compliant with the co-financing requirements for the 2020-2022 allocation period. Available data indicates that the country has increased its overall government expenditure on health. However, a final compliance decision is contingent on the country providing additional supporting information on health expenditure. The country is also expected to submit verified data on domestic malaria expenditure to reset the baseline and assess compliance with the disease-specific commitments. All required documentation is to be provided by 31 January 2025.

Available programmatic data demonstrates that Nicaragua has invested in key malaria medicines, diagnostic supplies, insecticides and biolarvicides. Verified evidence indicates that the country has fulfilled its original commitment. The Secretariat considers that Nicaragua has demonstrated the uptake of key program costs.

2023-2025 allocation period: Nicaragua is conditionally compliant with co-financing requirements for the 2023-2025 allocation period. The commitment letter submitted does not include domestic malaria spending pending baseline reset. An updated commitment letter is expected to be submitted by 31 January 2025. The Grant Confirmation includes a condition requiring the same.

Niger TB: Ministry of Public Health, Population and Social Affairs (NER-T-MSP)

1.22 Background and context

TB incidence has declined from 87 cases per 100,000 in 2018 to 77 cases per 100,000 in 2022, while the notification rate has increased from 54 per 100,000 in 2019 to 62 per 100,000 in 2023, with geographical variations across regions. Regions with high disease burden, including Zinder, Maradi, Dosso and Tillabery, concentrate 90% of missing cases and a high rate of lost-to-follow-up. The working-age population is the most affected group, with 80% of cases. Diagnosis among children remains limited and children of TB contacts are not systematically tested. Although the treatment success rate has improved since 2019, rising from 83% to 86% for the 2021 cohort, it remains below the global target of 90%. Additionally, the treatment success rate for co-infected patients increased from 72% in 2019 to 74% in 2023 but remains below the target.

Between 2019 and 2023, the number of confirmed cases of MDR-TB increased from 79 to 151, while the number of patients starting second-line treatment increased from 65 to 127. However, the treatment success rate of MDR-TB decreased from 86% in 2017 to 75% in 2020, underlining the continuing challenges related to access to treatment, adherence and efficiency of treatment regimens.

Allocation utilization period. In consultation with the CCM, the 2023-2025 allocation for the TB component has a reduced allocation utilization period (AUP) of two years (2025-2026) to align the TB AUP with the HIV and malaria AUPs from the 2026-2028 allocation period onwards.

Complementarity with C19RM funding. The Secretariat highlighted the complementarity in the surveillance system strengthening, laboratory and diagnostics, human resources for health, community systems strengthening and health products and waste management systems.

1.23 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, should subsequent designations occur, the exemption would continue to apply.

For these reasons, the 2023-2025 allocation period implementation arrangements are consistent with the EU sanctions framework. Additionally, the Principal Recipient will have obligations pursuant to the terms of the Grant Confirmation 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 use relevant flexibilities under the Additional Safeguards Policy and the Challenging Operating Environments Policy, as relevant.

1.24 Co-financing

2020-2022 allocation period: The Secretariat has waived Niger's co-financing requirements for the 2020-2022 allocation period for HIV, TB and malaria, acknowledging the country's challenging macroeconomic and political context during this period, along with methodological issues and unrealistic commitments.

2023-2025 allocation period: According to the draft commitment letter, the Ministry of Health's budget is expected to increase by 3.6% in 2026. In the draft commitment letter, the country indicates its plans to invest EUR 34.1 million in HIV, TB, malaria and RSSH, along with programmatic commitments to purchase health commodities, co-funding CHW and human resources for health in rural areas. The Secretariat considers that Niger is conditionally compliant with the co-financing requirements for the 2023-2025 allocation period, contingent upon the receipt of the final, signed commitment letter by 31 December 2024.

The Secretariat acknowledged potential risks associated with fulfilling commitments due to the unstable macroeconomic environment, delayed disbursements from the Ministry of Finance, high costs of health commodities and challenges in meeting CHW payment agreements. The Secretariat has implemented mitigating measures and will closely monitor the fulfillment of commitments to address issues when they arise.

Uzbekistan HIV/TB: Republican Center to Fight AIDS (UZB-C-RAC)

1.25 Co-financing

2020-2022 allocation period: Uzbekistan has met the co-financing requirements for the 2020-2022 allocation period. The country spent US\$136.9 million on HIV, surpassing the minimum co-financing requirement of US\$105.2 million. However, TB spending amounted to US\$162.9 million, below the country commitment of US\$184.3 million, mainly due to the impact of COVID-19 on the health system and hospital reforms, focusing on service delivery optimization. The Secretariat considers that the slower-than-planned increase in domestic financing of the TB program did not affect service provision during the allocation period and, therefore, considers the country to have met the requirement.

2023-2025 allocation period: Uzbekistan is conditionally compliant with the co-financing requirements for the 2023-2025 allocation period. The country has presented a draft commitment letter outlining plans to invest US\$166.4 million in TB and US\$140 million in HIV. The Grant Confirmation requires the country to submit the signed commitment letter by 31 March 2025.

Summary of the Deliberations of the Secretariat's Grant Approvals Committee on Additional Funding Recommendations

Mongolia HIV/TB: Ministry of Health of Mongolia (MNG-C-MOH)

The additional funding revision integrates US\$11.8 million, out of which a US\$34.5 million is the proceeds from a Debt2Health initiative with the Government of Germany, subject to signing of the applicable and final Debt Swap Agreement.

This additional funding is expected to address programmatic and financial gaps in the HIV and TB programs and support RSSH through introducing new programmatic activities and the expansion of ongoing and currently budgeted activities. The additional funding and planned activities aim to address the needs of key and vulnerable populations, tackle pervasive human rights and gender-related barriers to improve access to quality TB and HIV health services to the most vulnerable communities. In particular, the funding will support:

- **Enhancing access and decentralization of diagnostic and preventive services** by expanding access to TB, HIV and hepatitis screening, testing, and preventive services, such as PrEP for HIV, mass TB screening in high-risk areas, decentralized HIV testing, and integration of TB, HIV and hepatitis services at primary healthcare levels, reaching more key populations; and
- **Strengthening healthcare capacity and addressing stigma** by improving healthcare capacity for accurate diagnostics (such as TB molecular testing and better specimen transport), along with training on human rights to address stigma and discrimination, promoting equitable and inclusive healthcare access and treatment.

Mozambique RSSH: Ministry of Health of Mozambique (MOZ-S-MOH)

This additional funding revision integrates a contribution from a private sector donor to expand health services at the community level and support implementation in the districts of Cabo Delgado, Nampula and Niassa, which the World Bank and other partners do not cover. The revision aims to contribute to strengthening the CHW program through the following interventions:

- **Expansion and support of the CHW workforce by:**
 - retraining existing polyvalent CHW and training 480 new CHW, from 8,496 in 2023 to 11,500 by 2026; and
 - ensuring remuneration for 1,590 CHW in 2025 and 2026, providing access to essential working materials, including CHW kits.
- **Enhancement of CHW program quality and inclusivity by:**
 - strengthening integrated supervision, program quality and referral systems by expanding UpScale, alongside developing modules on sexual and reproductive health; and
 - conducting age and gender analyses of the CHW workforce and improving training institutions to increase female representation and emphasize gender and equity in preservice training.

Privileges and Immunities

Of the applicants for which funding recommendations are currently being made, Gabon, Mauritania, Mozambique and Niger have signed and, as applicable, ratified the Global Fund Agreement on Privileges and Immunities.

Document Classification: Internal.

Document Circulation: Board Members, Alternate Board Members, Constituency Focal Points and Committee Members.

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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/B49/EDP05: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation	This decision point approved the allocation funding for the Mongolia HIV/TB grant
GF/B50/EDP16: Decision on the Secretariat's Recommendation on Funding from the 2023-2025 Allocation	This decision point approved the allocation funding for the Mozambique RSSH grant
GF GF/B47/DP04: Approval of the Eligibility of the 2020-2022 Transition Funding Components for an Additional Allocation	This decision point approved the eligibility of the six Transition Funding components from the 2020-2022 allocation period, including Kosovo HIV/TB, for an additional allocation of Transition Funding for the 2023-2025 allocation period

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/>)