Aidspan

Independent observer of the Global Fund

NIGERIA'S TB/HIV FUNDING REQUEST TO THE GLOBAL FUND SENT BACK FOR ITERATION

On 4 August 2017, Nigeria was notified that its TB/HIV funding request – submitted on 28 May 2017 – was not invited to proceed to grant-making. The Technical Review Panel (TRP) recommended a further iteration of the funding request. This means that the country must re-work and resubmit its funding request, addressing the TRP's concerns. The country will resubmit its funding request in Window 4 on 7 February 2018.

Nigeria is the Global Fund's largest investment portfolio. For the 2017-2019 funding cycle, the country was allocated $660.7 million for the three diseases, representing 6.4% of total Global Fund investments over that period. To date, Global Fund investments in Nigeria top $1.8 billion. This funding has supported nearly a million people on HIV treatment, detected nearly half a million TB cases, and distributed nearly 130 million insecticide-treated bed nets.

Nigeria's current HIV and TB grants end on 31 December 2017. As a result of the TRP's decision, grant extensions will be required to ensure there are no gaps in the availability of life-saving drugs or the provision of essential services.

For HIV and TB, Global Fund resources make up about a quarter of total resources available in the country. Another quarter comes from other donors, including PEPFAR. Domestic resources make up nearly half of total funding.

According to Aidspan's sources in country, the TRP requested better descriptions in the funding request of the following aspects of the proposed program: the decentralization of service delivery; interventions targeting adolescents and young people; key population size estimates; human rights considerations;

donor coordination; and the financial sustainability of the response.

Studies have shown that donor coordination in Nigeria is hampered by fragmented leadership at the national level. There is the National Planning Commission, the National Agency for the Control of AIDS, the HIV/AIDS Division of the Ministry of Health, and the Global Fund country coordinating mechanism – all of which communicate poorly and have many overlapping responsibilities.

Financial sustainability issues are a shared concern among several of Nigeria's major funding partners. PEPFAR's 2016 Sustainability Index for Nigeria rates domestic resource mobilization as "unsustainable and requires significant investment" – the lowest of four possible categories. Due to lack of domestic investments in the procurement of antiretroviral drugs and other essential commodities, PEPFAR also rated service delivery in Nigeria as unsustainable.

Challenges with the decentralization of service delivery are another shared concern. PEPFAR pointed to the absence of formal recognition for community HIV/AIDS service delivery strategies as a key issue. Stakeholders who participated in the development of Nigeria's TB/HIV Global Fund funding request voiced similar concerns.

"An initial examination of the funding request drafting roadmap showed that there was no dedicated space to discuss civil society concerns or community systems strengthening," said Dr Cheikh Traore, a Lagos-based health and human rights consultant who supported civil society to engage in the funding request development process. "As a result, the initial funding priorities identified by the Ministry of Health and Country Coordinating Mechanism (CCM) did not specifically define community activities," said Traore.

A civil society caucus was held two weeks before the submission date, with a specific objective to review the draft funding request and improve some of the proposed community and key populations interventions. The process was led by Civil Society for HIV/AIDS in Nigeria (CiSHAN) and the International Center for Advocacy on Right to Health (ICARH), with support from the International Council of AIDS Service Organizations (ICASO) and the Eastern Africa National Networks of AIDS Service Organizations (EANNASO). Some people felt this engagement happened too late in the process to effectively influence the funding request.

"Timing is important," says Ize Adava, the Executive Director of CiSHAN. "In my opinion, we could have done better if we began the process in good time." Adava noted that the entire funding request development process was rushed, not only the civil society consultations. "Up until April it felt like nothing was happening, despite the fact that we were to submit in the May window," Adava told Aidspan. "One can only imagine all that was crammed into the weeks that followed."

Plagued with challenges

The TRP's decision to send Nigeria's TB/HIV funding request back for iteration is the latest setback for a portfolio that has been plagued with challenges.

A 2011 audit by the Office of the Inspector General (OIG) uncovered $7 million in misappropriated funds which had to be paid back to the Global Fund (see GFO article). The audit report also identified a number of weaknesses, primarily in financial management, procurement and sub-recipient (SR) management, and advanced 53 recommendations to address these issues.

By October 2015, $3 million had yet to be repaid. In January 2015, The Global Fund's Management Executive Committee adopted a policy for recoveries that said that as a last resort, if all recovery efforts fail, the Fund will reduce the allocation to the country concerned by a factor of 2:1. In a letter to the CCM on 23 September 2015, the Head of the Global Fund's Grant Management Division, Mark Edington, said that $5.3 million might have to be deducted from Nigeria's next allocation (see GFO article). "If any

reduction is necessary, it will be made reluctantly," Edington said. Ultimately, Nigeria's allocation for the 2017-2019 funding cycle was not reduced, according to local media reports.

When Global Fund grants were approved in 2014, incentive funding in the amount of $45.7 million was awarded to Nigeria's malaria program, conditional upon the government matching that amount with domestic funding through investments in long-lasting insecticide-treated bed nets (LLINs). The government risked losing the incentive funding when it failed to meet a 31 March 2017 deadline for coming up with the matching funds (see GFO article). (The matter is still under discussion.)

Another OIG audit in 2016 rated the performance of Nigeria's grants as "ineffective" in controls, governance and risk management processes. This was the lowest of five possible ratings. This audit also uncovered $20 million in unsupported procurement expenditures and $7.7 million in unsupported expenditures related to human resources and the payment approval process (see GFO article). Released on the same day as the audit report, a separate OIG investigation report described evidence of systematic embezzlement of program funds, fraudulent practices, and collusion by staff of a sub-recipient for an HIV grant to Nigeria (see GFO article).

In the report on its 2016 audit, the OIG said that the Global Fund faced a number of challenges in Nigeria, including grants not achieving impact targets, poor quality of health services, treatment disruptions, fraud, corruption and misuse of funds. The OIG noted that in the previous two years, the Global Fund had made efforts to reduce the risk in the portfolio. However, the OIG said, these efforts resulted in minimal improvements in the risk profile of the portfolio, which, it said, "has even deteriorated."

In the OIG's view, ineffective grant implementation arrangements were the root cause of most of the significant challenges. Although health care delivery had been fully devolved to the state level governments, Global Fund–supported programs were currently implemented at the national level, the OIG said, negatively affecting accountability, oversight and impact of the programs over the long term.

When it approved five TB/HIV grants to Nigeria in December 2015, the Global Fund did so reluctantly because of serious concerns about operational and systems weaknesses and risks. The concept note remained in grant-making for well over a year, well above the norm. Ultimately, the Fund decided that because of the size of the country, its high disease burden, and the importance of the Nigeria grants in the overall portfolio, not to approve the grants was "not a preferred option at this stage if the Global Fund is to fulfil its mission." (See GFO article.)

Despite all these challenges, Nigeria "is a pivotal country for ending the three epidemics," Edington told Aidspan, earlier this year. The Fund has put several measures in place to improve the effectiveness of its investments in the country. In recent years, the Global Fund has begun to engage with state level governments and to provide grants directly to the states. Further, there are now approximately 40 local fund agent staff conducting oversight in Nigeria. As an additional safeguard to reduce the mismanagement of funds, a fiscal agent was installed in May 2015, with a staff of 17 full-time experts, controlling all expenditures of select principal and sub-recipients.

"Only with success in Nigeria, can the Global Fund hope to deliver on its 2017-2022 Strategy targets," says Edington. As the country prepares for iteration of its TB/HIV funding request, concerted and coordinated efforts from a wide range of stakeholders will be needed to ensure the success of this critical portfolio.

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