Aidspan

Independent observer of the Global Fund

BOARD APPROVES A GRANT EXTENSION AND A NEW GRANT FOR NIGERIA'S MALARIA PROGRAM

The Global Fund Board has approved an extension of an existing malaria grant to Nigeria as well as a new one-year grant with a new principal recipient (PR) – all at no extra cost. The extension and the new grant will be financed by reinvesting savings identified in Nigeria's current malaria grants. This will allow Nigeria to maintain essential malaria services to the end of 2017.

The decision was announced on 5 April. The Board was acting on a recommendation of the Grant Approvals Committee (GAC).

These are the latest developments in Nigeria's troubled grant portfolio and they come with a few wrinkles.

The extension and the new grant were made necessary by the fact that in 2014, the Board approved two malaria grants – NGA-M-NMEP, for which the PR was the National Malaria Elimination Program (NMEP) and NGA-M-SFH, for which the PR was the Society for Family Health (SFH) – both of which were exceptionally authorized to have a shortened grant duration to 31 December 2016. The original concept note identified the programmatic gap for 2017 but did not cover the full three-year implementation period. The Secretariat worked with the country coordinating mechanism (CCM) to enable the CCM to present an above-allocation request for funding for 2017.

Incentive funding

When the grants were approved in 2014, incentive funding in the amount of $45.7 million was awarded, contingent upon the Government of Nigeria matching that amount with domestic funding. The incentive funding and the matching funds were intended to be used to close a gap in funding for the distribution of

long-lasting insecticide-treated bed nets (LLINs).

The government was given a deadline of 31 March 2017 to come up with the matching funds. A representative of the Nigerian CCM told Aidspan that the government failed to meet this deadline; but that the NMEP has asked the country team in the Global Fund Secretariat for an extension to the deadline; and that efforts to find matching funds are ongoing. If the government is not successful in raising matching funds, the $45.7 million incentive funding award will be returned to the Global Fund general pool.

The Board decision extended the malaria grant managed by the NMEP, and approved a new grant with Catholic Relief Services (CRS) as PR. CRS will implement a delayed LLIN replacement mass campaign in 2017. Even as it was recommending approval of the CRS grant, the GAC acknowledged that there were risks associated with CRS' limited experience in delivering LLIN mass campaigns to the scale required.

Under new implementation arrangements, the NMEP will concentrate on activities directly related to its core mandate – i.e. strategic planning, policy coordination and oversight of the national program.

In January 2015, the Board approved a total program budget upper ceiling for the two malaria grants of $400.3 million. As of March 2017, savings of $213.6 million had been identified from unspent funds within the two grants. Of this amount, $103.1 million is being re-allocated to the new CRS grant; and $95.1 million is being used to extend the NMEP grant through 31 December 2017. In addition, $7.4 million has been set aside to fund a nine-month closure period for the SFH grant to ensure orderly distribution of the remaining health products for malaria case management. The remaining savings – $8.0 million – are being returned to the general pool.

The reason there were so many unspent funds in the two malaria grants is that the grants were delayed in 2015 and 2016 due to a prolonged sub-recipient (SR) selection process.

Although Nigeria's malaria program has experienced significant implementation delays, it has still been able to show achievements. Between 2010 and 2015, malaria prevalence among children under five declined from about 42% to 27%, and malaria incidence and deaths both dropped.

High impact activities

The extension of the NMEP grant and the new grant will prioritize high-impact activities in 24 high-burden states, where the grants aim to complement programs of other partners to maximize impact. Activities for this period include the following:

- Vector control. LLIN replacement mass campaigns will be conducted, as will routine distribution of LLINs, in up to 12 of the 16 states where a replacement campaign is overdue. In five states, the campaigns will be financed entirely through the new CRS grant. In one state, the campaign will be conducted in partnership with the (U.S.) President's Malaria Initiative (PMI). Campaigns in the other six states will potentially be financed through incentive funding (three states) and through Government of Nigeria funds matching the incentive funding (three states) – providing the government is successful in raising the matching funds.
- Case management – 14.4 million malaria cases will be treated with quality-assured ACTs (artemisinin combination therapies) in the public sector, and a further 38 million quality-assured ACT doses will be provided through a private sector co-payment mechanism.
- Strengthening country systems. The supply chain in the 24 high-burden states will be strengthened through recruitment of supply chain specialists and M&E specialists in each state.

For the 2017 LLIN mass campaigns, the states will absorb storage costs from the state level to distribution points.

A strategy on malaria domestic financing is currently being developed. In November 2016, the NMEP released guidance on engaging the private sector in the malaria response. It highlighted several areas where the private sector could be involved, including case management and malaria elimination strategies.

TRP review

When it reviewed the above-allocation request from Nigeria, the Technical Review Panel (TRP) noted that implementation of the proposed activities within the remaining nine months of 2017 will require a dramatic increase in the malaria grants' monthly expenditure rate. The TRP said that close collaboration will be required among the CCM, the PRs and the Secretariat. It also said that the causes of implementation delays in 2015 and 2016 need to be addressed.

The TRP said that the CCM needed to work with government to ensure that matching funds for the LLIN replacement mass campaign for 2017 are released in a timely manner; and that contingency plans should be put in place to prioritize states most in need should the matching funds (and the incentive funding) not become available.

At the GAC meeting that reviewed the proposed extension and new grant, technical partners identified the need for a regular communication mechanism to review progress in the implementation of the grants, and to rapidly identify and address bottlenecks. The Secretariat reported that joint missions with PMI-Nigeria are being planned in several states in the second quarter of 2017 to address implementation bottlenecks and maintain momentum and communication among partners.

Concerns were raised at the GAC meeting about whether the NMEP could handle the level of funding budgeted for it in the extension. The Secretariat clarified that of the $95.1 million budget, only $5.58 million would actually be administered by the NMEP. This funding is to be used to support 2017 coordination activities and the clearing of existing 2016 financial commitments and liabilities of the program. The remaining budget is composed of:

- $42.6 million for LLINs, to be procured by the IDA Foundation using the Fund's pooled procurement mechanism (PPM), and managed by CRS upon receipt in country;
- $44.2 million for the private sector co-payment of ACTs, managed by the PPM;
- $2.2 million to be directly disbursed to 15 NMEP SRs to finance 2016 commitments and 2017 closure activities, and
- $546,467 to be disbursed directly to the World Health Organization to cover technical assistance.

In May 2016, the Office of the Inspector General (OIG) published a report on the audit it conducted on Global Fund grants to Nigeria (see GFO article). The audit resulted in seven agreed management actions (AMAs) to be implemented by the Secretariat to address the weaknesses identified by the OIG. In March 2017, GFO reported that six of the seven AMAs had been implemented. With the approval of the grant to CRS, the seventh AMA has now also been implemented.

The Nigeria malaria component was one of 11 components with shortened grant implementation periods. The other 10 were Kenya malaria, Mozambique malaria and HIV, Sudan malaria, Tanzania HIV, Uganda malaria and HIV, Zimbabwe malaria, Congo DR malaria and Ghana Malaria. One by one, the Board has approved additional funding for the shortened grants using funds from portfolio optimisation – meaning, usually, savings made in other grants, but sometimes also in the shortened grants themselves, as is the case with the Nigeria malaria component. The Nigeria malaria grants were the final shortened grants from the 2014-2016 allocation period to have funding approved to the end of 2017.

Read More