



Independent observer
of the Global Fund

NIGERIA'S CCM SETS UP TASK FORCE TO RECOVER MISUSED FUNDS

Nigeria's country coordinating mechanism (CCM) has formed a task force to recover Global Fund money that has been misused. The communication officer of the CCM, Emmanuel Couson, told GFO that the task force includes the Minister of Health and the country's Auditor General. The task force will review the final audit report on Global Fund grants in Nigeria issued by the Fund's Office of the Inspector General (OIG), identify refundable expenditures and set a timeline for the money to be paid back.

The Global Fund Secretariat has welcomed the formation of the task force and the involvement of the Auditor General. "We believe it is very helpful to ensure national oversight over this process and have an agreed roadmap with timelines linked to the implementation of the recommendations," Fund spokesperson Marcela Rojo said. She added that the local fund agent will monitor the implementation of the OIG's recommendations.

In October 2011, the OIG released a report on its audit of Global Fund grants in Nigeria. The OIG found that there was misappropriation of \$7 million in grants managed by three principal recipients (PRs): the Yakubu Gowon Centre (YGC), the governmental National Action Committee on AIDS in Nigeria (NACA) and the Christian Health Association of Nigeria (CHAN). All three contested some of the OIG's findings. (See GFO 164 [here](#) and [here](#)).

Because of the findings of the audit, the OIG also started an investigation focused on YGC's practice of conducting foreign currency exchange transactions on Nigeria's parallel currency market in order to convert Global Fund grant funds from U.S. dollars to Nigerian Naira. The investigation found that YGC had exposed \$22 million of Global Fund money to unnecessary risk through currency market trading, and that at least \$0.8 million had been misappropriated. The Global Fund terminated its contract with YGC as

PR after the release of this report. (See GFO 165 [here](#).)

Shortly after the publication of the OIG reports on the audit and the investigation, the Minister of Health took over as Chair of the CCM. The responsibilities of the CCM include overseeing the implementation of the recommendations in the OIG report.

According to sources close to the CCM, two of the three PRs – NACA and CHAN – are cooperating with the CCM and the task force. The third PR, YGC, is involved in a lawsuit concerning this case, so its representatives declined to talk to GFO on the record. In June 2011, the Independent Corrupt Practices and Other Related Offences Commission (ICPC), which investigates corruption in Nigeria, accused YGC of having embezzled Global Fund money. The YGC denied the allegations, accused the ICPC of malice, and demanded that the ICPC pay about \$3 million in damages.

Some of the information for this article was taken from articles in [The Nigerian Voice](#) and [Leadership Weekend](#).

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