

SUBJECT: SUCCESSFULLY TRANSITIONING NIGERIA FROM GAVI SUPPORT

Agenda item: 15a

Category: For Decision

Section A: Introduction

- At its Retreat in April 2017, the Board discussed the significant risks to Nigeria's upcoming transition and asked the Secretariat to consider if a tailored strategy was required. Nigeria is in a particularly fragile situation, with poor health outcomes and very low coverage rates (2016 coverage with three doses of pentavalent vaccine (penta3) of 33% based on the latest coverage survey), a constrained macroeconomic environment, multiple outbreaks (Measles, Yellow Fever, Meningitis, Cholera, Monkeypox, Lassa Fever), one of the 3 remaining polio endemic countries, persisting vaccine hesitancy, and insecurity in large parts of the North. Substantial bilateral and multilateral support has been provided to increase coverage but with little tangible effect. As the Board has discussed, Nigeria may therefore not be on track for successful transition, due at the end of 2021. Yet, recent political shifts within the health sector, and the National Primary Health Care Development Agency (NPHCDA) in particular, give cause for cautious optimism and a renewed opportunity for greater engagement by Gavi. Such an engagement must be underpinned by demonstrated political commitment, including the resolution of outstanding audit issues.
- Having declared immunisation a national emergency, Nigeria is now working to finalise an ambitious plan aiming to strengthen its programme and achieve national penta3 coverage of 80% by 2025 (with differentiated targets for different states). If implemented well, this could significantly increase coverage and sustainability over the next few years.
- Building on lessons learnt and the increased political commitment, the Gavi Alliance is planning to work differently in Nigeria, at all levels. At the national level we will increase the Alliance's strategic and political engagement, seek greater partner alignment and invest in strengthening the leadership, management, supervision and coordination capabilities of the newly established National Emergency Routine Immunisation Coordination Centre (NERICC). Given that health programmes are primarily managed at State level, we would also plan to target a limited number of low performing states with a focus on building local leadership and management capacities and experimenting with and rapidly learning from innovative approaches. These would focus on areas such as use of data, demand-generation approaches, vaccine management, and improving service delivery through

more outreach services. It will likely involve additional partners who have been able to support innovation and progress in other Gavi countries.

- Nevertheless, it remains unlikely that Nigeria will successfully transition in 2021. High risks are driven by low penta3 coverage, which is unlikely to exceed 60% by 2021; continued outbreaks, which pose a threat to Nigeria's own health system and beyond its borders; the very rapid increase needed in domestic financing to keep up with co-financing requirements; limited time for catalytic health systems interventions to take effect given that health systems strengthening investments have been largely on hold since the 2014 audit; and concerns on absorptive capacity and sustainability, especially in a significant number of low performing states. It will also be challenging for the country to introduce all the vaccines which it had planned prior to transition without distracting from efforts to raise coverage or undermining the sustainability of the programme.
- On the recommendation of the PPC, the Board is requested to approve engagement with Nigeria in line with a set of agreed principles to develop an exceptional and time-limited programmatic and financially sustainable transition strategy ("Nigeria Transition Plan"). This will be submitted to the May 2018 PPC and June 2018 Board.

Section B: Nigeria transition strategy

1. Introduction: the current Nigeria context

- 1.1 Nigeria is the most populous country in Africa, with over 191 million people and a birth cohort of 7.1 million live births each year. Nigeria is also home to nearly 25% of the world's under-immunised children and has the highest number of un/under immunised children in the world (superseding India which has 4 times the birth cohort). Nigeria remains the only polio endemic country in Africa.
- 1.2 Nigeria is also one of the most complex and challenging countries in Gavi's portfolio. Its penta3 coverage is 33% according to a recent National Immunisation Coverage Survey (NICS). Coverage is also highly inequitable with nine out of ten children in the poorest wealth quintile not receiving penta3, over 85% of children in the north west and over 70% in the north east not receiving penta3.
- 1.3 The country's immunisation programme also suffers from insufficient and unevenly distributed health workers, inadequately equipped service delivery facilities, poor quality and use of data at all levels, weak supply and cold chain systems, demand issues from lack of information, trust and engagement of community in EPI, and poor management capacity or systems. Some of these issues may be further exacerbated by the impending polio transition starting in 2018.
- 1.4 Nigeria is exposed to many epidemic diseases, currently facing outbreaks of Measles, Yellow Fever, Meningitis, Cholera, Monkeypox, and Lassa

Fever. Some of these are preventable through Gavi-supported routine immunisation vaccines but low coverage means the country continues to experience outbreaks (e.g. polio, measles); others can be addressed through vaccine stockpiles for emergency response (e.g. cholera, Mening C). Others are not vaccine preventable but could be managed by a strong health system. In the current context, Nigeria is likely to continue to experience outbreaks at least in the medium term which is a risk both for its own health system and weak, neighbouring countries.

- 1.5 General Government Revenue is very low overall, at just 5.3% of GDP in 2016, among the lowest in the world.¹ The recession, driven by the fall in the price of oil, has resulted in government's revenues in US dollar terms being cut in half between 2015 and 2016. In 2016, only 4.1% of the Federal Government budget was allocated to the Ministry of Health, and personnel and overhead costs accounted for about 90% of this amount.
- 1.6 Several areas in northern states are frequently inaccessible due to security concerns. Security costs due to the insurgency in the North East are estimated to be close to US\$ 2.6 billion per year. This has had a negative impact on Nigeria's fiscal space, adding further pressure on the national health budget. Nigeria is also a fragile country as defined by Gavi's recently updated Fragility, Emergencies and Refugees policy. This policy requires that all fragile countries in accelerated transition should be discussed by the Board.
- 1.7 Yet there are also several positive signs. Currently there is strong political will in support of EPI. The National Health Act passed in 2014 provides, for example, for the provision of universal health coverage (UHC) for all Nigerians, and commits the government to spend 1% of the Consolidated Revenue Fund² on a Basic Minimum Package of Health Services. A Primary Healthcare Revitalisation programme is being championed at Presidential level. Another sign demonstrating political commitment to immunisation is the very recent request made by the Federal Ministry of Finance to the World Bank for a US\$ 500 million credit facility for the financing of immunisation programme and vaccines for the next five years. Though this is a short-term, interim measure, it can serve as a bridge towards a longer term, more sustainable financing of the immunisation programme.
- 1.8 Following a long period of weak leadership, a new Executive Director (ED) was selected to lead the NPHCDA in January 2017. The recent acceptance of the NICS coverage data is a major shift and signals a real willingness of the government to seriously address immunisation challenges. Indeed, it led to the ED declaring a National Emergency on Routine Immunisation, and he has put in place a new management structure at the national level, dedicated to driving measurable change in the 18 lowest performing states, with similar management structures being put in place at the state level. The

¹ World Economic Outlook Database; compared to 23% on average for sub-saharan Africa.

² This is central government account/fund in which all government receipts are paid into and expenditures allocated from this account.

NPHCDA and partners are also developing an ambitious plan to scale-up coverage and increase equity, further discussed below.

2. Gavi's engagement to date with Nigeria

- 2.1 Gavi has supported Nigeria since 2001, primarily through new vaccine and health system and immunisation strengthening (HSIS) support. The country has received US\$ 732 million from Gavi to date: 71% (US\$ 518 million) for vaccines and 29% (US\$ 214 million) as HSIS support.³ Gavi support has enabled the successful introduction of a number of routine vaccines, including: Pneumococcal Conjugate Vaccine (PCV) completed in 2016; Inactivated Polio Vaccine (IPV) in 2015; and pentavalent vaccine completed in 2013. Nigeria was identified as a priority country under Gavi's previous fragile states policy and a country tailored approach was developed, which allowed Nigeria to, for example, introduce Penta and PCV vaccines in spite of not meeting the criteria for introducing new vaccines (penta3 coverage of 70% or more). In 2016 the IRC recommended for approval routine introduction of Men A and Rota vaccines in a phased manner. However, these have been put on hold due to outstanding audit issues (discussed below). Furthermore, Gavi has supported several campaigns to prevent and control outbreaks of infectious diseases including yellow fever, measles and Meningitis A.
- 2.2 Health System strengthening investments have been limited over the past three years, as funds were blocked due to on-going audit issues. An audit of cash support provided to Nigeria between 2010-2014 identified several weaknesses in the financial management systems at NPHCDA. It also identified significant misuse. In 2016, the Government reimbursed misuse of US\$ 2.2 million identified in the first phase of the audit. A further US\$ 5.4 million of misuse was identified through follow-up work. The government reimbursed US\$ 2.2 million of this in October 2017 and has committed to pay the final balance of US\$ 3.2 by the end of 2017. There are on-going discussions related to further funds that were questioned by the audit, but the amount has not been finalised. Future HSS support to Nigeria will remain conditional on government commitment to reimburse any additional amounts.
- 2.3 These issues have hindered Gavi's ability to provide health system strengthening grants to bolster Nigeria's routine immunisation programme in a critical period approaching transition. The limited investments that were made over recent years were channelled through partners and mainly focused on strengthening supply chain systems, resulting in a significant improvement in performance.
- 2.4 Making progress in immunisation has not been easy, neither for Gavi nor for other partners also heavily engaged in Nigeria at national and state level. Our collective experience has allowed us to learn some important lessons that should inform our way forward. These include:

³ This includes Health System Strengthening (HSS), Vaccine Introduction Grants (VIGs), campaign Operational costs, Injection Safety Support (INS) and Immunisation services support (ISS).

- (a) In Nigeria's highly complex political environment, little can be achieved without the necessary political will. Senior Alliance engagement on a regular basis has been important, and will remain critical. As Health is administered at State level (although vaccines are procured centrally), this political engagement will need to take place at State and LGA level as well as with the Federal government.
- (b) Gavi financing is limited relative to the needs of Nigeria and to date efforts have not been as coordinated with others' interventions as they could have been. To maximise any future engagement and to ensure sustainability we need to better leverage and work with other major donors and partners, based on our comparative advantages.
- (c) Fiduciary systems remain weak. For the foreseeable future, any Gavi support would need to be channelled through partners, while additional investments in building fiduciary capacity at national and state level are made.
- (d) Many approaches have been tried and tested in Nigeria, including intense interventions at state level with strong political will, but none have yet demonstrated dramatically improved coverage. There is consensus nevertheless, that in Nigeria's context and in line with equity considerations, a differentiated state-centric approach backed by strong federal stewardship is required to make progress.
- (e) Insufficient attention and investment towards demand creation, community mobilisation and the development of trust, coupled with limited focus on outreach services has limited the impact of any successful supply-side interventions on coverage and equity.
- (f) Quality of data has been an on-going challenge. The government's recent acceptance of NICS survey results is an important step forward in efforts to strengthen data.

3. Transition in Nigeria – the 'base' scenario

- 3.1 Nigeria is due to fully transition out of Gavi support on 31 December 2021 (base scenario). In this context, a major push is required from the Alliance, and even more so from the government. Building on lessons learnt, the below summarises expected needs and outcomes under this 'base' scenario, including relevant assumptions made.
- 3.2 **Coverage:** Currently, Nigeria's coverage varies significantly by state, from 80% in Lagos to 3% in Sokoto for penta3. Building on its comprehensive multi-year plan (cMYP), but adapting it to the newly accepted coverage baseline, the government's goal is to arrive at an average coverage of 80% for penta3 across Nigeria by 2025 and sustain it thereafter, growing to 85%. Accordingly, it is estimated that by end 2021 Nigeria's coverage target for penta3 would have reached about 60%. This represents an ambitious doubling of coverage over the next four years and, given past performance

and the complexities in country, there is a significant risk that Nigeria might not achieve these targets.

- 3.3 **Vaccine introductions:** The cMYP foresees the introduction of Rota, MenA, Measles 2nd dose and Human Papillomavirus (HPV) vaccine by 2021. The introduction of MenA, recommended for approved by the IRC already, needs to happen quickly to avoid a potentially devastating epidemic in Nigeria and the region. Introducing Rota, also recommended for approval, is critical to avert one of the major causes of childhood mortality. Introducing these vaccines in short succession, even with significant support from Alliance partners and other stakeholders, is likely to strain the EPI programme, resulting in possibly sub-optimal outcomes. It is, furthermore, questionable whether, under the base scenario, the Alliance would approve the introduction of HPV⁴ and Measles 2nd dose as this would further strain the health system. It is, however, estimated that introducing these four vaccines and reaching a coverage of 80% by 2025 could prevent over 450,000 future deaths between 2018-2025.
- 3.4 **Outbreaks:** As described earlier, Nigeria will remain susceptible to disease outbreaks. This is a risk both for Nigeria and for neighbouring countries with relatively weak health systems and low immunisation coverage such as Chad and Niger. Gavi has supported the response to these outbreaks in the past both directly or through access to stockpiled vaccines and the country will likely continue to require this support in the interim while the routine immunisation services are being strengthened.
- 3.5 **Vaccine Financing:** Although Nigeria has never defaulted on their co-financing and has been self-financing Yellow Fever vaccine since 2014, the country relied on a loan from the World Bank to cover 2016 and 2017 vaccine procurement needs, and has recently requested an additional US\$ 500 million World Bank credit to help fund the immunisation programme in the short-term. This raises concerns regarding the sustainability of the programme in the long-term. In 2022, Nigeria's first year without Gavi support in the base scenario, it is estimated that the financing needs for the procurement of vaccines used in routine immunisation would be US\$ 169 million, a 16-fold increase in the current allocation of the Federal Ministry of Health for vaccine procurement and more than the 10% share of the total current health budget not taken up by salaries.
- 3.6 **Systems/capacity building:** Nigeria's poor coverage rates are in part a function of its weak health system. An envelope of US\$ 100 million for health system strengthening (HSS) support was recommended for approval in 2014 for the period up to 2019, but has been on hold due to the audit issues. Assuming these are resolved, this catalytic investment could contribute to *Nigeria's strategy to transform immunisation, achieve greater sustainable results and strengthen primary health care*, currently under development by NPHCDA. This strategy seeks to break with past 'business as usual' plans and is adopting a state-centric approach, recognising that one-size-fits all

⁴ According to ICO Information Centre on HPV and Cancer, Cervical cancer ranks as the 2nd most frequent cancer among women in Nigeria, leading to an estimated 14,089 cases every year

cannot work in Nigeria. While the strategy remains a draft and warrants a careful review it has already identified a number of critical gaps that Gavi could contribute to, including improving management, coordination and governance at national and state level; a data systems overhaul to ensure that data is accurate and properly managed to support change; providing additional Cold Chain Equipment (CCE) at facility level, supported by a robust system for vaccine accountability; transforming demand-generation and outreach services, with an emphasis on community mobilisation; and support to specific low performing states to improve service delivery.

- 3.7 Supporting the government's ambitions and addressing the challenges described above requires a truly different way of working with Nigeria for the Alliance, both at the national and the state level. At a minimum, it would require the following:

3.7.1 At national level

- (a) Increased focus on sustaining high level of political will and commitment including through regular senior engagement from Alliance partners and the Secretariat at the strategic and policy level. As a specific near term way to jump start global commitment, and subject to the evolving political context, a high-level visit with senior leadership of all key Alliance partners is envisaged.
- (b) Enhanced partner alignment and engagement through PEF including working with other expanded partners to test new ways of working on these challenging issues.
- (c) Targeted support for a transformation of NPHCDA, including its financial management systems - its accountability structure, procurement processes and disbursement systems and controls. Building management and coordination capacity will also be key to steer the national response and ensure a tailored approach to the states that is coordinated, data-driven, open to new and innovative solutions, and strongly monitored.

3.7.2 At state level

- (a) Targeted focus on a limited number of states which are currently low performing but where there is political will to change, in a complementary way to the Gates Foundation, USAID, DFID, EU, UNICEF and others to identify the most effective actions to improving coverage and equity.
- (b) Given the lack of real progress in more difficult states over the past years, a more experimental outlook would be warranted, encouraging the 'testing' of innovative approaches around, for example, the use of data, demand-generation approaches, outreach services, and vaccine management. Adequate monitoring, evaluation and implementation research will be needed to allow quick evaluations and course corrections.

- (c) Similarly to the national level, greater capacity building efforts in the areas of leadership, management and coordination would also be key to increase performance and accountability in focus States – not only at State level, but also at LGA or even community levels to address pockets of low performance.
- 3.8 Successfully supporting such a plan and approach may also have implications on the current Secretariat model of support. Currently, a dedicated team of one Senior Country Manager and one Programme Officer supports Nigeria. In light of an accelerated programmatic push and a more state-centric strategy, the current model of support may need to be substantially augmented, at least temporarily.
- 3.9 Given that the existing HSS envelope needs significant reprogramming, and that any additional amounts would be subject to Board approval in June 2018, we would anticipate that most Gavi funding to only start flowing towards the second half of 2018. This would leave only three years for implementation, raising concerns on absorptive capacity and sustainability of interventions, especially at State level. In addition, a transition under the ‘base’ scenario as described above, even with increased Alliance engagement and continued political commitment, would come with significant risks. The coverage rate by 2021, at an estimated 60%, would still be very low, leading to increase risks of outbreaks; catalytic investments and capacity building at sub-national level would likely not be sustainable yet; and the financial burden on domestic resources to cover all vaccines would be significant.

4. Securing a successful transition: principles for a continued engagement with Nigeria

- 4.1 At their October meeting, PPC members noted that Nigeria constituted a uniquely complex and challenging case within Gavi's portfolio and that the country's successful transition was at risk if the country was to transition out of Gavi support according to the ‘base’ scenario. They noted that a special, exceptional engagement from the Alliance was necessary to ensure the country's successful transition and requested that the Secretariat work with Alliance partners and the Government of Nigeria to develop a tailored transition plan.
- 4.2 Recognising that this plan could potentially stretch beyond the current 2021 transition timeline and the resource envelope of the ‘base’ scenario, that it may require exceptions to current Gavi policies, and that very different ways of working may be called for, the PPC members recommended that this plan should be guided by a set of principles. These were initially discussed at the PPC meeting in October and further discussed at a PPC call in November. While there was broad consensus on most principles, opinions on whether Gavi should support Nigeria to introduce new vaccines during the accelerated transitioning period were divided.

4.3 These principles are outlined below:

- **Demonstrated commitment from the government in the form of:**
 - Full reimbursement of the balance of funds already deemed to have been misused, and a firm reimbursement plan for any additional funds found to be misused.
 - Increased year-on-year health sector and immunisation budgetary commitments and a commitment to sustain the enhanced programme once Gavi support ends.
 - Continued, timely co-financing of any newly introduced and of already introduced vaccines, and monitoring the financial sustainability of transitional vaccines.
- **A realistic transition plan that will focus on increasing sustainable coverage & equity through:**
 - A programmatic focus on the poorest and most inequitable areas, in particular in areas with the lowest coverage.
 - Reaffirming that introduction of new vaccines should only be envisaged if the country is able to successfully introduce and sustain increased coverage; meet co-financing requirements; demonstrate the ability to fully finance the vaccine post transition; and that the coverage rates for other vaccines are satisfactory. This would ensure that budgets for every vaccine that is introduced are built in and sustained.
 - Targeted technical country assistance and health system strengthening support at national and in lower performing states and LGAs.
 - A clear process for building the financial management capacity of relevant national and sub-national institutions.
 - Engagement within broader health sector reforms and consideration of other external financing instruments to the health sector.
 - Ensure adequate monitoring, evaluation and implementation research to allow quick evaluations and course corrections
 - Considerations of how to effectively transition polio eradication resource, as appropriate, to meet immunisation and broader health needs
- **A commitment to governance and accountability in the form of:**
 - Financial milestones related to an annual increase in government expenditure on vaccines and immunisation programmes.

- Programmatic milestones that give an indication of progress on coverage and equity.
- Clear accountabilities that recognise that failure to meet financial commitments will render Gavi support to Nigeria's Transition Plan null and void.

Section C: Actions requested of the Board

The Gavi Alliance Programme and Policy Committee recommended to the Gavi Alliance Board that it:

- a) **Request** the Gavi Secretariat to work closely with the broader Gavi Alliance partners to engage with the Government of Nigeria to develop a "Nigeria Transition Plan" for PPC review and Board approval in June 2018 that is based on the Gavi principles of country ownership and sustainability as well as the guidance provided by the PPC;
- b) **Allow** the Secretariat jointly with Alliance partners and other key stakeholders to engage with the Government of Nigeria on the Nigeria Transition Plan based on certain policy flexibilities, understanding that the Secretariat will need to conduct further analyses on these aspects in consultation with broader Alliance partners and that appropriate timelines and conditionalities are incorporated.

Annex: Potential risks to the Alliance strategy for successfully transitioning Nigeria

- **Political risks** persist with the upcoming elections in 2019 and potential change in government. The heavy dependence on the current leadership at the FMOH and in particular at the NPHCDA is an additional risk should there be political changes. The Alliance needs to invest time and resources in building strong teams below the leadership level as well as at the state level.
- **Political will & accountability at state level** is another risk. Nigeria being a federal country, political will and accountability plays a major role in determining the priorities at sub-national level. This is a particular concern in some of the weaker performing northern states, some of which are facing chronic insecurity.
- **Macro-economic risks** are significant considering the current economic climate, wherein the country has relied on loans to fund immunisation program over the last several years. If Nigeria's economy further contracts, it would put an even greater strain on the government and it may be forced to take more loans to fund the immunisation program, making successful transition more risky. **Polio transition** is a significant risk. Areas of some high risk states remain inaccessible and there polio transmission could still be occurring. The timing of the polio transition and how the transition is managed will impact Gavi's transition. Ineffective management could have a detrimental impact on routine immunisation, outreach, surveillance, campaigns and other immunisation-related activities. The Alliance will need to engage closely with WHO, UNICEF and FMOH to ensure linkages between the polio transition and the Alliance's strategic approach
- **Management capacity.** The success of the transition will rely to a large extent on the strengthening of the management capacity at multiple levels: FMOH, NPHCDA, NERICC, and at the State and LGA level. While resources will be dedicated towards this, there is a risk that the investments may not deliver the expected results. In the short term, increased on-the-ground and embedded support will be essential to mitigate this risk, with very explicit and measurable terms of reference toward transfer of skills & capacity building.
- **Fiduciary risk.** Learning from past experiences, the risk of mismanagement of funds in Nigeria is high. To mitigate this, for the foreseeable future, all funds will be channelled through partners, be it at national or state level.