

Electronic Report to the Board

Secretariat's Recommendations on Funding from the COVID-19 Response Mechanism

GF/B46/ER18

Board Decision

Purpose of the paper: This document proposes the following decision point:

GF/B46/EDP25: Approval of the Secretariat's Recommendation on Funding from the 2021 COVID-19 Response Mechanism¹

Document Classification: Internal.

Document Circulation: Board Members, Alternate Board Members, Constituency Focal Points and Committee Members.

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¹ The Secretariat recommends the approval of funding from the 2021 COVID-19 Response Mechanism for Nigeria, up to an amount of **US\$44,695,032**.

Decision

Decision Point: GF/B46/EDP25: Approval of the Secretariat's Recommendation on Funding from the COVID-19 Response Mechanism

The Board:

1. Notes its decision in GF/B46/EDP06, which requires the Secretariat to recommend to the Board, for its approval, any COVID-19 Response Mechanism ("C19RM") awards exceeding US\$45 million, as measured in aggregate by country (not including any funding awarded for COVID-19 commodities through fast-track investments or C19RM funding awarded in 2020);
2. Approves the funding recommended for each country, as listed in Table 1 of GF/B46/ER18; and
3. Delegates to the Secretariat authority to redistribute the overall upper ceiling of funding available for each country among its constituent grants in accordance with the previously approved principles under GF/B44/EDP18.

This decision does not raise new, material budgetary implications for operating expenses.

Executive Summary

Context and Input Received

Secretariat's Recommendation on Funding from the COVID-19 Response Mechanism (C19RM)

The Secretariat recommends the approval of funding from C19RM for the Nigeria Additional Funding Request, up to an amount of US\$44,695,032. This will complement previously approved C19RM 2021 awards totaling US\$222,649,418.

The country award in Table 1 is recommended by the Secretariat following internal review processes, which included input from a C19RM Technical Advisory Group of relevant ACT-Accelerator partners (CTAG) and Grant Approvals Committee (GAC) partners.

For each country's funding request, the Secretariat reviewed: (i) the strategic focus of the investment; (ii) alignment with WHO technical guidance, the C19RM Technical Information Note, the National Strategic Preparedness and Response Plan for COVID-19 and guidance from partners on alignment with the HIV, TB and malaria mitigation plans in the country; (iii) linkages with underlying grants and service disruption for human immunodeficiency virus (HIV), tuberculosis (TB) and malaria programs; (iv) alignment with principles of stakeholder and community engagement, gender equity and human rights; (v) availability of appropriate procurement channels (global availability and sourcing implication of the health products requested to be procured), especially related to supply-side aspects, including the availability of scarce products; (vi) the technical soundness of the request and expected outcomes; (vii) the feasibility and assumptions of proposed activities and the associated budget, including performance and absorption of C19RM 2020 awards; (viii) complementarity/potential duplication with other available sources of funding; (ix) residual risks, including associated fiduciary risks related to implementation arrangements and/or interventions, and mitigating and assurance measures to ensure that funds are used for intended purposes; and (x) value for money.

A list of documents per country to substantiate the Board decision is provided below²:

- C19RM Funding Request;
- C19RM budget (as revised for final recommendation for Board approval, if applicable);
- C19RM Health Product Management Template (HPMT) (as revised, if applicable); and
- Other essential support documents of the C19RM Funding Request:
 - Quantification or needs assessment for COVID-19 health products.

All relevant documents containing the Secretariat's reasons for its recommendation to the Board have been made available on the Governance Extranet and are accessible through [this link](#) for Nigeria.

Input Sought

The Board is requested to review the Secretariat's recommendation and approve, on a 'no objection' basis, the decision point GF/B46/EDP25.

² The following documents are not required to be submitted for C19RM 2021 Additional Funding Requests: National Strategic Preparedness and Response Plan for COVID-19; COVID-19 National Testing Strategy; C19RM Funding Landscape Table; HIV, TB and malaria program mitigation plans; and Civil Society suggestions, on the basis that these were provided alongside the initial C19RM Full Funding Requests.

Table 1: Secretariat's Recommendation on Funding from C19RM³

Please note that each country name is [linked](#) to the extranet site where relevant supporting documents are available for review.

Country/ Multicountry	Grant name	Currency	C19RM 2020 carry-over amount ⁴	Previously approved C19RM 2021 award ⁵	Additional C19RM 2021 recommended amount for Board approval	Total C19RM 2021 funding	% of 2020- 2022 allocation	Total C19RM 2021 funding plus C19RM 2020 carry-over	C19RM Unfunded Demand
Nigeria	NGA-S-NACA	US\$	24,215,443	222,649,418	44,695,032	267,344,450	30.0%	293,129,833	88,928,456
	NGA-T-LSMOH	US\$	1,569,939	0	0				

³ The C19RM Investment Committee recommends C19RM Full Funding Requests awards of more than US\$45 million to the Global Fund Board for approval. This amount, measured in aggregate per country, does not include any funding awarded through the C19RM Fast-track process or through C19RM in 2020. The C19RM Investment Committee may also recommend awards under US\$45 million to the Global Fund Board for approval where it determines that the non-health product components of an award are of a nature and scale which raise significant concerns about risk and complexity.

⁴ Estimated funds remaining from C19RM 2020 awards previously approved by the C19RM Investment Committee and carried over to this new award.

⁵ This includes Secretariat approved Fast-track and Full Funding awards for all grants, as well as awards previously approved by the C19RM Investment Committee.

Summary of the Secretariat's Funding Recommendations

i. Nigeria: National Agency for the Control of AIDS (NGA-S-NACA)

1.1 Background and context⁶

On 13 August 2021, the Board approved a C19RM Full Funding award of US\$172,565,824 to Nigeria (GF/B45/EDP14) that was strategically focused on filling the gaps of Nigeria's basic COVID-19 response needs to prevent the spread of the pandemic and mitigate the impact on HIV, TB and malaria service delivery. This award built on Nigeria's US\$50,083,594 C19RM Fast-track award approved by the C19RM Investment Committee on 23 July 2021 that focused on investments to scale-up the COVID-19 testing program and enhance the capacity of oxygen service delivery in treatment centers. Following the 3 February 2022 C19RM Investment Committee decision on the targeted investment of C19RM additional funding, the Nigeria Country Coordinating Mechanism (CCM) was invited to apply for up to US\$44,529,883 (an amount equivalent to 5% of the 2020-2022 allocation) of additional funding through the additional funding modality. The CCM was also invited to request TB cartridges to accelerate disease mitigation efforts and scale-up integrated TB/COVID-19 bidirectional testing, subject to the meeting of specific conditions.

As of 5 April 2022, since the start of the COVID-19 pandemic, four distinct waves impacted Nigeria, culminating in around 2,500 cases per day (with over 4,000 cases seen one day during the fourth wave). These numbers need to be analyzed with caution given the low testing capacity in the country. As per the reported figures⁷, more than 4.7 million tests have been carried out in Nigeria, with 255,000 confirmed cases. The states of Lagos (100,000 cases), Federal Capital Territory (FCT) (Abuja, 28,000) and Rivers (16,000) report the highest number of cases. To date⁸, close to 3,150 deaths due to COVID-19 have been reported.

When compared with other African countries, the available data demonstrates that Nigeria is falling behind in testing and vaccine coverage. While it ranks 8th in terms of cumulative number of reported cases in Africa (WHO Region), the testing coverage (cumulative) is only 2.3%, compared to 6.8% on average for the African continent. Vaccine coverage is also low: 4.4%, compared to 12.4% on average for Africa (WHO Region).

The impact of COVID-19 on HIV, TB, and malaria programs has been disruptive, however service adaptations appear to be producing overall increased service coverage on core programmatic areas as compared with pre-COVID-19 periods: with TB treatment coverage increasing from 24% in 2019 to over 40% in 2021; national level antiretroviral therapy (ART) coverage increasing from 67% in 2019 to over 95% in 2021; and the scaling-up of seasonal malaria chemoprevention (SMC) to reach about 17.9 million children in 2021 compared to 4.1 million children in 2019.

1.2 Strategic focus and prioritization of the C19RM 2021 additional funding request

Nigeria's Additional Funding Request has been developed to continue to address gaps in medical oxygen capacity and integrated TB/COVID-19 bi-directional testing. The funding request was endorsed by all members of the CCM and the national COVID-19 coordinating body for COVID-19 control and containment interventions. Noting that this Additional Funding Request builds on the C19RM Fast-track and Full Funding awards, the Secretariat recommends the following activities to be prioritized for immediate award in line with the Board categories as outlined below:

⁶ Data and statistics from Nigeria C19RM 2021 additional funding request.

⁷ Time of Funding Request submission: 09 February 2022

⁸ As of 28 April 2022, based on NCDC data

- **Reinforcing the COVID-19 national response:** the proposed interventions supporting investments to expand capacity for oxygen production through oxygen pressure swing adsorption (PSA) plants, as well as related equipment including analyzers, pulse oximeters and flowmeters, will complement prior C19RM investments and further strengthen COVID-19 case management across the country.
- **Mitigating the impact of COVID-19 on HIV, TB, and malaria programs:** the proposed interventions supporting an investment in TB cartridges for bi-directional TB/COVID-19 testing will contribute to increasing COVID-19 testing capacity through bi-directional testing, addressing the identified gap for additional cartridges until the end of the 2020-2022 allocation period grant (December 2023) from national quantification exercises.

Implementation arrangements. The implementation arrangements for this Additional Funding Request will build upon the existing system. The C19RM additional award will be integrated into the National Agency for the Control of AIDS (NACA) grant, and NACA will continue to serve as the Principal Recipient (PR). The Nigerian Centre for Disease Control (NCDC) will continue to serve as a Sub-recipient (SR), is coordinating the country's COVID-19 response and is involved in all aspects of the country's COVID-19 response. Following the completion of a LFA capacity assessment of NCDC, the transition of warehousing and distribution arrangements from NACA to NCDC for Global Fund-procured COVID-19 diagnostic tests, consumables and PPE will be developed to align with the national arrangements. Procurement of GeneXpert cartridges will be managed by the Institute of Human Virology Nigeria (IHVN) under NACA. IHVN is already implementing a GeneXpert optimization component under the previously awarded C19RM funding. With the additional investments under the Additional funding award, IHVN will become a SR. The Pooled Procurement Mechanism (PPM)/wambo.org will be the procurement channel for the oxygen PSA plants and consumables whilst PPM/Cepheid will be used for the procurement of the GeneXpert cartridges. Under this arrangement, disbursements will be made directly to Cepheid for the procurement of the GeneXpert cartridges.

C19RM Assurance and Risk Mitigation. Overall, the assurance and risk mitigation measures approved for the C19RM Fast-track and Full Funding awards will also apply to the additional funding proposed. In addition, the Secretariat is working to address capacity gaps at NACA to respond to issues flagged by the OIG audit. For this funding specifically, the procurement and management of TB cartridges (73 percent of the budget) will sit with the IHVN SR (to minimize fiduciary/procurement risks, the use of existing contractual arrangement for TB grants will be recommended), and a capacity plan is being developed to strengthen the NCDC as it takes on increased responsibility in the coordination and implementation of COVID-19 response activities under Global Fund funding, in particular warehousing and distribution arrangements.

1.3 Previous C19RM investments in Nigeria

The C19RM 2021 total previous award of US\$222,649,418 was fully integrated into the core grants (NGA-S-NACA and NGA-T-LSMOH) in October 2021. These funds together with the updated C19RM 2020 carry over amount of US\$25,785,383 have been invested mainly in Diagnostic and Testing (39%), Case Management (22%), Health Product & Waste Management (11%), Lab systems (8%) and Disease Mitigation (9%).

Implementation performance: C19RM implementation started slower than anticipated due to a combination of factors, namely the clearance of conditionally approved C19RM budget lines, the preparation of budgets, workplans and memoranda of understanding (MoU)s for each SR and TSOs, addressing other legal conditions and mitigating actions that had been outlined in the Notification Letters and issues with the overall capacity of NCDC to coordinate and lead implementation.

Financial performance: The slow start was reflected in a C19RM 2021 absorption rate of 22 percent as of January 2022 since July 2021. However, this does not consider pending financial obligations (predominately on health product procurement) that once paid will bring the absorption rate up to 75%. At present, the health product budget utilization rate stands at 75%. Furthermore, there has been a significant acceleration in

implementation in 2022 and the PR is carrying out reprogramming exercises with support from the Secretariat to identify priority areas for reinvestment of unutilized funds.

COVID-19 testing: Although, the national testing coverage has been low at 2.3 percent compared to 6.8 percent average for Africa, the CCM calculates that there are currently sufficient funds available in C19RM grants to cover COVID-19 testing needs. While procurement against the C19RM grant has been also slow, orders based on the Full Funding Request testing needs have been placed for US\$40 million and both deliveries and distribution are ongoing. Options for reprogramming include covering any future needs related to COVID-19 testing once the revised testing strategy, forecast and quantifications of testing needs are validated.

Medical oxygen: Noting the gap in medical oxygen in Nigeria, ongoing C19RM investments have supported the country's efforts to increase availability of COVID-19 critical care and the medical oxygen supply in-country. Repairs of 30 oxygen plants sites have started and work is expected to be completed by June 2022. Similarly, contracts for 10 new PSA plants have been awarded and procurement of two additional PSA plants is ongoing. Cylinders and other consumables deliveries are also expected soon.

TB performance: The country has seen a significant increase in TB case notification from a 13% increase in 2019 to 15% in 2020 and 50% in 2021. Additionally, Nigeria adopted Xpert MTB/RIF as the first point of diagnosis in 2016 and there has been a steady increase in notified TB cases who have access to DST from 54% in 2020 to 63% in 2021. This has been due to the rapid roll out of programmatic adaptations and implementation of evidence-based and targeted strategies that were set in motion in the previous funding cycle (2017-2019). A key emphasis has been on the integration of TB in COVID-19 response interventions, including surveillance, case finding and contact tracing. The additional funding will build on these lessons to expand the bidirectional screening model from the initial 12 states to ensure improved coverage without compromising program performance.

Next steps: To accelerate implementation, the Secretariat will continue to engage and support NCDC, including finalizing and launching a capacity building plan based on a recent LFA assessment and expand the scope of the Fiscal Agent periodic reviews to providing additional support to NCDC's financial management. Given that delays were due to poor coordination, additional emphasis will be placed on strengthening NACA's coordination capacity, which will be closely monitored by the Secretariat. Moreover, monthly procurement and contract management reviews will be carried out to strengthening procurement oversight. The implementation of the C19RM warehousing and distribution transition plan will also take place, shifting responsibilities from NACA to NCDC.

1.4 C19RM Investment Committee review and recommendations

- GAC and CTAG partners (Partners) found Nigeria's Additional Funding Request to be developed in an inclusive manner and aligned with the NSPRP and relevant WHO guidance. Moreover, they agreed that requested TB mitigation activities for bi-directional COVID-19 and TB testing were in-line and with relevant technical guidance and that criteria to access additional C19RM investments in testing of (i). either having a sufficient supply for COVID diagnostic tests in-country, or (ii). requesting funds for COVID-19 diagnostic tests under the same additional Fast-track request have been met. Partners inquired about exact quantities of GeneXpert cartridges to be procured. Clarifications were provided by the Country Team to the C19RM Investment Committee that documentation has been updated to ensure that quantification and proposed prices are in-line with relevant guidance. Partners expressed concerns around the one-year shelf life of TB cartridges and agreed with the proposed plan for staggered procurement and in-country delivery of cartridges.
- Partners also noted remaining gaps in TB testing and medical oxygen. The Secretariat clarified that this is due to a scale-up in TB testing, where 63 percent of presumptive TB cases were tested in 2021 using molecular tests, compared to 54 percent of presumptive TB cases tested in 2020. The Investment Committee also noted that increased testing was driven by the impact of COVID-19 on TB programs and

the additional demand generated by the performance of the national TB program through scale-up of integrated TB/COVID-19 bidirectional testing.

- The C19RM Investment Committee agreed with the Partners that the condition to request TB cartridges as part of the request for additional C19RM funds had been met given that the CCM demonstrated a sufficient supply of COVID-19 diagnostic tests. The Secretariat also confirmed that unutilized C19RM funds would be prioritized towards COVID-19 testing gaps should such need be confirmed with the finalization of the updated national COVID-19 testing strategy.
- The C19RM Investment Committee expressed concern about the low COVID-19 testing coverage and welcomed efforts by the Secretariat and Partners to support Nigeria in adopting an updated COVID-19 testing strategy aligned with WHO guidance, including with respect to scale-up of COVID-19 community testing and positioning the country for roll out of 'test and treat' initiatives, as applicable. The Investment Committee also expressed confidence that the proposed investments in integrated TB/COVID-19 bidirectional testing will further increase testing rates in the country for both diseases. Moreover, the approach is considered more effective than stand-alone COVID-19 testing program, provides a long-term strategy that would strengthen TB mitigation efforts and further enhance progress made in scaling-up TB case notification rates.
- The C19RM Investment Committee requested clarity on the implementation arrangements for TB cartridges particularly given the recent OIG audit report that noted capacity gaps of NACA. The Investment Committee appreciated assurances from the Secretariat that the proposed additional award will building on existing TB implementation arrangements. The Country Team clarified that whilst overall C19RM investments are coordinated by NACA, implementation (procurement & delivery) will be managed by IHVN as the existing implementer responsible for delivering the GeneXpert network for Nigeria therefore the capacity gaps defined by the OIG are not anticipated. Discussions will continue within the Secretariat and with in-country stakeholders on NACA's capacity issues including on what further capacity strengthening and mitigating actions are needed to address and minimize this risk. The procurement of the TB cartridges will be through PPM/Cepheid, leveraging the direct contractual arrangement already being used for the current TB grants, which will minimize potential fiduciary/procurement risks.
- The C19RM Investment Committee highlighted concerns around the sustainability of the proposed investments in TB mitigation given the low level of domestic financing for molecular testing compared to other countries using molecular technology. Given the large number of commodities purchased through this investment, the C19RM Investment Committee highlighted the need for the Secretariat and partners to advocate for additional funding in TB mitigation from domestic resources as part of the ongoing dialogue with the government of Nigeria. This will be communicated to the country in the award notification letter, should the Board approve this funding.

Table 2: Budget distribution by priority area

Country/ Multicountry	Mitigate COVID-19 impact on HIV, TB and malaria programs		Reinforce COVID-19 national response		Urgent improvement to health and community systems				Total
	Amount	%	Amount	%	Community, Gender and Rights		RSSH Investments		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount
Nigeria (Previous Awards)	18,543,865	8.3%	148,311,545	66.6%	5,093,909	2.3%	50,700,098	22.8%	222,649,418
Nigeria (additional funding)	32,593,273	72.9%	12,101,759	27.1%	0	0%	0	0%	44,695,032
Nigeria (Total)	51,137,138	19.1%	160,413,304	60.0%	5,093,909	1.9%	50,700,098	19.0%	267,344,450

Table 3: COVID-19 Health Product Categories distribution by investment type

Country ⁹	Diagnostics RDT	Diagnostics PCR	PPE	Therapeutics O2	Therapeutics other	Other ¹⁰
Nigeria (Previous awards)	54,090,936	28,294,901	26,686,562	28,981,052	12,671,436	71,924,530
Nigeria (additional funding)	0	0	0	12,101,759	0	32,593,273
Nigeria (Total)	54,090,936	28,294,901	26,686,562	41,082,811	12,671,436	104,517,803

⁹ Excluding roll-over amounts from C19RM awards in 2020.

¹⁰ This category includes all Health Products that do not fall into any of the five specific categories, as well as any other non-Health Product interventions.

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Annex 1 – Past Decisions

Pursuant to the Governance Plan for Impact as approved at the 32nd Board Meeting,¹¹ the following summary of relevant past decision points is submitted to contextualize the decision point proposed in this paper.

Relevant past Decision Point	Summary and Impact
Decision Point: GF/B46/EDP06: Extension of the COVID-19 Response Mechanism and COVID-19 Operational Flexibility December 2021	The Board approved a further extension of the timelines for the receipt and award of funds for the Global Fund COVID-19 Response Mechanism (“C19RM”), as well as revised thresholds for Board approval of C19RM awards set out in paragraph 5.d of GF/B44/EDP18.
Decision Point: GF/B45/EDP14: Approval of the Secretariat’s Recommendation on Funding from the COVID-19 Response Mechanism August 2021	The Board approved the Secretariat’s recommendation on funding from the COVID-19 Response Mechanism for Nigeria.
Decision Point: GF/B45/EDP12: Increases to the COVID-19 Response Mechanism’s (C19RM) Fast-track Investment Ceiling August 2021	The Board delegated authority to the Audit and Finance Committee (the “AFC”) to increase the overall ceiling amount to be made available through the C19RM Fast-track investment channel established under paragraph 5.c of GF/B44/EDP18. The AFC may increase the C19RM Fast-track investment ceiling by up to a further USD 700 million, based on additional funds approved as available by the AFC.
Decision Point: GF/B44/EDP18: Second Extension of C19RM Timeline and Operational Flexibility for COVID-19 ¹² March 2021	The Board approved a further extension of the timelines for the receipt, award, and use of funds for the Global Fund COVID-19 Response Mechanism based on further modifications proposed by the Secretariat.
Decision Point: GF/B43/EDP12: Extension of C19RM Timeline and Operational Flexibility for COVID-19 ¹³ September 2020	The Board approved an extension of the time limit for the award of funds from the Global Fund COVID-19 Response Mechanism.
GF/B42/EDP11: Additional Support for Country Responses to COVID-19 ¹⁴ April 2020	The Board approved operational flexibilities and additional support to countries, including the COVID-19 Response Mechanism, to enable the Global Fund and countries to effectively respond to the negative impact of the COVID-19 pandemic.

¹¹ <https://www.theglobalfund.org/board-decisions/b32-dp05/>

¹² <https://www.theglobalfund.org/board-decisions/b44-edp18/>

¹³ <https://www.theglobalfund.org/board-decisions/b43-edp12/>

¹⁴ <https://www.theglobalfund.org/board-decisions/b42-edp11/>