Aidspan
Independent observer of the Global Fund

TRP and GAC raise concerns about sustainability of Nigeria's Global Fund–supported malaria program

Nigeria's grant portfolio continues to provide plenty of drama. The Board approved a malaria grant for Nigeria on 13 December 2017 as part of the fourth batch of grant approvals (see separate article in this issue), but not before raising a number of concerns about the grant and about the country's malaria program.

The Board also extended two existing HIV grants and two existing TB grants for 18 months. Nigeria had submitted a TB/HIV funding request in May 2017, but was notified in August that the request was not invited to proceed to grant-making, and that the Technical Review Panel (TRP) recommended that the funding request be revamped and resubmitted (see GFO article). The funding request hasn't been submitted yet. Hence, the need for the grant extensions.

We report on the approval of the malaria grant in this article. In a separate article in this issue, we report on the extensions of the TB and HIV grants.

Concerns re sustainability

In their comments on Nigeria's malaria funding request, contained in report of the Grant Approvals Committee (GAC) to the Board on the fourth batch of funding approvals, both the TRP and the GAC raised concerns about the sustainability of the country's malaria program.

The sustainability outlook "looks weak," the TRP said, adding that the Government of Nigeria's commitments to the overall health budget have not increased significantly for some years and are at less than 5%, significantly below the 15% level to which African countries committed in the 2001 Abuja

Declaration. The TRP estimated the government's commitment to fighting malaria at only 0.8% of the overall health budget.

"Nigeria continues to request Global Fund funding support for large quantities of basic yet fundamental malaria prevention and control commodities, with little prospect of transitioning to national financing in the medium term," the TRP said.

"This is a question of political will," the TRP remarked. Nigeria has made clear progress scaling up malaria interventions with positive results, it said. However, this has created a continuing funding commitment challenge linked to maintaining gains made, replacing long-lasting insecticidal nets (LLINs) and delivering vital malaria case management services. "It is a challenge that will continue to grow as the program achieves more and better outcomes in controlling its malaria disease burden," the TRP stated.

For its part, the GAC said that

"the continuation and indeed expansion of Nigeria's malaria programming represents a sizeable annual commitment, which is compounded by the major role of the private sector in providing malaria treatment services, and the government of Nigeria decision to provide a co-payment for artemisinin combination therapies (ACTs) to ensure the availability of quality ACTs in the private sector."

According to the TRP, the subsidy covers 85% of the price of the ACTs.

"In the long term," the GAC stated,

"such an approach is unsustainable and Nigeria requires an aggressive strategy and implementation plan that addresses both the programmatic recurring financing need, as well as the role of the private sector and the ACT co-payment. Addressing larger health system issues and ensuring increasing investment from the government of Nigeria is critical, including progressively larger investments into the whole health sector (not just malaria)…."

During grant-making, it was revealed that the government has submitted a request to the World Bank's International Development Association (IDA) for a $300 million loan to help finance the government's malaria activities. The GAC said that the loan approval is expected in late October 2018. It added that the Secretariat's country team for Nigeria was unsure whether the sustainability issue would be dealt with during the 2018–2020 implementation period of the malaria grants.

Data in the 2017 World Malaria Report shows that Nigeria's contribution to the global malaria burden has been increasing. In light of this, the Secretariat believes there is an urgent need for a partner-led high-level meeting with the Government of Nigeria to reflect, assess and understand (a) various potential scenarios of resources and associated trajectory of the malaria epidemic in Nigeria; (b) how best to accelerate implementation to catch up with 2014–2020 National Strategic Plan targets within available resources; and (c) the most efficient and effective strategic investment approaches with the resources available — and to come up with recommendations for joint action.

General comments on the malaria grants

The Global Fund Board approved two malaria grants, for which the principal recipients (PRs) are Catholic Relief Services (CRS) and the National Malaria Elimination Programme of the Federal Ministry of Health (NMEP). The Board approved funding totaling $275.3 million. Nigeria's malaria application also included a prioritized above-allocation request (PAAR) of $272.4 million.

According to the GAC, Nigeria has the highest malaria burden in the world with around 60 million cases each year. Of Nigeria's population of 199 million, 97% are considered at risk of acquiring malaria. In

2014–2015, the disease accounted for 21% of outpatient visits and an estimated 116,000 deaths each year.

Of Nigeria's 37 states, the Global Fund's investments cover 13, which collectively account for almost half of the total malaria burden. The U.S. President's Malaria Initiative (PMI) covers 11 states, and the Government of Nigeria is responsible for the remaining 13 states. The Global Fund grants focus primarily on: (a) improving the quality of case management in public health facilities; (b) attaining universal coverage of long-lasting insecticidal nets (LLIN); and (c) continuing integrated community case management (iCCM) of malaria, pneumonia and diarrhea in two of the states (Kebbi and Niger).

Donor support to malaria control in Nigeria has increased dramatically since 2006, with cumulative support exceeding $2 billion, including from the Global Fund, the Affordable Medicines Facility-malaria, the World Bank, the Department for International Development (DFID) and USAID. As a result, the GAC said, impressive progress has been made in malaria prevention and control efforts in recent years. The proportion of households owning one or more LLINs increased from just 8% in 2008 to 69% in 2015. The proportion of children under five reported to have slept under an LLIN the night before the survey increased from 6% in 2008 to 44% in 2015. Over the last decade, Nigeria has experienced a 35% decline in under-five mortality, and between 2010 and 2015, a reduction in malaria prevalence from 42% to 27%. More recently, between July and November 2017, 14 million LLINs were distributed in six states.

The TRP said that the malaria funding request, developed through a consultative process, was technically sound and well presented. At the same time, however, the TRP said that many figures, inputs and assumptions for the development of the narrative, needs and gaps analysis tables and M&E modules were "incorrect, missing, or contradictory." It is difficult to reconcile the two statements.

The GAC report and the Review and Recommendation Form identified several strengths of the funding request, including the following:

- the epidemiology, programmatic achievements, challenges, lessons learned were succinctly outlined, and were well situated within context of wider health sector efforts;
- there was a clear presentation of donor landscape, and references to potentially innovative counterpart financing modalities; and
- the proposed program called for strengthening prevention and vector control through the procurement and distribution of 43.0 million LLINs; and strengthening case management through the procurement and distribution of 30.2 million rapid diagnostic tests and 44.7 million ACTs.

Weaknesses and challenges

The TRP noted that there was only enough money in the within-allocation portion of the funding request for mass LLIN campaigns in seven of the 13 states covered by Global Fund investments. Funding for the other six states was included in the PAAR and, so, the relevant interventions were added to the Unfunded Quality Demand (UQD) Register.

The GAC said that the Government of Nigeria was making slow progress in mobilizing malaria matching funds as per the current grant agreement. (The grant agreement with NMEP states that "for new campaigns, Global Fund funding is conditional to receiving matching funds from the government.") The GAC stated that senior officials in the Grant Management Division (GMD) continue to engage with legislative and executive branches of government to ensure this commitment is met and overall health expenditures are increased.

(Note: This is a recurring theme in the GAC report and the documents related to the Nigeria grants – i.e.

senior level Secretariat officials meeting frequently with Nigerian officials at the highest levels to advocate for a stronger commitment to, and increased resources for, the malaria program. This testifies to the importance of the Nigeria grant portfolio to the Global Fund's strategic goals as well as the challenges associated with that portfolio.)

In its review of the malaria funding request, the TRP identified several issues that it said should be addressed during grant-making.

The TRP said that program managements costs, which represented 9.6% of the budget, were higher than the range spelled out in Global Fund guidance documents (1–5%) and, therefore were not justified. However, during grant-making, the Fund's country team for Nigeria worked with the country coordinating mechanism (CCM) and the various implementers to review management costs, and came to the conclusion that given the challenging environment in Nigeria for implementing grants, the "high" management costs were justified and were needed to manage risk and ensure program quality.

Another issue concerned gender and human rights which, the TRP said, was only partially addressed in the funding request. The issue was discussed during grant-making, but not resolved because, according to the GAC, there had not been adequate time to conduct a survey to provide baselines needed for activities in internally displaced person settlements. The survey is planned for the first quarter of 2018.

The GAC noted that implementation of the iCCM interventions had been delayed when disbursements for Nigeria's malaria and HIV grants were temporarily suspended in 2016 following an audit conducted by the Office of the Inspector General (OIG). (See GFO article.) The GAC said it was concerned that in its funding request, Nigeria had placed the iCCM interventions in the PAAR. "Due to its impact on community health, the investment in scaling-up iCCM in Kebbi and Niger states, which complements similar investments by PMI and other stakeholders in other states, should be maintained," the GAC said.

Regarding M&E, the TRP said that most of the data quoted in the narrative of the funding request came from nationally representative surveys rather than routine Health Management Information Systems (HMIS) and DHIS2, an open-source web-based information system. It said that the request contained little information about the status of HMIS/DHIS2, including timeliness, completeness and quality of data collected and reported. In addition, the TRP said, some of the baseline data and future projections were inconsistent or contradictory, leading to overestimation of programmatic needs and gaps and, ultimately, the budget. This raised questions about whether these systems are adequate both for measuring programmatic progress and for planning, the TRP said. In addition, it said, the M&E Framework in the funding request showed no relationships between inputs, outputs, outcomes and impacts.

The TRP recommended that Nigeria develop a technically-sound M&E framework and implementation plan, possibly at state-level, with feasible and realistic input, output and outcome targets. It also said that as part of its health systems planning, Nigeria should comprehensively address HMIS/DHIS2 and LMIS (logistics management information systems) strengthening.

This issue was to have been addressed during both grant-making and grant implementation. The GAC report and the grant documents do not indicate whether any progress was made on the issue during grant-making.

Finally, the TRP noted, procurement and supply chain management faces major challenges in Nigeria. As described in the funding request, the challenges include:

- lack of consumption data to support accurate quantification, which leads to inaccurate forecasting;
- stock-out and over-stock or loss of drugs;
- centralization of pooled procurement at the federal level, causing important delays in availability of

commodities at the state level;
- importation and availability of counterfeit and non-recommended drugs (i.e. monotherapy); and
- limited quality assurance and quality control of available rapid diagnostic tests (RDTs) and drugs.

The TRP said that given that major health systems investments using the malaria portion of Nigeria's allocation were not included in this funding request, the TRP was not able to determine how the supply chain is going to be strengthened to ensure timely and effective procurement and distribution of major malaria commodities.

The TRP recommended further decentralizing the supply chain management system; delegating more responsibilities to states to conduct appropriate reforms of the supply chain that will lead to strengthening the LMIS; and progressively allowing states to procure commodities, based on national guidelines provided by the pharmaceutical systems.

The TRP also recommended that Nigeria develop a strong and costed-out national pharmaceutical strategic plan, including a clear quality assurance and quality control component, to reduce the effect of counterfeit and illicit drugs fraudulently imported and sold. States will take ownership of the strategic plan, the TRP said, if it is designed through a participatory process. Given the high risk of importation of counterfeit drugs in Nigeria, the government should enact appropriate legislation to address the problem, the TRP stated. This issue, too, was to have been discussed during grant-making and grant implementation, but neither the GAC report nor the grant documents indicate whether progress was made during grant-making.

Recoveries

In August 2016, Nigeria formally committed to repay the full recovery amount owing ($5.8 million) by the end of 2017. A first instalment was received in October, but Nigeria still owes $3.6 million. The grant confirmation for NMEP includes a provision which states that the Global Fund may suspend disbursements should the balance not be paid by 31 December 2017.

OIG review

According to the GAC, the OIG has completed a follow-up review to its 2016 audit of grants to Nigeria. A report is expected to be published shortly.

Domestic financing

The GAC said that Nigeria has yet to meet its willingness-to-pay requirements for the 2014-2016 allocation period. Consequently, current grant funds have been reduced proportionally across all program components.

For the 2017-2019 allocation period, the Government of Nigeria needs to invest at least $42.5 million more to meet its co-financing requirements. The funding request contained indicative commitments for this amount. According to the GAC, the Secretariat is following up with the Ministry of Finance to obtain an endorsement of these commitments. The grant confirmations include a reference to the co-financing commitments and spell out Nigeria's obligation to periodically report on the realization of the commitments.

Table: Overview of funding landscape for 2018-2020 ($ million)

Component: Nigeria malaria

Estimated funding need for program: 2,546.2		As % of funding need	Change vs. previous
Total domestic resources	635.7	25%	Increase
Total external resources (non-GF)	270.1	11%	Decrease
Total Global Fund resources	283.3	11%	Decrease
Total resources available	1,189.2	47%	Decrease
Unmet need gap	1,357.1	53%	Increase

Incentive funding

In 2014-2016, Nigeria was awarded $45.7 million in incentive funding to finance the purchase of LLINs, contingent on the government investing an equivalent amount. There have been several developments on this file (see GFO article). Bottom line: Nigeria was supposed to come up with $18.7 million by 31 December 2017. On 27 November, the head of the GMD, Mark Edington, met with the Nigerian Vice-President to discuss the issue.

PAAR and the UQD

Of the $272.4 million PAAR, the TRP found interventions totaling $166.0 million to be quality demand. Ultimately, interventions worth $165.4 million were added the UQD Register. (There is some confusion in the grant documents concerning how much was identified as efficiencies during grant-making and reinvested in the grants. The amount appears to be somewhere between $0.6 million and $4.5 million.)

Program split

Nigeria's allocation letter showed an indicative allocation for malaria of $313.4 million. The full split was as follows:

HIV — $239.8 million
TB — $107.5 million
Malaria — $313.4 million

Total — $660.7 million

Following a review of the program split, the allocation for malaria was reduced to $286.8 million. The amount of the malaria funding request, and the amount approved by the Board, was $283.3 million. The GAC said that the difference of $3.5 million will be transferred to the TB/HIV/RSSH allocation "for now." It also said that a revised program split will be approved at a later date.

Some of the information for this article was taken from GF/B38/ER03 (Electronic Report to the Board: Report of the Secretariat's Grant Approvals Committee) and other documents related to the approval of Nigeria's malaria grants. These documents are not available on the Global Fund's website.

Read More