



USAID
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OFFICE OF INSPECTOR GENERAL

**AUDIT OF USAID/ZAMBIA'S
IMPLEMENTATION OF THE
PRESIDENT'S EMERGENCY
PLAN FOR HIV/AIDS RELIEF**

AUDIT REPORT NO. 7-611-05-005-P
July 27, 2005

DAKAR, SENEGAL



Office of Inspector General

July 27, 2005

MEMORANDUM

TO: USAID/Zambia Director, James F. Bednar

FROM: RIG/Dakar, Lee Jewell III /s/

SUBJECT: Audit of USAID/Zambia's Implementation of the President's Emergency Plan for HIV/AIDS Relief (Report No. 7-611-05-005-P)

This memorandum is our final report on the subject audit. In finalizing this report, we considered management's comments on our draft report and included them in Appendix II.

This report contains three recommendations to which you concurred in your response to the draft report. Based on your plans and actions in response to the audit findings, management decisions have been reached on all three recommendations, and the first two recommendations are considered closed upon issuance of this report. The third recommendation will remain open until the planned action is completed by the Mission. Please coordinate final action on the third recommendation with USAID's Office of Management Planning and Innovation (M/MPI).

I appreciate the cooperation and courtesies extended to the members of our audit team during this audit.

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SUMMARY OF RESULTS

This audit, which was performed by the Regional Inspector General in Dakar, Senegal, is part of a series of audits to be conducted by the Office of Inspector General. The objectives of the audit were to determine (1) how USAID/Zambia participated in the President's Emergency Plan for AIDS Relief activities, (2) whether USAID/Zambia's HIV/AIDS activities progressed as expected towards planned outputs in their agreements and contracts, and (3) whether USAID/Zambia's HIV/AIDS activities contributed to the overall U.S. Government's Emergency Plan targets. (See page 3.)

While planning and implementing Emergency Plan activities, USAID/Zambia and its partners encountered challenges that were inherent in the design of the Plan. These included a short time frame to implement activities with initial funding, continual changes in Plan guidance for implementation and reporting, and uncertainty as to whether funding would be provided beyond the one-year funding cycle. (See page 4.)

We concluded that USAID/Zambia, even with the noted constraints, has a principal role in the President's Emergency Plan for AIDS Relief activities in Zambia for prevention and care, as well as a major supporting role for HIV/AIDS treatment. (See pages 4 to 9.) USAID/Zambia and its 33 partner consortiums were progressing as expected towards meeting planned outputs in their agreements. However, the Mission did not provide adequate oversight of all partner activities and results reported by some partner consortiums were not accurate or adequately supported. (See pages 9 to 16.) Also, USAID/Zambia's HIV/AIDS activities were contributing significantly to the overall U.S. Government's Emergency Plan prevention and care targets for fiscal year 2004 and to a lesser extent to the treatment targets. (See pages 16 to 20.)

This report includes three recommendations to assist USAID/Zambia in strengthening its program. We recommend that USAID/Zambia engage the U.S. Government Emergency Plan Team to explore options of minimizing the strain of human resources to ensure adequate oversight of activities. (See page 14.) We are also recommending that the Mission schedule training for partners in reporting and maintaining supporting documentation. (See page 16.) Finally, we are recommending that USAID/Zambia require its partners to develop strategies for the sustainability of Emergency Plan activities. (See page 20.)

USAID/Zambia agreed with the recommendations and based on plans and actions in response to the audit findings, management decisions have been reached on all three recommendations. The first and second recommendations are considered closed upon issuance of this report. The third recommendation remains open until final action is taken by the Mission and coordinated with USAID's Office of Management Planning and Innovation (M/MPI). (See page 21.)

Management comments are included in their entirety (without attachments) in Appendix II.

BACKGROUND

Congress enacted legislation to fight HIV/AIDS through the President's Emergency Plan for AIDS Relief (Emergency Plan). This \$15 billion, 5-year program provides \$9 billion in new funding to speed up prevention, care and treatment services in 15 focus countries.¹ The Plan also devotes \$5 billion over 5 years to bilateral programs in more than 100 countries and increases the U.S. pledge to the Global Fund² by \$1 billion over 5 years.

The FY 2004 budget for the Emergency Plan totals \$2.4 billion. Of this amount, \$63.4 million³ is being used in support of integrated prevention, care and treatment programs in Zambia, one of the 15 focus countries. In November of 2003, Zambia had a population of 10.5 million people, with an estimated 930,000 people HIV-infected (840,000 adults and 90,000 children). HIV prevalence in pregnant women is 19.1 percent. The number of AIDS orphans is estimated to be between 500,000 and 750,000 children.

The President and Congress have set aggressive goals for addressing the HIV/AIDS pandemic. The world-wide goal over five years is to provide treatment to 2 million HIV-infected people, prevent 7 million HIV infections and provide care to 10 million people infected and affected by HIV/AIDS, including patients and orphans. The Office of the Global AIDS Coordinator (O/GAC) divided these overall Emergency Plan targets among the 15 focus countries and allowed each focus country to determine its own methodology for achieving their portion of the assigned targets throughout the 5 years. USAID/Zambia committed to achieving the following targets by March 31, 2005:

Total # Infections Averted: Prevention of Mother-to-Child Transmission	Total # Receiving Care and Support	Total # Receiving Antiretroviral Therapy
8,032	301,600	16,000

The Emergency Plan is directed by the O/GAC and implemented collaboratively by country teams made up of staff from USAID, the Department of State, the Department of Health and Human Services, and other U.S. Government agencies.⁴ Within USAID, the Bureau for Global Health has general responsibility for USAID's participation in the Emergency Plan. More specifically, the Director of Global Health's Office of HIV/AIDS provides the technical leadership for USAID's HIV/AIDS programs.

¹ Botswana, Cote d'Ivoire, Ethiopia, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, and Zambia in Africa; Guyana and Haiti in the Caribbean; and Vietnam in Asia.

² The Global Fund is a public-private partnership that raises money to fight AIDS, tuberculosis and malaria.

³ The FY 2004 Country Operational Plan includes \$2.3 million that was later deferred to FY 2005.

⁴ In Zambia, the U.S. Government agencies involved in the Emergency Plan are USAID, the Centers for Disease Control and Prevention, Department of Defense, Department of State, and Peace Corps.

AUDIT OBJECTIVES

This audit was conducted as part of a series of worldwide audits of USAID's implementation of the President's Emergency Plan for HIV/AIDS Relief, included in the Office of Inspector General's fiscal year 2005 annual audit plan. The audit was conducted to answer the following questions:

- How has USAID/Zambia participated in the President's Emergency Plan for AIDS Relief activities?
- Did USAID/Zambia's activities progress as expected towards planned outputs in their agreements and contracts?
- Are USAID/Zambia's HIV/AIDS activities contributing to the overall U.S. Government's Emergency Plan targets?

Appendix I contains a discussion of the scope and methodology of the audit.

AUDIT FINDINGS

How has USAID/Zambia participated in the President's Emergency Plan for AIDS Relief activities?

USAID/Zambia has played a principal and significant role in the President's Emergency Plan for AIDS Relief (Emergency Plan) despite obstacles encountered in planning and implementing activities. USAID created 33 partner consortiums⁵ that received Emergency Plan funding, and these consortiums worked in all three areas on which the Emergency Plan is focused: prevention, care, and treatment.

USAID/Zambia and its partner consortiums encountered numerous difficulties due to the nature and structure of the Emergency Plan. The initial Emergency Plan funding was intended to provide for the rapid implementation of the Emergency Plan by scaling up existing projects. Even so, the Mission was given only two weeks to plan for this funding and select which projects should be scaled up. The partners in turn had six months in some instances to implement the scale-up of their programs.

Another difficulty noted was the volume of reporting requirements for the Emergency Plan, which strained Mission and partner human resources. In addition, the guidance on reporting requirements also changed regularly. For example, indicators originally agreed upon with partners and documented in the Fiscal Year (FY) 2004 Country Operational Plan were changed in June due to new guidance from the Office of the Global AIDS Coordinator.

In addition, the Emergency Plan funding is provided only for one-year periods, which, partners noted, made planning and implementation of activities difficult. According to Mission and partner staff, it is difficult to plan strategically when the availability of funding beyond the current year is uncertain.

Another factor affecting the ability of USAID/Zambia partners to implement programs in Zambia was the lack of human capacity in the Zambian health sector. Both partners and the Government of the Republic of Zambia (GRZ) officials stated that there are insufficient numbers of people in the health sector. For example, one hospital had only 50 percent of its positions staffed. Although some USAID/Zambia programs focused on training to develop human capacity, the overall lack of human capacity will continue to be a major issue that partners face.

These factors that are beyond the control of the partners and Mission have created challenges for both the Mission and its partners in implementing the Emergency Plan. Even so, USAID/Zambia and its partners have played a crucial role in the implementation of the Emergency Plan in all three areas: prevention, care, and treatment.

⁵ A partner consortium is defined as a cooperative arrangement among groups or institutions. Throughout the report, we will use the term "partner consortium" when referring to the group and "partner" when referring to a component of the consortium.

Prevention

The Office of the Global AIDS Coordinator published guidance dividing the broad category of prevention into five sub-categories: 1) Prevention of Mother-to-Child Transmission (PMTCT), 2) Abstinence/Be Faithful, 3) Medical Transmission/Blood Safety, 4) Medical Transmission/Injection Safety, and 5) Other Prevention Activities. USAID/Zambia is participating by funding partner consortium activities in all of the sub-categories except Medical Transmission/Blood Safety.

PMTCT – PMTCT services are offered at 84 GRZ health facilities; the U.S. Government (USG) supports all 84 PMTCT sites.

USAID/Zambia, specifically, worked on integrating a PMTCT database into the national voluntary counseling and testing database through its partner, Rational Pharmaceutical Management Plus. The Elizabeth Glaser Pediatric AIDS Foundation, in conjunction with the University of Alabama and the Center for Infectious Disease Research in Zambia (CIDRZ), provided support of the delivery of PMTCT services at 26 public sector clinics and the University Teaching Hospital in Lusaka. They have also established PMTCT services in three rural districts by providing training, equipping, monitoring, and setting up services.

The Academy for Educational Development is providing technical assistance to PMTCT sites in clinical training and monitoring and evaluating technical assistance. Finally, JHPIEGO is training nurses and midwives in PMTCT and infant feeding.

Abstinence/Be Faithful – U.S. Government (USG) activities support the promotion of sexual abstinence among youth and unmarried people, an objective of the GRZ's National HIV/AIDS Intervention Strategy. The main interventions of the strategy include:

- Developing information packages on the importance of sexual abstinence.
- Disseminating the information in a well-targeted manner through faith-based organizations and community strategic partners.
- Integrating HIV/AIDS education in all institutions of learning.

USAID/Zambia is working with partner consortiums in this area. The Zambia Agribusiness Technical Assistance Centre, the Cooperative League of the USA, and CARE International are involved in a project to reach small-scale farmers with HIV/AIDS prevention messages focusing on being faithful and reducing partners.

The Policy Project is working to increase awareness of prevention activities at two large companies with extensive reach: Dunavant Cotton and Konkola Copper Mines. The program also trained people to provide HIV/AIDS programs that promote abstinence and being faithful.

Safe Injections – The USG has assisted in the development of hospital accreditation standards, which include procedures for the control of hazardous materials and wastes and is working to support education in injection safety. USAID/Zambia funded JHPIEGO to develop national infection-prevention guidelines and training materials to supplement the guidelines; the organization trained health care workers as well. In addition, Chemonics International with JHPIEGO has trained individuals in injection safety.

Other Prevention Activities – The GRZ Ministry of Health’s HIV/AIDS prevention strategy is based on the recognition that a significant portion of people between the ages of 15 and 44 are engaged in high-risk behaviors and gives high priority to increasing the availability of condoms and improving the timeliness and effectiveness of sexually transmitted infection diagnosis and treatment. The USG supports the GRZ prevention strategy by funding activities that promote healthy practices, diagnosis and treatment of sexually transmitted infections, HIV testing and correct and consistent use of condoms for individuals in high-risk groups.

USAID/Zambia is involved in this area through various partner consortiums. AIDSMark is working towards increasing condom social marketing efforts in provinces where prevalence rates are higher than national averages and continue to climb. They are working with Family Health International in the Corridors of Hope sites with commercial sex workers and their clients. They are also working to establish accessible condom outlets in bars, hotels, and truck parks. The International HIV/AIDS Alliance is also working to mobilize communities to increase awareness of prevention through programs not focused on abstinence and/or being faithful.

In addition to the consortiums of USAID mentioned above, as of September 2004 additional consortiums were just starting implementation in the prevention area: Reaching HIV/AIDS Affected People with Integrated Development and Support, International Executive Service Corps, Forum for African Women Educationalist in Zambia, and Health Services and Systems Program.

Care

The broad category of care is broken into (1) Voluntary Counseling and Testing (VCT), (2) Palliative Care, and (3) Orphans and Vulnerable Children (OVC). USAID/Zambia is participating in all three areas.

Counseling and Testing – According to the 2003 Zambia Sexual Behavior Survey, only 9 percent of men and women knew their HIV status. The challenge lies not only in making testing services accessible for all Zambians, but also in overcoming barriers caused by the stigma of HIV/AIDS. USAID/Zambia is supporting increasing the access to and quality of counseling and testing services nationwide through counseling and testing clinics supported by private and faith-based organizations. The Mission is also working to expand the role of testing sites and to strengthen links from counseling and testing to other health services and vice versa. Other programs are working to break down the stigma associated with HIV/AIDS.

The International HIV/AIDS Alliance is working to mobilize communities to increase the demand for VCT and is also trying to increase the access and quality of VCT services through training counselors, setting up referral networks, and establishing post-test clubs. In addition, the Alliance is working with district governments and local non-governmental organizations to create demand for VCT.

AIDSMark is intensifying marketing of the private sector stand-alone VCT services in Lusaka and opening a second clinic in Kitwe. The Family Health International - Corridors of Hope sites have provided counseling and testing services to their target groups including commercial sex workers. The Policy Project has worked with companies to provide counseling and testing services for employees.



Photo taken at Konkola Copper Mines showing two employees with a sign encouraging people to talk about HIV as a way to address the stigma associated with HIV/AIDS. (Photo taken on February 2, 2005 in Chingola, Zambia).

One problem noted during FY 2004 was that several activities referred people to government centers for counseling and testing services. However, partners noted that at the government counseling and testing outlets, test kits were frequently out of stock, and some people did not return for testing. This issue is being addressed in FY 2005 as the USG will be procuring test kits to distribute nationally; therefore, we are not making a recommendation.

Palliative Care – Palliative care focuses on improving the quality of life of patients and their families who are facing problems associated with life-threatening illness. Approximately 900,000 people are living with HIV/AIDS in Zambia. As increasing numbers of persons are tested and learn their infection status, the demand for a continuum of care increases. According to the USG Country Operational Plan FY 2004, palliative care for people living with HIV/AIDS is the least well-developed component of Zambia's HIV/AIDS program due to the lack of national standards for home-based care that would assure a minimum set of treatments. However, through its consortium partners, USAID is making a difference in this area.

Family Health International is working to expand its technical assistance and training for health care workers that provide psychosocial support for children infected with HIV and their parents/guardians.

The Policy Project is working to provide technical assistance to two large companies with extensive reach: Dunavant Cotton and Konkola Copper Mines. The Project is working with the companies to develop policies, plans, and implementation of effective

home-based care programs, and is training community-based caregivers, organizers, and providers. The Zambia Interfaith Networking Group on HIV/AIDS project also worked in the area of providing palliative care and training.

Catholic Relief Services' Success project is involved in providing support to home-based care programs for people living with HIV/AIDS (PLWHAs). Activities include home visits, referral for medical care, and psychosocial support. They provide food supplementation as well. They also provide subgrants and capacity-building to faith-based organizations to do home-based and hospice care.

Support for Orphans and Vulnerable Children (OVC) – The Central Statistics Office estimated in 2004 that there are 750,000 AIDS orphans under 15 years of age in Zambia. Projections indicate that by 2010, AIDS orphans will significantly increase to over 930,000. The GRZ's Ministry of Youth, Sport and Child Development is taking the lead in coordinating OVC activities within the country. The USG is working to increase its current OVC reach and provide an improved package of support and care services.

USAID partner consortium Family Health International/IMPACT has worked to provide OVC care and support through community-based interventions including psychosocial programs to provide emotional and spiritual support, help with overcoming grief, educational assistance, and health care. Catholic Relief Services has a program in this area as well, which provides technical assistance to OVC and vulnerable households to improve care and support for people living with or affected by HIV/AIDS. They are providing care and support for OVCs nationwide through faith-based organizations and community organizations in addition to other activities such as monitoring the quality of, as well as establishing standards for, care and support.

In addition to the above consortiums of USAID/Zambia, as of September 2004 additional consortiums were just starting implementation in the care area: Reaching HIV/AIDS Affected People with Integrated Development and Support; Forum for African Women Educationalist in Zambia; John Snow, Inc.; SHARE; and Zambia Prevention, Care, and Treatment Project.

Treatment

USAID is playing a major supporting role in administering the USG's treatment programs in Zambia. Treatment reporting categories were divided into (1) Antiretroviral Therapy (ART) (non-PMTCT plus) and (2) Laboratory Support.

Antiretroviral Therapy (non-PMTCT plus) – Until recently, antiretrovirals (ARVs) were mainly available in the private sector for a limited number of people due to their high cost. GRZ is in the process of developing a policy which would eliminate the current \$9 (40,000 kwacha) monthly cost of the drugs. Along with its partners, the USG has assisted Zambia to develop the necessary capacity to drastically scale up ART services by developing national policies, plans and guidelines.

USAID's partner, Rational Pharmaceutical Management Plus, is expanding its technical assistance in building the capacity of pharmacy and laboratory personnel and services to support ART services in nine provincial hospitals.

Additionally, the Policy Project is providing technical assistance and training—including developing policies, plans, and workplace prevention—to two large companies. They are training health care providers and providing peer educators in the workplace and community educators on ART and ARV availability.

Finally, the Partnership for Health Reform Plus is providing technical assistance to strengthen priority management systems in the nine provincial hospitals providing ART services.

In addition to the above consortiums of USAID, as of September 2004 additional consortiums were just starting implementation in the treatment area: Health Services and Systems Program; Education Quality Improvement Program; John Snow, Inc.; SHARE; and Zambia Prevention, Care and Treatment Project.

Other

Strategic Information – The USG, through USAID/Zambia, is working closely with the GRZ to improve data collection tools, information management, and information usage and exchange related to HIV/AIDS.

The MEASURE project will conduct surveys to collect baseline information regarding the health facilities in the country. The project will also combine the Sexual Behavior Survey and AIDS Indicator Survey to provide national-level representative results for the 15-49 age group. Family Health International/IMPACT trained individuals in strategic information as well.

Did USAID/Zambia’s activities progress as expected towards planned outputs in their agreements and contracts?

USAID/Zambia’s activities did progress as expected towards planned outputs contained in the agreements and contracts. We were able to verify progress through site visits to projects from 10 partner consortiums and by comparing planned outputs to actual reported results. Partners are working collaboratively on all aspects of the Emergency Plan, each partner contributing its strengths to the program. However, the Mission is not properly monitoring and providing oversight to partner consortium activities. In addition, although partners reported making progress towards planned outputs, we found that the reported results for some partner consortiums were not accurate or adequately supported.

At the time of our audit fieldwork, those partners had until March 31, 2005 to achieve planned outputs. The following are some examples of how the Mission’s activities were progressing towards the planned outputs.

Prevention

USAID/Zambia and its partner consortiums have made progress towards meeting their planned outputs in the area of prevention. The Mission has 11 partner consortiums that are working in the various areas of prevention. The following discussion provides more details on the results achieved by selected partners implementing prevention activities.

PMTCT – Four USAID/Zambia partner consortiums worked in this area of prevention. One of USAID/Zambia’s prevention partners, CIDRZ, is working to implement perinatal HIV-prevention services⁶ in three rural health districts in Zambia, with the goal of substantially reducing the number of new pediatric HIV infections in these districts. By September 30, 2004, CIDRZ achieved 11,161 out of their March 2005 planned output of 25,000 HIV-positive pregnant women in three districts who will receive PMTCT services, including Nevirapine. It is likely that the planned output will be achieved.

We visited Kafue Estates Clinic, a general clinic that provided PMTCT services. The clinic does VCT and also provides HIV-positive mothers with Nevirapine to prevent infection to the newborn. The clinic opened on August 31, 2004 and by the end of September had reported that they had counseled and tested 133 people, of which 23 tested HIV positive and 22 were treated with Nevirapine.

Abstinence/Be Faithful – USAID/Zambia is working with five partner consortiums in promoting abstinence and being faithful. One partner consortium, the Policy Project, reached 182,759 individuals through community outreach of HIV/AIDS-prevention programs. In addition, 8,827 individuals were trained to provide HIV/AIDS-prevention programs that promote abstinence and/or being faithful. A site visit to the Konkola Copper Mines in Chingola showed a resource center with full-time staff available to provide information to employees on HIV/AIDS prevention as well as other sexually transmitted diseases. No planned outputs had been set in this area for the partner in this consortium.

Injection Safety – Of the two partner consortiums working in the area of injection safety, Chemonics International and JHPIEGO are aiming to prevent medical transmission of HIV in Zambia by reducing unsafe and unnecessary injections. This project has initiated several interventions to improve practices among health care providers and the community members in the two pilot districts, Chipata and Ndola, in the form of training and providing supplies such as needles and syringes. Chemonics/JHPIEGO reported training 59 out of a planned output of 80 by the end of September 2004 and should achieve their planned output by March 2005.

We visited the Injection Safety area at Ndola Central Hospital. The staff member responsible for injection safety spoke very highly of and seemed extremely appreciative of the training and support JHPIEGO had given the hospital. She specifically mentioned that the project has brought a lot of changes in practices; previously management had been a bit relaxed but has now embraced the program. The staff received training in quality improvement, prevention, and injection safety. The hospital also received supplies for injection safety from JHPIEGO, such as needles, syringes, disposal containers, and alcohol wraps.

Other – Three partner consortiums are working in prevention using such means as condom social marketing, behavior change, and community mobilization. AIDSMark is working towards increasing condom social marketing efforts in provinces where prevalence rates are higher than national averages. As of September 30, 2004, the AIDSMark consortium reached 206,659 individuals through community outreach of HIV/AIDS prevention programs not focused on abstinence and/or being faithful.

⁶ Perinatal services are provided during the period around childbirth, especially five months before and one month after birth.

Although this result fell short of planned output of 585,000 individuals, it is likely that the output will be met by March 31, 2005. The Society for Family Health is the implementing partner of the AIDSMark consortium, which is also working in the Corridors of Hope sites with commercial sex workers. Other Corridors of Hope partners include Family Health International and World Vision.

Care

USAID/Zambia and its partner consortiums have made progress towards meeting their planned outputs in the area of care as of September 30, 2004. The following discussion provides more details on the results achieved by selected partners implementing care activities.

Counseling and Testing – Four USAID/Zambia partner consortiums are working in the area of counseling and testing through strengthening and increasing community mobilization and communication for VCT and increasing access to VCT services. The New Start VCT Center in Kitwe is being implemented by AIDSMark. On average, 15 to 20 people are tested per day at the center with approximately 30 percent of the females and 19 percent of the males testing positive. AIDSMark had a planned output of counseling and testing 12,600 individuals; the actual number of individuals counseled and tested was 9,200 as of September 30, 2004. It seems likely that the output will be met by March 31, 2005.



Photo of employee at the New Start VCT Center in the laboratory. (Photo taken on January 31, 2005 in Kitwe, Zambia).

Palliative Care – With the help of four partner consortiums, USAID/Zambia reported providing 31,016 individuals with HIV-related palliative care, progressing towards the planned output of 70,800 persons. One partner consortium, Family Health International had a planned output of providing 3,500 individuals with palliative care, and as of September 2004, had provided 2,705 individuals with such care. Given six months remain towards meeting the target, they seem on track. Another partner consortium working in the palliative care area was the Policy Project, which had a planned output of providing 8,600 individuals with general HIV-related palliative care. As of September 2004, they had provided 8,420 individuals with palliative care (including TB/HIV), and is on track to meet the goal by March 31, 2005.

Catholic Relief Services Success is working to scale up its current home-based care and support programs in certain provinces, increasing direct assistance to PLWHAs and their families. We visited the Diocese of Solwezi, one of the Catholic Relief Services partners, who reported having distributed 5,606 supplemental food packages by the end of September 2004 through 13 of the 14 parishes it supports. We accompanied a volunteer caregiver to the home of one of the parish's home-based care program clients. During this visit, the client confirmed that he received monthly food distributions through the program. The client said that he only saw the caregiver once a month when he went to the caregiver's house to inquire about the date of the food distribution. Caregivers are supposed to visit patients twice per week to assess their condition. When we raised these issues, CRS management responded that the client also had dementia, which is why he did not remember the weekly services that were provided. Because we were unable to meet with other patients due to time constraints, we are not making any formal recommendations. However, we strongly encourage the Mission to further review the project and determine if it is functioning as intended.

Treatment

USAID/Zambia is working with three partner consortiums in providing antiretroviral services. The following discussion provides more details on the results achieved by selected partners implementing treatment activities.

Antiretroviral Services – Rational Pharmaceutical Management Plus is expanding its technical assistance in building capacity of pharmacy and laboratory personnel and services to support ART services in nine provincial hospitals. We visited the ART Pharmacy at Ndola Central Hospital. The ART clinic at the hospital started in 2002 and the pharmacy sees approximately 60 patients per day. The pharmacy received two computers, an air conditioner, and thermometers from Rational Pharmaceutical Management Plus. This partner consortium also developed a system database which tracks patient information, performs drug management, and generates reports. At the time of our visit, the pharmacy had 1,161 patients in the system. The pharmacist told us that the assistance received from Rational Pharmaceutical Management Plus has improved pharmacy operations and enabled the staff to follow new procedures, such as tracking expiration dates and taking temperature-control measures.

Oversight Needs To Be Improved

Summary: USAID/Zambia was not providing sufficient oversight of some partner consortium activities. The Government Accountability Office's *Standards for Internal Control in the Federal Government* discusses the importance of supervisory review. However, Mission staff indicated they had serious constraints on their time because of the voluminous reporting requirements of the Emergency Plan and the large number of partner consortiums involved in activities. As a result of the insufficient oversight, the Mission cannot be assured that partner consortium activities are being performed effectively or efficiently.

USAID/Zambia did not provide sufficient oversight of some partner consortium activities. For example, several issues were noted related to the management of a project being implemented by Savoir Faire, a subgrantee of International HIV/AIDS Alliance. Savoir Faire received a subgrant of approximately \$5,000 from Alliance for prevention activities and at the time of the audit, records showed they had expended approximately 80 percent of the funds. During our site visit in January 2005, Savoir Faire management stated that they had been able to fund activities up until the July/August 2004 time period but that no activities had been conducted since. However, neither Alliance nor the Mission was aware of this. In fact, Savoir Faire submitted a progress report for the period ending December 2004 which showed activities had continued. We also found irregularities with expenditures of Savoir Faire which we brought to the attention of the Mission. Consequently, the Mission is requesting a financial audit of Alliance.

We also found that the USAID/Zambia staff were sometimes challenged in management of program activities. For example, Mission staff did not maintain complete and readily accessible documentation on program activities – documentation that would be key for overseeing activities. At the beginning of the audit, we requested a list of all partners involved in Emergency Plan activities that were funded by USAID/Zambia. Mission staff provided a list of 26 partner consortiums, but during the course of the audit, we found this list to be incomplete, as additional partner consortiums should have been included in the listing. In addition, when we requested documentation for partner consortium expected outputs, the Mission did not have this information readily available and had to develop a spreadsheet that compiled expected outputs for all partners.

The Government Accountability Office's *Standards for Internal Control in the Federal Government* discusses the importance of supervisory review and oversight. Internal control activities including reviews by management at the functional or activity level are important in ensuring that management's directives are carried out. Internal control should generally be designed to assure that ongoing monitoring occurs in the course of normal operations. Similarly, Automated Directives System section 303.3.4.c indicates that the responsibilities of the cognizant technical officer include monitoring and evaluating the recipient and the recipient's performance.

USAID/Zambia staff acknowledged they had not always performed as much oversight as they would have liked due to serious constraints on their time and resources. The staff cited the voluminous reporting requirements under the Emergency Plan which continually consumed a significant percent of their time. This was further exacerbated by the large number of partners involved in Emergency Plan activities. At the time of our

audit, the Mission had worked with 33 partner consortiums at various times and locations throughout the country. In order to reduce the management burden on staff, USAID/Zambia uses its partner consortiums as umbrella grant-making organizations, but this does not reduce the burden of monitoring the partners and sub-partners.

While there is some merit regarding the reasons for constraints on staff time and resources, this does not relieve the Mission of its responsibility to sufficiently oversee partner activities. Without providing adequate oversight of partner consortium activities, USAID/Zambia cannot be fully assured that the partners are carrying out activities that contribute to and ensure achievement of the Emergency Plan objectives. We are making the following recommendation to assist the Mission in strengthening its oversight of Emergency Plan activities:

Recommendation No. 1: We recommend that USAID/Zambia engage the U.S. Government Emergency Plan Team to explore options or innovative approaches to reduce the strain on human resources to ensure adequate oversight of activities.

Reported Results Need to Be Accurate and Supported

Summary: During partner meetings and activity site visits, we found errors when comparing reported information to supporting documentation. The Government Accountability Office as well as USAID through TIPS Number 12 provides guidance on maintaining documentation. Because the reporting requirements were so numerous, the partners were not able to prioritize the necessity of documentation effectively. Consequently, the Mission was under- or over-reporting results to the Office of the U.S. Global AIDS Coordinator.

While visiting 11 partner offices and 13 project sites, we compared information contained in the activity reports with supporting documentation. Errors and discrepancies were found at seven of the partner offices and eight of the project sites. Although several of the differences were not material, the examples below show errors found at two partner offices and during one site visit that were material.

International HIV/AIDS Alliance – In their report for the year ending September 2004, International HIV/AIDS Alliance reported that it reached 69,244 people through mobilization efforts and that 28,165 people received VCT services. However, it could not provide documentation to support those figures. Subsequently, Alliance revised its report to reflect the figures supported by its records of 41,946 people reached through mobilization efforts (a 39 percent difference) and 21,801 people who received VCT service (a 24 percent difference). However, this revised report was also inaccurate, as it included information through December 2004.

Another issue was that subpartners reported to the International HIV/AIDS Alliance on a semi-annual basis, providing results for the January to June and July to December time periods. Hence, when the Mission receives September or March quarterly reports from Alliance, all of the subpartner activities for the period are not included. For example, the Alliance annual report for the year ending September 30, 2004 does not reflect

subpartner activities for the months July through September, as those activities will not be reported to the Alliance by the subpartners until December. However, one memorandum of understanding with a non-governmental organization stated that the organization was required to report on a quarterly basis—contradicting what Alliance management had stated.

Corridors of Hope Consortium Office, Lusaka – The Corridors of Hope consortium consists of the managing partner, Family Health International, and subpartners, one of which is the Society for Family Health. The consortium’s report for the period ending September 30, 2004 indicated that 533,551 condoms were distributed; however, no documentation was provided to verify the accuracy of the figure. Similarly, the report also indicated that 11,221 women were provided with syndromic management of sexually transmitted infections. When supporting documentation was requested, management stated that the number should have been 8,874; however, they could not provide documentation for the revised figure either.

Corridors of Hope, Ndola - During a site visit to Corridors of Hope in Ndola, we noted that the figures related to the number of condoms distributed were inaccurate as some condoms were counted twice. Condoms are sold either to wholesalers or to the actual retail outlets. When condoms are sold directly to wholesalers, they are counted as being distributed. Corridors of Hope also assists the wholesalers in distributing to the retailers, which is referred to as uplifting. When wholesaler condoms are sold to retailers, the money is given to the wholesaler, and Corridors of Hope records another sale. Thus, one condom is being counted as sold twice, once to the wholesaler and once to the retailer. Discussion with management and a review of documentation found that 18,872 condoms were uplifted out of the 150,699 condoms reported as sold during the period of May 2004 to December 2004. In addition, there was no documentation of female condoms sold.

Problems of reporting and supporting documentation seemed to be a systemic problem we noted during our visits. Some of the partners or projects had minor discrepancies, but differences did exist in most of the partner projects visited.

Information reported needs to be accurate and have supporting documentation. USAID TIPS⁷ Number 12 emphasizes the importance of documentation, stating that proper documentation is a process that facilitates the maintenance of quality performance indicators and data. Such documentation should provide an opportunity for independent checks concerning the quality of the performance measurement system. In addition, the Government Accountability Office’s *Standards for Internal Control in the Federal Government* state that all transactions and significant events need to be clearly documented and that the documentation should be readily available for examination.

Because of the numerous reporting requirements, the partners were not able to effectively prioritize the documentation. As stated earlier, the reporting requirements under the Emergency Plan are quite voluminous, straining Mission and consortium partner staff. The Mission staff was not able to properly monitor the partner consortium activities, which is addressed on page 13. In addition, not all partner consortiums were

⁷ USAID Center for Development Information and Evaluation’s “TIPS” series provides advice and suggestions to USAID managers on how to plan and conduct monitoring and evaluation activities effectively.

aware of the type of supporting documentation needed. For example, at one partner consortium, one employee in charge of reporting the number of people trained did not keep original attendance records.

The partner consortiums were either under- or over-reporting data to USAID/Zambia; this data was then incorporated into reports to the Office of the U.S. Global AIDS Coordinator, USAID headquarters, and Congress. This incorrect information could be used to make programmatic decisions. In order to address this issue, we are making the following recommendation:

Recommendation No. 2: We recommend that USAID/Zambia schedule training for consortium partners in accurately reporting results and maintaining adequate supporting documentation.

Are USAID/Zambia's HIV/AIDS activities contributing to the overall U.S. Government's Emergency Plan targets?

USAID/Zambia's HIV/AIDS activities are making a major contribution to the overall USG's Emergency Plan targets for prevention and care, but is contributing towards the treatment targets at a lesser extent. USAID/Zambia's important role in meeting Emergency Plan targets is also reflected in the fact that it received \$43.8 million⁸ out of the \$63.4 million⁹ budgeted for the overall USG effort in Zambia. Table 4 below shows USG targets, USG progress in achieving those targets, and results attributable to USAID/Zambia for FY 2004. Actual numbers are as of September 30, 2004, but the USG has until March 31, 2005 to meet its targets.

⁸ Of the \$43.8 million, \$2.6 million was allocated to management and staffing.

⁹ The FY 2004 Country Operational Plan shows the USG in Zambia receiving \$65.7 million; however, \$2.3 million was deferred to FY 2005.

Table 4: USG Targets and Breakout of Progress for FY 2004

Target Focus	USG Target	Reported Total USG Results	Reported Results Attributable to USAID/Zambia	Results Attributable to USAID/Zambia (percent)
Prevention				
Total number of infections averted	To be modeled ^a	Cannot be determined until modeled	Cannot be determined until modeled	N/A
Number of infections averted: PMTCT (Number of pregnant women provided with a complete course of antiretroviral prophylaxis in a PMTCT setting)	8,032	12,822	12,302	96
Number of infections averted: non-PMTCT	To be modeled ^a	Cannot be determined until modeled	Cannot be determined until modeled	N/A
Care				
Total number of individuals receiving care and support	301,600	300,329	288,876	96
Number of OVCs receiving care and support (Number of OVCs served by OVC programs)	226,000	257,780	257,780	100
Number receiving palliative care (Total number of individuals provided with HIV-related palliative care (including TB/HIV))	75,600	42,549	31,016	73
Treatment				
Number receiving ART	16,000	13,555 ^b	743	6

Results shown were not audited.

Notes:

a. The Office of the U.S. Global AIDS Coordinator has not yet determined how to account for the number of infections averted. Therefore, no target has been established and results cannot yet be determined.

b. The number reported as the number of people receiving ART is based on direct and indirect support of the USG. Direct support is 3,365; indirect support is 10,190.

The following discussion provides more details of the contributions made by USAID/Zambia to the USG targets.

Prevention

We could not determine USAID/Zambia's contribution to the U.S. Government's target of preventing infections averted or the number of infections without PMTCT interventions because FY 2004 targets had not yet been established. However, USAID/Zambia is making a major contribution to the overall U.S. Government's Emergency Plan target for the number of infections averted with PMTCT interventions. The overall USG efforts resulted in averting 12,822 infections, which greatly exceeded the target of 8,032. USAID/Zambia contributed to the achievement of the target by providing 12,302 pregnant women with a complete course of antiretroviral prophylaxis in a PMTCT setting, representing 96 percent of the overall USG results.

Care

USAID/Zambia's HIV/AIDS activities are making a major contribution to the overall U.S. Government's Emergency Plan targets for care. The USG met the targeted number of OVCs receiving care and support, with USAID/Zambia providing 100 percent of the care and support. The USG did not, however, meet the target for the number of people receiving palliative care. USAID, the Centers for Disease Control and Prevention, and Peace Corps were all involved in the achievement of 42,549 people receiving care, with participation equaling approximately 73 percent, 27 percent and less than 1 percent, respectively. The total number receiving care and support is a summation of the number of OVCs receiving care and support and the number receiving palliative care.

Treatment

USAID/Zambia's HIV/AIDS activities are making a minor contribution to the overall U.S. Government's Emergency Plan targets for treatment. The USG did not meet its target for the number of people receiving ART. The target for 2004 was 16,000, but only 13,555 people were receiving ART. Of this number, 3,365 people received direct USG support, and 10,190 received indirect USG support. Of the 3,365, the Centers for Disease Control and Prevention provided 2,622 people with support (78 percent) while USAID/Zambia supported the efforts by providing for 743 people (22 percent).

Because the Zambian government is not providing the necessary resources for treatment of individuals living with HIV/AIDS, the USG is increasing the procurement of ARVs to be distributed in the country. Even with the ARVs that the USG is obtaining, there will still be a gap between the supply and demand. Unless the prices of the drugs fall dramatically or generics are allowed to be used, it does not seem likely that the USG will meet the 2008 target of 120,000 people receiving ART.

The sustainability of the Emergency Plan program then becomes questionable. During a meeting with the Zambian Ministry of Health officials, this was raised as a concern. The Ministry officials stated that the government would not be able to carry on the treatment program without external funding. The National AIDS Council officials stated that the government is developing an investment plan to assist in the future purchasing of drugs.

Partners Should Develop Strategies For Sustainable Activities

Summary: Sustainability is a fundamental concept in development. Although USAID/Zambia has placed some emphasis on sustainability in Emergency Plan activities, it was not an O/GAC requirement, and not all activities have sustainability and capacity building intentionally included. As a result, the benefits of those activities may not extend beyond the completion of the activities.

The importance of sustainability is recognized in the O/GAC's five-year strategy for the Emergency Plan. One of its strategic principles aims to develop sustainable HIV/AIDS health care networks. By definition, sustainable development activities continue providing benefits beyond the timeframe receiving donor funding. On the other hand, the benefits of non-sustainable development activities do not necessarily continue beyond the five years covered by the plan.

O/GAC did not require partners to incorporate sustainability into their projects for FY 2004. This, however, is not to say that USAID/Zambia's programs do not incorporate sustainability and capacity building in some cases. The importance of sustainability was recognized in the development of criteria for selection of organizations to implement Emergency Plan programs. Organizations seeking USAID funding for various types of the Emergency Plan activities were required to address capacity building in their applications. For example, the Request of Applications for programs focusing on palliative care of persons with HIV/AIDS specified that these programs "will implement measures to build up numbers and competencies for decision making among Zambian staff at all levels ... so that Zambians will increasingly be in a position to take senior executive management and technical roles, authorities and responsibilities for HIV/AIDS prevention and mitigation." Similar language was included in the Request for Applications for programs in multi-sectoral support, social marketing, strengthening the health systems and improving HIV/AIDS service delivery.

In another example, one project is providing technical assistance to two large companies in Zambia that will enable the companies to develop policies and workplace programs focusing on the prevention, care, support and treatment of HIV/AIDS. With the activities intended to reach over 100,000 employees and their family members, the program also presents an opportunity to reach beyond the companies into the communities to strengthen existing services.

USAID/Zambia, however, acknowledged that sustainability has not been fully incorporated into some Emergency Plan activities. For example, the number and costs of tests kits and ARV drugs necessary to meet the Emergency Plan targets and the needs of the country are enormous and external support will be required beyond the year 2009. Also, with the continual change in global protocols for prevention, care and treatment, skills training at all levels will need to be updated beyond the year 2009. Overall, building up the capacity of civil society to address HIV/AIDS prevention, care and treatment is a long-term investment and will not be completed by 2009.

USAID is currently considering a draft policy addressing sustainability that would be included in its Emergency Plan contracts, grants and cooperative agreements. This policy—which requires the building of institutional capacity and the development of exit

strategies—has already been approved by O/GAC and is awaiting USAID approval before being issued as a USAID Acquisition and Assistance Policy Directive. Pending the issuance of USAID’s final policy concerning sustainability in Emergency Plan activities, we are making the following recommendation.

Recommendation No. 3: We recommend that USAID/Zambia require that its partners develop strategies for the sustainability of their Emergency Plan activities, including the incorporation of institutional capacity building activities and the development of exit plans.

EVALUATION OF MANAGEMENT COMMENTS

In its response to the draft report, USAID/Zambia agreed with the three recommendations in the draft audit report. Based on appropriate action taken by the Mission, management decisions have been made on all three recommendations and Recommendations No. 1 and No. 2 are considered closed upon the issuance of this report. However, Recommendation No. 3 will remain open pending final action by the Mission. USAID/Zambia's management comments included supporting attachments which are not included in this audit report.

Recommendation No. 1 recommends that USAID/Zambia explore options or innovative approaches to reduce the strain on human resources to ensure adequate oversight of activities. The Mission indicated that several additional staff will join the Population, Health and Nutrition Strategic Objective Team which will relieve some pressure on existing staff and allow more attention to oversight of program activities. Specifically, one vacancy that has existed for over one year will be filled in October, and two additional staff will be available to reduce the workload of existing staff. Additionally, the Mission will explore whether or not another person can be hired. We believe the Mission has acted appropriately on this recommendation and it is considered closed upon the issuance of this report.

Recommendation No. 2 recommends that USAID/Zambia schedule training for consortium partners in accurately reporting results and maintaining adequate supporting documentation. To address this, the Mission has taken several actions. The Mission developed and began implementing (as of June 8, 2005) an automated partner reporting system to improve the accuracy of reported results. The system provides a set of data collection templates, a data consolidation system and a web-based central system that will generate a master data base. This system will not only analyze the activity results, but also check the data for accuracy, completeness and duplication. Additionally, from June 6-9, 2005, the Mission hosted training in U.S. Government Auditing Standards and Guidelines for Financial Audits. The training addressed, among other issues, the requirements to maintain adequate and accessible documentation and was attended by representatives of USAID/Zambia's partner consortiums. Furthermore, the Mission has developed a workplan and schedule for conducting financial and technical reviews of partner consortiums to ensure that recipients are reporting accurately and are maintaining adequate and accessible documentation. We believe the Mission has taken sufficient action on this recommendation and it is considered closed upon issuance of this report.

Recommendation No. 3 recommends that USAID/Zambia require that its partners develop strategies for the sustainability of their Emergency Plan activities, including the incorporation of institutional capacity building activities and the development of exit plans. The Mission indicated that pending the issuance of a USAID Acquisition and Assistance Policy Directive, it would continue to incorporate the requirement for sustainability and capacity building as criteria for selection of organizations to implement Emergency Plan activities. To formally support this, USAID/Zambia plans to create a

Mission Order requiring organizations seeking USAID funding for Emergency Plan activities to address capacity building and sustainability in their applications. The Mission Order will also require successful recipients to address sustainability and an exit strategy as part of their annual workplans. We believe this planned action is appropriate and have reached a management decision on this recommendation. However, the recommendation will remain open pending the issuance of the final Mission Order, scheduled for November 2005.

SCOPE AND METHODOLOGY

Scope

The Regional Inspector General/Dakar conducted this audit in accordance with generally accepted government auditing standards. Fieldwork for this audit was performed at the USAID Mission in Zambia between January 24, 2005 and February 9, 2005. Site visits and partner meetings occurred around Lusaka and in the Copperbelt region of the country.

This audit was one of a series of worldwide audits being led out of the Performance Audit Division in Washington. This audit was designed to answer the following three questions: (1) How has USAID/Zambia participated in the President's Emergency Plan for AIDS Relief activities? (2) Did USAID/Zambia's activities progress as expected towards planned outputs in their agreements and contracts? (3) Are USAID/Zambia's HIV/AIDS activities contributing to the overall U.S. Government's Emergency Plan targets?

The scope also included reviewing USAID/Zambia's role in the President's Emergency Plan for AIDS Relief and its contribution to the U.S. Government's total effort to meet targets.

In conducting our audit, we assessed the effectiveness of USAID/Zambia's internal control with respect to consolidating reporting data for the U.S. Government annual progress report of its activities through September 30, 2004. We identified internal control such as:

- USAID/Zambia's process for monitoring its partners' progress and reporting.
- USAID/Zambia's partners' process for compiling regional data for its country-level reports.

As stated previously, some of the partner consortiums were just beginning the implementation phase of their projects as of September 2004. As such, not all of the funding received by USAID partner consortiums had results attributable to their programs. Of the \$41.2 million in funding of projects that USAID/Zambia received, \$17.5 million was used in implementation of programs that had results reported as of September 2004. Of this amount, we audited consortiums receiving \$14.8 million representing 85 percent of the funding with results.

For projects not selected for review, we relied on the Fiscal Year (FY) 2004 Country Operational Plan for input on the programs.

Methodology

To answer audit objective one, we reviewed the Country Operational Plan for FY 2004 for Zambia, interviewed cognizant technical officers and partners, and reviewed other pertinent documentation. We also interviewed Government of the Republic of Zambia officials from the Ministry of Health, the National AIDS Council, and the Ministry of Youth, Sport, and Child Development. To answer audit objective two, we interviewed Mission officials, in-country partners, and cognizant technical officers/activity managers

as well as reviewed quarterly progress reports from partners to determine the progress towards planned outputs. To answer audit objective three, we reviewed the U.S. Government annual report and reported targets. We compared this to individual partner reports to determine each partner's role in achievement of these targets. In addition, we interviewed other U.S. Government representatives from the Centers for Disease Control and Prevention, Peace Corps, Department of Defense, and State Department. We also interviewed officials of the Government of the Republic of Zambia, as stated above.

Additionally, we conducted site visits to partners and beneficiaries involved in HIV/AIDS prevention, care, and treatment. Of the Mission's 33 consortiums, we selected 11 for further review. Initially, we anticipated performing one site visit per partner per activity, but due to issues found at the International HIV/AIDS Alliance site, we selected an additional two other Alliance sites.

A materiality threshold was not established for this audit since it was not considered to be applicable given the qualitative nature of the audit objectives, which focused on USAID's participation, progression, and contribution towards the overall U.S. Government's Emergency Plan targets.



Date: July 11, 2005

To: Lee Jewell III, RIG/Dakar

From: William F. Penoyar, Acting Mission Director, USAID/Zambia/s/

Subject: Audit of USAID/Zambia's Implementation of the President's Emergency Plan for HIV/AIDS Relief

Reference: Audit Report No. 7-611-05-XXX-P

In response to the audit recommendations in subject audit report, the Mission has reviewed the draft audit report and is in agreement with the three recommendations and the following are our management decisions and actions taken/planned:

Recommendation No. 1: We recommend that USAID/Zambia engage the U.S Government Emergency Plan Team to explore options or innovative approaches to reduce the strain on human resources to ensure adequate oversight of activities.

Actions taken:

The Mission has several additional staff under the Population, Health and Nutrition Strategic Objective Team (SO7) coming on board in the next several months, which will relieve some of the pressure on existing staff and allow more time and attention to activity oversight. The position of HIV/AIDS Program Specialist in the SO7 office, which has been vacant for over a year, will be filled in October. This person will work 100% in support of the Emergency Plan and their scope of work includes monitoring and evaluation duties for SO7 activities. SO7 will also receive a USDH IDI in early August and is planning to hire an additional senior professional FSN by the end of the calendar year. While these additional staff may or may not be assigned specific Emergency Plan-related monitoring duties, they will definitely take on activities that will reduce the workload of existing staff who do have such duties, again freeing them up to spend more time in this area.

Planned Actions:

1. The Zambia Mission Emergency Plan focal point person will work with the U.S. Government Emergency Plan Team to explore ways to reduce the strain on human

resources and stream lining the voluminous reporting requirements in order that the time that will be freed up from working on the reporting will be used to undertake more field visits to enhance oversight of the activities.

2. In addition to the planned SO7 staffing increases described above and subject to budget limitations, the USAID/Mission will also consider hiring an additional full-time person in the HIV/AIDS Multi-Sectoral Strategic Objective Team (SO9) who will focus exclusively on monitoring and evaluation of all USAID/Zambia Emergency Plan activities.

Target dates:

1. USAID/Zambia will make a decision on whether or not to hire an additional person in SO9 by August 31, 2005. The SO9 Team Leader and Mission Director, both of whom are out until early August 2005, need to be consulted.

The above constitutes the management decisions and measures taken to ensure that Recommendation No. 1 is addressed.

Recommendation No. 2: We recommend that USAID/Zambia schedule training for consortium Partners in accurately reporting results and maintaining adequate supporting documentation.

Actions taken:

1. The Zambia Mission Emergency Team developed and on June 8, 2005, started implementing an automated Zambia Partner Reporting System, as per attached, with standard tools to be used by both, the Mission and recipients to improve the accuracy of the results reported.
2. USAID/Zambia hosted training in U.S. Government Auditing Standards and Guidelines for Financial Audits contracted by Foreign Recipients during the period June 6-9, 2005, which addressed, amongst other issues, the requirement for recipients to maintain adequate and accessible supporting documentation. Attached is the Scope of Work that was used for the training and the list of participants who attended the training.
3. In conjunction with 1. and 2. above, the Mission Controller's Office and the Strategic Objective Teams have developed a Financial Review work plan (as per attached) and a technical/site review work plan (as per attached) which will be used to ensure that recipients are reporting accurately and are maintaining adequate and accessible supporting documentation.

The above constitutes the management decisions and measures taken to ensure that Recommendation No. 2 is addressed.

Recommendation No. 3: We recommend that USAID/Zambia require that its partners develop strategies for the sustainability of their Emergency Plan activities, including the incorporation of institutional capacity building activities and the development of exit plans.

Actions taken:

Pending the issuance of a USAID Acquisition and Assistance Policy directive, that would address sustainability in the awards, and that would be included in new and existing USAID Emergency Plan awards, the Zambia Mission will continue to incorporate a requirement for sustainability and capacity building as one of the criteria in the selection of organizations to implement Emergency Plan programs and will require that successful recipients address sustainability and an exit strategy as part of their annual work plans.

Planned actions:

The USAID/Zambia will draft a Mission Order requiring organizations seeking USAID funding for Emergency Plan activities to address capacity building and sustainability in their applications and will require that successful recipients address sustainability and an exit strategy as part of their annual work plans.

Target date:

The Mission Order will be finalized by November 30, 2005

The above constitutes the management decisions and measures taken to ensure that Recommendation No. 3 is addressed.

Therefore, in accordance with ADS 595.3 this memo constitutes the management decisions and measures planned/taken to address the Recommendation Numbers 1, 2 and 3 in Audit Report No. 7-611-05-XXX-P.

Attachment: a/s

Complete Listing of Consortiums Funded by USAID/Zambia

	Partner Consortium	Area of Intervention	Results achieved by Sept 2004	Funding	Selected for Review
1	Academy for Educational Development Linkages	Prevention	Yes	See Note 1	No
2	AIDSMark/Society for Family Health	Prevention, Care	Yes	3,900,000	Yes
3	Catholic Relief Services - Orphans and Vulnerable Children	Care	Yes	See Note 1	No
4	Catholic Relief Services Success	Care	Yes	3,521,902	Yes
5	Center for Infectious Disease Research in Zambia (CIDRZ)	Prevention	Yes	1,300,000	Yes
6	Chemonics International	Prevention	Yes	See Note 1	No
7	Cooperative League of the USA	Prevention	Yes	50,000	No
8	Creative Associates International, Inc.	Prevention	No	950,000	No
9	Education Quality Improvement Program	Treatment	No	500,000	No
10	Family Health International - Corridors of Hope	Prevention, Care	Yes	2,333,039	Yes
11	Family Health International - Family Support Unit	Care	Yes	320,000	Yes
12	Family Health International/Impact	Other	Yes	200,000	No
13	Forum for African Women Educationalist in Zambia	Care	No	300,000	No
14	Health Communication Partnership	Prevention	No	2,250,000	Yes
15	Health Services and Systems Program	Treatment	No	3,700,000	No
16	Horizons Antiretroviral Adherence	Treatment	No	60,000	No
17	International Development Enterprises	Prevention	Yes	250,000	No
18	International Executive Service Corps	Other	Yes	See Note 1	No
19	International HIV/AIDS Alliance	Prevention, Care	Yes	1,000,000	Yes
20	JHPIEGO	Prevention	Yes	See Note 1	Yes
21	John Snow Inc. SHARE	Prevention, Care, Treatment, Other	No	3,439,000	No
22	Measure	Other	Yes	920,000	No

	Partner Consortium	Area of Intervention	Results achieved by Sept 2004	Funding	Selected for Review
23	Michigan State University	Prevention	Yes	100,000	No
24	Pact, Inc.	Treatment	No	400,000	No
25	Partnership for Health Reform Plus	Treatment	Yes	720,000	Yes
26	Policy Project	Prevention, Care, Treatment, Other	Yes	1,320,000	Yes
27	Policy Project/Zambia Interfaith Networking Group on HIV/AIDS	Care	Yes	520,000	No
28	Rational Pharmaceutical Management Plus	Treatment	Yes	850,000	Yes
29	Reaching HIV/AIDS Affected People with Integrated Development and Support	Prevention, Care	No	3,561,500	No
30	Scope - Orphans and Vulnerable Children	Care	Yes	525,000	No
31	The Synergy Project	Other	No	300,000	No
32	Zambia Agribusiness Technical Assistance Centre	Prevention	Yes	100,000	No
33	Zambia Prevention, Care and Treatment Project	Prevention, Care, Treatment	No	8,300,000	No

Note 1: Funding received from prior year monies or from a centrally-funded allotment.

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