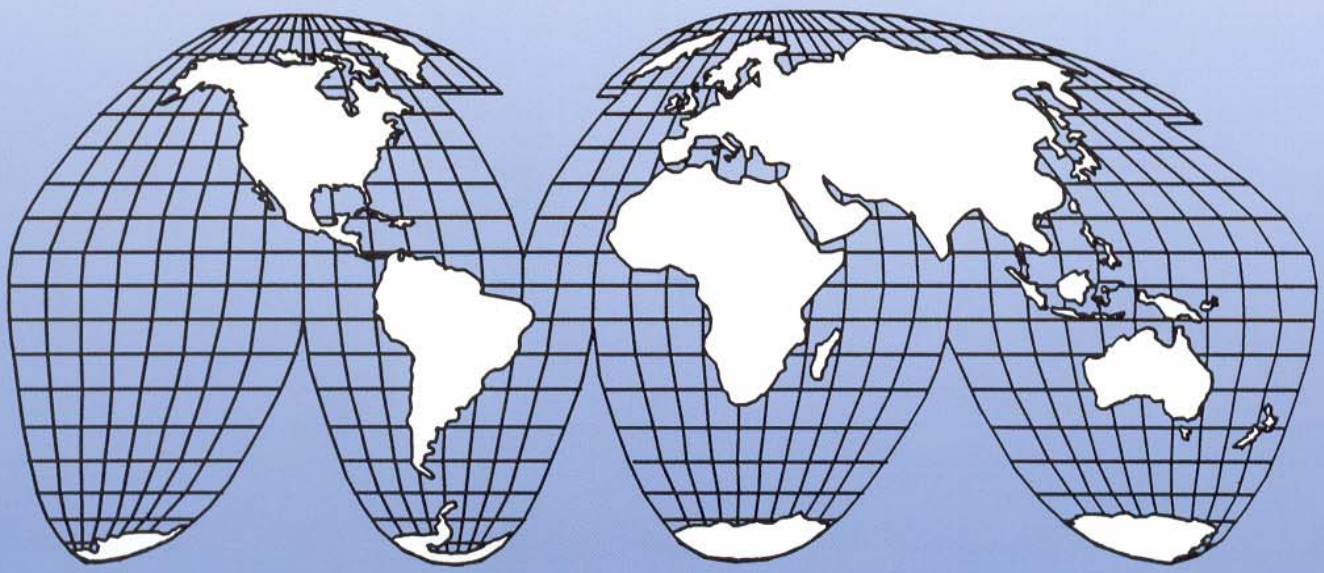
# USAID

## OFFICE OF INSPECTOR GENERAL

# Audit of USAID/Ethiopia's Implementation of The President's Emergency Plan for AIDS Relief

**Audit Report Number 9-663-05-005-P**

**March 30, 2005**



**Washington, D.C.**

March 30, 2005

# MEMORANDUM

**FOR:** USAID/Ethiopia Director, William Hammink

**FROM:** IG/A/PA Director, Nathan S. Lokos /s/

**SUBJECT:** Final Report on Audit of USAID/Ethiopia's Implementation of the President's Emergency Plan for AIDS Relief (Report No. 9-663-05-005-P)

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

This report includes recommendations that USAID/Ethiopia 1) 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, 2) engage the U.S. Government Emergency Plan Team to secure the additional funds necessary to attain fiscal year 2005 care targets, 3) leverage its scarce resources by coordinating with the other Emergency Plan agencies to hold periodic information-sharing sessions for partners, 4) require that its partners develop strategies for the sustainability of their activities, and 5) coordinate with the U.S. Government country team to request Emergency Plan funding for food assistance in connection with treatment programs. In your written comments, you concurred with all five recommendations.

Management decisions have been reached for Recommendations 1 through 4. Moreover, final action has been taken on Recommendations 2 and 3 upon issuance of this report. Please provide documentation supporting final action on Recommendations 1 and 4 to USAID's Office of Management Planning and Innovation.

Regarding Recommendation No. 5, while we commend the Mission for exploring alternatives to address the issue of food needs, we do believe that Emergency Plan funding for food assistance in connection with treatment programs is a potentially important source of funds that should be pursued. Accordingly, a management decision has not been reached for Recommendation No. 5. Please provide written notice within 30 days of any additional actions planned or taken to implement Recommendation No. 5.

I want to express my sincere appreciation for the cooperation and courtesy extended to my staff during the audit.

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## Summary of Results

This audit, performed by the Office of Inspector General's Performance Audits Division, is the pilot in a series of audits to be conducted by the Office of Inspector General. The objectives of this audit were to determine (1) how USAID/Ethiopia participated in the President's Emergency Plan for AIDS Relief activities, (2) whether USAID/Ethiopia's HIV/AIDS activities progressed as expected towards planned outputs in their agreements and contracts, and (3) whether USAID/Ethiopia's HIV/AIDS activities contributed to the overall U.S. Government's Emergency Plan targets. (See page 7.)

As a result of our audit, we concluded that USAID/Ethiopia has a principal role in the President's Emergency Plan for AIDS Relief activities in Ethiopia for HIV/AIDS prevention and care, as well as a major supporting role for HIV/AIDS treatment; its partners were progressing as expected towards meeting planned outputs in their agreements; and USAID/Ethiopia's HIV/AIDS activities are contributing significantly to the overall U.S. Government's Emergency Plan care and treatment targets for fiscal year 2004. (See pages 7, 11, and 15.)

This report includes recommendations that USAID/Ethiopia 1) 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, 2) engage the U.S. Government Emergency Plan Team to secure the additional funds necessary to attain fiscal year 2005 care targets, 3) leverage its scarce resources by coordinating with the other Emergency Plan agencies to hold periodic information-sharing sessions for partners 4) require that its partners develop strategies for the sustainability of their activities and 5) coordinate with the U.S. Government country team to request Emergency Plan funding for food assistance in connection with treatment programs. (See pages 17, 19, 20, 21 and 23.) Management concurred with all five recommendations and management decisions have been reached on four of those recommendations. See page 23 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. pledge to the Global Fund[2] by $1 billion over five years.

[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.

The fiscal year 2004 budget for the Emergency Plan totals $2.4 billion. Of this amount, $43 million is being used primarily in support of quickly expanding integrated prevention, care and treatment programs in Ethiopia, which is one of the 15 focus countries. Ethiopia has a population of 71 million people, of which 1.5 million are infected with HIV. The overall adult prevalence rate[3] was estimated to be 4.4 percent in 2003, with significant regional and urban/rural variations. Due to the lack of infrastructure in rural areas, the capacity to provide services addressing HIV/AIDS is severely limited.

It is estimated that annually, 170,000 HIV-infected pregnant women in Ethiopia give birth and that 60,000 of those newborns are infected with HIV through mother-to-child transmission. Moreover, there are currently 539,000 children in country that have been orphaned due to HIV/AIDS.

The U.S. President and Congress have set aggressive goals for addressing the worldwide 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 by HIV/AIDS, including patients and orphans. The Department of State's Office of the Global AIDS Coordinator (O/GAC)—which coordinates the U.S. Government's (USG) 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 their portion of the assigned targets by the end of five years. The U.S. Government mission in Ethiopia (Emergency Plan Team) committed to achieving the following targets[4] by March 31, 2005:

| Total # Infections Averted | Total # of People Receiving Care and Support | Total # of People Receiving Antiretroviral Therapy |
|---|---|---|
| 61,500 | 92,000 | 15,000 |

The Emergency Plan is directed by the Global AIDS Coordinator 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. 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.

[3] The prevalence rate is defined as the number of cases of a disease during a particular interval of time, expressed as a rate.

[4] The infections averted (prevention) target comes from the Ethiopia fiscal year 2004 Country Operating Plan.

## Audit Objectives

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

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

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

## Audit Findings

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

The President's Emergency Plan work and targets are divided into three broad categories: prevention, care and treatment. USAID/Ethiopia has a principal role in Emergency Plan activities in Ethiopia for prevention and care, as well as a major supporting role for HIV/AIDS treatment. The Mission's efforts in these areas are detailed below.

**Prevention**

The Office of the Global AIDS Coordinator (O/GAC) published guidance dividing the broad category of prevention into the following initiatives:

- Prevention of Mother-to-Child Transmission (PMTCT),
- Abstinence/Be Faithful,
- Medical Transmission/Blood Safety,
- Medical Transmission/Injection Safety and
- Other Prevention.

USAID/Ethiopia had a major role in initiatives 1, 2, and 5.

**Prevention of Mother-to-Child Transmission (PMTCT) –** An estimated 107,000 HIV-infected Ethiopian women gave birth in 2003. Because Ethiopia's healthcare infrastructure is extremely weak, PMTCT programs had to not only include the provision of PMTCT services but also strengthen the physical infrastructure, logistics system and human capacity of each implementation site before the needed services could be provided. Twenty-three sites (10 hospitals and 13 health centers) were selected as pilot sites for the implementation of PMTCT programs. This project, which USAID/Ethiopia helped to establish in conjunction with the Ethiopian Ministry of Health in 2001, is locally known as "The Hareg[5] Project".

**Abstinence/Be Faithful –** USAID/Ethiopia's overall 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/Ethiopia and its partners believe that it is critical to target young people through prevention programs. Accordingly, the Mission funds anti-AIDS clubs to train peer leaders to promote abstinence or delay sexual debut. Other prevention programs include strengthening clinics for counseling and support of pregnant women, church programs, public rallies, and development of multi-media materials to convey prevention messages to young adults.

The goal of abstinence and faithfulness programs is to avoid new HIV infections by reducing high-risk behavior. Many surveys indicate that even though HIV/AIDS awareness is very high in Ethiopia, behavioral change does not necessarily result from increased awareness alone. USAID/Ethiopia's partners have identified the most-at-risk populations, such as youth and taxi drivers, and have found ways to reach these groups to effectively promote behavioral change.

**Other prevention initiatives –** USAID/Ethiopia also has specific initiatives directed at high-risk groups. For example, one partner provides refresher training for bar and hotel owners to support condom use by truck drivers and commercial sex workers who engage in high-risk behavior.

## Care

USAID/Ethiopia is taking the lead in administering the Emergency Plan Team's care programs in Ethiopia. To establish consistency in reporting, the O/GAC published guidance dividing the broad category of care into:

- Voluntary counseling and testing.

[5] The word Hareg is Amharic for a type of vine that grows everywhere, like kudzu, implying a "helping hand."

- Palliative care.

- Care for orphans and vulnerable children.

**Voluntary counseling and testing (VCT) –** VCT is a point of entry for HIV/AIDS care, prevention and treatment programming. VCT serves a variety of purposes, one of which is determining eligibility for services. For this reason, USAID/Ethiopia's goal was to establish an additional 208 VCT sites in FY 2004.

Although USAID/Ethiopia had been assisting the Government of Ethiopia in laying the foundation for care programming several years prior to when the Emergency Plan was initiated in 2003, all existing U.S. HIV/AIDS programs in the 15 focus countries became part of the Plan. In order to accelerate results in these countries, the O/GAC both initiated new activities and provided funding to augment existing HIV/AIDS programs. During 2004, USAID's 10 existing care programs in Ethiopia received funding increases totaling approximately $7.7 million, and USAID successfully launched 23 new Voluntary Counseling and Testing sites at the health center level.

As mentioned previously under "Prevention," USAID is collaborating with the host government to strengthen VCT sites in conjunction with PMTCT services at 23 prenatal clinics as part of the Hareg project. VCT is a prerequisite for PMTCT services. A pregnant woman who tests positive for HIV/AIDS is provided counseling in ways to reduce the risk of spreading the virus. The primary inducement for women to agree to testing is the opportunity to receive nevirapine,[6] an FDA-approved drug that reduces the risk of transmission of the AIDS virus from mother to child from 50 percent to 25 percent. While the U.S. Government ramps up its other antiretroviral treatment, 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.[7]

**Palliative care –** Since most of USAID's palliative care programs rely on the unpaid services of community volunteers, USAID supplies volunteers with medical kits and some training. Due to the stigma and discrimination surrounding HIV/AIDS, people throughout Ethiopia are reluctant to admit being positive.

USAID also supports the Missionaries of Charity, an organization founded by Mother Theresa that established 15 hospices in Addis Ababa and throughout Ethiopia to provide palliative care to the destitute. Actual services provided under

[6] Recent concerns about the safety of nevirapine have proven to be false, according to the National Institutes of Health (NIH) and the World Health Organization. According to NIH, single-dose nevirapine is a safe and effective regimen for blocking mother-to-infant HIV transmission.

[7] If the mother tests HIV-positive, the health facility will give nevirapine to the mother at the onset of labor, and then give it to the child within 72 hours after birth.

the category of care and support varies widely, but all of USAID's partners told us that food aid is the essential factor for extending the life of people living with HIV/AIDS. As this report discusses more fully under the treatment section of Objective No. 3, food aid is essential for prolonging life and averting opportunistic infectious diseases.

**Care and Support for Orphans and Vulnerable Children** - This is an important component of the overall Emergency Plan agenda. As a result of the high numbers of parents dying from HIV/AIDS, there are over 539,000 children orphaned by HIV/AIDS in Ethiopia. These children need financial support to pay for food, housing, school fees, and health care. USAID has four partners that carry out programs to provide assistance to orphans. Instead of building orphanages to care for these children, USAID and its partners have found it is more effective to place the children with families in the community. The Regional Government of Tigray in partnership with NGOs working in this area has standardized the amount that each orphan receives for their support at 100 birr per month (about $13). Some of USAID's partners encourage orphans to buy livestock with their monthly allowance to establish an ongoing means of support in case funding is reduced or stops.

## Treatment

USAID is playing a major supporting role in administering the Emergency Plan Team's treatment programs in Ethiopia. Treatment reporting categories were divided into (1) antiretroviral (ARV) drugs, (2) ARV Services and (3) laboratory infrastructure.

**ARV drugs** – USAID/Ethiopia selected Rational Pharmaceutical Management Plus (RPM Plus) to develop a procurement plan for acquiring ARV drugs. The primary objective of the procurement plan is to ensure that essential items for PMTCT and Antiretroviral Therapy (ART) are available at project sites. RPM Plus was given responsibility for the procurement of all ARVs in Ethiopia under the Emergency Plan. At the time of our audit, procurement of ARVs was done by private importers for fee-paying patients. RPM Plus planned to coordinate the process of selection and quantification of ARVs to be obtained and assure that this list of products reflects Ethiopian treatment guidelines, program priorities and available funding.

**ARV Services** - In Ethiopia, the public sector has minimal experience in storing and distributing ARVs. Distribution of the ARV drugs involves several steps that include receipt, custody, storage, control and issuance of those drugs. The ARV distribution system under RPM Plus's agreement requires timely reporting. The Ethiopian government's current capacity to handle the distribution of ARVs for the Emergency Program is limited. Therefore, RPM Plus provides technical and material assistance so facilities can strengthen their overall capacity to safely and securely:

- store drugs.
- distribute drugs.
- monitor stocks of drugs.
- maintain accurate and timely records.
- ensure the quality of drugs in stock.

Efforts include a plan to strengthen the health information system so that it can, among other things, feed information from pharmacy dispensaries into the overall HIV-monitoring system, thereby limiting the recording and reporting burden of health facilities. This is important because a proper record-keeping system serves many purposes such as providing the accurate data required for future procurements, patient tracking, and adherence to treatment regimes.

**Laboratory infrastructure** – The RPM Plus work plan also includes requirements for improving the infrastructure of selected pharmacies, drug stores and laboratories to ensure security and quality of PMTCT/ART and related products provided under the program. Computers and appropriate stock management software will be provided. The importance attached to storage is very high. Storage conditions affect the safety and quality of drugs: if drugs are stored in humid and unventilated conditions their stability is compromised. Moreover, some drugs have to be refrigerated during transport and storage, which is another concern that must be addressed. Finally, infrastructure plans call for supplying space to provide confidential treatment and counseling.

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

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

**Prevention**

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

**Prevention of Mother-to-Child Transmission (PMTCT)** - One of USAID's prevention partners, Intrahealth, has a program to establish a full package of PMTCT community and clinical training at 13 health centers and community training at 10 hospitals to support the USG activities. We visited two PMTCT clinics in Axum. In one of those clinics, 600 pregnant women had been counseled, 295 had been tested and 23 were found to be HIV-positive. Of the 23 who tested positive, 8 opted to use nevirapine. At the second clinic, 236 women had been HIV-tested in the prior 6 months: 12 tested positive and 5 took nevirapine.

**Abstinence/Be Faithful** - The abstinence and faithfulness partners had planned a number of activities focused only on promoting abstinence and faithfulness, whereas some other partners also endorsed condoms. These activities included, but were not limited to, youth clubs, Orthodox Church rallies,[8] and leadership training for taxi drivers and police officers. We observed a John Hopkins University Health Communications Partnership training session of youth club leaders in Mekele. These youth ranged from approximately 18 to 30 years old. At the end of the session, participants reported that they believed they were capable of training other people in the lessons they had learned.

**Other prevention initiatives** - Three partners had programs concentrating on most-at-risk populations, such as vulnerable women. The Relief Society of Tigray (REST), a local NGO, provided print materials, advocacy and peer education, and condom education and distribution. We visited a REST anti-AIDS club in Workru for girls 15 to 24 years old. At this club, 82 girls meet twice a week and participate in dramas, poems and debates on HIV/AIDS.

## Care

We found that USAID/Ethiopia's care partners were progressing as expected towards meeting planned 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, we noticed that the indicators for palliative care and OVC were too vague and that some terms were undefined so as to prevent meaningful interpretation of results. For example, one output indicator was to "improve the lives of 4,500 OVC and their families/caregivers in 6 communities." USAID/Ethiopia told us that the Office of the U.S. Global AIDS Coordinator (O/GAC) plans to address this problem by developing clear indicators for OVC

[8] The Ethiopian Orthodox Church plans to deliver public rallies to approximately 3 million people, of which at least 3 rallies had been conducted by September 30, 2004. The Patriarch of the Ethiopian Orthodox church will lead at least five of the rallies.

and palliative care in fiscal year 2005, as well as clear guidance for defining, for example, a "vulnerable child". As of January 2005, O/GAC had created a working group–which includes representatives from USAID—to develop this guidance.

**Voluntary Counseling and Testing –** USAID maintained two agreements to develop VCT services in urban and rural health centers. We met with several rural health workers at USAID-funded clinics[9] who were strongly committed to promoting VCT, despite the fact that they face a difficult battle against the stigma associated with HIV/AIDS testing. During a visit to a rural health center in a remote region of Ethiopia, we verified that this commitment was matched by careful record-keeping. When we asked to see the patient log for a VCT project, we observed that the records were locked securely in a filing cabinet to which only two people had access and that patients were assigned numbers to protect their privacy. The health workers maintained the records carefully and neatly, even though the data indicated that most women who received counseling were not willing to be tested. We noted that the outputs tracked in the ledger, such as "number of women who received counseling and agreed to be tested," matched the partner's reporting data exactly.

**Palliative care –** USAID/Ethiopia provided funding to Catholic Relief Services to support 15 HIV/AIDS hospices in Ethiopia. During our visit, we toured two of these hospices, one in the capital city and the other in a rural area. We observed activities such as food preparation and occupational therapy, as well as the administration of traditional palliative care for patients who were very near death. While the need for palliative care in Ethiopia is far greater than the capacity of these homes, the facilities were efficient, well-managed and staffed by dedicated nuns.

USAID/Ethiopia maintained agreements with two partners to develop home-based palliative care services in local communities. As part of our fieldwork, we accompanied unpaid volunteers to the homes of patients. The volunteer's role was to bring food, assist with pain management, and help with the laundry and cleaning. We learned that volunteers are important because, often when a person becomes visibly sick with HIV/AIDS, they are rejected by friends and family due to the stigma associated with HIV and AIDS. We observed first-hand that the home-bound patients relied on the visits from volunteers for their survival. The volunteers demonstrated a good knowledge of each patient's condition, reflecting long-term care-giving relationships. Moreover, the volunteers told us that the semi-professional medical training they received from USAID's partners, along with their medical kits, were important to the quality of service they were able to provide.

[9] We met with nurses who worked in rural maternity clinics that were partially funded by USAID through partners such as Family Health International or Save the Children.

**Care for Orphans and Vulnerable Children (OVC) -** USAID/Ethiopia maintained agreements with three partners to support programs to improve the lives of 10,000 orphans and caregivers in semi-urban and urban communities. We visited the home of one HIV/AIDS orphan and saw the cow she was encouraged to purchase with her OVC support. The cow had recently given birth to a calf. The cow should provide a regular and sustained source of income.

**Photograph taken November 16, 2004 by an OIG auditor of a child orphaned by HIV/AIDS. The cow was provided by a government program to provide a means of sustainable support.**

We also met with two church groups of orphans and their caretakers. Instead of encouraging orphans to purchase livestock, this USAID partner was providing direct financial support to orphans so they could pay for health care, education and food. (See page 19 for a discussion on how information-sharing between USAID's partners can enhance program sustainability.)

## Treatment

USAID/Ethiopia's partner, RPM Plus, was progressing as expected towards the planned outputs in its agreement. RPM Plus helped to determine the quantities of antiretroviral drugs (ARVs) to be procured with USG funds by providing relevant country-specific information, comments and organizing telephone conferences between the Ethiopian Ministry of Health (MOH), USAID, and Centers for Disease Control and Prevention (CDC) to discuss drug selection and quantification. At the time of our field visit, the USAID mission was in the process of purchasing the ARVs. The ARVs were subsequently purchased and were to be shipped to Ethiopia in two consignments, one expected to be delivered in December and the other by February/March 2005. The $3 million of procured

ARVs would be the estimated amount required to treat 15,000 persons for six months, including a one-month safety stock.

RPM Plus also worked to improve the infrastructure of selected pharmacies, drug stores and laboratories in order to make sites ready for the initiation of ART. This activity consisted primarily of technical assistance, such as preparing renovation plans for the pharmacies and drug stores of hospitals and health centers. We 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 ARV treatment, once drugs were available. We toured the hospital's VCT facility, the PMTCT center and the HIV/AIDS testing laboratory and met with hospital doctors. They estimated that 50 percent of their patients were HIV-positive.

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

USAID/Ethiopia's HIV/AIDS activities are contributing significantly to the overall U.S. Government's Emergency Plan care and treatment targets for fiscal year 2004. In the area of prevention, however, O/GAC is reviewing its methodologies for measuring the impact of prevention activities on ABC targets, which comprise 94 percent of prevention targets. Accordingly, it was not possible to determine USAID's contribution to those targets. Nevertheless, for care, USAID/Ethiopia's activities contributed 45 percent of the Emergency Plan Team's targets for palliative care, 150 percent of the OVC activities and 88 percent for VCT. In the area of treatment, USAID played a major supporting role by completing the procurement of the necessary ARV drugs needed for treating HIV/AIDS patients.

USAID/Ethiopia's important role in meeting Emergency Plan targets is also reflected in the fact that it received $24.3 million out of the $43.0 million budgeted for the overall U.S. Government effort in Ethiopia. While the Emergency Plan Team should have no trouble meeting most of its fiscal year 2004 targets that are due March 2005[10], as discussed below, there are potential impediments to achieving targets for future years.

**Prevention**

O/GAC is planning to perform a survey to determine whether prevention targets in Ethiopia have been achieved. However, this survey will not take place until 2006, at the earliest. In the absence of such a survey, we could not determine USAID/Ethiopia's contribution to the USG's target of preventing 61,500 infections (58,000 non-PMTCT and 3,500 PMTCT). For fiscal year 2004 prevention activities, USAID received $8.0 million (of which $2.8 million was for

[10] While we did not find any O/GAC directive stating the March 2005 deadline, Mission Officials and most partners stated that they were working towards meeting this timeframe.

providing PMTCT services) out of the $11.8 million budgeted for the U.S. Government in Ethiopia.

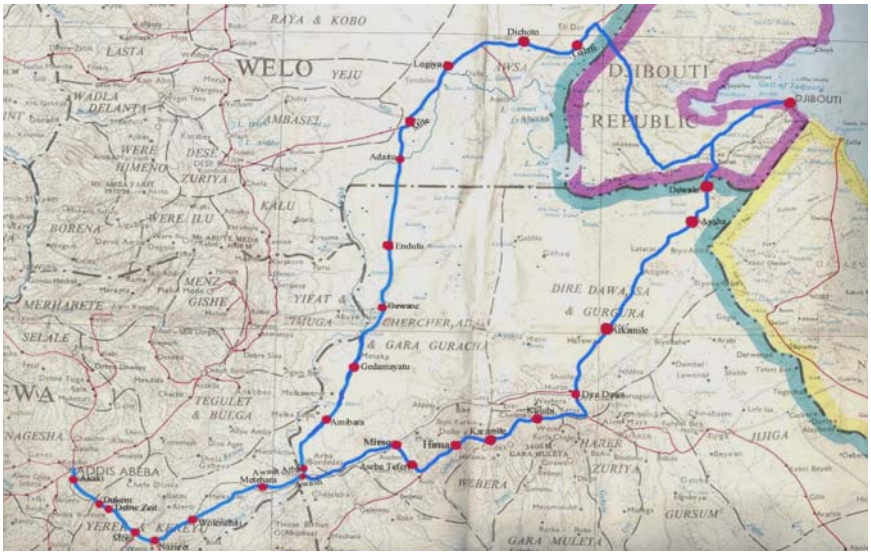
Nevertheless, we did determine that the reported number of PMTCT-prevented infections fell significantly short of the target of 3,500. The number of pregnant women who received a complete course of antiretroviral prophylaxis (nevirapine) in a PMTCT setting, reported as of September 30, 2004, was 143. Even if PMTCT infections were prevented in all 143[11] cases, the number of PMTCT infections prevented would fall significantly short of the 3,500 target.

In the future, meeting PMTCT targets could be increasingly challenging. The PMTCT target increases to 10,000 in fiscal year 2005 and 44,000 at the end of the Emergency Plan (2008). Since only 6 to 10 percent of Ethiopian women give birth in a health facility, it will become more difficult to draw enough pregnant women to PMTCT clinics to be tested and if HIV-positive, to offer them the nevirapine option and have an increasing number of women take nevirapine. Moreover, the USAID/Ethiopia activities on the Djibouti-Addis Ababa High-Risk Corridor were extended until 2008. However, since December 2004, the activities have been limited to the Ethiopia side of the border, which could also hinder USAID/Ethiopia's progress in contributing to Emergency Plan targets.

**Part of an Important Emergency Plan Prevention Program Ended as of December 2004**

Ethiopia is a land-locked country and Djibouti, a neighboring country, has the only port servicing all of Ethiopia. As a result, the two major transportation routes between Addis-Ababa and the port in Djibouti are heavily traveled. This stretch of highway is called the Djibouti-Addis Ababa High-Risk Corridor (Corridor). The original HIV/AIDS prevention program in both countries along the Corridor began in 2001, under an agreement between USAID/Ethiopia and Save the Children USA. At that time there was no USAID Mission in Djibouti.

[11] The total of 143 represents the number of women treated by USAID/Ethiopia in conjunction with the Centers for Disease Control. We were unable to determine USAID's precise role because the figure comes from the Government of Ethiopia, Intrahealth and JHPIEGO (a CDC partner). Intrahealth, a USAID partner, assists in the process of reporting this data, and the figure is reflected in its October 2004 report. Ultimately, the figure of 143 could be traced, via regional health centers, to individual health centers.




**Map of Djibouti-Addis Ababa High-Risk Corridor**

USAID/Ethiopia has identified the Corridor as an important area to concentrate prevention programs in its five-year Emergency Plan strategy. Truck drivers have a high risk of becoming infected with HIV/AIDS from commercial sex workers along the route and in Djibouti City and then spreading the virus along the Corridor into Ethiopia.

In 2004, USAID opened a mission to Djibouti. As a result, USAID/Ethiopia was no longer able to fund the Djibouti portion of the High-Risk Corridor Program. Moreover, since Djibouti is not an Emergency Plan focus country, it receives no Emergency Plan funds which could be applied to prevention programs. Consequently, the effectiveness of USAID/Ethiopia's prevention programs may be compromised by persons entering the country via the Corridor from Djibouti, who have not learned how to prevent the transmission of HIV/AIDS or reduce risk behavior. This vulnerability could hinder USAID/Ethiopia's progress in contributing to Emergency Plan prevention targets.[12] We are making the following recommendation to address this situation.

**Recommendation No. 1: We recommend that USAID/Ethiopia 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.**

[12] O/GAC officials noted that they were aware of a similar situation in Zambia and recommended that USAID/Ethiopia officials consult with their colleagues at USAID/Zambia.

## Care

USAID/Ethiopia's HIV/AIDS activities are making a major contribution to the overall U.S. Government's Emergency Plan targets for care. To meet targets in the area of care, the Emergency Plan Team has relied heavily on USAID's long-term experience administering HIV/AIDS activities in Ethiopia. In fact, USAID is contributing almost all of the reporting data towards U.S. Government care targets in that country. As the chart below indicates, USAID contributed 94 percent of the Emergency Plan results reported as of September 30, 2004 for palliative care, and 100 percent of the results under both OVC and VCT. As of September 30, 2004, USAID had already achieved 45 percent of the U.S. Government targets for palliative care, 150 percent for OVC activities and 88 percent for VCT.

In terms of funding for fiscal year 2004 care activities, USAID received $8.7 million out of the $10.5 million budgeted for the Emergency Plan Team in Ethiopia.

| | USG Target 03/31/05 | USAID's Contribution 09/30/04 | Other USG Contributions 9/30/04 | Total USG Progress 9/30/04 | USAID's Contribution as a percent |
|---|---|---|---|---|---|
| Individuals receiving palliative care | 32,000 | 14,465 | 962 | 15,427 | 94% |
| OVCs served by program | 10,000 | 15,055 | 0 | 15,055 | 100% |
| Individuals receiving counseling and testing | 50,000 | 44,028 | 0 | 44,028 | 100% |

While the U.S. Government appears to be well on the way to achieving the fiscal year 2004 Emergency Plan care targets in Ethiopia, care targets are more than doubling for fiscal year 2005 while the funding for these activities remains static. We have two recommendations for how USAID/Ethiopia can leverage scarce resources to maximize the impact of current funding levels.

### Achievement of Future Care Targets is at Risk

While the U.S. Government appears to be well on the way to achieving its fiscal year 2004 Emergency Plan care targets in Ethiopia, USAID/Ethiopia's care partners told us that they are concerned about meeting fiscal year 2005 targets. The target number of people receiving care and support is expected to increase from 92,000 in fiscal year 2004 to 213,000 in fiscal year 2005, yet overall funding

for care activities in Ethiopia for fiscal year 2005 has not significantly increased from fiscal year 2004 levels.

According to Mission officials, despite an overall increase in Emergency Plan funding in Ethiopia from $43 million in fiscal year 2004 to $61 million in fiscal year 2005, funding for care has remained relatively static because the Ethiopia Emergency Plan Team applied a significant amount of that increase to treatment and abstinence programs. The fact that care targets are increasing by 121,000 or 132 percent while funding for care activities is only minimally increasing indicates that care funding for fiscal year 2005 may be inadequate and that USAID/Ethiopia's—and its partners'—ability to achieve these targets may be at risk.[13] Since O/GAC officials have indicated that mandatory funding allocations are to be applied to the life of the Emergency Plan and not on an annual basis, the Ethiopia country team has some leeway for how it allocates annual funding between care, prevention and treatment programs. As a result, we are making the following recommendation addressing the funding of Emergency Plan care activities in Ethiopia.

**Recommendation No. 2: We recommend that USAID/Ethiopia engage the U.S. Government Emergency Plan Team to secure the additional funds necessary to attain fiscal year 2005 care targets.**

### Periodic Information-Sharing Sessions Would Leverage Scarce Resources

While visiting project sites, we observed that USAID/Ethiopia's partners were not fully aware of each other's programs. We believe that one factor contributing to this situation was that neither the Mission nor the U.S. Government Emergency Plan Team was holding meetings where all of their Emergency Plan partners gathered to disseminate information. Accordingly, USAID/Ethiopia's partners could not capitalize on all potential efficiencies. For example, when the Director of the International Orthodox Christian Charities (IOCC) Emergency Plan care activity in Ethiopia discovered that Health Communication Partnership had developed a multimedia training course for youth group leaders, he expressed an interest in using those course materials for IOCC training sessions.

We believe that USAID/Ethiopia and its partners may be able to achieve greater efficiency and magnify the impact of scarce funding by facilitating the exchange

[13] In their response to our draft report, USAID/Ethiopia officials noted that the fiscal year 2005 Emergency Plan budget for basic palliative care services in Ethiopia was 14 percent higher than the fiscal year 2004 budget. However, this pales in comparison to the 132 percent increase in care targets. The Mission also indicated that a fiscal year 2005 supplemental budget request including additional funding for care services had been submitted to O/GAC in February 2005.

of information among HIV/AIDS partners. Consequently, we are making the following recommendation.

> **Recommendation No. 3: We recommend that USAID/Ethiopia leverage its scarce resources by coordinating with the other Emergency Plan agencies to hold periodic information-sharing sessions for all Emergency Plan partners to exchange methodologies for decreasing donor dependency, achieving program consistency and avoiding duplication of effort.**

### Partners Should Develop Strategies For Sustainable Activities

Sustainability is an important concept in development. By definition, sustainable development activities continue providing benefits beyond the initial donor funding. On the other hand, the benefits of non-sustainable development activities do not necessarily continue into the future.

The importance of sustainability is recognized in the five-year strategy for the Emergency Plan. One of the strategic principles in that plan aims to develop sustainable HIV/AIDS health care networks. By being sustainable, the benefits provided by those networks should continue well beyond the five years covered by the plan.

Despite a conceptual commitment to sustainability in the Emergency Plan strategy, USAID/Ethiopia and its partners shared their concern that insufficient consideration had been given to the issue of sustainability, primarily because there was a rush to program Emergency Plan funds in order to hasten results. Consequently, sustainability has not been as thoughtfully and deliberately planned into all Emergency Plan activities in Ethiopia as is USAID's standard practice.

However, this is not to say that USAID has not encouraged sustainability in some cases. For example, we saw how a care project was incorporating sustainability when we visited an HIV/AIDS orphan in a remote Ethiopian village that suffered from chronic food shortages. One USAID/Ethiopia care partner encouraged families caring for orphans to buy livestock in lieu of receiving a stipend to establish an on-going livelihood. As a result, these families will have a means of income that outlast the term of the monthly stipends to orphans provided by another USAID/Ethiopia partner. 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 well not extend beyond the completion of the activities. Therefore, we are making the following recommendation addressing the issue of sustainability.

**Recommendation No. 4: We recommend that USAID/Ethiopia require that its partners develop strategies for the sustainability of their activities.**

## Treatment

USAID/Ethiopia's HIV/AIDS activities are contributing a major supporting role to the overall U.S. Government's Emergency Plan targets for treatment. The USG target for HIV/AIDS treatment in Ethiopia is to provide 15,000 patients with Antiretroviral Therapy (ART) services in 25 hospitals by March 31, 2005. USAID/Ethiopia met its goal to identify and procure ARV drugs for treating HIV/AIDS patients, but, as of December 2004, the Emergency Plan Team was still working towards meeting its target of 15,000 patients receiving ARV by March 31, 2005. USAID and its USG partners believed that they would meet that target because (1) based on a readiness criteria, 20 out of a planned 25 hospitals met the minimum criteria to start ARV treatment, (2) the ARVs were purchased and the first shipment was expected to arrive in December 2004, and (3) there were a sufficient number of people already tested (200,000 in Addis Abba alone) to provide a pool of HIV-positive patients ready for treatment. In terms of funding for fiscal year 2004 treatment activities, USAID/Ethiopia received $5.5 million out of the $12.6 million budgeted for the U.S. Government effort in Ethiopia of which approximately $3 million is for procurement of ARV drugs.

Even though the USG partners are progressing towards meeting the Emergency Plan target for treatment, they face numerous challenges in meeting future targets. The Emergency Plan Team's five-year goal is have 210,000 individuals receiving ARV treatment by 2008. One challenge for Ethiopia is its limited human capacity to deliver this treatment. The current delivery model is to only provide ARVs through physicians at specified hospitals.[14] According to CDC officials, the country has about 2,000 doctors, of which 300 or so are in the private sector, for a population of 70 million. The country graduates about 180 general practitioners a year, many of whom go into specialties. In contrast, the country has an estimated 12,000 to 14,000 nurses.

[14] Current Ethiopian Ministry of Health policy stipulates that ARVs will only be distributed by physicians.

**Photograph taken November 17, 2004 by an OIG auditor of a Hospital in Tigray. This Hospital has 120 beds, 17 nurses and 7 doctors to serve 1.2 million people.**

The Emergency Plan Team hopes to address this issue through policy changes to the ART delivery model. The team hopes to foster change from the current physician-focused model to a team-based approach by 1) extending the responsibilities of professionals such as nurses and 2) developing new cadres of service providers. Another challenge to successful treatment is providing proper nutrition as part of the treatment program. This issue is discussed in detail below.

**Food Aid Funding Should Be Requested For Emergency Plan Treatment Programs**

In the Emergency Plan legislation, Congress recognized the importance of good nutrition, noting that healthy and nutritious foods for individuals infected or living with HIV/AIDS are an important complement to HIV/AIDS treatment. However, USAID/Ethiopia—as well as the Emergency Plan Team in Ethiopia—did not include food assistance in its country operation plans, an omission which may diminish the effectiveness of its treatment programs. While Mission officials and partners recognize the importance of good nutrition in the treatment of HIV/AIDS in Ethiopia—which suffers periodic droughts and famines—they were under the impression that O/GAC's policy was to not fund food aid with Emergency Plan funds. However, when queried, O/GAC officials stated that funding food assistance in connection with treatment programs was a legitimate use of Emergency Plan funds. Accordingly, USAID/Ethiopia—and the Emergency Plan Team—should incorporate a food assistance component into its treatment programs when formulating its annual country operation plan, which we address in the following recommendation.

**Recommendation No. 5: We recommend that USAID/Ethiopia 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.**

## Evaluation of Management Comments

In its response to our draft report, USAID/Ethiopia concurred with our recommendations and described the actions taken and/or planned to address our concerns. The Mission's comments and our evaluation of those comments are summarized below.

In addressing Recommendation No. 1, the Mission indicated that it plans to resume a dialogue with REDSO/ESA on how to continue complimentary HIV/AIDS prevention and care efforts on the Djibouti side of the Djibouti-Addis Ababa High-Risk Corridor. Specifically, the Mission plans to hold a conference call with REDSO/ESA on this issue and to discuss it further with REDSO/ESA representatives at the Emergency Plan annual meeting in May 2005. We believe that a management decision has been reached on this recommendation.

In addressing Recommendation No. 2, the Mission reported that the fiscal year 2005 budget for basic palliative care services had increased by approximately 14 percent over the fiscal year 2004 budget. It also indicated that a supplemental budget request including an additional $1.5 million for care services had been submitted. Based on this information, we believe that a management decision has been reached and that final action has been taken on this recommendation upon issuance of this report.

In addressing Recommendation No. 3, the Mission indicated that Emergency Plan partners had been invited to serve as permanent members of working groups that meet weekly to focus on care, prevention, treatment and strategic information. These weekly meetings would appear to provide a regular forum where the partners could share information. Accordingly, we believe that a management decision has been reached and that final action has been taken on this recommendation upon issuance of this report.

In addressing Recommendation No. 4, the Mission explained that sustainability was the cornerstone of all of its activities and cited an example of how it included an exit strategy in two of its fiscal year 2004 solicitations. It also stated that by June 2005, the USAID/Ethiopia HIV/AIDS Team planned to work with the Agreement Officer to review existing HIV/AIDS cooperative agreements to determine if they could be revised to incorporate an exit strategy, which would include a plan for sustainability. We believe that a management decision has been reached on this recommendation.

In addressing Recommendation No. 5, the Mission notes that it has entered into a dialogue with the World Food Programme and Food for Peace to address the issue of food needs and to identify food supplementation sites that can better integrate HIV/AIDS and treatment services. The Mission also points out that it has formed an internal working team to develop a coordinated request for Food for Peace Development Assistance Program in support of HIV/AIDS. We believe that the Mission's efforts in this area are commendable. However, as previously mentioned in this report, O/GAC officials have indicated that funding food assistance in connection with treatment programs was a legitimate use of Emergency Plan funds. While we acknowledge USAID/Ethiopia's dialogue with the World Food Programme and Food for Peace, we believe that Emergency Plan funds remain an untapped potential resource and that the Mission should still attempt to request Emergency Plan funding food assistance in connection with treatment. Consequently, a management decision has not been reached on this recommendation.

Management's comments are included in their entirety in Appendix II. (See page 27.)

## Scope and Methodology

### Scope

The Performance Audit Division of the Office of Inspector General conducted this audit in accordance with generally accepted government auditing standards. Fieldwork for this audit was performed at the USAID Mission in Ethiopia, various Emergency Plan sites within Ethiopia and offices in Washington, D.C. between November 4, 2004 and January 14, 2005.

This pilot audit was the first of a series of worldwide audits to be conducted by the Regional Inspector General offices. It was designed to answer the following three questions: (1) How has USAID/Ethiopia participated in the President's Emergency Plan for AIDS Relief activities? (2) Did USAID/Ethiopia's HIV/AIDS activities progress as expected towards planned outputs in their grants, cooperative agreements and contracts? (3) Are USAID/Ethiopia's HIV/AIDS activities contributing to the overall U.S. Government's Emergency Plan targets?

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

In conducting our audit, we assessed the effectiveness of USAID/Ethiopia'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/Ethiopia's process for monitoring its partners' progress and reporting; and

- USAID/Ethiopia's partners' process for compiling regional data to its country-level reports.

### Methodology

To answer audit objective one, we reviewed USAID/Ethiopia's Country Operational Plan, interviewed contracting technical officers and partners, and reviewed other pertinent documentation. To answer audit objective two, we interviewed responsible Mission officials and in-country partners, as well as 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.

Additionally, we interviewed USAID officials in Washington, D.C. as well as its international partners providing program services to Ethiopia. We reviewed

Mission-maintained work plan files and progress reports of implementing partners to compare planned outputs with progress. 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 this audit since it was not considered to be applicable given the qualitative nature of the audit objective, which focused on the USAID's participation, progression and contribution towards the overall U.S. Government's Emergency Plan targets.

## Management Comments

MEMORANDUM

Date: March 25, 2005

To: Nathan S. Lokos, IG/A/PA Director

From: William Hammink, USAID/Ethiopia Director /s/

Subject: Mission Comments on Report No. 9-663-05-00X-P (Audit of USAID/Ethiopia's Implementation of the President's Emergency Plan for AIDS Relief)

This memorandum contains USAID/Ethiopia's comments on the subject audit report transmitted on March 15, 2005. We greatly appreciate your insights, thoughtful assessment, and understanding of the complexities of addressing HIV/AIDS in Ethiopia. The following is a discussion of the actions taken by USAID/Ethiopia in response to the recommendations. It should be noted that because all HIV/AIDS programs, including those managed by USAID, are now implemented within the broader rubric of PEPFAR the USAID Mission at times does not have the latitude to take unilateral action. Therefore, the Mission respectfully suggests that this and subsequent audits also be provided to the Office of the Global AIDS Coordinator (OGAC).

**Recommendation No. 1: We recommend that USAID/Ethiopia request that USAID's Regional Economic Development Service Office for East and Southern Africa (REDSO) fund HIV/AIDS prevention activities along the Djibouti side of the Djibouti-Addis Ababa High-Risk Corridor.**

**Action Taken:** USAID/Ethiopia has long recognized that inadequate resource provision on the Djibouti side of Djibouti-Addis Ababa High-Risk Corridor compromises the Mission's ability to prevent and reduce HIV/AIDS in Ethiopia. For this reason, USAID/Ethiopia welcomes the above recommendation and will continue to advocate for the extension of HIV/AIDS prevention and care activities in the corridor region.

USAID/Ethiopia in April 2004 began discussions with the REDSO/ESA Deputy Director and the REDSO/ESA HIV/AIDS team leader about the need to continue programming along the corridor. These discussions resulted in a USAID/Ethiopia and REDSO/ESA joint visit to the High Risk Corridor Initiative (HRCI) sites in Djibouti City. During the trip, USAID/Ethiopia briefed REDSO/ESA on the importance of the HRCI activities to both Ethiopia and Djibouti in curbing the spread of HIV/AIDS among the corridor's highly-mobile, at-risk populations.

With the opening of the Djibouti Mission, USAID/Ethiopia no longer can fund the VCT and care services activities in Djibouti and had advocated that REDSO/ESA assume this responsibility. Unfortunately, REDSO/ESA has indicated that no HIV/AIDS funds were available for this purpose.

Based upon the above recommendation, USAID/Ethiopia plans to resume dialogue with REDSO/ESA on how to continue complimentary HIV/AIDS prevention and care efforts on the Djibouti side of the corridor. USAID/Ethiopia forwarded to REDSO/ESA and USAID/Djibouti the draft audit report along with a request for subsequent dialogue to explore the possibility of a coordinated corridor response. The Mission is proposing that a conference call be held by April 15, 2005, to discuss any change in REDSO/ESA's current or future availability of funding for corridor activities. Additionally, we will continue our dialogue with REDSO/ESA at the PEPFAR Annual Meeting in May, where time can be set aside to meet with those REDSO/ESA representatives in attendance.

We believe that the Mission has taken all actions within its span of control to address this recommendation and request that IG/A/PA close Recommendation No. 1 accordingly.

**Recommendation No. 2: We recommend that USAID/Ethiopia engage the U.S. Government Emergency Plan Team to secure the additional funds necessary to attain fiscal year 2005 care targets.**

**Action Taken:** We appreciate the auditor's assessment that adequate funding is required to reach our FY05 care targets, and fully support the recommendation. However, we find it necessary to clarify some of the points made.

First, the audit contends that there was no increase in funding for care activities from FY04 to FY05 when, in fact, the budget for basic palliative care services increased over the period by $659,600, rising from $4,685,400 to $5,345,000.

Second, while it may be true that mandatory funding allocations are to be applied over the life of the Emergency Plan, OGAC also mandates that we adhere to annual earmarks. We will seek clarification from OGAC on this matter at the PEPFAR Annual Meeting.

Finally, to meet its care targets, the audit suggests that USAID/Ethiopia consider re-allocating existing funding from prevention and treatment to care services. However, the increase in targets and the corresponding increase in required funding for all program categories make this suggestion challenging to enact.

Nevertheless, USAID/Ethiopia recognizes the need for additional care funding as evidenced by the FY05 supplemental that was submitted to OGAC on February 25, 2005, by the Deputy Chief of Mission. The supplemental requested an additional $1.5 million for care services. USAID/Ethiopia will continue to seek additional opportunities to increase funding for care and support activities.

Noting that budgetary targets are set by OGAC and must be strictly adhered to, we believe the Mission has taken all actions possible to address this recommendation and request that IG/A/PA close Recommendation No. 2 accordingly.

**Recommendation No. 3: We recommend that USAID/Ethiopia leverage its scare resources by coordinating with the other Emergency Plan agencies to hold periodic information-sharing sessions for all of Emergency Plan partners to exchange methodologies for decreasing donor dependency, achieving program consistency and avoiding duplication of effort.**

**Action Taken:** USAID/Ethiopia fully supports this recommendation, and has established mechanisms and forums that are enhancing coordination and helping achieve the recommended objectives outlined above.

The Country Operational Plan (COP), approved on January 13, 2005, institutionalized a coordinated approach by establishing working groups in the areas of prevention, care, treatment, and strategic information. Representatives of the four Emergency Plan agencies – USAID/Ethiopia, the Centers for Disease Control (CDC), the Department of State and the Department of Defense – chair the working groups and/or serve as core members.

At the annual USG Partner's Meeting on February 25, 2005, representatives of the cooperating agencies were invited to discuss implementation of this year's COP. At the meeting, break-out sessions on the four working group priorities were convened during which attendees discussed harmonization of their approaches and activities. Topics included event and activity coordination, material sharing, geographic targeting, cross-cutting themes such as stigma reduction and gender, and resource leveraging from non-PEPFAR partners such as the Global Fund to Fight Malaria, Tuberculosis and HIV/AIDS. Subsequently, the partners were invited to serve as permanent members of the working groups that meet on a weekly basis.

On April 5, 2005 a Stakeholders' Meeting, to be attended by implementing partners, government officials and donors, will provide additional opportunities for information sharing and discussion of lessons learned.

In yet another example of USAID/Ethiopia's commitment to coordination, the agency participates in the National HIV/AIDS Partnership Forum established by the Government of Ethiopia and involving government agencies, NGOs, community organizations, and associations of youth, women and donors. The forum provides a mechanism for avoiding duplication of efforts, enabling the sharing of experiences, increasing effective utilization of human and other resources, and preparing a unified plan.

We believe the necessary action has been taken to resolve this recommendation and request that IG/A/PA close Recommendation No. 3 accordingly.

**Recommendation No. 4: We recommend that USAID/Ethiopia require that its partners develop strategies for the sustainability of their activities.**

**Action Taken:** As sustainability is the cornerstone of all our activities, we welcome this recommendation, and are taking important steps to ensure the program activities we support continue over time.

For example, inclusion of an exit strategy was an integral part of the design and selection criteria for two FY04 solicitations, one of which was for Orphans and Vulnerable Children and the other for the Private Sector Program. USAID/Ethiopia will now require submission of an exit strategy in all new procurements.

An emphasis on sustainability will also affect USAID/Ethiopia's existing agreements. By June 2005, the USAID/Ethiopia HIV/AIDS Team will work with the Agreement Officer to review existing HIV/AIDS cooperative agreements to determine if they can be revised to incorporate an exit strategy, which would include a plan for program sustainability.

The leveraging of non-PEPFAR resources is essential to sustaining over time program activities initiated by USAID/Ethiopia under PEPFAR. However, USAID/Ethiopia recognizes that some program elements, such as the procurement and provision of ARTs, currently cannot be sustained without donor assistance, and efforts to address the long-term consequences of this continue to be discussed.

We believe the Mission has put into place the necessary systems to address this recommendation. Nevertheless, the Mission will take actions identified above and will

request closure of this recommendation once existing HIV/AIDS Cooperative Agreements have been reviewed and, where needed, amended to include a plan for sustainability. The Mission, in conjunction with the ETAEP Team, will continue to monitor sustainability through its Strategic Information (SI) component.

**Recommendation No. 5: We recommend that USAID/Ethiopia 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.**

**Action Taken:** USAID/Ethiopia is in full agreement with this recommendation, which recognizes the critical links between nutrition and HIV/AIDS treatment and care.

In Ethiopia, nearly 50% of the population is malnourished. Lack of nutrition negatively impacts the transmission and progression of HIV. Within this context, meeting the nutritional requirements of people living with HIV/AIDS poses a considerable challenge. Nevertheless, USAID/Ethiopia recognizes that maintaining the nutritional status of HIV positive people is important in enabling them to adhere to treatment and live productive lives.

Nutritional supplementation continues to be a priority in this year's activities. In response to the recommendation, USAID/Ethiopia has entered into dialogue with the World Food Programme and Food For Peace (FFP) to address this fundamentally important issue, and identify food supplementation sites that can better integrate HIV/AIDS care and treatment services.

The visit to Ethiopia by Tony Hall, Ambassador to the U.N. Agencies for Food and Agriculture, during the week of March 14, 2005, further called attention to the linkages between HIV/AIDS and nutrition. Ambassador Hall's itinerary included a visit to a WFP food distribution site that is linked with PEPFAR OVC and care and support activities.

USAID/Ethiopia is a founding member and active participant in the HIV/AIDS and Vulnerability Group that in the upcoming year is planning to explore the intersection between HIV/AIDS, vulnerability and nutrition as a basis for future program activities.

In addition, USAID/Ethiopia is forming an internal working team with the Office of Assets, Livelihoods and Transition, which manages all of the Mission's Title II food commodities, and with the HIV/AIDS Team to develop a coordinated request for a Food for Peace Development Assistance Program in support of HIV/AIDS.

We believe the necessary actions have been initiated and will request closure of this recommendation once the Mission's proposal for food assistance has been submitted.

We appreciate the opportunity to respond to these recommendations and to share with you the actions we are taking to address the audit recommendations.

# List of Acronyms

**ACRONYMS**

| | |
|---|---|
| AIDS | Acquired Immunodeficiency Syndrome |
| ART | Antiretroviral Therapy |
| ARV | Antiretroviral |
| CDC | Centers for Disease Control and Prevention |
| HIV | Human Immunodeficiency Virus |
| NGO | Non-Governmental Organization |
| O/GAC | Office of the U.S. Global AIDS Coordinator (at the U.S. Department of State) |
| OVC | Orphans and Vulnerable Children |
| PMTCT | Prevention of HIV/AIDS Mother-to-Child Transmission |
| USAID | U.S. Agency for International Development |
| VCT | Voluntary Counseling and Testing |