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# **AUDIT OF USAID/AFGHANISTAN'S RURAL EXPANSION OF AFGHANISTAN'S COMMUNITY- BASED HEALTHCARE (REACH) PROGRAM**

AUDIT REPORT NO. 5-306-06-007-P  
August 16, 2006

MANILA, PHILIPPINES



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*Office of Inspector General*

August 16, 2006

**MEMORANDUM**

**TO:** USAID/Afghanistan Director, Leon S. Waskin

**FROM:** Regional Inspector General/Manila, Catherine M. Trujillo /s/

**SUBJECT:** Audit of USAID/Afghanistan's Rural Expansion of Afghanistan's Community-based Healthcare (REACH) Program (Audit Report No. 5-306-06-007-P)

This memorandum transmits our final report on the subject audit, which does not contain any recommendations. In finalizing the report, we considered your comments to the draft report and included those comments in their entirety in Appendix II.

I want to thank you and your staff for the cooperation and courtesy extended to us during the audit.

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# SUMMARY OF RESULTS

The Regional Inspector General/Manila conducted an audit to determine whether selected activities under USAID/Afghanistan's Rural Expansion of Afghanistan's Community-based Healthcare (REACH) program had achieved their planned outputs. (See page 2.)

Afghanistan's health care is among the worst in the developing world. In May 2003, USAID awarded a three-year \$100 million contract to Management Sciences for Health (MSH) to implement the REACH program to improve access to basic health services for Afghans and strengthen Afghanistan's health systems. The focus of this program is to provide access by moving health care closer to women of reproductive age and children under age five living in rural communities. The contract was subsequently increased to about \$139 million and extended to September 30, 2006. (See page 2.)

The audit concluded that selected activities under USAID/Afghanistan's REACH program achieved their planned outputs. Specifically, 19 (95 percent) of 20 selected activities achieved their planned outputs and one partly achieved its planned output as of March 31, 2006. (See page 3.) For example, the REACH program awarded \$56.2 million to 28 grantees to provide basic health care to Afghans, and the grantees were providing such health care at 329 sites in 14 Afghan provinces. The program also distributed \$4.7 million of essential drugs to its health care providers and trained 568 midwives to provide reproductive health care services. Additionally the program completed a number of activities aimed at improving the management and leadership capacity of Afghanistan's Ministry of Public Health. (See pages 4 through 6.) Appendix I describes the methodology used in selecting the 20 activities audited. (See page 8.)

This report does not make any recommendations. USAID/Afghanistan concurred with the findings in this report. Management comments are included as Appendix II to this report. (See page 10.)

# BACKGROUND

Access to health care in Afghanistan is extremely limited after two decades of war and neglect. Development indicators published by the World Bank and the United Nations rank Afghanistan at the bottom of virtually every category, including nutrition; infant, child, and maternal mortality; life expectancy; and literacy. The health status of Afghans is among the worst in the world. The average life expectancy is approximately 43 years. About one out of every six Afghan children dies before the age of five. The majority of Afghans in more than one-third of rural districts have no access to health care.

In May 2003, USAID/Afghanistan awarded a three-year \$100 million contract to Management Sciences for Health to implement the Rural Expansion of Afghanistan's Community-based Healthcare (REACH) program. The contract was subsequently increased to about \$139 million and extended to September 30, 2006.

The overall goal of the REACH program is to strengthen Afghanistan's health systems, focusing on the health of women of reproductive age and children under age five. Much of the service delivery and training is provided through grants to local and international nongovernmental organizations. There are five activity components in the REACH program:

- Expand coverage of maternal health, family planning, child health services and control of common infectious diseases through an increased number of health facilities and expanded community outreach.
- Improve the capacity of health providers to provide services in rural areas and in health facilities.
- Develop a social marketing program.
- Enhance public health education programs.
- Improve the capacity of the Ministry of Public Health at the national, provincial, and district level for health planning, management, and allocation of resources.

As of March 31, 2006, REACH activities were ongoing in all 14 of the Afghan provinces designated in the REACH contract and USAID had obligated \$118 million and disbursed \$83 million for those activities. USAID/Afghanistan's Social Sector Reform Office is responsible for monitoring the REACH program.

## AUDIT OBJECTIVE

The Regional Inspector General/Manila conducted this audit as part of its fiscal year 2006 annual audit plan to answer the following question:

- Did selected USAID/Afghanistan's Rural Expansion of Afghanistan's Community-based Healthcare program activities achieve planned outputs?

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

# AUDIT FINDINGS

Selected activities under USAID/Afghanistan's Rural Expansion of Afghanistan's Community-based Healthcare (REACH) program did achieve their planned outputs. Specifically, 19 (95 percent) of 20 selected activities achieved their planned outputs and one partly achieved its planned output as of March 31, 2006.

USAID/Afghanistan's contractor Management Sciences for Health (MSH) implemented REACH activities, in partnership with the Afghanistan Ministry of Public Health (MOPH) at the central and provincial levels, to develop a sustainable foundation for a nationwide health care system. REACH awarded performance-based grants to local and international nongovernmental organizations (NGOs) to expand delivery and availability of Afghanistan's Basic Package of Health Services (BPHS).<sup>1</sup> REACH also provided NGOs with technical assistance, training, pharmaceuticals, and other in-kind supplies.



**OIG photograph of an Afghan child with her mother receiving medical care in a REACH supported health clinic located in Kabul. The clinic serves about 130 people per day, mostly women and children. (June 2006)**

In managing the REACH program, USAID/Afghanistan and its implementing partners faced certain challenges on the ground, such as security, weather, and logistics, over which they had little or no direct control. For example, security restrictions on travel outside the Embassy compound made it difficult for USAID staff to visit project sites with the frequency required. Extreme weather conditions during the winter months also made it difficult to travel to mountainous and remote locations in rural Afghanistan.

Nevertheless, the Mission and its implementing partners worked through those challenges and achieved selected planned outputs under the REACH program.

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<sup>1</sup> Afghanistan's BPHS includes seven primary elements: Maternal and Newborn Health; Child Health and Immunization; Public Nutrition; Communicable Disease Treatment and Control; Mental Health; Disability Services; and Supply of Essential Drugs.

The audit focused on 20 selected activities from two of five activity components in the REACH program.<sup>2</sup>

- Component #1: Expand the coverage of maternal health, family planning, child health services and control of common infectious diseases through an increased number of health facilities and expanded community outreach.
- Component #5: Improve the capacity of the MOPH at the national, provincial, and district level for health planning, management, and allocation of resources.

The 20 selected activities consisted of 10 activities from each of the two components. The OIG considered that the audit objective would be met if 90 percent of the 20 activities achieved their planned outputs. For more information on the audit approach, please refer to Appendix I of this report.

As of March 31, 2006, REACH achieved planned outputs for 19 of 20 or 95 percent of selected activities and partly achieved one planned output. The audit results by component are presented below.

**Component #1** – As Table 1 on the next page shows, by the end of March 2006, 9 of 10 selected activities achieved their planned outputs and one activity partly achieved its planned output. For example, REACH awarded \$56.2 million in performance-based grants to NGOs to expand the health services infrastructure and deliver BPHS to underserved rural areas, achieving 99 percent of the target. Further, REACH exceeded its targets for the number of sites providing health services, NGO staff trained, monitoring visits completed, and technical assistance provided.



OIG photograph of a nurse teaching new Afghan mothers about hygiene and child care in Kabul. Educating women on maternal and newborn health is a key feature of the BPHS supported by REACH. (June 2006)

<sup>2</sup> The OIG worked with USAID/Afghanistan to select the components and activities that were significant to the overall goal of the program. The Mission regularly reported to Washington D.C. on the progress of many of the selected activities.

**Table 1: REACH Achievements for Selected Activities Under Component #1**

<b>Extension of health care services in facilities through outreach to rural areas</b>			
<b>As of March 31, 2006</b>			
<b>Activities</b>	<b>Planned Outputs</b>	<b>Achievements</b>	<b>% of Target Met</b>
1. Manage 28 NGO grants	\$57 million in grants awarded	\$56.2 million in grants awarded	99%
2. Extend BPHS in selected provinces	324 sites providing health services	329 sites providing health services	102%
3. Manage 4 midwifery training grants	\$3.75 million in grants awarded	\$3.01 million in grants awarded	80%
4. Provide midwifery training	612 midwives trained	568 midwives trained	93%
5. Provide essential drugs to NGOs	\$4.7 million of essential drugs provided	\$4.7 million of essential drugs provided	100%
6. Conduct program analysis working sessions with NGOs	40 NGO staff trained	134 NGO staff trained	335%
7. Conduct drug supply management training for NGOs	200 NGO staff trained	282 NGO staff trained	141%
8. Assist MOPH to match sites with a service provider, equipment, and other inputs required to functionalize clinics	Database of existing clinics and new construction sites matched with service providers	Completed	–
9. Conduct post training assessment and provide technical assistance (TA) to Community Health Worker trainers	45 monitoring visits completed and TA provided to trainers	66 monitoring visits completed and TA provided to trainers	147%
10. Introduce concept of "Data for Decision Making" to NGOs	300 NGO trainers & supervisors trained	398 NGO trainers & supervisors trained	133%

REACH partly achieved its planned output for Activity #3 by meeting 80 percent of the target. The planned output was to award four midwifery grant agreements totaling \$3.75 million, which was linked to the planned output of Activity #4—to provide midwifery training to a target of 612 midwives. Despite falling short on the amount of grants awarded, the number of midwives trained achieved 93 percent of the target.

**Component #5** – As Table 2 on the next page shows, REACH had achieved its planned outputs for all 10 selected activities under Component #5. REACH worked in partnership with the MOPH at central and provincial levels to help build the Ministry's capacity to fulfill both its primary role in the management and organization of public health programs and secondary role in direct service delivery. Specifically, REACH worked with the MOPH to develop national policies, strategies, and standards in the areas of BPHS, budgeting, training and certification, health human resource management, hospital administration, drug management, and quality assurance



mechanisms. REACH also helped the MOPH develop and manage a national Health Management Information System (HMIS) to ensure the availability of timely, valid, and reliable data from the facility level up to the national level, based on which MOPH could make decisions on how best to deliver BPHS.

**Table 2: REACH Achievements for Selected Activities Under Component #5**

<b>Improve management &amp; leadership capacity of Ministry of Public Health at all levels</b>		
<b>As of March 31, 2006</b>		
<b>Activities</b>	<b>Planned Outputs</b>	<b>Achievements</b>
1. Participate in national level policy and strategy meetings	Better coordination and consensus on major policies and strategies	Completed
2. Support MOPH in developing and testing of HMIS	Hospital HMIS input forms finalized	Completed
3. Help MOPH develop and prioritize the National Development Budget	A budget approved by MOPH and its partners	Completed
4. Provide TA and training to MOPH in establishing a system for health worker certification and licensing	Mechanisms and tools for certification and licensing health workers	Completed
5. Support disseminating and implementing the Licensed Drug List for Afghanistan	Licensed Drug List available at public and private facilities	Completed
6. Finalize the Medical Drug Supply training manual	Medical Drug Supply training manual published	Completed
7. Develop Provincial Hospital Standards Manual	Provincial Hospital Standards Manual published	Completed
8. Publication and dissemination of revised BPHS	Revised BPHS published and disseminated	Completed
9. Provide technical support for implementation/roll out of HMIS at the provincial level	NGO grantees and provincial health offices have the capacity to implement HMIS	Completed
10. Provide training support to NGO grantees and provincial health offices in initial Fully Functional Service Delivery Point concepts	Training plan on Fully Functional Service Delivery Point concepts	Completed

# EVALUATION OF MANAGEMENT COMMENTS

The Mission concurred with the findings in this report. Management comments are included in their entirety in Appendix II.

# SCOPE AND METHODOLOGY

## Scope

The Regional Inspector General/Manila conducted this audit in accordance with generally accepted government auditing standards to determine whether selected activities under USAID/Afghanistan's Rural Expansion of Afghanistan's Community-based Healthcare (REACH) program had achieved their planned outputs. As of March 31, 2006, USAID records showed disbursements of \$83 million to rebuild Afghanistan's health system under the REACH program.

The audit was performed at USAID/Afghanistan and at the offices of Management Sciences for Health (MSH)—the primary contractor implementing the REACH program—and it covered health care activities from April 2003 through March 2006. Fieldwork was conducted from January 23 to February 15, 2006, and June 15 to 28, 2006.

In total, the REACH program had 270 activities under five activity components. The audit focused on 20 selected activities from two of the five activity components that both the Mission and the OIG agreed were significant to the overall program goal:

- Component #1: Expand the coverage of maternal health, family planning, child health services and control of common infectious diseases through an increased number of health facilities and expanded community outreach.
- Component #5: Improve the capacity of the Ministry of Public Health (MOPH) at the national, provincial, and district level for health planning, management, and allocation of resources.

Component #1 had 56 activities and Component #5 had 102 activities. Using a judgmental approach, we worked with USAID/Afghanistan to select 10 activities from each of the two components whose planned outputs were significant and measurable. The Mission regularly reports the progress of many of these activities to the Deputies Committee for Afghanistan in Washington D.C.<sup>3</sup> For the 20 selected activities, we measured planned outputs against actual achievements to determine progress made as of March 31, 2006.

Because of security restrictions and weather conditions at the time of our fieldwork, we revised or canceled several planned site visits to REACH-supported nongovernmental organizations (NGOs) and health care facilities in Afghanistan's provinces. However, we performed alternate tests to accomplish our audit objective such as performing site visits in the Kabul area, increasing documentation review, and testing of program data. We also reviewed photographs and site visit reports from a variety of sources such as the primary contractor, Mission staff, and Afghanistan's MOPH.

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<sup>3</sup> The Deputies Committee is led by the National Security Council and comprised of Deputy Secretaries from U.S. departments/agencies involved in Afghanistan.

As part of the audit, we assessed the significant internal controls used by USAID/Afghanistan to monitor REACH program activities. The assessment included controls related to whether the Mission (1) conducted and documented site visits to evaluate progress and monitor quality, (2) required and approved an implementation plan, (3) performed contractor performance reviews, (4) reviewed progress reports submitted by the primary contractor, and (5) compared the primary contractor's reported progress to planned progress and the Mission's own evaluations of progress. We also reviewed the Mission's Federal Managers' Financial Integrity Act report for fiscal year 2005 for any issues affecting the REACH program. Finally, we reviewed any relevant prior audit reports.

## Methodology

To answer the audit objective, we interviewed officials and staff from USAID/Afghanistan, MSH, Afghanistan's MOPH, a REACH-supported NGO, and selected health clinics. Additionally, to measure progress and confirm the accuracy of the planned outputs achieved and reported to the Mission, we reviewed:

- Documentation such as, but not limited to, work plans, progress reports, site visit and other monitoring reports, and financial records.
- MSH's contract and its modifications.
- NGO grant agreements.
- MOPH Health Information Management System database and reports.
- MOPH strategy and policy documents.
- Laws, regulations, and USAID policy and guidance related to the audit objective.

We answered the audit objective by using a parameter applied to selected activities from the REACH contract and the primary contractor's work plan, which scheduled the planned outputs to be achieved by September 30, 2006. The parameter was as follows:

- The answer to the audit objective would be positive if 90 percent of selected activities achieved their planned outputs.

For each selected activity with a performance target, we used the following parameters to measure the progress made on its planned output:

- The planned output would be achieved if 90 percent of the target was met.
- The planned output would be partly achieved if less than 90 but not less than 70 percent of the target was met.
- The planned output would not be achieved if less than 70 percent of the target was met.

# MANAGEMENT COMMENTS



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### MEMORANDUM

Date: 8 August 2006

To: Catherine M. Trujillo, RIG/Manila

From: Leon S. Waskin, Mission Director /s/

Subject: USAID/Afghanistan – Response to Draft Audit Report – Audit of USAID/Afghanistan’s Rural Expansion of Afghanistan’s Community-based Healthcare (REACH) Program, Draft Audit Report dated July 18, 2006. (Report No. 5-306-06-XXX-P)

On behalf of USAID/Afghanistan, I would like to thank you for the opportunity to review and provide comments on the draft report referenced above.

The Mission concurs with the findings contained in the report. It is important to note that the achievements highlighted by the audit team were carried-out during a period of significant instability in Afghanistan. Moreover, in their attempt to provide services to the most isolated and under-served populations, health professionals typically work in some of the most difficult situations in the country. We also believe that the partnership between the Mission, our implementing partners and the Ministry of Public Health has made significant strides in strengthening Afghanistan’s national health care system and improving the health of the Afghan people.

Thank you.

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