



Independent observer
of the Global Fund

GLOBAL FUND BOARD APPROVES GRANTS TOTALING MORE THAN \$2 BILLION

On 17 October 2017, the Global Fund Board approved grants worth \$2.18 billion from the 2017-2019 allocations. This is by far the largest amount approved in a single batch since the start of the new funding model (NFM). The \$2.18 billion is all incremental money (unlike the situation in 2014-2016, where the total program budget for each grant usually consisted of both existing and incremental funding).

The Board approved funding for 46 grants emanating from 32 funding requests submitted by 21 countries – a record for the number of grants approved in a single batch. These were the first approvals from the 2017-2019 allocations. All but one of the funding requests were submitted in Window 1 (20 March 2017). It took less than seven months from the submission of these funding requests to Board approval. This compares favorably to the 8.4 months average time for processing proposals from the 2014-2016 allocations. The other request was submitted in Window 2; this request took less than five months from submission (on 23 May 2017) to Board approval.

Interventions totaling \$731.9 million were added to the Unfunded Quality Demand (UQD) Register. Domestic contributions to the programs represented by the approved grants amounted to \$2.1 billion.

See Tables 1 and 2 for details.

Table 1: Grants to countries in Africa approved from the 2017-2019 allocations (\$US)

Applicant	Component	Grant name	Principal recipient	Amount	UQD	Domestic commitment
Benin	HIV	BEN-H-PNLS	PNLS	24,358,051	NIL	21,608,733
		BEN-H-PLANBEN	Plan International	3,642,900		
	Malaria	BEN-M-PNLP	PNLP	31,864,096	NIL	15,985,962
	TB	BEN-T-PNT	PNT	7,425,863	4,216,045	1,404,567
Burkina Faso	TB	BFA-T-PADS	Prog. d'Appui au D.S.	7,477,017	NIL	450,689
Côte d'Ivoire	TB	CIV-T-ACI	All. nat. contre le Sida	5,197,280	3,461,404	17,718,000
		CIV-T-MOH	Ministry of Health	9,455,725		
Eritrea	Malaria	ERI-M-MOH	Ministry of Health	18,043,051	NIL	124,890,000
Guinea	Malaria	GIN-M-CRS	Catholic Relief Serv.	55,663,302	NIL	16,211,019
Guinea Bissau	Malaria	GNB-M-UNDP	UNDP	19,049,439	NIL	1,277,232
	TB/HIV	GNB-T-MINSAP	Ministry of Health	15,927,857	NIL	2,549,148
Malawi	Malaria	MWI-M-MOH	Ministry of Health	25,421,047	61,094,370	1,482,661
		MWI-M-WVM	World Vision	40,302,401		
	TB/HIV	MWI-C-MOH	Ministry of Health	364,669,494	10,411,060	12,200,000
		MWI-C-AA	Action Aid Intl.	30,082,198		
Mauritius	HIV	MUS-H-NAS	Natl. AIDS Sect.	1,243,912	2,432,928	26,537,564
		MUS-H-PILS	Prev. Info. Lutte c. le Sida	1,243,913		
Mozambique	Malaria	MOZ-M-MOH	Ministry of Health	126,235,937	NIL	25,100,000
		MOZ-M-WV	World Vision	41,634,402		
Somalia	Malaria	SOM-M-UNICEF	UNICEF	23,575,494	NIL	238,464
Swaziland	Malaria	SWZ-M-NERCHA	NERCHA	2,581,039	NIL	3,172,813
Uganda	Malaria	UGA-M-MOFPED	Min. of Finance	171,724,213	51,748,958	24,000,000
		UGA-M-TASO	AIDS Support Org.	14,969,534		
	TB/HIV	UGA-H-MOFPED	Min. of Finance	245,570,664	263,195,804	184,000,000
		UGA-C-TASO	AIDS Support Org.	14,347,607		
		UGA-T-MOFPED	Min. of Finance	18,445,026		
Zimbabwe	Malaria	ZWE-M-MOHCC	Min. of Health & C.C.	51,685,777	155,914,444	5,892,315
	TB	ZWE-T-MOHCC	Min. of Health & C.C.	23,775,807		1,728,000
	HIV	ZWE-H-UNDP	UNDP	426,411,012		100,350,000

Notes:

1. Amounts shown are upper ceilings.
2. All funding requests were submitted in Window 1 except for Malawi malaria, which was submitted in Window 2.
3. For countries using euros, the amounts were converted to U.S. dollars at a rate of 1.1812 dollars to the euro.
4. Two components were also awarded matching funds: Malawi TB/HIV \$10,000,000 (\$3,000,000 for MWI-C-MOH, \$7,000,000 for MWI-C-AA); and Zimbabwe TB/HIV \$17,892,084.

The Board was acting on recommendations of the Grant Approvals Committee (GAC) and the Technical Review Panel (TRP). As is customary, the approved funding is subject to availability of funding and will be committed in annual tranches. Where more than one grant has been approved for a component, the

Secretariat has the authority to redistribute the approved amounts among the grants (except that any material change must be validated by the TRP).

A majority of the 32 funding requests were of the program continuation variety. The exceptions were as follows – Nine funding requests underwent a full review: Bangladesh HIV, TB, malaria; Malawi malaria; Philippines TB/HIV; Uganda malaria, TB/HIV; and Zimbabwe malaria, TB/HIV. Four requests were in the tailored category: Cuba HIV (transition); and Lao TB, Malawi TB and Mauritius HIV (all material change).

Table 2: Grants to countries in other regions approved from the 2017-2019 allocations (\$US)

Applicant	Com-ponent	Grant name	Principal recipient	Amount	UQD	Domestic commitment
Bangladesh	HIV	BGD-H-NASP	Min. of Finance	1,074,772	4,580,588	32,599,814
		BGD-H-SC	Save the Children	12,144,935		
		BGD-H-ICDDRBI	ICDDRBI	8,275,740		
	Malaria	BGD-M-BRAC	BRAC	14,319,616	7,692,914	20,400,000
		BGD-M-NMCP	Min. of Finance	12,480,384		
	TB	BGD-T-NTP	Min. of Finance	35,882,681	29,308,213	56,998,108
BGD-T-BRAC		BRAC	74,852,981			
Cuba	HIV	CUB-H-UNDP	UNDP	13,353,225	2,676,150	260,387,765
Lao	TB	LAO-T-GFMOH	Ministry of Health	7,835,894	1,699,538	4,254,682
Mongolia	HIV	MNG-H-MOH	Ministry of Health	3,044,708	NIL	2,728,960
Pakistan	Malaria	PAK-K-DOMC	Dir. of Malaria Control	29,939,393	NIL	65,300,000
		PAK-M-TIH	The Indus Hospital	9,293,485		
P.N.G.	Malaria	PNG-M-RAM	Rotary Club of P.M	22,063,097	NIL	35,097,370
Philippines	HIV	PHL-H-SC	Save the Children	8,483,242	959,893	362,886,151
	Malaria	PHL-M-PSI	Pop. Serv. Intl.	10,662,817	NIL	25,714,286
	TB	PHL-T-PBSP	P. Bus. for Soc. Prog.	88,543,887	32,547,861	145,437,761
Suriname	Malaria	SUR-M-MOH	Ministry of Health	2,011,482	NIL	2,225,457

Notes:

1. Amounts shown are upper ceilings.
2. All funding requests were submitted in Window 1.
3. One component was also awarded matching funds: Philippines TB \$10,000,000.

The GAC said that the grants it was recommending to the Board were found to be disbursement ready by the Secretariat after a thorough review process and in consultation with partners.

During grant-making, the GAC said, each applicant refined the grant documents, addressed issues raised by the TRP and GAC, and sought efficiencies where possible. The GAC endorsed the reinvestment of efficiencies in one of the following: (a) the same grant, in areas recommended by the TRP; (b) other disease components of the same applicant – where the TRP did not recommend reinvesting in the same grant; or (c) the general funding pool.

In addition, the Board awarded just under \$38.0 million in matching funds to three components: Malawi TB/HIV, Philippines TB and Zimbabwe TB/HIV.

The GAC said that all countries for which funding has been approved have committed to meet their co-financing requirements for 2017-2019, and are expected to meet them, with the following exceptions:

Côte d'Ivoire TB: The GAC noted that the government has realized only 73% of its willingness-to-pay commitment for the 2014-2016 period. In addition, the co-financing commitments for the 2017-2019 period have not yet been finalized. However, the GAC said that a letter of commitment regarding the 2017-2019 requirements is “at the highest level of the government” and that the Secretariat has “a high level of confidence that the country will fulfil its commitment.”

Lao TB: The GAC noted that Lao failed to fulfil its willingness-to-pay commitment for 2014-2016. Based on the proportion of non-compliance, the Secretariat has deducted \$561,124 from the Lao's current malaria grant. The GAC report did not say anything about Lao's co-financing commitment for 2017-2019.

Mozambique malaria: The GAC said there is a risk of the co-financing commitment not being fulfilled “because of the limited fiscal space” in the country.

Zimbabwe: The GAC said that there is a “major risk” that Zimbabwe will not be able to meet its \$36.2 million co-financing requirement for this allocation period.

Most, if not all, of the approved grants had proposed start dates of 1 January 2018. Most of them should be able to start on time. A spokesperson for the Secretariat told Aidsplan that in the last funding cycle, the average length of time from Board approval to first disbursement was about two months, although there was considerable variability: For some countries, the process took only a few weeks, while for others it took longer than two months.

More to come

There were 93 funding requests submitted in Window 1. Since this GAC report covered 32 requests, this means that, potentially, there are 61 more funding requests for the GAC to process in the coming weeks. The following is the schedule of upcoming GAC meetings and estimated dates for Board decisions on the GAC recommendations:

Dates of GAC meetings	Approximate no. of grants to be reviewed	Estimated date for Board decisions
17-18 October	34	17 November
31 October – 1 November	82	1 December
21-22 November	22	13 December
6-7 December	14	12 January

Source: Global Fund Secretariat

The grants that will be reviewed at these meetings will be from Windows 1, 2 and 3.

Grant extensions

The Board also approved a three-month no-cost extension to a Thailand malaria grant (THA-M-DDC). The extension was necessary to bridge the grant to the end of 2017. In December 2016, the Global Fund decided to integrate the country allocations for malaria for the five countries participating in the Regional Artemisinin-resistance Initiative (RAI) – Myanmar, Thailand, Cambodia, Laos and Vietnam – into a single grant (RAI2) for the 2017-2019 allocation period. Since the new RAI grant cannot start before 1 January 2018, there is a need to bridge the gap between the two programs.

The extension will be financed by savings from within the grant. The reason the extension requires Board approval is that the grant has received cumulatively more than 12 months of extensions (15 months in all).

In addition, under its delegated authority, the Secretariat approved a six-month no-cost extension to an HIV grant to Macedonia (MKD-H-MOH). In October 2016, the GAC approved a six-month no-cost extension to 30 June 2017 to ensure smooth transition of the Global Fund–supported activities under the HIV program in Macedonia. The original grant end date was 31 December 2016 and Macedonia was not eligible for a further allocation. At that time, the country was finalizing activities under a transition action plan that the Global Fund had approved. Macedonia needed an extension to allow for the implementation of activities within the action plan that had been delayed.

Given the recent political instability in Macedonia, the GAC said, the government's decision-making has slowed, and more changes in leadership are anticipated to follow the appointment of a new prime minister. Under these circumstances, the GAC said, it would be prudent to assume that there will be further delays in operationalizing a planned NGO contracting mechanism. This latest six-month extension takes the grant to 31 December 2017.

The GAC also reported on developments concerning incentive funding awarded to Nigeria and India (see [separate article](#) in this issue).

Some of the information for this article was taken from Board Document GF-B37-ER04, Report of the Secretariat's Grant Approvals Committee. This document is not available on the Global Fund website. See also separate articles in this issue on the approval of grants emanating from the funding requests for [Zimbabwe TB/HIV](#), [Malawi TB/HIV](#), and [Benin TB/HIV and malaria](#).

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