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OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID'S IMPLEMENTATION OF THE PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF

AUDIT REPORT NO. 9-000-05-009-P
SEPTEMBER 30, 2005

WASHINGTON, DC

Office of Inspector General

September 30, 2005

MEMORANDUM

TO: GH/HIV-AIDS Director, Constance Carrino

FROM: IG/A/PA Director, Steven H. Bernstein /s/

SUBJECT: Audit of USAID's Implementation of the President's Emergency Plan for AIDS Relief (Report No. 9-000-05-009-P)

This memorandum transmits our final report on the subject audit. In finalizing the report, we considered your comments on our draft report and have included your response as Appendix II.

This report does not include any recommendations.

I appreciate the cooperation and courtesy extended to my staff during the audit.

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SUMMARY OF RESULTS

This worldwide audit, performed by the Office of Inspector General's Performance Audits Division, summarizes the results of six audits conducted at selected USAID missions in Africa and the Caribbean. In addition to summarizing these results, this report addresses USAID-wide issues identified during the course of these audits. (See Appendix III for a summary of audit recommendations by audit objective, Appendix IV for audit recommendations listed by mission audited, and Appendix V for a list of audit reports issued.)

The objectives of this audit were to determine (1) how USAID participated in the President's Emergency Plan for AIDS Relief activities, (2) whether USAID partners' HIV/AIDS activities progressed as expected towards planned outputs in their agreements and contracts, and (3) whether USAID's HIV/AIDS activities contributed to the overall U.S. Government's Emergency Plan targets. (See page 3.)

Based on the results of six audits conducted at selected missions, we concluded that USAID had a principal role in the President's Emergency Plan for AIDS Relief activities for HIV/AIDS prevention and care, as well as either a principal or a major supporting role for HIV/AIDS treatment; its partners were progressing as expected towards meeting planned outputs in their agreements and contracts; and its HIV/AIDS activities were contributing significantly to the overall U.S. Government's Emergency Plan care and treatment targets for fiscal year 2004. (See pages 4, 8, and 14.)

This report includes findings on sustainability and nutrition with no recommendations. (See pages 17 and 19.) Management concurred with our findings. See page 21 for our evaluation of management's comments.

Management's comments are included in their entirety in Appendix II.

BACKGROUND

Congress enacted legislation to fight HIV/AIDS internationally through the President's Emergency Plan for AIDS Relief (Emergency Plan). The $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 Emergency Plan also devotes $5 billion over five years to bilateral programs in more than 100 countries and increases the U.S. Government pledge to the Global Fund[2] by $1 billion over five years. The fiscal year 2004 budget for the Emergency Plan totaled $2.4 billion. Our audit covered USAID missions in Ethiopia, Kenya, Rwanda, Uganda, Zambia and Haiti. These six missions had fiscal year 2004 funding levels totaling $179,371,724, or 54 percent of the total $331,918,461 funding for the 15 focus countries.

The Emergency Plan is directed by the Department of State's Office of the U.S. Global AIDS Coordinator.[3] To ensure program and policy coordination, the Office of the U.S. Global AIDS Coordinator manages the activities of the U.S. Government agencies responding to the pandemic. The Emergency Plan is implemented collaboratively by in-country teams made up of staff from USAID, the Department of State, the Department of Health and Human Services, and other agencies. 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.

The U.S. President and Congress have set aggressive goals for addressing the worldwide HIV/AIDS pandemic. The worldwide goal over 5 years is to provide treatment to 2 million HIV-infected people, prevent 7 million HIV infections and provide care to 10 million people infected by HIV/AIDS, including patients and orphans. The treatment and care goals are to be met by 2008, and the prevention goal is to be met by 2010. The Department of State's Office of the U.S. Global AIDS Coordinator—which coordinates the U.S. Government's fight against HIV/AIDS internationally—divided these Emergency Plan targets among the 15 focus countries and allowed each country to determine its own methodology for achieving its portion of the assigned targets by the end of five years.

[1] Twelve countries in Africa (Botswana, Cote d'Ivoire, Ethiopia, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, and Zambia); 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 U.S. Global AIDS Coordinator reports directly to the Secretary of State.

AUDIT OBJECTIVES

As part of the Office of Inspector General's fiscal year 2005 annual audit plan, the Performance Audits Division conducted this worldwide audit to answer the following objectives:

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

- Did USAID partners' HIV/AIDS activities progress as expected towards planned outputs in their grants, cooperative agreements and contracts?

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

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

AUDIT FINDINGS

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

The Emergency Plan work and targets are divided into three broad categories: prevention, care and treatment. Four out of the six missions audited, USAID/Kenya, USAID/Zambia, USAID/Haiti and USAID/Uganda had principal roles in prevention, care, and treatment. The remaining two missions, USAID/Ethiopia and USAID/Rwanda, had principal roles in prevention and care, and major supporting roles for treatment.

Prevention

The Department of State's Office of the U.S. Global AIDS Coordinator published guidance dividing the broad category of prevention into the following initiatives:

1. Prevention of Mother-to-Child Transmission,

2. Abstinence/Be Faithful,

3. Medical Transmission/Blood Safety,

4. Medical Transmission/Injection Safety, and

5. Other Prevention.

Of the USAID missions audited, USAID had a principal role in initiatives number 1, 2, and 5, and a minor role in initiatives number 3 and 4.

Prevention of Mother-to-Child Transmission (PMTCT) – USAID and its partners provided nevirapine,[4] trained service providers, facilitated minor renovations in hospitals and health care centers, purchased equipment, designed and implemented logistics systems for PMTCT commodities, and produced mass media campaigns concerning PMTCT. Pregnant women who tested positive for HIV/AIDS (refer to the Voluntary Counseling and Testing section on page 6) were provided counseling in how to reduce the risk of spreading the virus. Nevirapine has served as an important incentive for women—who otherwise would see little to no benefit in knowing their HIV/AIDS status—to get tested.[5]

[4] Nevirapine is a Food and Drug Administration-approved drug that significantly reduces the risk of transmission of the human immunodeficiency (HIV) virus from mother to child.

[5] If the mother tests HIV-positive, the health facility will give nevirapine to the mother at the onset of labor and to the child soon after birth.

Abstinence/Be Faithful – The goal of abstinence and faithfulness programs is to avoid new HIV infections by reducing high-risk behavior. USAID's prevention programming is based on the "ABC" model, where the "A" stands for abstinence, the "B" for "be faithful," and the "C" for condoms. The Emergency Plan legislation requires that one-third of prevention funding be allocated to abstinence programs.

USAID-funded youth activities related to behavior change, delayed sexual debut, and sustained abstinence. These activities included mass media campaigns, printing and distributing educational comic books, and the training of peer group educators, teachers and imams.[6] Other prevention activities included outreach efforts to farmers, high-risk worksites, and HIV/AIDS education during religious gatherings.

Medical Transmission/Blood Safety – Two out of the six missions audited had blood safety programs. USAID/Uganda reported supporting the national program to improve blood safety by strengthening safety precautions in 30 hospitals and 44 lower-level health centers. USAID/Kenya's program was very small and was not audited.[7]

Medical Transmission/Injection Safety – Two out of the six missions audited had injection safety programs. USAID/Uganda designed and implemented a three-element approach that addressed behavior change—targeting patients and healthcare workers to reduce injection overuse and develop healthy habits—and provided sufficient quantities of appropriate injection equipment and related supplies. USAID/Zambia funded a partner to develop national infection-prevention guidelines and training materials to supplement the guidelines. The organization also trained health care workers.

Other Prevention – USAID also has specific initiatives directed at high-risk groups. High-risk groups are generally comprised of low-income women, recently released prisoners, commercial sex workers, discordant couples (couples where one person is HIV positive and the other is HIV negative), and the military. These high-risk groups are targeted through prevention and education campaigns including instruction on correct condom use. Some partners are also establishing accessible condom outlets in bars, hotels, and truck parks.

Care

The Office of the U.S. Global AIDS Coordinator divided the broad category of care into the following initiatives:

- Voluntary counseling and testing
- Palliative care
- Care for orphans and vulnerable children

[6] An imam is a prayer leader of a mosque.

[7] The USAID/Kenya funding for blood safety was about a third of one percent of its fiscal year 2004 Emergency Plan funding.

Voluntary Counseling and Testing (VCT) – VCT is a point of entry for HIV/AIDS prevention, care, and treatment programming. Increasing the number of people who know their HIV status should promote behavior change and contribute to progress toward HIV prevention targets. VCT services are located in various outlets, including government health facilities, stand-alone sites operated by partners and smaller community-based organizations, and mobile VCT units. VCT funds are used to provide counseling and testing, train health workers, conduct mobile VCT sites, renovate VCT clinics, and quality assurance.

Palliative Care – Palliative care focuses on improving the quality of life of patients with life-threatening illnesses. The Emergency Plan defines palliative care as the full range of care services from the time of HIV diagnosis until death. These services include routine monitoring of diseases progression and prophylaxis; treatment of opportunistic infections, tuberculosis and other AIDS-related diseases; symptom management; social and emotional support; and compassionate end-of-life care. USAID's partners train community and family members on health care issues, provide basic health care kits to the HIV-positive patients, review food and nutrition implications for antiretroviral treatment, and provide psychosocial support.

Care for Orphans and Vulnerable Children - As a result of the high numbers of parents dying from HIV/AIDS, there are approximately 3.8 million children orphaned by HIV/AIDS in the six countries covered by the audit. These children need financial support to pay for food, housing, legal aid, and training and support for caregivers. USAID activities identify vulnerable children and households, establish and strengthen community-based day care centers, train caregivers, provide psychosocial counseling and educational assistance, and train mature orphans in income-generating activities.

In Ethiopia, the auditors visited the home of one HIV/AIDS orphan and saw the cow she was encouraged to purchase through this program. The cow had recently given birth to a calf. The cow should provide a regular and sustained source of income through the production and sale of milk.

Photograph taken November 16, 2004 by an Office of Inspector General auditor of a child orphaned by AIDS. The cow was provided by a government program to provide a means of sustainable support.

Treatment

Treatment reporting categories were divided into (1) antiretroviral (ARV) drugs, (2) ARV services, and (3) laboratory infrastructure.

Antiretroviral Drugs – The type of entity that procured and distributed the ARV drugs and essential commodities varied among the audited countries—from a host government entity, to a faith-based organization, to a contractor. ARV drugs and commodities were distributed to health care facilities, including faith-based hospitals, private sector providers, and public sector facilities.

Antiretroviral Services – Distribution of the ARV drugs involves several steps that include storage, distribution, delivery and tracking. In two cases, USAID provided assistance to host government procurement agencies in areas such as improving commodity forecasting, procurement procedures, storage and distribution, quality assurance and internal quality control systems, accounting and logistics management information systems, and physical infrastructure and information systems.

Laboratory Infrastructure – In five of the six countries audited, USAID undertook various activities to improve the infrastructure of laboratories, such as assessing, refurbishing and equipping laboratories, retraining staff and providing some consumables, purchasing equipment and commodities, and providing stock management software.

Did USAID partners' HIV/AIDS activities progress as expected towards planned outputs in their grants, cooperative agreements and contracts?

For five of six missions audited, USAID partners' HIV/AIDS activities were progressing as expected, or better than expected, towards their planned outputs. However, in the case of USAID/Haiti, a significant percentage of its partner activities were not meeting outputs or could not be evaluated for progress. Furthermore, five of six mission-level audit reports included audit findings related to this objective. Specifically,

- USAID/Ethiopia's activities were progressing as expected towards meeting planned outputs contained in agreements and contracts with the Mission's partners.

- USAID/Rwanda's activities were progressing as expected towards meeting planned outputs in their cooperative agreements.[8] However, the audit noted findings related to this objective concerning the coordination of partner efforts and a lack of documentation for site visits.

- USAID/Kenya's activities were progressing as expected towards meeting planned outputs contained in agreements and contracts with the Mission's partners. However, the audit report included three findings related to monitoring partner efforts, coordination among partners, and shortages of HIV test kits.

- USAID/Zambia's activities were progressing as expected towards planned outputs. However, the audit mentioned two findings related to the monitoring of partner efforts, and the accuracy and adequacy of documentation for reported results.

- Approximately 68 percent of USAID/Haiti's activities that could be evaluated were meeting or exceeding outputs, while 32 percent were not meeting outputs. About 44 percent of the activities could not be evaluated for progress because planned outputs were not established. Additionally, the audit had findings related to implementation of a drug management tracking system, a shortage of antiretroviral drugs, the lack of clearly defined outputs, the quality of progress reports, the effectiveness of the Mission's monitoring and evaluation, the lack of accountability of funds, contract ceiling limitations, and staffing and transportation constraints.[9]

- USAID/Uganda's activities were progressing at a rate better than originally expected towards meeting planned outputs contained in agreements and contracts with the Mission's partners. However, the audit noted three findings related to data quality, shortages of HIV/AIDS test kits, and outdated performance targets.

[8] All USAID/Rwanda partners were under cooperative agreements.

[9] The security and working environment in Haiti during 2004 and 2005 included chronic instability and violence, which had a major impact on the ability of the U.S. Government team and its partners to accomplish even basic tasks. Several USAID staff have been attacked or car-jacked. Because of the insecurity, American staff from USAID and CDC was evacuated from Haiti for months at a time in both 2004 and 2005. USAID/Haiti stated that these conditions were extremely disruptive to program design and management, and severely hampered the ability of the team to effectively manage the ongoing program.

The following sections summarize selected activities that illustrate how USAID HIV/AIDS activities were progressing as, or better than, expected.

Prevention

USAID partners reported significant outputs in providing prevention under the categories of (1) Prevention of Mother-to-Child Transmission, (2) Abstinence/Be Faithful, and (3) Other Prevention Initiatives.

Prevention of Mother-to-Child Transmission (PMTCT) – As of January 31, 2005, Family Health International (FHI), a USAID/Rwanda partner, had established 21 PMTCT service outlets, provided services to 7,965 women, and provided antiretroviral prophylaxis for PMTCT to 80 percent of HIV-positive mothers-to-be. As of December 31, 2004, the Elizabeth Glaser Pediatric Aids Foundation, another USAID/Rwanda partner, had provided prenatal care and HIV counseling to 15,030 women and provided ARV prophylaxis to 1,728 mothers-to-be. All these accomplishments were beyond the intended outputs of each of the above partners.

In Haiti, Management Sciences for Health (MSH) reported that it trained 1,692 traditional birth attendants in PMTCT principles, exceeding its goal of 1,500; it developed management guidelines and procedures for PMTCT and voluntary counseling and testing as planned; and it trained 593 institution-based network providers of PMTCT services, exceeding its goal of 500.

Two PMTCT USAID/Kenya partners, FHI and AMKENI[10] (which means "awakening" in KiSwahili), reported problems in the receipt of nevirapine and HIV test kits. FHI's staff reported that progress towards planned PMTCT outputs was initially limited due to the lack of nevirapine and HIV test kits, both of which were supposed to be supplied by the Kenyan government. FHI overcame this obstacle by procuring these items through a private company and reported that it exceeded its planned outputs.

Abstinence/Be Faithful – In Rwanda, FHI has met its output goal of supporting nine premarital couple counseling programs through Catholic Churches nationwide, 91 pastoral agents were trained to provide HIV education, and a total of six youth peer education programs were also supported. The audit team visited one of these youth peer education programs in Kabgayi Diocese in Gitarama province. The program is focused on Abstinence and Behavioral Change Communication (Change Communication), which is aimed at reducing young people's risk of HIV and sexually transmitted diseases. The project focused on two categories of youth: out-of-school rural youth between the ages of 15 and 25 and in-school youth at school and on vacation. The Diocese invites parents, mayors, community leaders and parish representatives from Gitarama Province to a community meeting to inform everyone about the HIV/AIDS epidemic and asks for their support and collaboration on the Change Communication project.

[10] AMKENI is a Kenyan umbrella organization involved in family planning, reproductive health, and child survival throughout Kenya, and is managed by EngenderHealth, an international nonprofit organization based in New York City.

In Haiti, MSH reported reaching 127,500 youths in its abstinence/be faithful campaigns, more than double the planned level of 60,000. It also achieved its goal of reaching at least 1,500 people with behavior change messages through peer counselors. Johns Hopkins University developed two media campaigns that reached 115,000 adolescents and young people. Johns Hopkins also conducted a community-outreach program on abstinence and being faithful reaching 15,000 youths. However, the workplan did not include specific planned outputs for these activities.

Other Prevention – In Zambia, three partner consortiums are working in prevention using such means as condom social marketing, behavior change, and community mobilization. AIDSMark, a partner consortium, is working towards increasing condom social marketing efforts in provinces where prevalence rates are higher than national averages. As of September 30, 2004, AIDSMark reached 206,659 individuals through community outreach of HIV/AIDS prevention programs not focused on abstinence and/or being faithful. Based on the individuals reached as of September 2004, the audit determined that the output would be met by March 31, 2005, as planned.

Care

USAID's partners were progressing as, or better than, expected towards meeting planned care outputs in their agreements. USAID partners reported significant outputs in providing care under all U.S. Government categories of (1) voluntary testing and counseling (VCT), (2) palliative care, and (3) care for orphans and vulnerable children. While USAID's partners are, in general, making good progress towards achieving their planned outputs for care, the provisioning of HIV test kits was problematic in Kenya and Uganda.

Voluntary 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 Voluntary Counseling and Testing (VCT) and increasing access to VCT services. A 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. The audit determined that the output would be met by March 31, 2005. In Uganda, the HIV/AIDS Integrated Model program run by John Snow, Inc reported 105,409 individuals receiving VCT, compared to a planned output of 60,000.

A USAID/Kenya partner, AMKENI, reported problems in receiving supplies of HIV test kits and other commodities. The auditors visited the health center in Chwele supported by AMKENI and were also told of the HIV test kit shortages. The audit recommended that USAID/Kenya develop and implement a new system for procuring and distributing HIV test kits. Additionally, in Uganda, some service providers were not able to test all new prenatal clients as a result of unforeseen disruptions in the supply of HIV test kits. The audit recommended that USAID/Uganda develop a plan to provide implementing partners with reliable sources of HIV test kits in the event of unexpected disruptions in the supply chain.

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, FHI, 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 the time that remained towards meeting the target, the audit determined that the planned output would be met. Another USAID/Zambia partner consortium 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, and were on track to meet the goal by March 31, 2005.

Indiana University, through its Academic Model for the Prevention and Treatment for HIV/AIDS activity, supports the HIV section of the Moi Teaching and Referral Hospital, one of the Kenyan hospitals with treatment centers for HIV patients. The hospital also provides HIV treatment training for Kenyan medical students who will provide HIV care in the latter years of the Emergency Plan, contributing to the sustainability of HIV efforts in Kenya. The audit team visited the HIV section of the hospital, which provides basic care to HIV-infected individuals, where the audit team saw a female patient being treated for Kaposi's sarcoma, a skin cancer common in people with HIV/AIDS. The auditors also visited a "demo" farm in Mosoriot that serves as an "economic empowerment" activity for HIV patients. On this farm, HIV-infected individuals are taught small-scale agriculture, usage of compost, preparation of milk and cream, and condiment growing and usage, among other things. Nearby, the audit team visited a larger farm that had only been purchased about a month before our visit and will become a large-scale "production" farm. The Emergency Plan paid for the start-up costs of the two farms,[11] which are managed by Indiana University.

Care for Orphans and Vulnerable Children – Catholic Relief Services (CRS), a USAID/Rwanda partner, had met its target by providing care and support for 4,800 orphans and vulnerable children. The audit team visited a Catholic Church school in Busasamana, Rwanda, that was supported by CRS and were greeted by approximately 8,000 orphans. Some of them were wearing the uniforms provided to them through the Emergency Plan funds, as part of a care package.

[11] The land for the "demo" farm was donated by a local high school. The land for the "production" farm is owned by a British farmer who leases it to the Indiana University program for a nominal yearly fee. The farmer also works for the Indiana University program.

Photograph taken in February 2005 by an auditor of orphans and vulnerable children, in Busasamana, Rwanda, wearing uniforms funded through the Emergency Plan.

Treatment

USAID's partners were progressing as, or better than, expected towards meeting planned treatment outputs in their agreements. USAID partners reported significant outputs in providing care under all U.S. Government categories of (1) antiretroviral (ARV) drugs, (2) ARV services, and (3) laboratory infrastructure.

Antiretroviral drugs – Antiretroviral drug procurement was on track. For example, in Kenya, the Mission for Essential Drugs and Supplies, the major drug purchaser for all U.S. Government agencies in Kenya, experienced delays due to an unexpected import tax imposed in January 2005. However, in April 2005, USAID/Kenya received a waiver from the Government of Kenya allowing its partners to procure medical supplies without paying the import tax.[12] As a result, Mission for Essential Drugs and Supplies expected to have 100 percent of the drugs for fiscal year 2004 in its warehouse by the end of April 2005, ahead of the USAID/Kenya's May 20, 2005[13] Emergency Plan deadline. In Ethiopia, drug deliveries were expected to be received on time—some on December 2004 and the rest by February or March 2005.

[12] In May 2005, Kenya temporarily suspended its 10 percent tax on drugs imported into the region.

[13] Kenya's Emergency Plan year 2004 ended May 20, 2005. The 2004 Emergency Plan year generally ended March 31, 2005. However, focus countries were given 12 months to spend their funds from the date each Country Operational Plan was approved. Kenya's plan was approved on May 21, 2004.

Antiretroviral Services – The auditors visited St. Mary's Hospital in Western Province, Kenya, which had an antiretroviral program through FHI. The hospital has two doctors, including one shared with another hospital, and two medical assistants. The Emergency Plan project manager (a doctor) told us that they had enough physicians to handle the current level of 76 antiretroviral patients, but when the number of patients increases, they will have a doctor shortage. All the 76 patients tested HIV-positive, but none were subsequently tested at the hospital to establish T-cell count baselines,[14] as the hospital did not have the lab equipment to perform the tests. To obtain T-cell count baselines, the patients were referred to a larger hospital about 125 miles away. Of the 76 patients, most were not periodically monitored for T-cell counts, because the other hospital was too far away to make regular testing practical. In these cases, patients were placed on antiretroviral drugs based on symptoms, which the doctor indicated was not a good practice. The hospital also provides nutritional information to its patients receiving antiretroviral drugs.

USAID/Haiti's contractor Rational Pharmaceutical Management Plus (RPM Plus) developed a software program to monitor and track antiretroviral drug usage and stock levels. However, it did not implement the software program in centers throughout Haiti, as set forth in the Country Operational Plan. As of the date of fieldwork, the software had only been installed at four sites. The contractor procured, warehoused, and delivered antiretroviral drugs to clinical sites. At one site visited where the software had been installed, the software was not generating accurate drug counts or accurate numbers of patients under treatment. The audit team recommended that USAID/Haiti (a) make a determination as to whether to implement the drug management software, and (b) if it decides to implement the software, set a schedule for its implementation and a plan for providing support to the software users.

Laboratory Infrastructure – USAID partners have worked to improve the laboratory infrastructure of the Emergency Plan countries. For example, in Ethiopia, RPM Plus worked to improve the infrastructure of selected pharmacies, drug stores, and laboratories in order to prepare sites for the initiation of antiretroviral treatment. This activity consisted primarily of technical assistance, such as preparing renovation plans for the pharmacies, hospital drug stores, and health centers. The auditors visited one hospital in the Tigray region that was located in the city of Axum and was one of the planned hospitals that would start antiretroviral treatment, once drugs were available. The team met with hospital doctors, who estimated that 50 percent of their patients were HIV-positive.

Additionally, USAID/Uganda reported that it had undertaken a laboratory assessment in conjunction with the U.S. Centers for Disease Control and Prevention. This assessment identified major gaps in laboratory supplies, training, commodities, staffing and services, as well as a critical need to expand access to quality HIV/AIDS lab services in Uganda. To address these weaknesses, USAID/Uganda provided training of laboratory staff in 12

[14] T-cell counts are also known as CD4 counts. T-cells are white blood cells, which play an important role in the immune system. HIV infects and damages T-cells, and the T-cell count reflects how many functional T-cells are circulating in a patient's blood. Periodic T-cell count monitoring provides an indication of the immune system's strength, which a doctor considers when prescribing HIV medications and prophylactic antibiotics.

districts, support supervision and follow-up for 9 districts, and provision of basic laboratory equipment for 52 hospitals and health centers. Through an implementing partner, laboratories in all the sites providing antiretroviral treatment were upgraded.

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

For five of six missions audited, USAID's HIV/AIDS activities have contributed significantly to the accomplishment of the U.S. Government's care and treatment targets for fiscal year 2004. In the case of USAID/Haiti, we could not determine the extent of the Mission's contribution to the accomplishment of the U.S. Government's care and treatment targets.

In the area of prevention, the Office of the U.S. Global AIDS Coordinator is reviewing its methodology for measuring the impact of prevention activities outside of the prevention of mother-to-child transmission (PMTCT) activities. Since non-PMTCT targets comprise a significant majority of the U.S. Government prevention targets,[15] we could not determine the extent of USAID's HIV/AIDS prevention contributions to the prevention targets.

All six mission-level audit reports included findings related to this objective. Specifically,

- USAID/Ethiopia's activities have contributed significantly to accomplishment of the U.S. Government's care and treatment targets, but PMTCT-prevented infections fell short of the target. The audit noted findings related to this objective concerning the request that USAID's Regional Economic Development Services Office for East and Southern Africa fund activities in Djibouti; the funding of future care targets; the coordination of partner efforts; the need for partners to develop strategies for sustainable activities; and the incorporation of nutritional assistance.

- USAID/Rwanda contributed significantly to accomplishment of the U.S. Government's care and treatment targets. The audit mentioned one finding which dealt with the need to ensure data quality.

- USAID/Kenya has contributed significantly to accomplishment of the U.S. Government's care and treatment targets for fiscal year 2004. The audit report included three findings related to this objective concerning the need for partners to develop strategies for sustainable activities and for monitoring patients on antiretroviral drugs; and the incorporation of nutritional assistance.

[15] This statement is based from the prevention targets for the two missions that had fiscal year 2004 prevention targets, USAID/Ethiopia and USAID/Kenya. USAID/Ethiopia's prevention targets were 58,000 non-PMTCT infections and 3,500 infections, while USAID/Kenya's prevention targets were 27,500 non-PMTCT infections and 2,500 infections. USAID/Zambia and USAID/Uganda had not established fiscal year 2004 prevention targets, and the audit reports for USAID/Rwanda and USAID/Haiti did not provide prevention targets due to other reasons.

- While USAID/Zambia is contributing significantly to targets established for care, it is contributing at a lesser extent to the treatment targets. The audit cited one finding related to this objective, which dealt with the need for partners to develop strategies for sustainable activities.

- Although USAID/Haiti's care and treatment activities contributed to the U.S. Government's prevention targets, we could not determine the extent to which this was the case. In Haiti, the U.S. Government tracks results at the country team level and not at the implementing agency level. Therefore, isolating USAID/Haiti's contribution to the U.S Government's Emergency Plan achievements at an individual activity level was not possible without redirecting considerable effort and resources away from the Emergency Plan team's other implementation activities. The audit report included three findings related to this objective concerning the pressure for immediate results, lack of an implementation plan, sustainability, marking protocols, Emergency Plan fiscal year confusion, and indicator overload.

- USAID/Uganda played a critical role in contributing to the overall reported results for the U.S. Government's Emergency Plan in Uganda. The audit reported no findings related to this objective.

The following sections summarize selected activities that illustrate how USAID HIV/AIDS activities are contributing to the U.S. Government targets.

Prevention

The figures for infections averted for non-PMTCT activities have not been computed. The Office of the U.S. Global AIDS Coordinator is reviewing its methodology for measuring the impact of prevention activities outside of PMTCT. Since the Office of the U.S. Global AIDS Coordinator has not yet completed its review,[16] and non-PMTCT targets are a significant majority of the U.S. Government prevention targets, we could not determine the extent of USAID's HIV/AIDS prevention contributions to the prevention targets.

Even though it was not possible to determine the extent of USAID's contribution to prevention targets, USAID played a vital role in contributing to the total results for activities designed to avert infections. For example, Embassy Kampala, Uganda reported 308,730 individuals receiving voluntary counseling and testing, out of which USAID/Uganda reported 268,607, or 87 percent of the total. For PMTCT, USAID/Uganda's reported contribution was 5,905 individuals receiving a complete course of antiretroviral prophylaxis out of a total of 5,948, or 99 percent of the total results. Similarly, 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 Embassy Lusaka, Zambia results.

[16] The Office of the U.S. Global AIDS Coordinator stated that the earliest date it can compute infections averted with sufficient data is at the end of calendar year 2005.

In the future, meeting PMTCT targets might be increasingly challenging due to the rapid increase in targets. For example, Embassy Nairobi, Kenya PMTCT target triples from 2,500 in fiscal year 2004 to 7,500 in fiscal year 2006, and increases to a total of 12,500 (or 37,500 cumulatively) by 2008. Embassy Addis Ababa, Ethiopia PMTCT targets increase to 10,000 in fiscal year 2005 and 44,000 at the end of the Emergency Plan (2008). Additionally, if the HIV test kits supply chain problems (addressed by the audits of USAID/Kenya and USAID/Uganda but not necessarily limited to those two countries) are not solved, the HIV testing of pregnant women will be reduced, ultimately reducing the number of women to be offered a full course of nevirapine.

Care

USAID's HIV/AIDS activities have contributed significantly to the accomplishment of the U.S. Government's care targets for fiscal year 2004. For example, USAID/Ethiopia's care activities are making a major contribution towards Embassy Addis Ababa care targets. USAID contributed 94 percent of the Emergency Plan results reported for palliative care, and 100 percent of the results for both orphans and vulnerable children, and voluntary counseling and testing. As of September 30, 2004,[17] USAID had already achieved 45 percent of the U.S. Government targets for palliative care, 150 percent for orphans and vulnerable children, and 88 percent for voluntary counseling and testing.

USAID/Rwanda's HIV/AIDS activities contributed 68 percent of Embassy Kigali's palliative care targets, which includes care/basic health care and tuberculosis care and treatment in an HIV palliative-care setting. Also, USAID/Rwanda contributed 100 percent of Embassy Kigali's targets for both orphans and vulnerable children, and voluntary counseling and testing.

While the U.S. Government was on the way to achieving the fiscal year 2004 Emergency Plan care targets, targets are increasing substantially over the remaining years of the Emergency Plan. In Kenya, the U.S. Government palliative care target will increase to 90,000 for 2005 and to 120,000 for 2006. The orphans and vulnerable children target will also increase to 190,000 for 2005 and to 287,000 to 2006. Similarly, USAID/Ethiopia's care partners were concerned about meeting fiscal year 2005 targets, since the target number of people receiving care and support was expected to increase from 92,000 in fiscal year 2004 to 213,000 in fiscal year 2005.

Treatment

USAID's HIV/AIDS activities have contributed significantly to the accomplishment of U.S. Government's treatment targets for fiscal year 2004. In Haiti, 15 antiretroviral sites had been established by the U.S. Centers for Disease Control and Prevention and USAID by March 2005, and more than 3,900 patients including 212 pregnant women had received antiretroviral therapy services. Despite a drug supply crisis, the target of treating 4,000 patients by June 2005 was reached. Also, in Uganda, the U.S. Government target was to provide 24,410 individuals with antiretroviral drugs. USAID/Uganda reported

[17] As the Emergency Plan fiscal 2004 year ended March 31, 2005 for Embassy Addis Ababa, these achievements were significant, since they were substantially achieved with six months remaining for their scheduled completion.

providing antiretroviral treatment to 21,583 patients, for a total contribution of 88 percent of the target. Embassy Kampala reported 26,415 patients, which exceeded the target.

Only drugs approved by the U.S. Food and Drug Administration (FDA) can be purchased[18] for antiretroviral treatment. Since FDA-approved drugs are higher-priced than non-FDA approved drugs, this requirement effectively results in less people being treated. In May 2004, the U.S. Government established an expedited process for reviewing antiretroviral drugs through the FDA. This process anticipated a six-week review from the time a completed application is received. Since then, the FDA has worked with multiple companies from Africa, Asia, and the Caribbean, providing technical support and guidance for the preparation of applications for drug approval. As of July 2005, the FDA has approved or tentatively[19] approved at least seven drugs for Emergency Plan purchases. However, the long-term Emergency Plan treatment targets continue to be at risk unless drug prices fall dramatically or additional manufacturers (outside the US) receive FDA-approvals, which would then allow countries to purchase less expensive antiretroviral drugs in large quantities.

A second issue related to purchasing only FDA-approved drugs is that Emergency Plan countries rely on a limited number of manufacturers to meet the increasing demand for antiretroviral drugs, thereby jeopardizing future targets if the drug manufacturers cannot meet the increasing demand. For example, USAID/Kenya was told by a non-U.S. pharmaceutical company that it was experiencing shortages of branded antiretroviral drugs. The company recommended that available inventories be used to treat current patients and that enrollment of new patients be deferred until the drug supply improves. The issue related to the limited number of manufacturers should be mitigated by the expedited FDA process described in the prior paragraph.

Other challenges include the sustainability of USAID activities and the provision of food and nutritional products. These issues are discussed in detail below.

Partners Should Develop Strategies For Sustainable Activities

Summary: Sustainability is a fundamental concept in development. Nevertheless, since there was no Office of the U.S. Global AIDS Coordinator policy, USAID has not deliberately planned sustainability into all of its Emergency Plan activities. As a result, the benefits of those activities may well not extend beyond the completion of the activities.

The importance of sustainability is recognized in the Office of the U.S. Global AIDS Coordinator's five-year strategy for the Emergency Plan. The President's Emergency

[18] Prior to December 2004, only U.S.-manufactured antiretroviral drugs could be purchased under the Emergency Plan.

[19] Tentative FDA approval means that the product meets all of FDA's quality, safety and efficacy standards, but existing patents and/or exclusivity prevent marketing of the product in the U.S. Tentative approval makes a drug available for consideration for purchase and use outside the United States under the President's Emergency Plan.

Plan seeks to develop sustainable national programs in each country for prevention, care and treatment. By definition, sustainable development activities continue providing benefits beyond the timeframe in which donor funding is received. On the other hand, the benefits of non-sustainable development activities do not necessarily continue beyond the five years covered by the plan.

Sustainability has not been planned for all of USAID's Emergency Plan activities, since the Office of the U.S. Global AIDS Coordinator did not require partners to incorporate sustainability into their projects. Sustainability concerns have already been voiced by both mission and foreign government officials. For example:

- USAID/Zambia acknowledged that the costs of tests kits and antiretroviral drugs necessary to meet the Emergency Plan targets are enormous and external support will be required beyond the end of the Emergency Plan. Also, with the continual change in global protocols for prevention, care and treatment, skills and training at all levels will need to be updated beyond the year 2009. Zambian Ministry of Health officials stated that the government would not be able to carry on the treatment program without external funding. The government is reportedly developing an investment plan to assist in the future purchasing of drugs.

- In Haiti, the consensus was that antiretroviral therapy is not sustainable without outside assistance. Haiti is the poorest country in the Western Hemisphere, and the patients cannot begin to afford to pay for antiretroviral therapy. Virtually all the antiretroviral therapy being provided in Haiti is provided by foreign governments and organizations. Given the depth of poverty in Haiti, it is unrealistic to expect large-scale antiretroviral therapy to continue without outside assistance.

- USAID/Ethiopia acknowledged that some program elements, such as the procurement and provision of antiretroviral treatment, cannot be sustained without donor assistance.

Despite the lack of an Office of the U.S. Global AIDS Coordinator policy on sustainability, some USAID programs incorporated sustainability. For example:

- A community center in the Western Province of Kenya had a program to teach HIV/AIDS orphans vocational skills so that they will be able to support themselves in the future. While this was a good example of how sustainability had been built into an activity, other Emergency Plan activities lacked such features. As a result, the benefits of those activities may not extend beyond the completion of the activities.

- In Zambia, one project is providing technical assistance to two large companies 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 also addressed sustainability in its development of criteria for the 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 for 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.

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 the Office of the U.S. Global AIDS Coordinator and is awaiting USAID approval before being issued as a USAID Acquisition and Assistance Policy Directive.[20] Since the Directive is expected in the near future, we are not making a recommendation.

Funding for Nutrition Interventions Needs to Increase

In the Emergency Plan legislation, Congress recognized the importance of good nutrition, noting that healthy and nutritious foods for individuals living with HIV/AIDS, as well as for households caring for children affected by HIV/AIDS are an important complement to HIV/AIDS treatment. Among the countries audited, food was often cited by people living with and affected by HIV/AIDS as their greatest and most urgent need. However, except in limited programs or circumstances,[21] most USAID missions did not use Emergency Plan funds for nutrition and food-related interventions due to the strong emphasis on the provision of antiretroviral drugs in fiscal year 2004. Lack of food and nutrition security for individuals infected or affected by HIV/AIDS, including orphans and vulnerable children, may diminish the effectiveness of all three components of the Emergency Plan—prevention, care and treatment.

[20] Even if the sustainability policy is implemented in each focus country, this does not necessarily imply that Emergency Plan activities will remain sustainable over the long term, as there are many other factors (such as economic, environmental or others) external to the Emergency Plan that can materially affect the sustainability of Emergency Plan activities.

[21] For example, USAID/Zambia provided food supplements in fiscal year 2004, but only through one of its partners, Catholic Relief Services. USAID/Rwanda did not purchase food during fiscal year 2004, although its partners are developing guidelines and performing nutritional research. USAID/Uganda is providing short-term food security for orphans, and nutritional support under palliative care. USAID/Haiti purchased some food for palliative care, and one of its partners co-located PMTCT activities with Title II food security activities.

Some missions are increasing their food and nutritional product purchases. For example, USAID/Kenya, in conjunction with INSTA Products, a Kenyan company, developed INSTA mix, a nutritional supplement designed specifically for adults with HIV/AIDS.[22] USAID/Kenya's fiscal year 2005 budget contained $500,000 for INSTA mix, but this will only help approximately 6,500 people. Since the Mission estimated that 50 percent of antiretroviral patients need nutritional supplementation, the auditors calculated that approximately 22,500 adults will need nutritional supplements (half of the fiscal year 2005 target)—leaving a 16,000 person shortfall. Without nutritional supplementation, malnourished patients will not fully benefit from treatment due to the toxicity of antiretroviral drugs, compromising USAID's ability to meet the U.S. Government's treatment targets. This shortfall increases when individuals infected or affected by HIV/AIDS, including orphans and vulnerable children, are added to those individuals taking antiretroviral drugs.

USAID's Office of HIV/AIDS commented that nutrition is more than the delivery of food, and that USAID's comparative advantage has long been in nutrition programming. A prime example provided is the use of vitamin A, where USAID established the programs, and other donors provide the vitamin A capsules. For the Emergency Plan, USAID seeks to leverage funds from sources such as Title II (Public Law 480), the U.S. Department of Agriculture, the United Nations World Food Program, the Global Fund, and basket funding within countries. Office of HIV/AIDS officials stated that USAID should have the flexibility to use Emergency Plan funds to buy food for targeted, time-limited nutrition/food interventions, when programs are not able to obtain food from other sources.

In April 2005, the Office of the U.S. Global AIDS Coordinator released a draft policy on the use of Emergency Plan funds to address food and nutrition needs. Since the final guidance is expected in the near future, we are not making a recommendation.

[22] USAID's Office of HIV/AIDS noted that this approach has not been evaluated to determine if it is a cost-effective intervention for these antiretroviral patients.

EVALUATION OF MANAGEMENT COMMENTS

Office of HIV/AIDS management officials stated they were in full agreement with the two audit findings on sustainability and nutrition presented in our draft audit report. A policy on sustainability has been approved by the Office of the U.S. Global AIDS Coordinator and is awaiting USAID approval before being issued as a USAID Acquisition and Assistance Policy Directive. Also, while management agrees with the need to have guidance issued by the Office of the U.S. Global AIDS Coordinator that reflects the importance of nutrition along with the flexibility to use Emergency Plan funds to buy food for targeted, time-limited nutrition and food interventions, it is in the Emergency Plan's best interest to remain focused on HIV/AIDS prevention, care, and treatment while leveraging funds from sources such as Title II (Public Law 480), the World Food Program, U.S. Department of Agriculture, the Global Fund, and/or basket funding within countries.

We made certain modifications to this report based on comments received from management officials. For example, we added a footnote to acknowledge the working conditions that the U.S. government team in Haiti faced in implementing the Emergency Plan. This report is available to the public at our internet web site.

SCOPE AND METHODOLOGY

Scope

The Office of Inspector General conducted audits at six USAID missions in accordance with U.S. generally accepted government auditing standards. These audits were designed to answer the following questions: (1) How USAID participated in the President's Emergency Plan for AIDS Relief activities, (2) Did USAID partners' HIV/AIDS activities progress as expected towards planned outputs in their agreements and contracts, and (3) Are USAID's HIV/AIDS activities contributing to the overall U.S. Government's Emergency Plan targets.

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

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

This report summarizes the results of audit work conducted both at USAID offices in Washington, D. C. and at selected overseas USAID missions.[23] The audit fieldwork was conducted from July 2004 through April 2005 in:

- Washington, D.C, from July through October 2004 (preliminary fieldwork).
- Ethiopia—at the USAID Mission and various Emergency Plan sites within Ethiopia and offices in Washington, DC—from November 4, 2004 to January 14, 2005.
- Kenya—at the USAID Mission and various Emergency Plan sites within Kenya from March 31 to April 20, 2005.
- Zambia—at the USAID Mission and various Emergency Plan sites within Zambia from January 24 to February 9, 2005.
- Haiti—at the USAID Mission and various Emergency Plan sites within Haiti from April 4 to April 29, 2005.
- Rwanda—at the USAID Mission and various Emergency Plan sites within Rwanda from February 14 to March 3, 2005.

[23] See Appendix IV for a list of audit reports issued during this worldwide audit.

- Uganda—at the USAID Mission and various Emergency Plan sites within Uganda from April 4 to April 22, 2005.

Methodology

To answer audit objective one, we reviewed USAID's Country Operational Plan,[24] interviewed mission and partner personnel, and reviewed other pertinent documentation. To answer audit objective two, we interviewed responsible mission officials and in-country partners, and reviewed quarterly progress reports to determine progress towards outputs. To answer audit objective three, we reviewed the Emergency Plan team's annual report and reported targets, and compared these to individual partner reports to determine their role in achievement of these targets. We conducted site visits to partners and beneficiaries involved in prevention, care, and treatment and observed facilities and operations.

A materiality threshold was not established for objective one given the descriptive nature of the objective. For audit objectives two and three, we considered that the objective was answered: (1) positively, if all six mission-level reports had a positive answer to the same objective, (2) with qualifications, if five mission-level reports had a positive answer to the same objective, and (3) negatively, if four or less mission-level reports had a positive answer to the same objective.

[24] The Country Operational Plan is the annual U.S. Government-wide operational plan for a given country. It lists the country targets for 2004-2008, and identifies partners and their objectives, activities, agency and budget amounts.

MANAGEMENT COMMENTS

MEMORANDUM

TO: IG/A/PA, Steven H. Bernstein, Director

FROM: GH/OHA, Roxana Rogers, Deputy Director /s/

SUBJECT: Management Comments on the draft Audit of USAID's Implementation of the President's Emergency Plan for AIDS Relief (Report No. 9-000-05-00X-P)

This memorandum transmits the Office of HIV/AIDS' response to the draft audit report titled "Audit of USAID's Implementation of the President's Emergency Plan for AIDS Relief" (Report No. 9-000-05-00X-P), dated September 13, 2005.

We realize that the six audits and this summary report were a result of a very labor-intensive and time-consuming effort for your auditors, Mission staff, Office of HIV/AIDS (OHA) staff, and regional bureau staff. We have appreciated your staff's openness and collaborative working style throughout the audit process.

Although we provided extensive comments to your draft report, we have reviewed the two audit findings on sustainability and nutrition and are in full agreement with them. The two findings/problem areas you cite and the rationale you provide for not making recommendations include:

- USAID has not deliberately planned sustainability into all of its Emergency Plan activities. Sustainability was not an Office of the U.S. Global AIDS Coordinator (O/GAC) requirement. As a result, the benefits of those activities may well not extend beyond the completion of the activities.
    - 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. Therefore, we are not making a recommendation.

- In the Emergency Plan legislation, Congress recognized the importance of good nutrition. Additionally, food is often cited by people living with and affected by HIV/AIDS as their greatest and most urgent need. However, except in limited programs or circumstances, most USAID missions did not use Emergency Plan funds for such interventions. Lack of food and nutrition security for individuals infected or affected by HIV/AIDS, including orphans and vulnerable children, may diminish the effectiveness of all three components of the Emergency Plan -- prevention, care and treatment.

    - In April 2005, O/GAC released a draft policy on the use of Emergency Plan funds to address food and nutrition needs. Since the final guidance is expected in the near future, we are not making a recommendation.

OHA agrees with the audit report that it is important to have final guidance issued by O/GAC that reflects the importance of nutrition along with the flexibility to use Emergency Plan funds to buy food for targeted, time limited nutrition and food interventions, especially when programs are not able to obtain food or nutrition through Title II (Public Law 480), the World Food Programme (WFP), U.S. Department of Agriculture, the Global Fund, and/or basket funding within countries. However, it is in the Emergency Plan's best interest to remain focused on HIV/AIDS prevention, care, and treatment while leveraging funds from sources cited above.

In the audit report, it states that the USAID/Haiti Mission did not meet the planned outputs for a significant percentage of activities. We disagree with this statement. The audit report states that of the HIV/AIDS activities evaluated, almost 70 percent were meeting or exceeding outputs. The issue for the USAID/Haiti Mission was that 44 percent of all HIV/AIDS activities could not be evaluated since planned outputs were not established by the U.S. government team. This is a direct impact of the security and working environment in Haiti during FY 2004 and 2005 which included chronic instability and violence which had a major impact on the ability of the U.S. government team and its partners to accomplish even basic tasks. Further, because of the insecurity in country, American staff from USAID and the Centers for Disease Control and Prevention (CDC) had to be evacuated from Haiti for months at a time in both 2004 and 2005. The audit report does not acknowledge the working conditions that the U.S. government team faced over the last 18 months.

If your office is planning any subsequent audits of the Emergency Plan, we strongly recommend that the USAID/Washington audit team involved in these past six audits conduct any future audits. It is imperative that the auditors are experienced and

knowledgeable about how the Emergency Plan is structured and operates. The Emergency Plan is currently undergoing a series of audits and evaluations from the Institute of Medicine, the Office of Management and Budget, the Government Accountability Office, and the Department of State's Office of Inspector General, please see attached list. We encourage your office to share your methodology and audit findings with the Inspector General offices of the other Emergency Plan implementing agencies to avoid duplicative work, since these audits and evaluations have put additional stress and strain on both the U.S. government Emergency Plan Washington and field staff.

As you know, the Emergency Plan is very complex and unlike other U.S. government programs. At the direction of the U.S. Global AIDS Coordinator, the Emergency Plan is a closely integrated U.S. government effort involving the Department of State, USAID, the Department of Health and Human Services and others. This integration happens both here in Washington and in-country. The USG in-country teams are responsible for ensuring a unified strategy and voice in working with host governments and local nongovernmental partners. The in-country teams are also responsible for ensuring coordination among other international donors and the Global Fund, and meet regularly with other bilateral and multilateral donors, the relevant host Government offices, and other implementing partners. This coordination on the ground avoids duplication of assistance efforts, eliminates program redundancies, and promotes country program synergies.

In closing, the Office of HIV/AIDS would again like to express its appreciation for the manner in which these audits were conducted and the usefulness of the findings contained therein.

Attachments: Audits and Evaluations of the Emergency Plan

Summary of Audit Recommendations by Audit Objective

Recommendations	Ethiopia	Rwanda	Kenya	Zambia	Haiti	Uganda
Audit Objective One (How has USAID participated in the Emergency Plan)						
No recommendations	**X**	**X**	**X**	**X**	**X**	**X**
Audit Objective Two (USAID partners' activities progressing as expected)						
No recommendations	**X**					
Formulate and implement a plan to increase coordination and knowledge-sharing with and among its partners		✓	✓			
Develop a monitoring plan to strengthen the monitoring of partners' progress			✓		✓	
Develop and implement a new procurement and distribution system for HIV test kits			✓			
Develop a plan to identify alternate sources for HIV test kits in case of unexpected supply disruptions						✓
Require that USAID activity managers maintain documentation of site visits of recipients		✓				
Explore options to reduce the strain on human resources to ensure adequate oversight of activities				✓		
Schedule training for consortium partners in accurately reporting results and maintaining documentation				✓		
Assess the data quality for a prevention activity to determine the remedial action necessary to ensure data quality						✓
Revise targets and update the Performance Management Plan						✓
Determine whether to implement a specific drug management software					✓	
Include clearly defined planned outputs, with completion dates, for all activities in the partners' work plans					✓	
Develop a table or annex template that facilitates performance reporting					✓	
Coordinate with Single Audit Act auditors to review audit coverage					✓	

Recommendations	Ethiopia	Rwanda	Kenya	Zambia	Haiti	Uganda
Audit Objective Three (USAID's activities contributing towards U.S. Government targets)						
No recommendations						**X**
Require that USAID partners develop strategies for the sustainability of their activities	✓		✓	✓		
Coordinate with the U.S Government Emergency Plan team to request funding for nutritional assistance	✓		✓			
Request that a regional USAID office fund HIV/AIDS-prevention activities along the Djibouti side of the border	✓					
Engage the U.S. Government Emergency Plan team to secure additional funds for care targets	✓					
Hold periodic information-sharing sessions with partners to exchange various methodologies	✓					
Assess the quality of the quantitative data provided by USAID's implementing partners and document the assessment		✓				
Recommend to the Emergency Plan team not to open antiretroviral therapy centers until adequate drug supplies are available					✓	
Recommend to the Emergency Plan team to develop an implementation plan for antiretroviral sites					✓	

Audit Recommendations by Mission Audited

Mission	Audit Objective Two (Activities Progressing as Expected)	Audit Objective Three (Activities Contributing Toward U.S. Government Targets)
Ethiopia	No recommendations	• Request that USAID's Regional Economic Development Services Office for East and Southern Africa fund HIV/AIDS-prevention activities along the Djibouti side of the Djibouti-Addis Ababa High-Risk Corridor • Engage the U.S. Government Emergency Plan team to secure the additional funds necessary to attain fiscal year 2005 care targets • Leverage its scarce resources by coordinating with the other Emergency Plan agencies to hold periodic information-sharing sessions for partners to exchange methodologies for decreasing donor dependency, achieving program consistency, and avoiding duplication of effort • Require that its partners develop strategies for the sustainability of their activities • Coordinate with the U.S. Government country team to request Emergency Plan funding for food assistance in connection with treatment programs included in the country operational plan for Ethiopia
Rwanda	• Prepare a plan requiring periodic forums of all Emergency Plan partners to exchange ideas and learn from each other's experiences	• Assess the quality of the quantitative data provided by its implementing partners and document the assessment.

Mission	Audit Objective Two (Activities Progressing as Expected)	Audit Objective Three (Activities Contributing Toward U.S. Government Targets)
	• Develop Mission-specific procedures requiring that site visits of recipients be documented and maintained in activity managers' files	
Kenya	• Develop a monitoring plan—including field site visits and milestones—based on a risk assessment of its partners and their activities • (a) Formulate a strategy to ensure more effective coordination and knowledge-sharing with and among its partners, (b) develop an action plan—including targets and milestones—to enact its strategy, and (c) implement its action plan. • (a) Assess the current procurement and distribution system for HIV test kits, (b) devise a new procurement and distribution strategy that implements the controls necessary to ensure their timely distribution, (c) develop a plan for implementing that strategy, including targets and milestones, and (d) implement the plan.	• 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. • Coordinate with the U.S Government country team to request Emergency Plan funding for nutritional assistance to be provided to malnourished patients receiving antiretroviral treatment that are at greatest risk.
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. • Schedule training for consortium partners in accurately reporting results	• 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.

Mission	Audit Objective Two (Activities Progressing as Expected)	Audit Objective Three (Activities Contributing Toward U.S. Government Targets)
	and maintaining adequate supporting documentation	
Haiti	• Make a determination as to whether or not to implement the drug management software provided by Rational Pharmaceutical Management Plus, and (b) if it decides to implement the software, set a schedule for the implementing the software and a plan for providing support to the users of the software. • Include clearly defined planned outputs, with completion dates, for all activities in the partners' work plans. • Develop and disseminate to partner organizations a table or annex template that facilitates performance reporting and includes clearly-defined progress indicators; (b) provide partner organizations with training such that the partners are able to accurately report on their performance, and (c) recommend to the Emergency Plan team that this be done for all Emergency Plan partner organizations. • Develop a monitoring and evaluation plan that includes evaluating each partner's progress towards meeting Emergency Plan objectives such that accurate and complete program implementation information is ensured and to facilitate timely interventions to improve program results, and	• Recommend to the Emergency Plan team that new antiretroviral therapy centers not be opened unless adequate drugs and other supplies are available. • Recommend to the Emergency Plan team that it develop an implementation plan that takes into account all the key participants, identifies risks and constraints, and puts forward a complete program implementation timeline

Mission	Audit Objective Two (Activities Progressing as Expected)	Audit Objective Three (Activities Contributing Toward U.S. Government Targets)
	(b) recommend to the Emergency Plan team that it develop a similar monitoring and evaluation plan for all Emergency Plan partners. • Coordinate with Single Audit Act auditors to determine whether audit coverage of U.S. based organizations if sufficient, and if not, arrange for additional coverage and/or financial reviews.	
Uganda	• Schedule a data-quality assessment for the performance indicator reporting the prevention of mother-to-child transmission to determine what training and technical assistance is necessary to ensure data quality. • Develop a plan to provide implementing partners with either individual grant authority or other reliable sources of HIV/AIDS test kits in the event of unexpected disruptions in the supply chain. • (1) Revise the performance targets for its implementing partners under Strategic Objective No. 8 to take into consideration current program capabilities and resources, and (2) update its Performance Management Plan to reflect the revised targets.	No recommendations

Worldwide Audit Reports Issued

The following reports were issued as part of the worldwide Emergency Plan audit. The reports are listed chronologically, and are available on USAID/Office of Inspector General's website at http://www.usaid.gov/oig/public/fy05rpts/fy05rpts1.html

Report No. 9-663-05-005-P, Audit of USAID/Ethiopia's Implementation of the President's Emergency Plan for AIDS Relief, March 30, 2005

Report No. 4-696-05-005-P, Audit of USAID/Rwanda's Implementation of the President's Emergency Plan for AIDS Relief, June 10, 2005

Report No. 9-615-05-007-P, Audit of USAID/Kenya's Implementation of the President's Emergency Plan for AIDS Relief, July 21, 2005

Report No. 7-611-05-005-P, Audit of USAID/Zambia's Implementation of the President's Emergency Plan for AIDS Relief, July 27, 2005

Report No. 1-521-05-010-P, Audit of USAID/Haiti's Implementation of the President's Emergency Plan for AIDS Relief, July 29, 2005

Report No. 4-617-05-006-P, Audit of USAID/Uganda's Implementation of the President's Emergency Plan for AIDS Relief, August 1, 2005

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