

SUBJECT: SUCCESSFULLY TRANSITIONING NIGERIA FROM GAVI SUPPORT

Agenda item: 05

Category: For Decision

Section A: Introduction

- At its retreat in April 2017, the Gavi Board discussed the significant risks to Nigeria's upcoming transition and asked the Secretariat to consider if a tailored strategy was required. The Secretariat began exploring the implications of Nigeria's transition in mid-2017. In November, the consensus of the Board was that in view of low coverage rates, poor health outcomes, a constrained macroeconomic environment, and multiple outbreaks including Yellow Fever, Meningitis and Cholera, the country would be unlikely to transition successfully by end 2021, as the transition policy requires¹. This would pose a risk not only to Nigeria, but to the region as a whole. **The Board therefore asked the Secretariat to engage with the country and Alliance partners** to develop a transition plan based on a set of principles of engagement (see Appendix 2).
- Intensive engagement by the Alliance started thereafter, most notably by supporting the Nigeria Primary Health Care Development Agency (NPHCDA) to develop the National Strategy for Immunisation and Primary Health Care System Strengthening, 2018-2028 (NSIPSS), which is included in Appendix 1. The government set up a Task Team that led the technical work, and a Core Group of government stakeholders, technical partners and donors, provided strategic guidance to the process. Gavi's proposed support to Nigeria during the transition period builds on this national plan.
- In addition to the **intensive, collaborative** day-to-day work, the NSIPSS process included a two-day retreat in January, with more than 100 stakeholders from federal and state government, as well as technical and development partners. The retreat laid out key issues and requirements for a successful transition from Gavi support and advanced innovative programmatic strategies and approaches to financing immunisation. In March 2018, a **high-level mission by the Gavi CEO and Alliance Partners** intensified political engagement at the federal and state level to secure robust commitments from Nigeria towards the transition. A subsequent visit by Bill Gates reinforced the importance of receiving tangible government commitments.
- The PPC had a positive and constructive discussion about Nigeria. While support was expressed for the proposed transition plan, a number of

¹ Nigeria entered its Accelerated Transition phase in January 2016. This 5-year phase is the last before a full transition from Gavi support.

important comments were made, which are reflected in this paper and which will be taken forward. The high-risk nature of Nigeria's environment was stressed, which will require a robust accountability framework underpinned by yearly Alliance reviews. Success will hinge on the government's commitment and, as such, the PPC suggested that the Board only consider this proposal in June should the reimbursement of misused funds be secured. Likewise, strong and continued political commitment will be needed especially in light of forthcoming elections. It was also stressed that introduction of new vaccines should be carefully assessed to ensure sufficient coverage. Gavi's operational model at state level, which the PPC recognised as necessary, will be finalised after in-depth needs analysis as we move towards implementation, including for instance the involvement of humanitarian organisations in States with insecurity.

- At the recommendation of the PPC, the Secretariat is therefore seeking Board approval for **exceptional support** to the Government of Nigeria (GoN), subject to meeting the conditions stated in the Accountability section of this paper, including reimbursement of all misused funds². This support would increase the duration of the "accelerated transition phase" until end of 2028 and provide additional **vaccine financing** of US\$ 461 million, representing a total of **up to US\$ 773 million**³. Support during this period also requires an additional US\$ 160 million for **health system strengthening**, representing a total of **up to US\$ 260 million**⁴. If coverage targets are met, support to Nigeria's transition from Gavi support is projected to **prevent over 1 million vaccine-preventable deaths** from 2018 to 2028⁵.

Section B: Facts and Data

1. Update to Country Context since November 2017 Board Meeting

- 1.1 Since the last update to the Board in November 2017, the macroeconomic context and public health situation of the country have not changed significantly. Latest projections from the International Monetary Fund (IMF) indicate that whilst the country is exiting recession, its growth prospects are expected to remain flat in the medium term. The worrying trend of multiple disease outbreaks continues to pose a major risk to the country and the region and is indicative of Nigeria's weak health system and the risks posed by low immunisation coverage.

² In its deliberations, the PPC agreed that a pre-condition to the Board considering this exceptional support would be the full reimbursement prior to the June 2018 Board Meeting.

³ Current forecasts for vaccine support, based on a 2021 transition, amount to US\$ 312 million.

⁴ 100M had already been approved, but not disbursed, for 2014-2018.

⁵ Impact is projected from disease-specific models implemented by the Vaccine Impact Modelling Consortium which simulate the expected effect of increases in vaccine coverage on mortality. For this analysis, deaths averted in coverage scenarios based on supporting Nigeria's transition are compared to deaths averted from "status quo" scenarios in which coverage levels only increase very slowly (on the order of 1 percentage point per year) from their current level.

- 1.2 Nigeria is the country with the highest number of under-immunised children in the world (4.5M). The country is also home to the deepest inequities in immunisation, both between geographic regions (e.g. coverage in Sokoto: 3%; Lagos: 80%), and between income quintiles (73% difference in coverage between lowest and highest quintile).
- 1.3 NPHCDA is continuing on its path of intensive reform. The National Emergency Routine Immunisation Coordination Centre (NERICC), and associated State Emergency Routine Immunisation Coordination Centres (SERICCs), is at the centre of the country's effort to increase immunisation coverage through strengthened leadership and coordination of routine immunisation. NPHCDA is revising its structure to effectively use existing HR resources and strengthening its management unit by establishing the Grant Compliance and Coordination Office. An assessment of financial management capacity was conducted by KPMG resulting in a number of recommendations to strengthen its capacity. The country is implementing Lot Quarterly Assurance Sampling (LQAS), which should provide data for 18 prioritised states towards the end of 2018, shedding light on the quality of implementation of the Routine Immunisation programme at LGA level, and course correct as and when needed.
- 1.4 Audit issues are in the process of being resolved: the second tranche of US\$ 5.4 million has been repaid in full and the Alliance has received a firm commitment for the repayment of outstanding misused funds. We expect to receive these funds prior to the June Board meeting.
- 1.5 Under the leadership of the NPHCDA and the Federal Ministry of Health (FMOH), the implications of Gavi's transition have been brought to the attention of the highest political authorities. Further supported by a joint high-level Alliance mission in early March 2018, we are witnessing signs of increased political will to support immunisation and primary health care both from Government officials and the Senate. Shortly after the high-level mission, the Vice President hosted a National Economic Council Meeting on Human Capital Development as well as a Presidential Task Force meeting on routine immunisation and polio eradication. This was attended by the Minister of Finance, Minister of Budget and Planning, and all states represented by governors or deputy governors, as well as Bill Gates and Aliko Dangote. The event recognised the impending transition from Gavi support and the Government's commitment towards its success.
- 1.6 On the 16th may, the National Assembly of the Federal Republic of Nigeria passed the budget into law, which includes the 1% of the Consolidated Revenue Fund (CRF) for the Basic Health Care Provision Fund (BHCPF). This additional fund will contribute to funding the National Health Insurance Scheme and Primary Health Care.
- 1.7 Federal elections are due in 2019 and election campaigns will intensify soon. This may lead to an increasingly complex political environment that could impact the implementation of ongoing efforts and Gavi's transition support until the first semester of 2019. Independent of the outcome of the

election, engagement with the new government will be key to ensure implementation of the current government's financial commitments.

2. Nigeria Strategy for Immunisation and PHC System Strengthening 2018 – 2028 (NSIPSS)

2.1 Introduction

2.1.1 The NSIPSS lays out the country's national plan to strengthen immunisation and primary health care over the next ten years, in line with the Sustainable Development Goals. This includes, but is not limited to, transitioning successfully from Gavi support. The NSIPSS is a dynamic document and is subject to review as new information becomes available about indicators, costs, financing sources and interventions relevant to achieving set targets. It was developed under the leadership of NPHCDA, with full participation of Alliance partners at the technical level and supported by senior-level political engagement. The country's Interagency Coordination Committee (ICC) has reviewed and endorsed the document.

2.1.2 The NSIPSS is accompanied by a Letter of Commitment, signed by His Excellency the President of Nigeria (signed version expected to be received prior to Board), which lays out how the country proposes to meet the financial commitments towards vaccine financing.

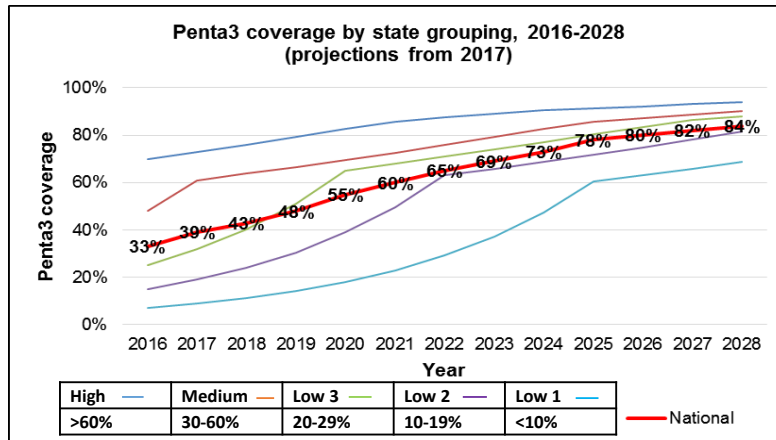
2.1.3 The NSIPSS is organised around a Theory of Change that lays out challenges to immunisation in Nigeria, key strategies and enablers to address these challenges, and the objectives the country aims to achieve. Nigeria aims to attain and sustain a national Penta3 coverage of over 80% by 2028, which would reduce the number of under-immunised children by 3.2M across all states. To tackle persistent challenges, innovative programmatic interventions are clustered under the themes of service delivery, demand creation, and supply chain and logistics. Programmatic interventions are complemented by a set of enablers, including sustainable financing options, improved leadership, management and coordination, human and institutional capacity and data management.

2.1.4 Successful implementation of the NSIPSS plan would reduce the number of vaccine-preventable deaths by over 1M over the 10 year period. Through its focus on states with the lowest coverage and highest number of under-immunised children, intensified outreach, and strategies for urban slums, it would directly focus on inequities in vaccination coverage.

2.2 Vaccination goals for the “accelerated transition” period

2.2.1 In an attempt to be **ambitious yet realistic**, the country aims to increase Penta3 coverage from **approximately 33% in 2016** (NICS/MICS survey data) to a national average of **84% in 2028**. As shown in the graph below, this is based on a **differentiated**

approach to increasing coverage in states with low, medium and high coverage.



2.2.2. Nigeria currently does not provide Measles second dose, Rotavirus or HPV vaccines in its routine immunisation programme. The country proposes introducing these vaccines during the “accelerated transition” period, given that more than two thirds of under-5 mortality in Nigeria is linked to preventable or treatable infectious diseases, such as malaria and measles, and that Nigeria's cervical cancer incidence rate (age-standardised) is 29 cases per 100,000 women, significantly higher than the global rate of 14 cases per 100,000 women. Measles second dose is proposed for introduction from Q4 2019, and HPV vaccine from late 2020 or early 2021. In the case of Rotavirus vaccine, the country proposes a phased introduction, beginning with high-performing states in Q4 2019, followed by medium-performing states in Q2 2020 and low-performing states in late 2020. IPV was rolled out in all states in 2015⁶.

2.2.3 Gavi support to **new vaccine introductions will be contingent** on satisfactory progress to improve sustainable coverage & equity for already introduced vaccines, as well as demonstrated ability to cover required vaccine co-financing.

2.3 Gavi’s support to Nigeria to achieve greater coverage and equity

2.3.1 In addition to supporting vaccine procurement nation-wide, Gavi will invest in health system and immunisation strengthening to support the ambitious coverage and equity goals. These interventions are all based on **priorities laid out** in the NSIPSS, many of which are already starting to be rolled out by the NPHCDA. With the aim of ‘doing things differently’, they build on lessons learnt, emphasise the need for greater accountability, leverage innovative technologies and include previously under-invested areas such as demand generation. The Alliance’s role will be to **strategically complement** domestic resources and other external financing including from the Bill &

⁶ The projections for IPV are based on Gavi prices and on the assumption that Gavi will not fund IPV after 2021

Melinda Gates Foundation, DFID, USAID, EU, Canada, the Global Fund and the World Bank.

- 2.3.2 **The bulk of Gavi's health systems strengthening support will be focusing on the needs at the state level** in a number of priority states. Directly engaging with states is a new way of working for Gavi, yet one that is very much needed in the context of Nigeria, where the responsibility for service delivery is decentralised to states.

Federal Level Support

- 2.3.3 Gavi will take a **targeted approach** to its support at the federal level, building on its comparative advantage and aligning with the **mandate of NPHCDA**: to develop strategies, tools and innovations, provide coordination, monitoring and supervision, management and oversight, and to develop norms and approaches.
- 2.3.4 One area of support will be **Leadership, Management, and Coordination (LMC)**. NPHCDA has prioritised the management of routine immunisation through its time-limited, intensified process of NERICC. Through targeted management support, Gavi is well placed to support NPHCDA in mainstreaming the approach into routine management of the programme over the next 18 months. Of particular importance is the strengthening of financial management capacity and systems, building on a recent review of systems conducted by NPHCDA together with Alliance partners.
- 2.3.5 A second area focuses on **supply chain strengthening and stock management**. Gavi will take forward its cold-chain investment through the **CCEOP**, including supporting, alongside other partners, a **three-hub distribution model** with stores in Lagos, Abuja, and Kano. This is projected to reduce the cost of warehousing, the number of shipments and operational cost of the system. Gavi will also support **quarterly bundled distribution of vaccines** from the national level to the 36 states, which should improve the availability of vaccines at sub-national level. Complementary capacity building investments will focus on vaccine management, accountability, and efficiency, in particular on **stock visibility**, and the integration of **stock management** of NAVISION⁷ with DHIS2. These measures, in addition to a planned project to introduce **bar codes** in stock management, will improve visibility of vaccine stock down to the LGA and facility level and support better data triangulation. Gavi resources will also complement support from the Global Fund, amongst others, to increase data quality by moving from DVD-MT to DHIS2.

⁷ NAVISION is a Logistics Management Information System (LMIS) that works on Microsoft Dynamics. It has been supported by BMGF and implemented with support of Alliance members. It is used at national, zonal and state level to manage stocks and improve visibility via the dashboards it generates. The recent EVM identified areas for improvement and UNICEF is currently implementing measures that will enhance the tool. It will need to be complemented by a 'last mile' solution, further described below.

- 2.3.6 A third area of focus will be on improving **immunisation data quality and data use at all levels**. Building on key challenges outlined in the NSIPSS, strategic investments have been identified to improve availability, analysis and use of data for enhanced accountability, management and implementation. This includes deploying **innovative digital solutions** like **SMS-based reporting**, electronic vaccine registries, geospatial data analysis, and DHIS2-based immunisation dashboards. Establishing **coordination teams** at national and subnational levels will ensure frequent and regular review of routine data at all levels. **Data validation** will be strengthened through the triangulation of walk-through micro plans, small-scale enumeration studies, regular independent assessment of administrative data, including DQS, LQAS RI and household surveys in all priority states. This will be complemented through training of health workers and supportive supervision focused specifically on data quality, with the incorporation of digitally enabled community surveys. In addition, NPHCDA is committed to implement effective reforms to tackle data falsification and implement mechanisms to incentivise better data reporting. These measures will feed into **strengthened programmatic evidence and rapid course correction** through operational research.
- 2.3.7 The fourth area for Gavi support will focus on interventions to improve **demand for vaccination**. Low demand is the biggest driver for low vaccination rates, accounting for 72% of incomplete vaccinations (lack of knowledge: 36%; mistrust/fears: 21%; competing priorities: 15%).⁸ Key elements such as **branding, public relations, research, design and monitoring of social and behaviour communication interventions**, and **national media engagement** will be managed at federal level, with state-level adaptations. Gavi will support data driven and evidence-based interventions in support of the overarching strategy, at the same time as helping government and academic institutions to systematically expand the evidence base through prioritised and targeted social research. The potential to partner with the private sector to help increase demand is high and will be further explored – including collaborating with telecoms and tech companies as well as market research, communication, marketing, public relations and advertising agencies.
- 2.3.8 A final area of support at the federal level will be **continued engagement on political will** building, to ensure momentum that has been built during the development of the NSIPSS is maintained and immunisation receives appropriate support from government. This includes systematic engagement with federal stakeholders to support the allocation and timely release of funds, as well as with the executive and legislative branches of government. Gavi will continue to strengthen its engagement with the Gavi CSO platform through systematic and **strategic support at all levels** targeting efforts on

⁸ Analysis of 2016 MICS/NICS data

demand creation, resource mobilisation for immunisation, and facilitating dialogues to spur government accountability.

State Level Support

- 2.3.9 Gavi's investment at state level will focus on selected states with **low coverage rates, high number of under-immunised children, funding gaps** in routine immunisation and primary health care strengthening support from partners, and support from **political leadership**. Gavi will negotiate the terms of support on a state-by-state basis, including states' co-investment commitments towards immunisation and primary health care.
- 2.3.10 **18 out of 36 states are prioritised by NPHCDA** on account of their low vaccination coverage (<50% Penta 3). A number of these states already receive significant support from partners. For example, **six states have signed Memorandums of Understanding** with the Bill & Melinda Gates and Dangote Foundations for a one state plan (Bauchi, Borno, Kaduna, Kano, Sokoto, Yobe), with UNICEF signed on in Bauchi and USAID in Bauchi and Sokoto; in addition USAID supports broader RMNCH system strengthening in Bauchi, Sokoto and Kebbi states; **DFID** has been investing in Jigawa, Kaduna, Kano, Katsina, Yobe and Zamfara states in 2013-2018 and is in the process of developing its strategy for 2019-2026; **the World Bank** has been investing in 8 states (Adamawa, Bauchi, Borno, Gombe, Nasarawa, Ondo, Taraba, Yobe), the **Canadian government** has been working in Bauchi and Cross River state on MNCH, and on Polio in Jigawa, Niger, Taraba and Zamfara. The **European Union** has been investing in MNCH and nutrition in Adamawa, Bauchi and Kebbi, and HSS in Anambra and Sokoto. **CDC** is investing in select LGAs of 12 northern states through its NSTOP program.
- 2.3.11 Gavi is planning its HSS support in view of NPHCDA's prioritisation of 18 states and the existing support that partners provide. As with the federal level, Gavi will continue to coordinate closely and seek synergies with all relevant partners, including the World Bank, the Global Fund⁹, UN partners and other bilaterals. Initially, the aim is to **support approximately six states**. In a subset of states, Gavi will seek to complement investments by other Alliance partners, such as DFID in **Jigawa** and **Katsina**, and the World Bank in **Gombe** and **Taraba**. Gavi will also target states that currently receive less partner support and where more comprehensive support may be needed. Here, Gavi will look into working with states with strong political will – such as **Kebbi** - and states that face deeper challenges – such as **Zamfara** – where enhanced support through implementing partners may be required. In this latter example, the Alliance will have to take

⁹ On-going discussions on making efficiency gains through integrated supportive supervision and data validation between malaria and immunisation. GF is piloting the iCCM in Kebbi and lessons learnt could be used for community engagement integration with Malaria. Further discussions on joint support to PHC strengthening are planned, including on integrated supply chain strengthening, lab network strengthening and HMIS strengthening support

a longer-term approach, focus on rapid learning and invest in political will building. In north eastern States that are facing insecurity, we would work through partners involved in humanitarian response, as we do in other countries like South Sudan. Geographically targeted support will also be provided to states with a high number of under-immunised children, such as in urban areas. **This approach would cover roughly 30% of Nigeria’s under-immunised children.** The final list of states that Gavi will support will be finalised during operational planning.

- 2.3.12 Interventions will be tailored to each state, based on the context and needs and gaps identified. However, building on lessons learnt, immunisation systems strengthening support will be holistic and address both **supply and demand side bottlenecks**, supported by **performance management** and **capacity building** efforts at state, LGA and health facility level.
- 2.3.13 Mechanisms of operating that are under consideration include leveraging best practices from the “Memorandum of Understanding” approach, as used by the Bill & Melinda Gates Foundation, aligning partners around “one plan” in a state and negotiating a progressive increase of co-funding from states.
- 2.3.14 In line with Gavi's support at the federal level, a key area of support at state level will be **Leadership, Management, and Coordination (LMC)**. Gavi can bring to bear its experience of strengthening performance and accountability at sub-national level in other countries, such as Pakistan and DRC. For example, Gavi will support management capacity building efforts in 6 states, complementing support recently started by the World Bank in 12 other low performing states. Use of advanced mobile technologies to track vaccinators and structured supervisory visits can further improve transparency, accountability and overall performance of service delivery. Management capacity building at State level – at SPHCDA and SERICCs – will also be supported.
- 2.3.15 **Supply side interventions** will strategically target bottlenecks to vaccine availability and management. Gavi is considering supporting **Push Plus distribution**¹⁰ down to facility level to improve availability of vaccines. Another area of support would be the implementation of the **vaccine accountability framework**, with the aim to strengthen accountability and clarify stock management requirements. **Linking DHIS2 with a last-mile LMIS solution, down to service delivery level**, has the potential to provide an end-to-end view of vaccine stocks and reduce the current high levels of vaccine wastage.
- 2.3.16 Another key area of support is **service delivery**. The Government’s key policy to reach the under-immunised, is the **Optimized**

¹⁰ Under this model, already support by BMGF, vaccines are "pushed" to health facilities that have a refrigerator as the policy in Nigeria is “one refrigerator per ward”. The novelty of this system, used in Senegal, Benin, Ethiopia and Zimbabwe, is to not only distribute vaccines, but also to conduct supportive supervision while collecting reports and maintaining cold chain equipment.

Integrated Routine Immunization Sessions (OIRIS), which is adapted from the Reach Every Ward strategy (REW) that comprises **fixed, outreach and mobile sessions**. Using **GIS data** from the 21,000 facilities reporting on immunisation would allow, for example, more strategic targeting of those that most need to be strengthened. This is particularly pressing, as preliminary data indicates that 70% of primary health care facilities have less than 4 fixed immunisation sessions per month, with a median of 1 session per month.¹¹ Support to improve **micro-planning**, together with the use of GIS data, will help increase immunisation sessions, both fixed and outreach. Specific strategies for **urban settings** will be developed to address coverage differences between rural and urban areas,¹² targeting both public and private sector. Innovative approaches for **adult learning**, with follow-up through supportive supervision, will address poor attitude and knowledge of health workers especially at primary health care level, contributing to **better quality** of immunisation and front line health services.

2.3.17 Work to **strengthen demand** will be strongly adapted to different states, in view of the large differences in vaccination rates and socio-cultural environment. Mobilising and linking communities with services, for example through the **Champion Community approach**, will contribute to the reduction of barriers between service providers and communities. Tailored interventions will be **based on evidence**, to maximise long-term sustainability. Measures Gavi can support will include **rapid social surveys** as part of developing communication strategies for new vaccine introduction, strengthening the link between health facilities and communities, **engaging with traditional leaders and influencers**, and working with local radio. **CSOs** will be included as strategic partners in service delivery and the state plans will reflect their unique role, in line with the community priorities and needs. Gavi will consider temporarily funding the new **Community Health Influencers, Promoters and Services** (CHIPs) programme if the approach is tailored to meet the need in the focus state and is accompanied with a clear sustainability plan, including financial commitments from the state. Gavi would also seek partnership with other the Global Fund and other partners to provide an integrated primary health care package. Some **promising innovations**, including community line-listing of new-borns, and the synchronised use of radio and community engagement are already being piloted in a number of the northern states. **Additional new approaches**, including the use of **low cost SMS reminders, rapid collection of social data** and **community reporting** of stock-outs and service quality issues, could be integrated into the service delivery data and electronic vaccine registry system with Gavi

¹¹ Vaccine wastage study, CHAI, 2018 (unpublished)

¹² WHO Global Health Observatory / Health Equity Monitor indicates a coverage difference of 37%

support. These interventions have shown to be effective in a number of countries, including Kenya and Pakistan.

2.3.18 Given the level of difficulties and previous experience with interventions, there is no question that this will be difficult and will require humility. Investments along the above lines will be periodically reviewed, adapted and adjusted, guided by lessons learnt and evidence generated in the initial years of implementation.

2.4 Tailoring Gavi's funding channels to the Nigerian context

2.4.1 Given the very high fiduciary risk associated with investment in Nigeria and the need to have funds reach the sub-national level to maximise impact, Gavi will carefully assess how best to channel resources. Funding modality decisions will follow a Programme Capacity Assessment (PCA). Given past audit issues, Gavi will not channel resources directly through government systems in the immediate term.

2.4.2 Without pre-empting the outcomes of the PCA, Gavi may adopt a hybrid approach that maximises the strengths of the different entities available to provide fiduciary oversight. Options include working through Alliance core partners, leveraging existing financing mechanisms that have proved to be effective, and using mechanisms that can ensure cash resources reach the lowest levels of the system, such as SMS-based payments or the World Bank's Direct Facility Financing scheme.

2.4.3 Regardless of the approaches used to address immediate fiduciary risk, Gavi will support financial management capacity building at national level and in some selected states, with future transition in mind.

2.5 The role of Polio transition in Nigeria's transition from Gavi support

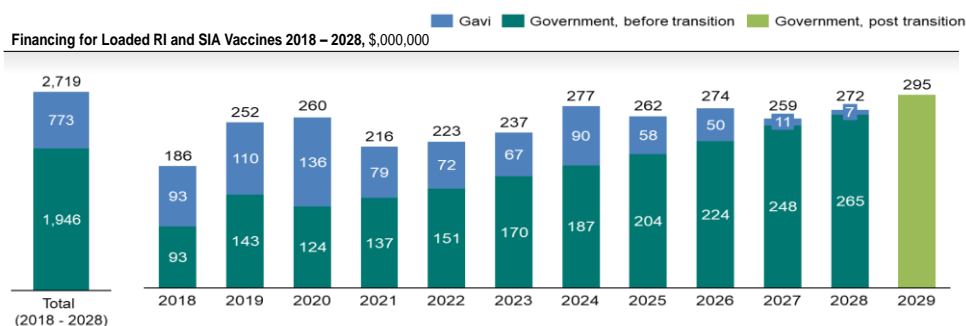
2.5.1 Over the past years, significant resources have been invested in polio eradication in Nigeria. In 2016, approximately US\$ 247 million were invested as part of the Global Polio Eradication Initiative (GPEI), which will reduce to US\$ 128 million by 2019. Funding for the coming years is expected to continue to decline. A resource mapping that was conducted in 2017 shows that out of 23,269 positions funded, 19,175 were focused on communication and community engagement and 3,341 on service delivery, with smaller numbers on management, monitoring, and surveillance.

2.5.2 As part of the polio transition, the country and partners propose to mainstream key resources into routine immunisation, focusing on routine immunisation at the LGA level, routine immunisation focal points at state level and coordination roles at state and national level. WHO and UNICEF are leading the dialogue with the country and are developing a business case that is expected to present refined transition needs estimates. Once the business case is available,

Gavi’s potential support to the polio transition would be further discussed. Any potential support from Gavi would focus on institutional capacity building and areas that directly strengthen routine immunisation¹³.

2.6 Financial implications for Gavi and the government

2.6.1 **Total vaccine support by the Alliance** to the Government of Nigeria would amount up to **US\$ 773 million**. This is an additional US\$ 461 million to what was already forecasted by Gavi with a transition in 2021. Of the total amount, US\$ 176 million are for new introductions (Measles 2nd dose, HPV and Rota), and US\$ 258 million for current vaccines (Penta, IPV, PCV, Men A). Supplemental immunisation activities amount to US\$ 339 million (Men A campaign, Yellow Fever Preventive campaign and Measles SIAs). **Government financing** of routine vaccines and SIAs over the same period would amount to **US\$ 1.9 billion**. This includes potential introductions of measles 2nd dose,¹⁴ Rota and HPV vaccines.¹⁵ The peak of Gavi’s financing would be in 2020, with US\$ 136 million in vaccine financing, driven by a planned multi-age cohort introduction of HPV vaccines and the roll out of Rotavirus vaccine.¹⁶ Gavi’s funding of vaccines would decrease sharply in 2025, when the country plans to self-finance Penta vaccines.



2.6.2 With a transition at the end of 2028, government vaccine financing needs are expected to increase from US\$ 93 million in 2018 to US\$ 265 million in 2028. This compares to an envelope of approximately US\$ 29 million available for vaccine procurement in the 2018 budget. This means that government is required to increase funding for vaccine procurement by approximately 20% per year, through domestic and complementary resources, including loans.

¹³ These potential costs have not been factored into the proposed envelope for Gavi’s support

¹⁴ Discussions ongoing on potential introduction of measles-rubella in 2023

¹⁵ Given the absence of a global policy framework on IPV support, it is assumed that IPV will be fully funded by the Government of Nigeria from 2021 onwards.

¹⁶ The introduction of Men ACWY vaccine is under discussion. This vaccine is currently not supported by Gavi, but under review through the Vaccine Investment Strategy. If the vaccine were to become a vaccine that Gavi supports in Nigeria, this could affect Gavi’s co-financing.

- 2.6.3 The Government of Nigeria has **committed**¹⁷ to leverage a range of tools at its disposal to mobilise the resources needed for vaccine procurement. This toolkit seeks to **combine different short, medium and long-term measures** to put the country's immunisation programme on a more sustainable financial footing. In the short-term, the government has committed to complement resources allocated through the Ministry of Health with funds available through *Service Wide Votes*, which is a budget instrument controlled by the Ministries of Finance and of Budget and National Planning and used for priority programmes. Going forward, the Government of Nigeria has expressed its interest in transforming the vaccine budget into a statutory transfer automatically funded by the Federal Government's main revenue pool (the **Consolidated Revenue Fund**), a mechanism also known as a *First Line Charge*. The **Basic Health Care Provision Fund**, although not directly linked to vaccine financing at this stage, if fully funded, could help provide much needed additional resources to strengthen primary health care services. As these new options are designed and rolled out, the Government has expressed its interest in drawing upon available credit lines from the World Bank to complement resources available through the Federal Budget.
- 2.6.4 The **proposed envelope for Gavi's health system strengthening support** is based on the costing of prioritised NSIPSS interventions. The country has estimated a total need of US\$ 605 million to strengthen health and immunisation systems until 2028,¹⁸ of which US\$ 122 million are capital and US\$ 483 million are recurring costs. Partner contributions have been mapped to understand which states they are engaged in and the types of interventions they are supporting. Further work is ongoing to determine the total financial resources available over the time period and the approximate funding gap.
- 2.6.5 As a catalytic contribution to the national plan, overall support from Gavi at **federal level** will total approximately **US\$ 80 million** over the transition period. This would be comprised of an investment in cold chain equipment of **US\$ 50 million**,¹⁹ amounting to 34% of projected capital investment needs in supply chain over the coming 10 years. This will be complemented by a mix of cash based and technical support to specific areas including leadership and management strengthening; supply chain strengthening; immunisation data quality; demand promotion; and continued engagement on political will. It is estimated that this will amount to approximately **US\$ 2- 3 million per year**.
- 2.6.6 Given the strategic emphasis at the state level, approximately **US\$ 180 million** would target direct state interventions across half a

¹⁷ See Letter of Commitment from the Government of Nigeria, Appendix 4

¹⁸ Note that the cost of PHC strengthening activities have not been included in this estimate

¹⁹ CCEOP ceiling for Nigeria is US\$ 23 million, the country will co-finance the remaining amount through Gavi's HSS funding

dozen states over the transition period. Actual investments by state would be differentiated and vary over the years, depending on which of the prioritised interventions would be most relevant to a given state. This level of investment strikes a balance between being sufficient to make a programmatic difference while remaining catalytic and sustainable. As described above, this support would be used to strengthen the management of routine immunisation, and to support both the supply and demand side of immunisation services.

- 2.6.7 The overall level of HSS support would therefore amount to approximately **US\$ 260 million** over a ten-year period, subject to more detailed planning in the context of interventions conducted by partners. US\$ 100 million of this are funds that were previously approved, but not disbursed for the 2014-2018 period. The additional funding request for the extended transition period would therefore amount to US\$ 160 million. The combined level of support represents 43% of the total cost the country estimates for health system immunisation strengthening for the next ten years²⁰. Gavi's federal level support would amount to approximately US\$ 0.04 per capita per year over the 10-year period, and to US\$ 0.57 per capita per year in the targeted states, making this a relatively modest investment.
- 2.6.8 Gavi's support would be reviewed periodically, as defined through the accountability framework, and could be adjusted as the situation evolves.

2.7 Accountability

- 2.7.1 The NSIPSS proposes an **accountability framework** that outlines programmatic and financial accountabilities for the government of Nigeria, and partners. The Government of Nigeria has laid out its commitment to **co-finance vaccines and to increase the health sector budget gradually**. The NSIPSS also lays out the different mechanisms proposed by the government to fulfil its commitments.
- 2.7.2 The government proposes to **fully self-finance** some vaccines **earlier than others**, demonstrating its willingness to take responsibility for the sustainability of its vaccination programme. It proposes to self-finance pentavalent vaccines from 2025 and pneumococcal vaccines from 2027.
- 2.7.3 Realising the commitments from the federal Government, and most importantly increasing the level of commitment at state level, requires sustained **political engagement**. The NSIPSS includes a dedicated approach to engaging decision-makers at the federal and state level, and Gavi's proposed support builds on this. This will be complemented by high-level Alliance engagement with, amongst others, the Federal Ministries of Health, Finance, Budget and Planning, the Parliament, the National Economic Committee and the Governors' Forum.

²⁰ Costs related to PHC strengthening activities have not been included in country estimate

- 2.7.4 Informed by the Principles of Engagement (Appendix 2), support from Gavi will be based on Nigeria meeting a number of conditions. Two conditions are core to Gavi's policy. These are:
- ✓ Identified misused funds will need to be **reimbursed** swiftly against an agreed firm schedule. Failure to comply with the schedule will result in further support not being disbursed.
 - ✓ Continued timely **co-financing of vaccines**, as per Gavi's co-financing policy. Introduction of new vaccines would depend upon satisfactory fulfilment of this condition, as well as on satisfactory progress to improve sustainable coverage & equity for already introduced vaccines.
- 2.7.5 Additional conditions will also need to be met, though these have yet to be finalised through a robust accountability framework. Targets will be agreed upon based on the NSIPSS and before exceptional support would be disbursed:
- ✓ Increased domestically-financed health sector expenditures e.g.this could be demonstrated through increased PHC funding year on year; Federal Ministry of Health budget increase in absolute and relative (on % of total budget) terms year on year; or Federal Ministry of Health execution rate on capital expenditure
 - ✓ Achieving coverage targets for Penta3
 - ✓ Reduction in (non-justifiable) vaccine wastage rates
 - ✓ Increased availability of vaccines at ward level, and greater stock visibility
 - ✓ Enhanced reliability of administrative data and reduced discrepancies vis-à-vis independent estimates of immunisation indicators
 - ✓ Reduction in drop-out rates
 - ✓ Increase managerial and financial capacity at federal and state level
- 2.7.6 **Further discussions** between health sector donors and the government are needed before firming up this latter set of commitments.
- 2.7.7 At **state level**, securing additional resources towards the health sector and immunisation will also be critical. Gavi will therefore condition the disbursement of its support on progressive increase of a state's matching funds for operational cost and on increased transparency on budgets and their execution. A gradual ramp up of domestic resources will be agreed over the years as Gavi's support decreases. This will be negotiated with each focus state.
- 2.7.8 **Progress against programmatic and financial milestones** will be reviewed at **three levels**: a **technical review** will take place on a semi-annual basis and will include donors, technical partners, and

the Gavi Secretariat, through the ICC. The second level will be an **annual, high-level review**, involving senior government leaders, and senior leadership from the Gavi Alliance partners and secretariat. This review will inform decisions to renew support, whether to approve introduction of new vaccines, or to cease support in case of severe lack of progress. The third level will be a **mid-term review**, planned for 2022-2023, at which point the Alliance will consider whether to expand, reduce, or cease support, depending on progress made.

Section C: Actions requested of the Board

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

- a) **Approve** that Nigeria be exceptionally granted an extension of the country's "Accelerated Transition" period (Phase 2) from 2021 to 2028 to align with its "National Strategy for Immunization and PHC System Strategy 2018-2028" (NSIPSS) and that its HSS ceiling be increased to US\$ 260 million for the 2018-2028 period;
- b) **Note** that the indicative total cost of Gavi support to the NSIPSS is estimated to be an amount of up to US\$ 1,033 million, including an indicative allocation of vaccines (US\$ 773 million) and cash support (US\$ 260 million), of which US\$ 575 million is incremental to amounts previously forecasted for Nigeria;
- c) **Request** the Secretariat and Alliance partners, in consultation with the government, to develop an accountability framework, based on section 2.7 of Doc 05 which takes into account the input from the Programme and Policy Committee; and to organise annually a high level review with Alliance leadership and senior government officials that assesses progress against the accountability framework and which will inform Gavi's decision on support during the following year;
- d) **Emphasise** that Gavi support to the NSIPSS is contingent on Nigeria fulfilling its financial and programmatic commitments under the NSIPSS and meeting the conditions set forth in the aforementioned accountability framework;
- e) **Request** the Secretariat to provide annual updates to the PPC and Board, and conduct a comprehensive mid-term review in 2022-2023 on the progress of Gavi's support to Nigeria to be presented to the PPC and Board.

Annexes

Annex A: Investment Framework

Additional information available on BoardEffect

Appendix 1 (in May 2018 PPC meeting book): Annex A to Doc 05 *National Strategy for Immunization and PHC System Strategy (NSIPSS), 2018-2028*

Appendix 2 (in May 2018 PPC meeting book): Annex B to Doc 05 *Principles of Engagement and how they are addressed by NSIPSS*

Appendix 3 (in May 2018 PPC meeting book): Annex C to Doc 05 *Key charts, including theory of change, coverage rate by state, cost breakdown by vaccine*

Appendix 4 (in May 2018 PPC meeting book): Annex D to Doc 05 *Letter of Commitment from the Government of Nigeria*