



Independent observer
of the Global Fund

The COVID-19 Response Mechanism implementers in Nigeria grapple with procurement related challenges in 2020

Nigeria, like many other countries, received funding from the Global Fund's COVID-19 Response Mechanism (C19RM) to combat the COVID-19 pandemic. These funds were made available at a time when Nigeria needed additional support to supplement its efforts to fight a pandemic that has contributed to the loss of lives and livelihoods. Most of these funds were for the procurement of health products such as personal protective equipment (PPE) and renovating oxygen plants.

However, grant implementers struggled with procurement-related challenges, particularly for the C19RM 2020 grants, at a time when there was a global surge in demand for certain health products required to combat the pandemic. The procurement-related challenges include significant delays in delivery of ordered health products, considerable time lost in changing from international to local procurement, and the lengthy process of ascertaining that the locally produced goods met the required specifications. Ultimately, these challenges contributed to low absorption of funds and consequently on grant implementation.

This is the eighth of a series of articles focusing on the experiences and lessons learned in the application and implementation of C19RM grants. The Global Fund Observer (GFO) has published seven articles as part of this series in previous GFO issues. A list of the first six articles is found in the article on [procurement challenges hampered the implementation of COVID-19 Response Mechanism grants](#) in GFO issue 403. The seventh article is [about lessons learned from the C19RM process in Francophone Africa](#) in GFO issue 404.

We obtained information for this article from interviews with C19RM grant implementers from Nigeria in May and June 2021.

The Global Fund provided Nigeria with C19RM funding for COVID-19 response

For the first phase of C19RM implementation from 1 July 2020 to 30 June 2021, Nigeria received a total of \$60 million from the Global Fund to fight the pandemic. The National Agency for the Control of AIDS (NACA) implemented \$54 million while the Lagos State Ministry of Health (LSMOH) the remaining \$5 million. On 17 June 2021, the Global Fund approved \$50 million under C19RM fast-track funding (an accelerated grant to support urgent needs), and on 16 August approved \$172 million under C19RM full funding. In addition, the Global Fund approved the use of \$24 million from the remaining C19RM 2020 funding to make the total amount of full funding \$196 million.

Nigeria will use these funds to combat COVID-19 during the second phase of C19RM fund implementation from 1 July 2021 to 30 June 2022. Nigeria dedicated a higher proportion of C19RM fast-track funding to laboratory system interventions (36%), and COVID-19 diagnostics and testing (33%). The country committed a higher proportion of the full funding to COVID-19 diagnostics and testing (43%) and case management, clinical operations, and therapeutics (22%).

C19RM 2020 largely funded procurement activities

The first phase of C19RM 2020 focused on the procurement of health products rather than service delivery. These funds supported three broad areas. First was the containment of the pandemic including health system strengthening by procuring laboratory reagents for testing COVID-19 such as rapid diagnostic test (RDT) kits. The second was mitigating the impact of the pandemic on Global Fund-supported programs for HIV, tuberculosis (TB), and malaria by procuring PPE such as masks, hand gloves, and sanitizers. The third tranche was allocated to community system strengthening by renovating broken-down oxygen plants in 36 health facilities and upgrading 36 GeneXpert sites.

Effects of the pandemic on implementation of Global Fund grants to Nigeria

The Nigerian Government instituted travel restrictions and lockdowns as measures to curtail the spread of COVID-19. Despite being important public health interventions, they negatively affected the implementation of Global Fund-supported programs. Travel-related grant activities could not take place and physical meetings were prohibited by the Government. Despite virtual modality adaptations such as Zoom meetings and online training, some activities such as research activities requiring data collection through fieldwork were impossible to implement. For instance, NACA contracted a service provider to develop a service delivery guideline for key populations. However, the service provider could not complete the assignment because the assignment required the need to travel.

Implementers faced several challenges that affected the rollout of activities

Grant implementers noted several issues that stood out during the implementation of the first phase of C19RM funding. Due to disruptions in the global supply of COVID-19 health products, the implementation of grant activities started late in August rather than in April as planned.

The Global Fund Secretariat required Nigeria to procure C19RM-supported health products via wambo.org, the Fund's online procurement platform. This requirement, however, meant that the Principal Recipient (PRs) procurements were tied into just this one platform. The PRs initially ordered C19RM-supported products through wambo.org and hoped that they would be delivered on time. However, there were either delivery delays or delays due to the unavailability of some of the products.

As per the Global Fund's directive, Nigeria ordered ambulances through the United Nations Office for Project Services (UNOPS). These ambulances had initially been ordered locally, but the PR was forced to cancel the order that would have been delivered the ambulances in three weeks. There was no flexibility in this regard, despite the fact that it would take three months for UNOPS to deliver these ambulances. However, the ambulances ordered in 2020 had still not been delivered by the time of our interviews with implementers in May 2021. These ambulances had initially been ordered to help provide a much-needed and timely response to the pandemic. The delay in delivering these ambulances was a significant hindrance to Nigeria's fight against the pandemic and in saving lives.

For products that were unavailable on wambo.org, the Global Fund told the PRs that they could procure them locally. In reality, given that the PRs had already lost time waiting for the Global Fund to advise them on how to proceed given the products' unavailability on wambo.org it took even longer for these items to be ordered through local procurement platforms and arrive in good time. The PRs had to go through the standard rigorous procurement process whereby they first had to advertise for vendors to apply to supply these products, and then for the vendors to source these products, further delaying delivery. These delays negatively affected swift C19RM grant implementation in Nigeria.

Local procurement of C19RM-supported products in Nigeria also had its own challenges. The products had to meet some local and World Health Organization (WHO) standards. Finding local vendors to supply products that met these standards was a difficult task, as not many local manufacturers met the required specifications. At some point, the PRs were forced to re-advertise for the supply of some products following the initial failure of earlier suppliers to meet quality requirements. Unfortunately, even after re-advertising, there were some products that could not be procured because the vendors did not meet the exact requirements. In such cases, the PRs were forced to extend the procurement of these products beyond the Nigerian market. For those that met the standards, the PRs had to submit the supplied samples for laboratory analysis to ascertain that they indeed met the standards. This process took time and thus lengthened the local procurement process.

Local procurement cheaper than international

Although the Global Fund prefers PRs to procure through wambo.org, the cost associated with shipments, including agent fees, is higher compared to local procurement. According to an analysis conducted by one of the PRs, local procurement could be almost as much as 40% cheaper than procuring via wambo.org. This is for products that are manufactured locally and reduces shipment-related costs, including agent fees, which eats into grant resources that could otherwise be used to support other activities. However, some products were not available locally and thus the PRs had to procure them via wambo.org. Thus, the Global Fund should allow PRs some flexibility to determine what product to procure locally or through wambo.org.

Procurement challenges contributed to low grant absorption

As of 8 June 2021, Nigeria had managed to expend \$34 million, representing 56% of the \$60 million it received under C19RM 2020. Thus, there was low absorption of funds partly due to the procurement-related challenges. Delays in delivering some of the procured products meant that funds could not be used which meant that, consequently, some activities could not be implemented.

NACA included travel-related activities in its request for C19RM funding. However, travel restrictions measures instituted to contain the spread of COVID-19 hampered the implementation of these activities. After realizing that travel-related activities had not taken place over a six-month period, NACA submitted a reprogramming request to the Global Fund in August 2020. Project savings accounted for 25% of the unspent funds for the C19RM 2020 at the end of the implementation cycle. Luckily, the Global Fund has

allowed PRs to carry forward unspent funds into phase two of the C19RM funding. This is unlike the other Global Fund grants that cannot be carried forward to another cycle after the end of the implementation cycle. Thus, travel restrictions also contributed to the low absorption of funds.

Lessons learned

The requirement of grant implementers to procure products only from wambo.org during the first phase of C19RM grants implementations came with significant challenges that delayed the implementation of activities. Since the procured commodities are for emergency use, implementers should be allowed some flexibility in the choice of procurement platforms to enable the timely delivery of commodities.

Punctuality is a key factor regarding the provision of commodities that are used for emergency purposes, otherwise one risks implementation delays, not to mention the potential loss of life. It would be prudent for PRs to find alternative options for procurement of products that are not available either locally or via wambo.org.

The shift to local procurement has enabled the PRs to create a pool of local vendors that can supply C19RM-supported products. Creating a database of these vendors tackled some of the procurement challenges experienced during the first phase of C19RM grant implementation. NACA should continue maintaining and updating these databases to ease the procurement process in the future and cut down on delays in the delivery of commodities.

Recommendation

C19RM grants ideally finance the procurement of emergency products to address a pandemic. Thus, the Global Fund should allow some flexibility by relaxing some of the rules and policies that make it hard for implementers to implement these grants.

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