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Global Fund Board approves funding for first set of interventions on UQD register for 2017–2019 identified through portfolio optimization

On 26 October, the Global Fund Board approved additional funding of \$14.9 million for the first set of interventions on the [Register of Unfunded Quality Demand](#) (UQD) to be funded as a result of portfolio optimization for the 2017–2019 allocation cycle. The approved funding will be added to two grants, one for Burundi malaria and the other for Philippines TB. See the table for details.

The Board was acting on the recommendations of the Grant Approvals Committee (GAC). As is the case with new grants, the awards are subject to the availability of funding and will be committed in annual tranches.

This article reports on the recommendations of the GAC and the decisions of the Board with respect to the portfolio optimization exercise. It also summarizes the GAC’s comments on the awards to Burundi and Philippines.

In a report sent to the Board, the GAC recommended that a total of \$127.7 million of UQD interventions be funded. Over the coming months, the Board will be asked to approve additional sets of interventions from this total. The precise timing “will be aligned to programmatic needs, on a case-by-case basis,” the GAC said. The Secretariat informed Aidspan that the next set of interventions that will be recommended to the Board for funding will involve a grant to Rwanda.

Table: UQD interventions for 2017–2019 funded as a result of portfolio optimization

| Applicant | Comp. | Grant name | Principal recipient | Amount approved (\$) | Revised program budget |
|-----------|-------|------------|---------------------|----------------------|------------------------|
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|-------------|---------|----------------------------|------|------------|-------------|
| Burundi | Malaria | BDI-M-UNDP | UNDP | 4,870,607 | 41,526,625 |
| Philippines | TB | PHL-T-PBSP | PBSP | 10,000,000 | 98,543,887 |
| Totals | | | | 14,870,607 | 140,070,512 |

Note: PBSP stands for “Philippine Business for Social Progress.”

Additional resources to fund interventions on the UQD Register are derived from available funding as validated by the Audit and Finance Committee (AFC) for portfolio optimization. This past July, the AFC identified \$100.0 million as being available. This was in addition to \$50.0 million which the AFC had previously identified. This brought the total available for portfolio optimization for 2017–2019 to \$150.0 million.

About \$10.0 million of the funds identified for portfolio optimization were diverted to other uses. (See the “Follow the Money” box below; and also the GFO articles on [Venezuela](#), the [CCM Code of Conduct](#) and [CCM Evolution](#).)

Interventions on the UQD Register come from applicants’ prioritized above-allocation requests (PAAR). The interventions have been deemed by the Technical Review Panel (TRP) to be technically sound and strategically focused. When it reviewed each intervention, the TRP identified it as being of high, medium or low priority — within that country’s funding requests.

The GAC recommendations followed operationalization by the Secretariat of the Global Fund’s [Prioritization Framework](#) using what the GAC termed “a rigorous and comprehensive process” with inputs from partners.

As part of its portfolio optimization exercise, the Secretariat undertook a holistic analysis of the UQD Register; considered the filters outlined in Stage 1 of the Prioritization Framework; assessed whether the interventions on the register supported essential life-saving services and programs in line with the aims of the Fund’s allocation methodology; and carried out a business analysis and prioritization of the register.

This process involved input from partners with respect to the following factors:

- The potential for increased measurable impact;
- The need for strategic investments to strengthen sustainability;
- The extent to which a given disease component is below its formula-allocated amount; and
- Additional considerations for investment in identified strategic or operational priorities.

The GAC is responsible for overseeing the operationalization of the Prioritization Framework. In July 2018, the GAC made recommendations concerning which interventions should be awarded funding. The recommendations were categorized into four subsets: “award now”; “award through in-country optimization”; “award later, should additional resources become available”; and “queued.”

The interventions identified for “award now” reflected priority investment cases where the needs were time-sensitive and where funds made available by the AFC could be deployed for immediate investment (i.e. by the end of 2018 or early 2019).

“In-country optimization” refers to savings realized at country level that can be reinvested in the same country to finance relevant interventions on the UQD Register.

Finally, for those interventions where the need was clear but the intervention would take place later in

2019 or in 2020, or where additional information was required around portfolio absorption, interventions were identified, respectively, as “for award later” or “queued.”

Follow the money

1. In June 2017, the Audit and Finance Committee (AFC) identified \$50 million as being available for portfolio optimization. In June 2018, the AFC identified a further \$100 million as being available — for a total of \$150 million.
1. In May 2018, the Board authorized the use of \$10,069,700 of funds designated for portfolio optimization for other priorities. Specifically:
 - \$1,219,700 was approved for enforcement of the CCM Code of Conduct ([GF-B39-DP09](#));
 - \$3,850,000 was approved for the implementation of CCM Evolution ([GF-B39-DP10](#)); and
 - \$5,000,000 was approved for a donation to address the health crisis in Venezuela ([GF-B39-EDP11](#))
1. This left \$139,930,300 available for portfolio optimization.
1. In October 2018, the Grant Approvals Committee (GAC) recommended \$127.7 million in “immediate awards” from portfolio optimization. (Of this amount, awards totaling \$14.9 million for Burundi and Philippines were approved by the Board; other approvals will be forthcoming.)
1. This means that \$12,230,300 in portfolio optimization funds are still available — i.e. awards using this funding have not yet been recommended by the GAC.
1. In addition, in October 2018, the AFC made available another \$100 million for portfolio optimization. A second portfolio optimization assessment is in the pipeline. GAC award recommendations from this assessment are expected before the end of 2018.

Following the GAC’s recommendations in July 2018, the Secretariat and in-country stakeholders entered into a grant-revision process to incorporate the additional funds for the interventions recommended by the GAC. Burundi malaria and Philippines TB are the first set of grants to have concluded grant revision negotiations. In September 2018, the GAC Executive reviewed final documents related to these two grants.

GAC comments on the interventions approved for funding

In its report to the Board, the GAC provided comments on the interventions recommended for funding now.

Burundi malaria

The interventions being funded for Burundi malaria, valued at \$4.9 million, relate to vector control.

After its malaria epidemic had been brought under control a few years ago, Burundi experienced a resurgence in malaria from late 2015 through 2017, the cause of which was thought to be multifactorial, the GAC said. Insecticide resistance was believed to be one of the factors.

The epidemic was controlled through a combination of expanded case-management services (mobile and community-based service provision) as well as dual vector control (bed nets and indoor residual spraying, or IRS) in areas with highest increases in cases and evidence of insecticide resistance. The Global Fund grant supported four districts with IRS in 2016–2017, which the GAC said Burundi is no longer able to fund with current resources.

The GAC said that maintaining IRS in the previously supported districts is critical to sustain coverage. The additional \$4.9 million financed through portfolio optimization will allow Burundi to undertake target spraying before the April–May 2019 peak mosquito season.

Philippines TB

The interventions being funded for Philippines TB, valued at \$10.0 million, relate to MDR-TB and TB care and prevention.

A prevalence survey completed recently in the Philippines indicated that the TB burden is approximately 1.7 times higher than anticipated. The previous estimation was used for the purpose of calculating the 2017–2019 TB allocation and was the underlying basis for developing the funding request. The new information revealed that there are gaps in the response to the epidemic.

The GAC noted that the Government of Philippines is investing in drug-susceptible TB diagnostics and treatment, but said that there are gaps especially in case finding for both drug-susceptible and drug-resistant TB.

The GAC also noted that the low coverage and sub-optimal treatment outcomes of MDR-TB in the Philippines, measured in 2017 at 32% and 54%, respectively, remain a concern. The TB program and the Global Fund grant have been investing substantially in decentralizing MDR-TB services to minimize treatment interruptions and to address the sub-optimal treatment outcomes. The GAC and partners noted the important need for diagnosis and treatment of additional people with drug-resistant TB, and for improved treatment outcomes through scaling up of evidence-based PMDT services. (PMDT stands for “program management of drug-resistant TB.”)

Innovative approaches including systematic screening, engagement of private providers and using more sensitive and specific diagnostic tools, are also required, the GAC noted.

The GAC said that it supported an investment to improve systematic screening; TB case finding; and reporting among high-risk groups, community-based organizations and the private sector. Of the \$10.0 million approved through portfolio optimization, \$7.0 million was for MDR-TB interventions and \$3.0 million was for drug-susceptible TB interventions.

In-country optimization

The GAC has also recommended \$27.6 million as in-country optimization to fund high impact interventions from the UQD Register. The Secretariat told Aidspan that the savings identified through in-country optimization were the result of significant efficiencies in procurement within individual country portfolios. These reinvestments at country level do not have to be approved by the Board. The GAC report did not identify the countries affected.

More to come

The Secretariat has informed Aidspan that in October 2018, the AFC made available another \$100.0 million for portfolio optimization. A second portfolio optimization assessment is in the pipeline. GAC award

recommendations from this assessment are expected before the end of 2018.

Source:

The source for most of the information in this article is the Electronic report to the Board; Report of the Secretariat's Grant Approvals Committee, GF-B39-ER12. This document is not available on the Global Fund website.

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