

The Board:

1. Acknowledges that there are ongoing audit and investigation by the Office of the Inspector General (“OIG”) on existing Nigeria grants, which, as of the date of this decision point, has revealed evidence pointing to: (1) serious weakness in financial, supply-chain, non-health product procurement and programmatic management in individual grants at both Principal Recipient and sub-recipient levels and, despite the uncompromising efforts of the Secretariat, such weakness in certain instances has manifested in fraud and misappropriation of grant funds, and (2) country risks across the Nigeria portfolio of the Global Fund;
2. Considers that Nigeria is the most populous country in Africa and its high disease burden of HIV and TB has important impact on the global epidemics and that disengaging Nigeria or halting the launch of the new grants to Nigeria to deliver the proposed targets in the TB/HIV concept note is not a preferred option at this stage if the Global Fund is to fulfil its mission;
3. Approves the incremental funding recommended for each disease component, and its constituent grants, as listed in Table 1 of Section IV of GF/B34/ER01 (“Table 1”), provided that the Secretariat (1) pursues a full recovery, as it has done for other Nigeria recoveries and as supported by evidence, of the amounts derived from the confirmed findings and recommendations of the OIG in accordance with the Global Fund policies, (2) continues its efforts to enforce risk-mitigating mechanisms currently in place and other enhanced measures planned for new grants, and (3) duly implements all additional risk-mitigating actions agreed between the Secretariat and the OIG for the Nigeria portfolio;
4. Acknowledges that each grant approved under this decision will be implemented by the proposed Principal Recipients listed in Table 1 or any other Principal Recipient(s) deemed appropriate by the Secretariat in accordance with this decision point and other Global Fund policies;
5. Affirms that the incremental funding approved under this decision (1) increases the upper-ceiling amount that may be available for the relevant implementation period of each grant listed in Table 1, (2) is subject to the availability of funding, and (3) shall be committed in annual tranches;
6. Acknowledges that while Nigeria, through the TB/HIV concept note, has requested to access its 2014 Allocation fully, the funding recommended in Table 1 does not exhaust such allocation so as to preserve flexibility to address uncertainties and potential needs associated

with a differentiated approach and OIG findings for implementing the TB and HIV programs, and accordingly that the Secretariat through a separate report to the Board may recommend further funding for Nigeria’s TB and HIV programs from the country’s remaining allocation; and

7. Delegates to the Secretariat authority to redistribute the overall upper-ceiling of funding available for each 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 related funding request initially reviewed and recommended by the TRP.

01 Table 1: Secretariat’s Funding Recommendation on Additional Funding from the 2014 Allocation

| N | Country | Disease Component | Proposed Principal Recipient (Grant Name) | Currency | Total Program Budget | Sources | | Recommended Total Incremental Funding | Incentive Funding included in Total Incremental Funding | Unfunded Quality Demand | Domestic Commitment |
|---|---------|-------------------|---|----------|----------------------|------------------|---------------------------------|---------------------------------------|---|-------------------------|--|
| | | | | | | Existing Funding | Recommended Incremental Funding | | | | |
| 1 | Nigeria | TB/HIV | NGA-H-SFHNG | US\$ | 509,716,728 | 20,345,004 | 18,259,838 | 315,871,299 | 26,331,622 | 127,285,250 | 310.1 million for HIV 59.2 million for TB |
| | | | NGA-H-NACA | | | 128,013,763 | 162,774,359 | | | | |
| | | | NGA-H-ARFH | | | 7,962,691 | 0 | | | | |
| | | | NGA-T-ARFH | | | 18,607,442 | 81,776,033 | | | | |
| | | | NGA-T-IHVN | | | 18,916,529 | 53,061,069 | | | | |