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GLOBAL FUND HAS ALLOCATED AN ADDITIONAL \$43.3 MILLION TO EXISTING GRANTS IN SEVERAL COUNTRIES FOR 'PORTFOLIO OPTIMIZATION'

The Global Fund Board has approved the Secretariat's recommendation to allocate \$43.3 million in additional funding to several countries and grants. These countries and the funded disease components are, in alphabetical order, Kosovo (HIV/AIDS), Namibia (Malaria), Nigeria (Malaria), South Sudan (Tuberculosis), and Zambia (TB/HIV). The Middle East Response has also received more funding as an integrated grant, which is "a grant composed of individual country allocations" for Iraq, Syria, Yemen, and for Syrian refugees and vulnerable populations in Jordan and Lebanon. According to the Global Fund explorer, Jordan and Lebanon do not have ongoing grants.

These additional funds come mostly from unutilized funds within grants, often because of countries' lower-than anticipated rate of funds' absorption. Countries' absorption rates are monitored by the Secretariat. The Global Fund calls the process of reallocating unutilized funds to other countries and grants 'portfolio optimization'. The aim of portfolio optimization is to fully utilize all funds within an allocation cycle, while enabling countries that are on track to use 100% of their grants to optimize their programming by adding additional interventions that were not originally funded. The grants funded with this Board decision were listed under Unfunded Quality Demand (UQD), which is a registry of activities that could not be funded with the countries' original respective country allocations.

Except in Kosovo, most of this additional funding goes to procure and distribute health commodities and equipment.

Editor's note: The additional funding to Kosovo was in Euros and that of the other countries in US\$. We converted the Euros into \$ using the exchange rate of \$1.1 for one Euro, to obtain the amount for the total additional allocation in a single currency.

Table 1: Secretariat's Recommendation on Additional Funding to Finance UQD from the 2017-2019 Allocation Period

| Applicant/ Currency | Disease Component | Grant Name | Previously Approved Program Budget | Recommended Additional Funding | Revised Program Budget |
|---------------------------|-------------------|------------|------------------------------------|--------------------------------|------------------------|
| Kosovo/ EUR | HIV/AIDS | QNA-H-CDF | 1,445,502 | 112,010 | 1,557,512 |
| Middle East Response/ USD | Integrated | QSF-Z-IOM | 36,408,367 | 4,940,702 | 41,349,069 |
| Namibia/ USD | Malaria | NAM-M-MOH | 2,370,582 | 699,999 | 3,070,581 |
| Nigeria/ USD | Malaria | NGA-M-CRS | 269,171,930 | 17,785,081 | 286,957,011 |
| Nigeria/ USD | Malaria | NGA-M-NMEP | 14,148,926 | 7,614,919 | 21,763,845 |
| South Sudan/ USD | Tuberculosis | SSD-T-UNDP | 9,000,000 | 2,351,204 | 11,351,204 |
| Zambia USD | TB/HIV | ZMB-C-MOH | 137,984,476 | 9,788,461 | 147,772,937 |
| Total* USD | | | 470,674,333* | 43,303,577* | 513,977,910* |

Source: Report of the Secretariat's Grant Approvals Committee

*Note: Aidsplan used Euro 1.1 = US\$1 as the average exchange rate (from Oanda.com). This number is not endorsed by the Global Fund Secretariat.

Details of the approved grants

In Kosovo, human rights-related barriers to HIV services:

Kosovo is a middle-income country preparing to transition from Global Fund support.

The Principal Recipient (PR) is called the Community Development Fund; it manages the country's HIV and TB grants. (Kosovo does not have a malaria grant). The additional EUR112,010 will support Kosovo's HIV grant, specifically activities to reduce human rights-related barriers to HIV services, community responses, and systems for social mobilization, building community linkages, collaboration, and coordination. These funds will also pay for capacity building for community health workers.

Bednets in Yemen and digital X-ray machines in Iraq for internally displaced and refugees

The Middle East Response is a grant offering services to populations in five fragile countries affected by conflict and humanitarian crises. The PR for this grant is the International Organization for Migration

(IOM). The additional \$4,940,702 will be used in two countries: Yemen and Iraq.

In Yemen, this grant will fund the procurement and distribution of 1.6-million long-lasting insecticidal nets (LLINs) for mass campaigns, and for refugees and IDPs in high malaria transmission areas. In Iraq, the grant will fund the procurement of four digital X-ray machines for TB facilities, to help increase TB case notification and reach grant targets.

Bednets in Namibia for those who live in zinc structures

Namibia is an upper-middle-income country that aims to eliminate malaria by 2020, according to the [World Health Organization](#). Nevertheless, malaria transmission occurs year-round in some regions of Namibia. The \$699,999 additional funding aims to purchase 175,000 LLINs for the at-risk population who live in zinc-structure housing. Namibia has emphasized Indoor Residual Spraying for vector control to fight malaria, but this method does not work well for houses built with zinc. Thus, the need for bednets for the people who live in those structures and are at risk of malaria.

Seasonal malaria chemoprevention for under five-year-old children in four states in Nigeria

The additional \$25.4 million will help fight malaria in Nigeria, the highest malaria-burden country in the world, according to the [2019 World Health Organization \(WHO\) Malaria report](#).

These funds aim to provide seasonal malaria chemoprevention (SMC) to children under five years old in the four states of Borno, Kano, Katsina, and Yobe in 2020, in the north of Nigeria. According to the WHO, SMC consists of giving full treatment of antimalarial medicine to children living in areas of highly seasonal transmission during the malaria season, using an 'intermittent' treatment protocol.

The National Malaria Elimination Program of the Federal Ministry of Health will be in charge of these SMC activities in Borno State. Catholic Relief Services, the malaria International Non-Governmental Organization PR, will work in Kano, Katsina and Yobe States.

South Sudan: more TB medications and some other interventions

South Sudan is designated by the Global Fund as a Challenging Operating Environment, and the United Nations Development Program is the PR. This additional funding aims to support the country's TB program; the \$2,351,204 will help procure and distribute medications for first-line and second-line anti-TB drugs. In addition, the investment will support increased case-finding and treatment interventions, optimize utilization of diagnostic devices, support outreach and motivation of community health workers, and strengthen the nascent multidrug-resistant TB (MDR-TB) program.

Zambia: HIV differentiated service delivery, 126-million condoms, and TB drugs

The Ministry of Health of Zambia will be responsible for the additional \$9,788,461 in additional funding. These funds aim to bolster differentiated ART service delivery. According to the WHO, [differentiated service delivery of HIV care](#) "simplifies and adapts HIV services at all levels of care to reflect the preferences and expectations of various groups of people living with HIV (PLHIV) while reducing unnecessary burdens on the health system." For example, differentiated service delivery allows in some contexts that persons living with HIV receive their medications quarterly at the community level without having to go to a health facility.

This funding will also procure 126 million condoms in 2020, and medicines for TB patients who are resistant to the multidrug- or rifampicin medicines for TB patients, also in 2020.

No Funding for Angola

The Grant Approvals Committee (GAC) recommended to the Board not to approve Angola's request for additional funding for its Resilient and Sustainable Systems for Health (RSSH) grant, in the amount of \$5.3 million. Several reasons underlie this recommendation.

The Office of the Inspector General has [audited the grants in Angola in 2019](#), and has reported the following findings: (i) poor data quality hampering reliable measurement of performance and impact; (ii) lack of country prioritization and ownership on programmatic performance; (iii) failure to fulfill Government commitments impacting Global Fund programs; and (iv) key structural bottlenecks impacting implementation of Global Fund grants.

The Secretariat had similar findings during its Country Portfolio Review, and made some strategic decisions. Among them are applying additional safeguard measures, choosing a United Nations entity as PR to manage the remaining funds in the grants, and withholding Angola's 2020-2022 allocation while sorting out these issues.

Way forward

The GAC will continue with optimization of the portfolio as more funding becomes available in 2020.

Editor's note: The information for this article comes from GF/B42/EDP04 (Electronic Report to the Board – Report of the Secretariat's Grant Approvals Committee: Decision on the Secretariat's Recommendation on Additional Funding to Finance Unfunded Quality Demand from the 2017-2019 Allocation Period). This document is not available on the Global Fund's website.

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