

## **THE GAVI Vs. NIGERIAN GOVERNMENT CONTROVERSY OVER ALLEGED MISMANAGEMENT OF DONOR FUND FOR PROCUREMENT OF VACCINES...: GAVI NEEDS TO SET THE RECORD STRAIGHT.**

### **1. Background**

The Global Alliances for Vaccines and Immunization (GAVI) is a public-private global health organisation based in Geneva, Switzerland. It was launched in 2000 to assist developing countries by providing them with vaccines and cash support to help protect children from killer diseases such as polio, which greatly affect Nigeria, being one of the worse hit countries with cases of child-killer diseases. Other affected countries are Pakistan and Afghanistan. Nigeria has been receiving support from GAVI since 2002.

GAVI through its Cash Program Audit (CPA) investigates how disbursed funds given to beneficiary countries are spent.

Between 2011 and 2013 GAVI granted funds to Nigerian Government for the procurement of vaccines and the development of the health sector, specifically for Nigerian children.

### **GAVI Indicts Nigeria**

Having investigated cash grants allocated to Nigeria between 2011 and 2013 CPA came up with a report which indicted the Nigerian Government through the Federal Ministry of Health (MoH) and the National Primary Health Care Development Agency (NPHCDA) of fraud and mismanagement of funds.

### **Nigerian Government Admits Culpability, Promises to Refund Misused Fund; GAVI Stops Further Disbursement of Funds.**

The Nigerian government was alleged to have admitted her culpability through a letter titled 'Letter of Understanding on the Principles Regarding the GAVI Cash Program Audit 2011-2013', dated October 17, 2014 and signed by the former Health Minister, Professor C.O. Onyebuchi Chukwu. In a bizarre manner, the Ministry was reported to have agreed to return the amount of misused fund as requested by GAVI, the amount being a sum of \$2.2million. Due to this mismanagement of funds, GAVI stopped further disbursement of funds to Nigeria, 'pending when concrete and convincing steps are taken to checks ominous corruption in our health sector." This was published in some news media, including *SaharaReporters* and *Premiumtimes News*.

### **CSNAC Petitions EFCC**

Concerned by the implication of this indicting report and the decision by GAVI to stop further disbursement of funds to Nigeria, which is that the lives of many Nigerian children would be jeopardised by their exposure to deadly diseases, as well as the international opprobrium to which the report had exposed the country, the Civil Society Coalition Against Corruption (CSNAC), by a letter dated 19<sup>th</sup> November, 2014 with the caption: '**REQUEST FOR INVESTIGATION; MISMANAGEMENT AND FRAUDULENT CONVERSION**

**OF INTERNATIONAL FUND IN FEDERAL MINISTRY OF HEALTH'** addressed to the Chairman, Economic and Financial Crimes Commission (EFCC), Ikoyi Lagos, asked the commission to investigate Prof. Onyebuchi Chukwu, former Minister Of Health for the alleged mismanagement and fraudulent conversion of International Fund allocated to the Nigerian government through the Federal Ministry of Health and National Primary Health Care Development Agency.

CSNAC, a network of over 150 groups said it was by the petition "requesting an immediate and thorough investigation into this self-admitted fraud and mismanagement of fund in the Federal Ministry of Health; with a view to bringing to justice all those involved in the exposure of the country to this international opprobrium and also, ensure the retrieval of the fund concerned from the purse of individuals who misappropriated it. The network demands the refund to GAVI should be from retrieved misappropriated fund and not the country's coffer.

### **Nigerian Children Endangered**

Nigeria has been receiving support from GAVI since 2002 and the implication of the organisation's latest action is that the lives of many Nigerian children would be endangered by their exposure to deadly diseases. GAVI was said to have also expressed concerns over possible non remittance of taxes it paid to the Federal Inland Revenue Service (FIRS) and therefore, requested the EFCC to investigate the rot in the Nigerian health system.

## **2. NPHCDA's Response**

In response to this indicting report, the Nigerian Government, through a letter dated October 17, 2014, entitled 'Letter of Understanding on the Principles Regarding the GAVI Cash Program Audit 2011 – 2013' and signed by the former Health Minister, professor C. O. Onyebuchi Chukwu admitted that there were unused funds. The unaccounted sum was put at \$233,324. The Minister agreed to return the amount of unused funds as requested by GAVI.

Due to this alleged mismanagement of funds, GAVI stopped further disbursement of funds to Nigeria, pending when concrete and convincing steps (were taken) to check apparent corruption in Nigeria's health sector.

The Nigerian government responded to CSNAC petition with a '**Comprehensive Statement on the Global Alliance for Vaccines and Immunisations (GAVI) on Cash Programme Audit (CPA) with a subtitle: 'Our response on the Unilateral Conclusion and Publication of the Report of Cash Programme Audit (2011-2013) by GAVI'**.

Nigeria objected to the cash program audit report published by GAVI on its website on the 29<sup>th</sup> October 2014 and stated that the Federal Ministry of Health (FMOH) and the National Primary Healthcare Development Agency (NPHCDA) 'stands by its earlier response to the initial CPA Report issued by GAVI in May 2014' and strongly objected to GAVI's final report which it released and published without carrying out a post audit reconciliation exercise (which it said was a standard audit practice); and without incorporating the Government of Nigeria (GON) response to the CPA as agreed with GAVI.

It noted that there was a significant downward revision of the 'unaccounted sum' of \$8.2 million in CPA initial report to \$2.2 million in the final report. This, it said, in itself raised questions as to the basis of reduction without a reconciliatory process.

It recounted some core issues that transpired since the commencement of CPA as well as the CPA Response as issued by GAVI to Nigeria and the Nigerian Response, attaching both documents.

The response highlighting some 'recent achievements in the health sector, particularly the progress that has been made in Nigeria's immunization programme and efforts to improve accountability and ensuring cost effectiveness of transactions within the FMoH NPHCDA'.

It then went on to respond to substantive issues, including the 'CONDUCT OF THE CPA', alleged 'Inaccuracies within the CPA Report', 'misleading assumptions and non-transparent actions by the CPA Team', the conduct of an audit by GAVI and its admittance of possible errors to the tune of almost USD 6 million which it said not only speaks volumes for itself but also questions the validity of the report etc.

It expressed concern over GAVI's refusal to conduct a reconciliatory exercise following Nigeria's Response to the Cash programme audit and therefore has no basis for demanding any refund from the country.

### **Corporate Affairs Commission, FIRS, Vaccination Cards, UNICEF and EFCC**

Contrary to GAVI's allegation of NPHCDA engaging companies without appropriate registration, the Corporate Affairs Commission through a letter dated Wednesday, 25th June, 2014, in response to a request for the verification and confirmation of status of the companies by the NPHCDA, listed the names of those companies as duly registered with the Commission.

The Federal Inland Revenue controverted GAVI's assertion of failure to remit taxes vide a letter dated November 6, 2014 confirming the agency paid due taxes, even beyond GAVI quoted amount, as at when due.

Like in the other above stated cases, the Kaduna State Primary Health Care Agency and Bauchi State Primary Health Care Development Agency in letters dated 10<sup>th</sup> October, 2013 and 26<sup>th</sup> June, 2013 respectively, wrote to confirm the receipt of 7,140,278 units of vaccination cards in Kaduna and 1,105,300 units of Non Polio SIAs Vaccination cards in Bauchi, Contrary to claims by GAVI that those cards were neither produced nor delivered by NPHCDA.

Contrary to claims of failure to disburse fund by GAVI, UNICEF also wrote via its New York office to confirm receipt of funds from the NPHCDA as reported by the agency.

Finally, whereas the GAVI report claimed an official report was lodged with the Economic and Financial Crimes Commission (EFCC), our interaction revealed to the contrary. On filing our petition with the Commission, which alleged the Commission's complicity in the matter. An invitation by the commission for adoption of our petition and engagement of the commission's officer confirmed no petition, oral or written, was lodged at the Commission by GAVI or any of its representative.

## **INDEPENDENT INVESTIGATIONS OF INCINERATORS.**

CSNAC embarked on independent investigation by soliciting, free of charge, support from Civil Society Partners domiciled in States where NPHCDA claim to have executed its incinerator projects. Responses were received from some committed and reliable networking partners and their officers were dispatched as field investigators who visited sites to verify the status of projects and, presented the findings from their sights visits. CSNAC received support from CSOs and individuals who volunteered and assisted with visiting locations of incinerators constructed by the NPHCDA across the northern states of Nigeria.

CSNAC's investigators visited the following locations:

**Kano State:** visited locations are:

- Gwale -completed
- Municipal - completed
- Dambatta - completed
- Bichi - completed
- Wudil- completed

By Bala Abdullah Gaduwama

**Borno State:** Visited

- General Hospital, Maiduguri - completed

Lami Raymond

**FCT:** sites visited:

- Dutse Makaranta, Bwari
- Kirali Bite

Luqman Adekunle, ZCC

**Taraba State:** Sites visited: -

- Wukari - Not done

Gimba

**Adamawa State:** sites visited:

- Numan - not done

Umar Zanna

**Niger State:** sites visited:

- Kotangora - completed

- Suleja - completed

Luqman Adekunle, ZCC

**NASARAWA STATE:** Sites visited:

- Lafia - not done (The location information supplied and visited was different from the final location project was supplied and installed)

Amos Edafe

### **CSNACS Fruitless Efforts at getting cooperation from GAVI**

In November 2014 CSNAC opened communication with the Geneva office of GAVI with a view to 'compare notes and share information with GAVI on this issue' but got no positive response. It then reached out to GAVI's American office via telephone in December and got a promise of an official response by January 2015. On January 8, 2014 CSNAC received a response from GAVI saying it has no further information to give on the issue beyond what it published on its website.

### **Concerns and Conclusion:**

We are seriously concerned by GAVI's adamant and uncooperative posture in spite of the apparent weight of evidence provided by the NPHCDA in the GoN's comprehensive response with attached documentations, the sight visitations by CSNAC, confirmation of receipt of funds by UNICEF, confirmation of tax remittance to FIRS and confirmation of authenticity of agencies by the Corporate Affairs Commission.

While corruption plagues much of Nigeria, and while corruption is believed to be widespread, going by realities on ground and as shown by annual corruption perception indices by Transparency International and other independent authoritative local and international sources, it will not be acceptable for any foreign organisation to hide under this sentiment to level corruption charges against the Nigeria government without providing verifiable and credible evidence to support any specific claim.

In the extant case, since the GoN has refuted GAVI's claims and provided documentary and other evidence which contradict GAVI's claims, it is therefore, surprising that GAVI has held on to its position as shown by the GAVI Management's repeated utterances that 'there was no significant change in their position'. GAVI needs to respond to charges by the GoN that 'many of the actions of the CPA team were not in tandem with expected level of professionalism/best practice; and may have been premeditated on a mind set...'

For instance, GAVI needs to show the basis for the significant downward review of the unaccounted sum of USD 8.2 Million in the first CPA report to USD 2.2million in the report posted at GAVI web site.

Again, why has the CPA continued to turn down the GoN's invitations for joint site visits for verifications/reconciliation?

Why would GAVI write a final report without acceding to the request by the GoN to send a team to reconcile and verify its (GoN's) response as well as carry out extended audit, the outcome of which ought to form part of the final report?

Now, CSNAC's independent location visits to some of the States also showed that many of the projects have actually been completed, contrary to GAVI's stance.

### **Recommendation**

There is the urgent need to resolve this dispute expeditiously. GAVI's continued suspension of cash programme support to Nigeria until it is refunded the sum of USD 2.2million without setting the record straight is detrimental to Nigerian children whose health and lives are at stake. GAVI should set the record straight.

We believe that GAVI should allow room for a third party intervention.

This report calls for immediate intervention of Bill and Melinda Gate Foundation, the funders of GAVI, to ensure that the parties return to the table mediated by independent parties, including CSOs.