

Geneva, 21 December 2022

Subject: 2023-2025 Allocation Letter¹

Dear Dr. Joshua H.K Banda

Over 20 years, the Global Fund partnership has saved 50 million lives yet the fight to end AIDS, tuberculosis and malaria is not over. Recent unprecedented health challenges had a devastating impact on the progress made. But together, we can get back on track to end the three diseases by 2030, to build resilient and sustainable systems for health and strengthen pandemic preparedness, to make the world healthier and more equitable.

To accelerate impact towards these goals, we must work together to ensure that the funding requests and grants for the new allocation period bring to life the vision of the new [2023-2028 Global Fund Strategy: Fighting Pandemics and Building a Healthier and More Equitable World](#).² We must put people and communities at the center of all our work. We must put greater focus on equity, sustainability, efficiency, program quality and innovation. We must reduce new infections across the three diseases, addressing structural barriers and leveraging innovations in prevention tools and approaches. We must take determined action to advance gender equality and tackle human rights and gender-related barriers for lasting impact. And we will work together to mobilize increased national resources for health.

Zambia Allocation

Based on the Global Fund Board’s decision in November 2022 on the funding available for the 2023-2025 allocation period, **Zambia has been allocated US\$349,779,344 for HIV, tuberculosis (TB), malaria and building resilient and sustainable systems for health (RSSH)**.³ The allocation amounts for all countries have been determined according to a methodology approved by the Global Fund Board, primarily based on disease burden and income level. Zambia is classified as a lower lower-middle income country.⁴

Table 1: Summary of allocation

Eligible disease component	Allocation (US\$)	Allocation Utilization Period
HIV	251,027,914	1 January 2024 to 31 December 2026
Tuberculosis	21,508,410	1 January 2024 to 31 December 2026
Malaria	77,243,020	1 January 2024 to 31 December 2026
Total	349,779,344	

¹ This letter includes annexes and links, which should be read together and in full.

² https://www.theglobalfund.org/media/11612/strategy_globalfund2023-2028_narrative_en.pdf Note that the 10 key strategic shifts are described on page 7.

³ Investments in pandemic preparedness can be funded by this country allocation through RSSH modules, or through the separate C19RM funding stream.

⁴ Determined from gross national income (GNI) per capita using the World Bank income group thresholds for 2022.

Timing. The allocation agreed for each disease component can be used during the relevant allocation utilization period. Any remaining funds from a previous HIV, TB or malaria allocation, unused by the start of the indicated allocation utilization period, will not be additional to the new allocation amount.⁵

Program split. The Global Fund has proposed an indicative split of allocation funds across eligible disease components. However, the Country Coordinating Mechanism (CCM) has the responsibility to assess and propose the best use of funds across these disease components and health system strengthening. Applicants can choose to accept the Global Fund split or propose a revised one, based on an evidence-based analysis of programmatic and system gaps and in consideration of the funding needed to maintain essential programming. The Global Fund will review and consider the justification for any program split change. Global Fund approval is required before the review of the first funding request.

RSSH investments in program split. Investing in RSSH, including community systems, accelerates progress in the fight against the three diseases and enables health services to be delivered in an integrated, sustainable, equitable, efficient, and effective way. The Global Fund therefore recommends that the level of country investment in RSSH be maintained where appropriate and increased where possible. To better identify synergies in system investments across the eligible diseases, as a new requirement in the 2023-2025 allocation period, applicants are required to indicate the intended investment amount for RSSH from within the allocation for each disease component. Providing this information is not considered a program split change.

COVID-19 Response Mechanism (C19RM). C19RM is a separate funding stream that, in addition to supporting COVID-19 response activities, can be used to mitigate the impact of the pandemic on HIV, TB and malaria programs, and to address additional pandemic preparedness and health system strengthening needs. These include community health workers, integrated lab systems, end-to-end early surveillance systems, scale up of medical oxygen and respiratory care, infection prevention control beyond personal protective equipment, and novel therapeutics and test and treat programs. The Global Fund has decided to extend the utilization period for C19RM until December 2025, in order to enable countries to maximize the value of C19RM investments in health systems and pandemic preparedness. Given the extension of C19RM, and the consequent opportunities for reinvestment and portfolio optimization within the mechanism, applicants should carefully consider how to ensure investments from the two funding streams of the country allocation and C19RM complement each other to maximize overall impact.

The Global Fund will be communicating separately on the next phase of C19RM.

⁵ Any extension of an existing grant using the HIV, TB or malaria allocation will be deducted from the subsequent allocation utilization period, both in terms of time and funds used during the extension period.

Application Approach

Zambia is requested to submit its applications for funding using the Full Review funding request. Due to high co-infection of TB and HIV, Zambia is required to submit TB/HIV as a joint funding request.

A complete set of application materials will be shared by the Global Fund Country Team.

When requested application approaches are the same, the Global Fund encourages applicants to consider developing an integrated funding request, where appropriate. In all cases applicants should consider how to bring together their investments in the three diseases and in RSSH to ensure greater efficiency and coherence.

All funding requests are required to be developed through inclusive and transparent country dialogue with a broad range of stakeholders,⁶ including key and vulnerable populations.

A variety of resources to help applicants prepare their funding requests are available on the [Global Fund website](#).⁷ We encourage all those involved in the preparation of the funding request to carefully read these guidance materials.

Aims of the Allocation

Given the current challenging economic environment and limited available resources, the Global Fund recognizes the need to prioritize investments. To enhance effectiveness and performance, the Global Fund will support investments where the greatest impact can be achieved, including in health and community systems, prevention, human rights and gender equality, according to countries' needs.

The funding request submitted to the Global Fund should be aligned with prioritized country needs and the latest global technical guidance, and guided by relevant national disease strategic plans, national health sector and sub-sector plans and program reviews.

In addition, the Global Fund would like to share the following for your consideration during the development of the funding request(s):

- Zambia has been identified as an RSSH priority country. The Global Fund expects the country to maintain its RSSH and pandemic preparedness (PP) investments focus.
- To address remaining RSSH and PP gaps, the Global Fund encourages the country to reinvest available C19RM funding and, if necessary, apply for new C19RM funding to cover further gaps.

⁶ Stakeholders should include relevant government directorates, e.g., laboratory directorate, community health directorate, human resources for health directorate.

⁷ <https://www.theglobalfund.org/en/applying-for-funding/design-and-submit-funding-requests/applicant-guidance-materials/>

- HIV prevention continues to be a priority to reduce HIV incidence. Based on trends in HIV incidence, Zambia is considered a priority country for investment in HIV prevention for AGYW and their sexual partners. Zambia has made progress towards HIV incidence reduction among AGYW. However, this needs to be sustained and delivered at sufficient scale to ensure greater numbers of AGYW are reached with high impact HIV prevention. The Global Fund expects that Zambia will sustain and increase investments in HIV prevention for AGYW and their sexual partners within the allocation. To improve access, uptake and HIV impact among AGYW and other priority populations, Zambia is also encouraged to increase resources allocated for PrEP as part of comprehensive HIV prevention programming.

Conditions to Access the Allocation

CCM eligibility requirements. The Global Fund Secretariat screens all applicants for compliance with CCM [eligibility requirements](#).⁸ Compliance with requirements 1 and 2 is assessed at the time of submission of the funding request. Compliance with requirements 3 to 6 is assessed both at the time of submission of the funding request and on a yearly basis throughout the period of Global Fund financing. Continued compliance with all eligibility requirements throughout program implementation is a condition to access Global Fund financing (including CCM funding).

Co-financing requirements. While Global Fund grants represent a major financing contribution to the eradication of HIV, TB and malaria, they are only a part of more significant financing resources for health and the national responses that include Zambia's own domestic contributions. Increasing domestic resources for health and spending these resources efficiently and equitably is essential to end the epidemics and strengthen the health systems that are the foundation of the disease response. To access the full 2023-2025 allocation, countries must meet the Global Fund's co-financing requirements, as set out in the [Sustainability, Transition, and Co-Financing \(STC\) Policy](#).⁹ All countries are expected to progressively increase their domestic public spending for health to improve performance for both health financing and health outcomes, and to progressively pay for a growing share of key program costs of national responses (e.g., prevention, services for key and vulnerable populations, drugs, diagnostics, malaria bed nets, etc.), especially those currently financed entirely or in large part by the Global Fund.

To encourage increasing domestic resource mobilization, 15% of Zambia's total Global Fund allocation will be accessible once Zambia has committed to certain co-financing requirements. Details about the co-financing requirements for Zambia, and how they have been determined, are included in Annex A.

The Global Fund applauds the Government of Zambia for its recent increases in health sector allocations. The Global Fund notes the significant increase in allocations for the recruitment of health workers, the purchase of drugs and medical supplies, in addition to the construction of specialized hospitals, and the maintenance of health facilities across the country. The upward adjustment of the

⁸ https://www.theglobalfund.org/media/7421/ccm_countrycoordinatingmechanism_policy_en.pdf

⁹ https://www.theglobalfund.org/media/4221/bm35_04-sustainabilitytransitionandcofinancing_policy_en.pdf

allocation to the health sector is commendable. The Global Fund encourages the Ministry of Health to ring-fence funds for essential health commodity security to enable sustaining the continuity of essential health services.

Opportunities for Funding Beyond the Allocation Amount

Zambia is eligible for the following catalytic **Matching Funds** (further details are included in Annex B):

- US\$3,000,000 for **HIV pre-exposure prophylaxis (PrEP)**;
- US\$4,000,000 to **find and successfully treat the missing people with drug-susceptible TB and drug-resistant TB**; and
- US\$5,400,000 for **effective community systems and responses (CS&R) contributing to improved health outcomes and equitable access to integrated people-centered quality services**.

Zambia is also eligible for the following catalytic **Strategic Initiatives** (country inclusion will be discussed and finalized as part of country dialogue):

- **integrated lab systems strengthening**; and
- **effective CS&R contributing to improved health outcomes and equitable access to integrated people-centered quality services**

Additionally, Zambia may be eligible for the **in-country capacity building for procurement, quality assurance and supply chain Strategy Initiative** (country inclusion will be discussed and finalized as part of country dialogue).

Unfunded quality demand. The Global Fund requests that all applicants develop a Prioritized Above Allocation Request (PAAR) and submit this along with the allocation funding request. Interventions from the PAAR that the Technical Review Panel (TRP) considers quality demand will be listed on the Register of Unfunded Quality Demand (UQD). Submitting a robust PAAR is an essential step to accessing funding beyond the allocation amount.

Joint investments. The Global Fund encourages Zambia to consider opportunities for joint investments and resource mobilization.

I thank you for your shared commitment and efforts in the global fight against HIV, TB and malaria.

Sincerely,



Mark Eldon-Edington

Division Head, Grant Management

Allocation

Currency. The allocation for Zambia is denominated in US dollar. Global Fund allocations can only be denominated in Euro or US dollar.

Recoveries. Verification of expenditures under prior or existing Global Fund grants, including through audits and investigations by the Global Fund's Office of the Inspector General, or by or on behalf of the Global Fund Secretariat, may have resulted or may result in current or former Principal Recipients having an obligation to repay amounts to the Global Fund. Access to the full allocation amount will be conditional on relevant Principal Recipients' actions towards repayment. The Global Fund will work with CCMs and Principal Recipients to explore all possibilities for repayment. If satisfactory actions towards repayment are not completed, the Global Fund can apply remedial action, including a reduction of funding of twice the outstanding recoverable amount(s) from the allocation amount. The Global Fund considers that there is an outstanding recoverable amount of US\$3,273,766, as of 30 November 2022, for which there is an existing signed protocol for repayment committing to repay US\$1,992,028 by 31 December 2022.

Critical Investments to Advance Global Goals

Importance of investments in people-centered integrated systems for health. The surest way to defeat today's infectious diseases as well as prevent, prepare for and respond to future pandemics is by rising above disease-specific silos and investing in health and community systems that support the delivery of integrated, people-centered health services. RSSH investments must support integrated delivery of services across and beyond the three diseases, and integrated health system functions that are aligned with the national health strategic plan and support national health priorities. For the 2023-2025 allocation period, RSSH investment areas encompass health sector planning and governance, health financing and financial management systems, community systems and responses, monitoring and evaluation systems, human resources for health and quality of care, health product management systems, laboratory systems strengthening, and medical oxygen and respiratory care systems. Additional cross-cutting areas include private sector engagement and digital health.¹⁰

Importance of investments to maximize the engagement and leadership of most affected communities. The Global Fund's partnership model calls for action to put people and communities at the center of everything we do, particularly those most affected by HIV, TB and malaria. To ensure greater health equity, and that services are designed to respond to the specific needs of those most affected, communities must be supported to lead as equal partners in the design, implementation, monitoring, and provision of expert technical support for disease programs. For the 2023-2025

¹⁰ More information on RSSH interventions eligible for Global Fund support is available in the RSSH Information Note: https://www.theglobalfund.org/media/4759/core_resilientsustainablehealth_infonote_en.pdf

allocation period, a set of minimum standards for community engagement have been introduced which all countries are expected to meet.¹¹

Importance of investments to maximize health equity, gender equality and human rights. Removing human rights and gender-related barriers in access to services is critical to ending the epidemics. When unaddressed, these barriers undermine effective and impactful responses and limit sustainable progress. For the 2023-2025 allocation period, countries are expected to make an accelerated effort to advance gender equality and adopt gender-transformative approaches, in line with the Global Fund's Strategy.¹²

Program essentials and critical approaches. In consultation with the broader partnership the Global Fund has introduced a set of program essentials for HIV, TB and malaria, which are evidence-based interventions and approaches critical to meeting the goals of national disease strategies and respective global targets. For RSSH, critical approaches have been identified to ensure that RSSH interventions delivered by Global Fund-supported programs are set up to achieve maximum impact. Applicants are encouraged to consider program essentials and critical approaches when developing their funding requests.¹³

Importance of enhancing the efficiency of investments. Constrained fiscal space and funding shortages call for strategic resource allocation and utilization to maximize impact. Evidence-based investment decisions are critical to ensure that domestic and grant resources are optimally allocated across disease programs, program- and system-level interventions, population groups and geographies at the country level to drive results. Optimal allocation includes ensuring resources are utilized efficiently by choosing the right inputs at the right quantities, and efficient service delivery modalities.

Value for money procurement. To maximize the impact of allocations, the Global Fund will not finance commodities purchased at a price higher than the reference price for such commodities, where one exists.¹⁴

Protection from sexual exploitation, abuse and harassment (SEAH). The Code of Conduct for Recipients of Global Fund Resources sets forth prohibitions on SEAH, requirements on reporting and expectations to have policies and measures in place to prevent and respond to sexual exploitation and abuse and sexual harassment. Creating safer access to grant services is not only the "right" thing to do; programs free of sexual misconduct also help us end the three diseases as public health threats.¹⁵

¹¹ More information is available in the guidance document Community Engagement: Opportunities Throughout the Grant-Life Cycle: https://www.theglobalfund.org/media/12475/crg_community-engagement_guide_en.pdf

¹² Detailed guidance on effective investments in programs and approaches that address human rights and gender-related barriers, including key interventions to consider incorporating into funding requests, can be found in the Technical Briefs.

¹³ More information on program essentials and critical approaches can be found in the Information Notes.

¹⁴ Please consult the Global Fund website for a consolidated reference price list (<https://www.theglobalfund.org/en/sourcing-management/health-products/>) and refer to the Budgeting Guidelines (http://www.theglobalfund.org/media/3261/core_budgetingglobalfundgrants_guideline_en.pdf) for more details.

¹⁵ More information can be found in the Global Fund Code of Conduct for Recipients of Global Fund Resources (https://www.theglobalfund.org/media/6011/corporate_codeofconductforrecipients_policy_en.pdf)

Implementation

The Global Fund recognizes the value of efficient implementation and encourages all countries to explore opportunities to streamline and consolidate implementation arrangements for the coming allocation period. The Global Fund encourages all applicants to consider optimal service delivery arrangements based on country context, with due consideration to community-based and -led organizations.

Strengthening Sustainability and Impact of Investments

To strengthen the overall impact and sustainability of Global Fund investments, the Global Fund has two different requirements which are determined by a country's income classification. "Application focus requirements" outline how countries should invest Global Fund financing and "co-financing requirements" outline how countries should invest domestic commitments made in the context of Global Fund grants.

Application focus requirements: 50%

As Zambia is classified as a lower lower-middle income country, at least 50% of allocation funding should be for disease-specific interventions for key and vulnerable populations and/or highest impact interventions within a defined epidemiological context. Requests for RSSH must be primarily focused on improving overall program outcomes for key and vulnerable populations in two or more of the diseases and should be targeted to support scale-up, efficiency and alignment of interventions. Applications must include, as appropriate, interventions that respond to human rights and gender-related barriers, inequities and vulnerabilities in access to services

Determining the total minimum co-financing requirement

To access the portion of Zambia's total Global Fund allocation tied to co-financing, Zambia must present a credible case that it is on track to realize a total minimum co-financing requirement of US\$1,405,408,511 for HIV, TB, malaria, and RSSH investments. The Global Fund will dialogue with Zambia over the coming months to validate this total minimum co-financing requirement amount by the time the funding request is submitted. Inputs will include actual spending and revised budgets, recorded as part of the preparation of Zambia's Commitment Letter and the Funding Landscape Tables.

As Zambia is classified as a lower lower-middle income country at least 50% of the additional co-financing investments required to access the co-financing incentive must be invested in disease program interventions.

In addition, Zambia is expected to commit to:

1. Finance a share of HIV, TB, and Malaria pharmaceuticals and other health products
2. Incremental uptake of the salaries of the Nurses and Community Health Assistants financed by the Global Fund grants

The country dialogue process represents a strategic opportunity to work with country stakeholders to align co-financing investments to programmatic targets, to maximize the impact of the Global Fund Allocation and the country's important commitments to fighting HIV, TB, and Malaria.

Commitments to access the co-financing incentive portion of the 2023-2025 allocation should specify the activities to be financed, linked strongly to priority national programmatic objectives, and explain how realization of commitments will be verified and reported to the Global Fund. This includes details of what sources will be used, who in the government will collect, summarize, and report the results, and who will sign off on the report, and with what frequency.

Zambia should provide confirmation of co-financing commitments through its Commitment Letter, and later, evidence of realization of those commitments from appropriate government authorities, including the Ministry of Finance and/or other relevant bodies.

The Global Fund recognizes that Zambia continues to face macroeconomic and fiscal challenges, especially given the COVID-19 pandemic and its disruptions to health services and expenditures, that could limit the fiscal space for domestic financial investments in health during the 2023-2025 allocation period. The Global Fund has taken into account these contextual factors in proposing co-financing requirements for Zambia, and will work in a spirit of openness and collaboration with the Government to agree on concrete targets that are consistent with Zambia's ability to pay in a manner that expresses national ownership and is sustainable over time.

Previous co-financing and domestic commitments for the 2020-2022 allocation

Failure to realize previous co-financing commitments from the 2020-2022 allocation may result in the Global Fund reducing funds from existing grants and/or reducing the 2023-2025 allocation. Zambia should submit evidence of the realization of previous commitments, including budget execution evidence, when submitting its funding request. Evidence of expenditure against commitments to increased government health spending, disease program spending, and specific programmatic spending should accompany the Funding Landscape Table.

The government is to report on the level of realization of 2020-23 government commitments as per the letter dated 30 June 2020, with reference MF/IDM/101/20/7, submitted to the Global Fund.

Annex B: Information on Matching Funds

Matching Funds. Catalytic Matching Funds aim to incentivize the programming and use of country allocations towards strategic priorities to end the epidemics of HIV, TB and malaria, support health systems strengthening and pandemic preparedness and help attain the Sustainable Development Goals. Zambia is eligible for additional funding for the Matching Funds priority areas set out below. This funding should inspire innovation and ambitious programming approaches to maximize impact in these strategic priority areas.

Find and treat the missing people with drug-susceptible TB (DS-TB) and drug-resistant TB (DR-TB)

To access US\$4,000,000 for finding and treating the missing people with drug susceptible TB (DS-TB) and drug resistant TB (DR-TB), Zambia must invest a portion of its TB allocation that is greater than or equal to the amount of available Matching Funds, to find and treat people with DS-TB and DR-TB, focusing on specific interventions and/or populations to be agreed during country dialogue.

Zambia's joint TB/HIV funding request must also meet the following programmatic conditions, which will be evaluated by the TRP during its review:

- Scale up of innovative approaches to accelerate progress to find and treat the missing people with DS-TB and DR-TB, based on the country context and lessons learned.
- Alignment of investments with priority interventions on TB screening and diagnosis outlined in the Global Fund's [TB Information Note](#).
- Monitoring of progress in finding and successfully treating the missing people with DS-TB and DR-TB, including through the grant performance reporting.

Effective Community Systems & Responses (CS&R) contributing to improved health outcomes and equitable access to integrated people-centered quality services

Subject to funding confirmation, to access US\$5,400,000 for effective CS&R contributing to improved health outcomes, equitable access to integrated people-centered quality services, Zambia must invest a portion of its total country allocation that is greater than or equal to the amount of available Matching Funds (i.e, at least a 1:1 match), in the eligible interventions for community health workers (CHW)¹⁶ programming and community systems strengthening (CSS) described in the Matching Fund component investment focus (which will be included in the Global Fund's Matching Funds Guidelines 2023-2025, on the Global Fund's website in 2023).

Zambia's funding request must also meet the following programmatic conditions, which will be evaluated by the TRP during its review:

- Demonstrated meaningful engagement of Ministry of Health (MoH) community health units, CHW/CHW associations, and community-led organizations (CLO)/community-based organizations (CBO) employing CHW in funding request development and grant making.

¹⁶The term "CHWs" includes all types of CHWs, including peers and other types of CHWs, employed by the public sector or civil society organizations (including community-based or -led organizations).

- Inclusion of investments that are aligned with CHW and CSS guidance outlined in the Global Fund’s RSSH Information Note, as well as the eligible interventions outlined in the investment focus (which will be included in the Global Fund’s Matching Funds Guidelines 2023-2025, on the Global Fund’s website in 2023).
- Submission of a completed CHW Programmatic Gap Table, aligned with national strategies and plans.
- Inclusion of a Community Health Strategy (or plan to develop one) that integrates CHWs, community-led and community-based service delivery, including a costed operational plan.
- Inclusion of an analysis or assessment and plans for strengthening systems components needed for effective CHW and CLO/CBO service delivery, including leadership and governance, workforce (including planning, training, remuneration and supervision), sustainable financing, digital tools and systems, supply chain, referral systems and community-led monitoring, as well as the capacity of the MoH and of CLOs/CBOs in service delivery.

In order to operationalize the catalytic matching funds, Zambia has been selected to receive technical support through the effective **CS&R contributing to improved health outcomes and equitable access to integrated people-centered quality services catalytic Strategic Initiative**. Details on how to access this support will be communicated in due course.

HIV prevention for key populations, AGYW and sexual partners priority area: HIV pre-exposure prophylaxis (PrEP) priority component

Subject to funding confirmation, to access US\$3,000,000 for the HIV PrEP component, Zambia must: (a) invest a portion of its HIV allocation that is at least 1.5 times greater than the amount of available Matching Funds, in PrEP-related prevention activities; and (b) maintain or increase the level of investment in HIV prevention activities from the country’s 2020-2022 HIV allocation, in its 2023-2025 HIV allocation. Additionally, US\$1,200,000 of the available Matching Funds amount for this priority area will be performance-based and can only be accessed by the country if sufficient progress, as determined by the Global Fund, has been made toward achieving the grant target for number of persons who received any PrEP product by June 2025.

Zambia’s HIV/TB funding request must also meet the following programmatic conditions, which will be evaluated by the TRP during its review:

- Population size estimation for key populations and adolescent girls and young women has been conducted during the past three years or is planned and budgeted for in year one of the relevant 2023-2025 allocation period HIV grant. (Population size estimates are informed by UNAIDS guidance).
- Expansion of service delivery platforms for and scale of HIV prevention program essentials is in place or planned and budgeted (e.g., availability of HIV prevention in family planning / sexual and reproductive health services, community-based and community-led organizations, pharmacies and other private sector outlets, and online service delivery).
- Inclusion of a plan and budget for strengthened HIV prevention data systems.
- Innovation or scale of HIV prevention outcomes.

- HIV/STI prevention program stewardship and coordination that engages key stakeholders, especially priority populations and relevant critical multi-sectoral stakeholders in prevention program planning and decision making has been demonstrated.
- Use of geographical and population-risk data to ensure targeting of PrEP offer to persons with high risk of HIV acquisition.
- Inclusion of a plan and budget that includes more than one PrEP product option (oral, long acting injectable and/or the vaginal ring).
- The minimum target for the full amount (initial and performance-based payments) is 82,200 number of persons on any PrEP product during the grant reporting period.¹⁷

¹⁷This assumes that the average cost per person who receives PrEP does not exceed US\$91.24.