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**United States Department of State  
and the Broadcasting Board of Governors  
Office of Inspector General**

# Report of Inspection

## **Review of the President's Emergency Plan for AIDS Relief (PEPFAR) at Select Embassies Overseas**

**Report Number ISP-I-11-07, December 2010**

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*Office of Inspector General*

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability and positive change in the Department of State and the Broadcasting Board of Governors.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG and, as appropriate, have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "H. W. Geisel".

Harold W. Geisel  
Deputy Inspector General

## **PURPOSE, SCOPE AND METHODOLOGY OF THE INSPECTION**

This review was conducted in accordance with the Quality Standards for Inspections, as issued by the President's Council on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

### **PURPOSE**

The Office of Inspections provides the Secretary of State, the Chairman of the BBG, and Congress with systematic and independent evaluations of the operations of the Department and the BBG. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved; whether U.S. interests are being accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and economy and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instance of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

### **METHODOLOGY**

In conducting this review, the inspectors distributed, reviewed, and compiled the results of survey questionnaires; conducted on-site visits to overseas posts; surveyed the 30 missions receiving the largest amounts of PEPFAR funds; and conducted interviews in Washington with officials from the Office of the U.S. Global AIDS Coordinator and other federal agencies and other organizations pertinent to this review. The inspectors did not review the Office of the U.S. Global AIDS Coordinator in Washington.

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## KEY JUDGMENTS

- The President's Emergency Plan for AIDS Relief (PEPFAR) has been one of the largest and most successful foreign assistance programs in history. PEPFAR has received continuous, strong support from two administrations and bipartisan support from Congress. Funding for PEPFAR grew from \$2.3 billion in FY 2004 to \$6.8 billion in FY 2010.
- The unusual PEPFAR structure of having multiple U.S. Government agencies implement the program under a consolidated approach led to some conflict and loss of efficiency in the program's early years. With time, the accumulation of experience and more direct involvement by ambassadors at embassies have resulted in better interagency coordination and cooperation. Nonetheless, continued interagency cooperation must be stressed and required.
- For larger programs, the embassy PEPFAR coordinators, who work directly for the ambassador or deputy chief of mission (DCM), have helped resolve differences and otherwise coordinate the various implementing agencies. The gradual build-up of an experienced cadre of coordinators, as well as better defined position descriptions and a coordinated hiring process by interagency teams, have led to better collaboration in recent years.
- The heavy PEPFAR reporting burden, which was justified in part in the early years to ensure continued Congressional support, should be lessened in order to permit staff more time for program implementation, monitoring, and evaluation.
- The Office of the U.S. Global AIDS Coordinator (S/GAC) is correctly shifting PEPFAR from an emergency program to a more sustainable one, by expanding cooperation with host-country governments. Nonetheless, scarce financial resources in many countries make it unlikely that more than a few countries now receiving large PEPFAR funds can assume most of the financial costs of PEPFAR in the medium term.



## INTRODUCTION

In 2007, OIG conducted a review of S/GAC in Washington and how it directed and coordinated PEPFAR (*OIG Report ISP-I-08-23*, issued February 2008). That OIG review did not include visits to embassies, but questionnaires were distributed to overseas missions with large PEPFAR programs. Section 101 of the Hyde-Lantos Act (Reauthorization Act of 2008 [H.R. 5501], enacted July 30, 2008) called for the Inspectors General of the Department of Health and Human Services (HHS), the U.S. Agency for International Development (USAID), and the Department of State (Department) to jointly develop coordinated annual plans for PEPFAR oversight for FY 2009 through FY 2013.

A second OIG inspection report (*OIG Report ISP-I-10-01*, issued November 2009), presented findings from visits to countries that are major recipients of PEPFAR funds (Haiti, Botswana, South Africa, Nigeria, and Ethiopia) and a summary of responses to an OIG questionnaire that was sent to more than 20 posts. That inspection highlighted continuing concerns regarding oversight and management support for PEPFAR activities.

OIG's Office of Audits conducted an audit of the Department's role in constructing and transferring ownership of PEPFAR overseas construction projects. Overseas field work for this audit was performed in May 2010. Additionally, OIG's Office of Audits is conducting a review of PEPFAR's reconciliation and disbursement of funds for selected PEPFAR accounts, including a review of other agencies' internal controls. These audit projects are ongoing, and the reports are in the draft phase.

This current OIG review is part of the coordinated Inspectors General oversight plan for FY 2009, and it is intended largely as a follow-up to the 2009 OIG inspection. It also represents a shift from the Africa focus of the 2009 review. Many of that report's recommendations are not yet fully implemented. This inspection report will not repeat those recommendations; instead, it will highlight continuing concerns about some of the issues and recommendations contained in the 2009 report. The 2009 recommendations that are reemphasized in this review focus on the need for interagency cooperation, importance of PEPFAR coordinators, proliferation of competing brands or logos for the PEPFAR program overseas, and the continued burden of required reporting.

This report does not contain new recommendations. The purpose of this review was to determine how embassies are fulfilling their responsibilities to coordinate, direct, and support PEPFAR. It considers program oversight by embassy officials and staff, including their role in policy and program implementation; the effectiveness of mission support; implications for program sustainability; and current and anticipated challenges.

## CONTEXT

Former President George W. Bush, early in his administration, committed the United States to fighting HIV/AIDS in afflicted countries. PEPFAR was launched in 2003 and was the largest commitment by any nation to combat a single disease in history. The program called for a comprehensive, integrated, 5-year strategy. During PEPFAR's initial, 5-year authorization (FY 2004 through FY 2008), the United States invested nearly \$19 billion in program funds, including funding for bilateral HIV/AIDS and tuberculosis programs and contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund, or the Fund).<sup>1</sup> PEPFAR required coordination among several implementing agencies in the executive branch, including the Department, USAID, HHS, the Department of Defense (DOD), the Department of Labor, and the Peace Corps.

The Hyde-Lantos Act (Reauthorization Act of 2008, H.R. 5501, enacted in July 2008), extended PEPFAR for 5 years, until September 30, 2013. The Obama Administration, early in its term, reaffirmed a strong commitment to PEPFAR. The program's nearly 7 years to date are widely considered to have been very successful.

S/GAC reports the following program results, as of September 30, 2009:

- PEPFAR directly supported life-saving antiretroviral treatment for over 2.4 million adults and children. They represent more than half of the estimated 4 million individuals in low and middle-income countries on treatment.
- PEPFAR partnerships have directly supported care for nearly 11 million adults and children affected by HIV/AIDS, including 3.6 million orphans and vulnerable children.

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<sup>1</sup>The Global Fund to Fight AIDS, Tuberculosis and Malaria, established in Geneva in 2002, is an inter-national public-private partnership; contributors include bilateral and multilateral donors, philanthropic foundations, and the private sector. The Global Fund does not implement programs; rather, it is a financing mechanism that makes grants to host-country stakeholders. It provides 25 percent of all international funding to combat HIV/AIDS. The United States is the single largest contributor to The Global Fund. Since its inception, The Global Fund has committed \$19.3 billion to 144 countries. The Global Fund is an independent entity and is not related to the United Nations family (e.g., UNAIDS, WHO).

- In FY 2009, PEPFAR directly supported prevention of mother-to-child transmission programs that allowed nearly 100,000 babies of HIV-positive mothers to be born HIV-free, adding to the nearly 240,000 babies born without HIV due to PEPFAR support during the period of FY 2004-2008.
- In FY 2009, PEPFAR also directly supported HIV counseling and testing for nearly 29 million people, providing a critical entry point to prevention, treatment, and care.

The Reauthorization Act of 2008 authorized a budget of \$48 billion, for FY 2009 through 2013. The Act made a number of changes to the original legislation: it removed the spending requirement on abstinence-until-marriage programs; authorized the use of compacts or framework agreements between the United States and host countries; and emphasized strategies to promote the sustainability of health care systems in affected countries. In FY 2009, the United States provided an additional \$6.6 billion for PEPFAR, and the President's budget for FY 2010 requested \$6.7 billion. For FY 2003 through FY 2010, the U.S. Government will commit approximately \$32 billion to bilateral HIV/AIDS programs, the Global Fund, and bilateral tuberculosis programs. For FY 2011, President Obama has requested nearly \$7 billion for PEPFAR, including \$5.74 billion for bilateral HIV/AIDS programs, \$1 billion for the Global Fund, and \$251 million for bilateral tuberculosis programs. The United States is, by far, the largest contributor to the fight against global HIV/AIDS, providing more than half of total international HIV/AIDS assistance.

The United States remains the single largest contributor to the Global Fund. The President's FY 2010 request of \$1 billion for the Fund represents the largest request to date. Total U.S. contributions to the Global Fund through FY 2010 are anticipated to reach \$5.5 billion. S/GAC participates in various oversight bodies of the Global Fund. Following the OIG inspection, S/GAC noted that it was increasing collaboration with the Fund. Among the steps taken, some embassies are adding a Global Fund liaison to their PEPFAR teams. Also, up to 10 countries will participate in a pilot project to increase collaboration between S/GAC and the Fund on the planning process and other program functions.

## The PEPFAR Funding

FY 2004 - FY 2011 PEPFAR Funding (\$ in million)									
Programs	FY 2004 Enacted	FY 2005 Enacted	FY 2006 Enacted	FY 2007 Enacted	FY 2008 Enacted	FY 2009 Enacted	FY 2010 Enacted	Total Enacted <sup>2</sup>	FY 2011 Requested
Bilateral HIV/AIDS Programs <sup>1</sup>	1,643	2,263	2,654	3,699	5,028	5,503	5,542	26,332	5,739
Global Fund	547	347	545	724	840	1,000	1,050	5,053	1,000
Bilateral TB Programs	87	94	91	95	163	177	243	950	251
<b>TOTAL PEPFAR (without Malaria)</b>	<b>2,277</b>	<b>2,705</b>	<b>3,290</b>	<b>4,518</b>	<b>6,031</b>	<b>6,680</b>	<b>6,835</b>	<b>32,335</b>	<b>6,990</b>

<sup>1</sup>Bilateral HIV/AIDS Programs includes funding for bilateral country/regional programs, UNAIDS, IAVI, Microbicides and NIH/AIDS research.  
<sup>2</sup>Includes enacted funding for FY 2004 - FY 2010.  
Note: All funding amounts have been rounded to the nearest million, so the numbers shown in the table may not sum to the totals.

Source: S/GAC

## Building on PEPFAR with the Global Health Initiative

In launching the GHI in May 2009, President Obama credited President Bush for PEPFAR's successful initial phase and announced that his administration would expand investments in PEPFAR and other global health priorities. PEPFAR and the fight against HIV/AIDS will be the largest component of the GHI, which commits \$63 billion over 6 years to support partner countries in improving and expanding access to health services and strengthening their health systems. As part of the GHI, PEPFAR is transitioning from its initial emergency focus to an emphasis on sustainability, and to serving as a platform for expanded responses to a broader range of global health needs. GHI will address HIV/AIDS, malaria, tuberculosis, neglected tropical diseases, preventable complications from pregnancy and childbirth, malnutrition, and various diseases preventable by vaccines.

The Obama administration is emphasizing global health in diplomacy and development activities worldwide. Through investments in global health, the administration intends to spur progress in economic development, jobs creation, education, agricultural development, gender equity, and political stability. The achievement of these objectives will have a direct impact on the security and prosperity of the United States.



## **OVERSEAS EXECUTIVE DIRECTION OF PEPFAR**

The 2009 OIG inspection describes how PEPFAR’s “whole of government” approach to foreign assistance differed from the model that had been in place since World War II. PEPFAR worked to streamline the existing, fragmented, and cumbersome bureaucracy that had been responsible for HIV/AIDS programs. PEPFAR is centrally directed from Washington by S/GAC. Specific programs and responsibilities of the implementing PEPFAR agencies are formalized at each embassy in a country operational plan (COP). The COP is separate from each embassy’s operational plan for other foreign assistance programs, which is prepared for the Department’s Office of the Director of U.S. Foreign Assistance.

S/GAC, working with a complex interagency process, makes policy decisions about PEPFAR goals and objectives, controls disbursement of funds, and oversees PEPFAR implementation at overseas missions. Actual program implementation is carried out by multiple U.S. Government agencies, according to their expertise in development, health, and community organization. The two principal implementing agencies are USAID and HHS’s Centers for Disease Control and Prevention (CDC). This presents significant policy, coordination, and support challenges for the ambassador. Responsibility for ensuring that agency programs are complementary rather than competitive also falls to the ambassador, as do responsibilities for overseeing agencies’ activities and assisting them with access to host-government officials.

These tasks can be quite complicated, in part because each implementing agency has obligations to the ambassador, to its own headquarters, and to S/GAC. The ambassador’s coordination role often becomes more difficult as the number of implementing agencies increases. PEPFAR has an unprecedented level of resources, sometimes dwarfing other assistance programs. PEPFAR needs substantial fiscal accountability and oversight, and Congress has required new levels of accountability and extensive, detailed reporting of its results.

Ambassadors handle these responsibilities differently, depending on host country conditions and individual management styles. Some, particularly at posts where PEPFAR may be by far the largest activity in the country, have become integrally involved in day-to-day management of the program. Other ambassadors have delegated that authority

and concentrate their efforts on public diplomacy or high-level diplomatic representation. S/GAC officials report that, over the past year, they have increased their engagement with the Department's regional bureaus and with posts. They point out that more frequent communication is critical, as increasing diplomatic dialogue is needed at the country level during the transition to host-country program responsibility.

The OIG team found that effective ambassadorial oversight includes ensuring that implementing agencies understand the imperative to promote cooperation and avoid destructive competition—and enforcing that mandate when necessary. It also involves making sure the mission provides sufficient administrative and other support to the PEPFAR program and staff.

## INTERAGENCY COORDINATION

OIG's 2009 report requested that S/GAC require each implementing agency to send an annual directive to their overseas personnel, reiterating the importance of interagency cooperation and program coordination. While many PEPFAR teams work collegially, the interagency process remains challenging and needs constant tending. The primary cause of difficulties is often tension between the two largest implementing agencies, USAID and CDC. Frictions among the other implementing agencies appear to be minor, perhaps due to the smaller size of their PEPFAR budgets.

The OIG team's visits to embassies and the responses to OIG's questionnaire indicate that, where unproductive competition exists, it appears to result from ambiguity over role delineation and a lack of Chief of Mission oversight. Each agency is meant to use its core competencies to address country-specific needs. This approach weakens when agencies' activities overlap, boundaries are ill-defined, interpersonal relations among agency officials are strained, or ambassadors do not intercede to correct dysfunctional relationships. Nevertheless, the OIG team advises S/GAC to avoid drawing rigid boundaries. Friction and duplication have decreased, but headquarters needs to continue to emphasize cooperation and coordination.



## **ROLE OF THE PEPFAR COORDINATORS**

Shortly after PEPFAR was initiated, some ambassadors established coordinator positions at their respective embassies, to facilitate the interagency process and reduce PEPFAR's drain on administrative resources. As noted in OIG's 2009 report, coordinators have proved to be an important element in PEPFAR's success. Each embassy's experience with PEPFAR is different, influenced by the host-country environment, nature of the HIV/AIDS epidemic, and program size. However, responses to OIG's 2010 questionnaire (see summary in Appendix B) and other information gathered during the review indicate that, during the first 7 years of PEPFAR, those embassies that hired effective PEPFAR coordinators had relatively successful programs. There was less interagency strife, better communication with S/GAC, less strain on embassy resources, and better integration of the program with U.S. interests in the host countries.

During the next phase of PEPFAR, it will be increasingly important to have the sort of interagency effort that an effective PEPFAR coordinator can facilitate among agencies. Cooperation will be necessary for planning, capacity building, the negotiation process, the challenge of dealing with multiple host-country government entities, and the transition of PEPFAR operations from U.S. to host-country responsibility. In recognition of coordinators' many responsibilities, S/GAC has started developing a formal orientation program and a more structured training process for incoming and current coordinators.

Most coordinators are hired by USAID as personal services contractors, due to the Department's limited hiring mechanisms. While the coordinators report to the ambassador or deputy chief of mission (DCM), this hiring arrangement often compromises the perception by other agencies of the coordinator's role as a neutral broker. The OIG team believes, and S/GAC concurs, that PEPFAR coordinator positions should belong to the Department. S/GAC has engaged Department officials on this issue.



## **PUBLIC DIPLOMACY SUPPORT FOR PEPFAR**

PEPFAR presents unique opportunities and challenges for public diplomacy. In most countries the program is viewed very positively, and association with it can enhance many aspects of the U.S. presence and promote a wide range of U.S. interests. In most cases, the embassy's public affairs section provides guidance to the PEPFAR team and serves as the final clearance authority for public messages. However, most of the actual crafting of the messages, arranging public events, and promulgating information are done by the implementing agencies. This division of responsibility works well when there is a well-coordinated PEPFAR team.

Some public diplomacy officers expressed concern that the proliferation of individual agency logos and messages (agency branding) is a problem, because multiple logos can confuse the public about the source and nature of the PEPFAR program. This issue was raised in the 2009 OIG report, as well, and it is not yet solved. The OIG team believes sufficient concern remains about presenting the public brand of PEPFAR to merit greater attention from S/GAC and implementing agencies. S/GAC officials concur with this assessment and have discussed the issue with Department leadership.



## REPORTING REQUIREMENTS

Almost all embassies continue to express great frustration with PEPFAR's heavy reporting burden; reporting requirements were by far the greatest source of angst for the PEPFAR posts queried for this review. The 2009 OIG report recommended that S/GAC reduce COP preparation to every other year and use the embassy's annual and semiannual reporting mechanism to prepare the annual budget submission. Almost all of the 26 posts that responded to the OIG questionnaire listed that the most time consuming, resource intensive (and in their view mostly unnecessary) burden they face in implementing PEPFAR is preparing the COP and annual and semiannual reports, and responding to short-fused taskings from S/GAC. Many missions have appealed to S/GAC to rationalize and reduce the reporting requirements. However, most embassies report that, in spite of efforts by S/GAC, the reporting burden has not decreased. Many posts reported that it has, in fact, increased, due to new requirements and guidelines. As several embassies noted, a wholesale overhaul of the process is needed; the frequent, small revisions made by S/GAC in an effort to be helpful actually have increased the reporting burden.

Many embassies reported that most or all of their PEPFAR staff regularly spend approximately 3 months on the COP process alone. They argue that this time would be better spent on program implementation and oversight. Some missions stated they needed to give more attention to strategic issues, such as encouraging host countries to take on more responsibility for the program and reducing long-term U.S. Government liabilities, but they are hampered in doing so specifically because the planning and reporting burdens leave them insufficient time and resources.

The OIG team believes that devoting this amount of program time and resources to planning and reporting is excessive. An internal review that S/GAC sponsored in 2005 also recommended an every other year COP exercise. The COP is essentially a budget submission tool; its descriptive parts do not need annual revising, particularly as PEPFAR is now more mature. During PEPFAR's next phase, a COP with a longer-term view and more consistent format would be more appropriate. Yearly statistics that are reported in annual and semiannual reports would continue to be available for the budget submission process.

S/GAC acknowledges this problem, and has taken steps to streamline the reporting requirements. However, it has been unable to resolve all concerns about the existing and sometimes growing burden of planning, budgeting, data collecting, and report writing. In 2009, S/GAC officials told the OIG team that they were aware of the posts' concerns and pleas. It had conducted a needs assessment in 2008 and was planning to implement new technical requirements and install a new database system the following year. However, during the current OIG review, many embassies noted that the new database system was not yet operational, which increased frustration in preparing the COP in late 2009. S/GAC stated in 2009 that COPs cannot be submitted every 2 years until there is a 2-year budget plan, but it might be possible to input COP data one year and only update it the next year, thus having multiyear entry data. Budgets, targets, and results would have to be refreshed annually. For the years the embassies do not submit a COP, S/GAC can prepare reports using data from the annual and semiannual reports. In sum, the missions should not have to revise and rewrite the COP every year.

S/GAC officials reaffirmed the need for a balance between the level of accountability and transparency and the level of effort to sustain it. Following the conclusion of OIG's current review, S/GAC officials reported that the COPs had been revised: a full COP now is submitted on a 2-year basis, and off-year reporting will be reduced to updating the data tables and executive summary. S/GAC also is participating in a Department-wide process intended to harmonize reporting requirements across the board.

## LOOKING TO THE FUTURE

S/GAC's concept of developing partnership frameworks, which accelerated in 2009, encourages and assists individual countries to assume increasing responsibility for HIV/AIDS programs. The purpose of the partnership frameworks and accompanying implementation plans is to establish the foundation and lay out the steps to achieve sustainable programs. While the U.S. Global AIDS Coordinator has put forward the broad policy goals, S/GAC officials pointed out that there is an evolving process around the definition of country ownership and sustainability. Officials also referred to the tension between defining these objectives centrally in Washington and having the embassies engage partner governments in defining them at the country level.

The U.S. Government has, in a sense, adopted a large population of non-U.S. citizens for whose lives and livelihoods it has varying degrees of responsibility. S/GAC leadership says that the United States will not abandon these people. PEPFAR officials stated that overarching issues remain regarding how to handle new patients and how to successfully hand over the responsibility for HIV/AIDS programs to PEPFAR's partner governments through its partnership frameworks. Should the United States cease funding HIV treatment programs, most PEPFAR recipient governments are unlikely to have the resources and infrastructure to fund and maintain HIV/AIDS programs. People who are currently on antiretroviral treatment would no longer have access to life-sustaining medications and services and would likely die. Having large numbers of people suddenly stop their HIV treatment also might result in mutations of the virus that could negatively affect the nature and intensity of the epidemic. In addition to presenting a clear humanitarian danger, this situation could have significant implications for host-country stability, bilateral relations, and global perceptions of the United States.

### Global Health Initiative

The GHI announced in May 2009 requested funding of \$63 billion over 6 years (FY 2009 to FY 2014). PEPFAR funding was included in this amount, and it is the largest component of GHI, accounting for 70 percent of total funding. The purpose of GHI is to shape a U.S. Government comprehensive, integrated global health strategy. The initiative, which will be implemented in 80 countries currently receiving

U.S. health assistance funds, will focus on health systems strengthening, child and maternal health, reproductive health, nutrition, and neglected tropical diseases. Additional objectives include building capacity of host-country institutions and leveraging support from other donors. In June 2010, the Department, USAID, and HHS announced the GHI governance structure and the first round of GHI Plus countries. In FY 2009, four of the eight GHI Plus countries (Ethiopia, Kenya, Malawi, and Rwanda) received a combined total of \$1.1 billion in PEPFAR funds. The other GHI Plus countries are Bangladesh, Guatemala, Mali, and Nepal.

Many embassies surveyed by the OIG team are enthusiastic about GHI's goals, but they are anxious about how GHI will be implemented; how it will relate to PEPFAR, and vice versa; and whether it will succeed in accomplishing its objectives, or just add another layer of confusing bureaucracy. S/GAC officials stated that GHI now is moving toward greater program definition, with draft guidance soon to be issued to the GHI Plus countries.

## ABBREVIATIONS

CDC	Centers for Disease Control and Prevention
COM	Chief of mission
COP	Country operational plan
DCM	Deputy chief of Mission
DOD	Department of Defense
GHI	Global Health Initiative
HHS	Department of Health and Human Services
ICASS	International Cooperative Administrative Support Services
NGO	Nongovernmental organization
OIG	Office of Inspector General
PEPFAR	President's Emergency Plan for AIDS Relief
SAMHSA	Substance Abuse and Mental Health Services Administration
S/GAC	Office of the U.S. Global AIDS Coordinator
USAID	United States Agency for International Development



# APPENDIX A-1: VIETNAM COUNTRY REPORT

## BACKGROUND

The PEPFAR program in Vietnam is the largest in Asia. Vietnam was one of the 15 former focus countries that received most PEPFAR resources in the early years of the program. The national HIV/AIDS prevalence rate is 0.43 percent, or well below the rates in other former focus countries. The epidemic in Vietnam is concentrated among intravenous drug users, sex workers, and men who have sex with men. The HIV/AIDS prevalence rate among these high-risk populations ranges from 25 to 50 percent. PEPFAR funding for Vietnam grew from \$18 million in FY 2004 to \$65.8 million in FY 2007, with a projected \$87.8 million in FY 2010. In terms of funding, this makes Vietnam 14th on the list of 31 PEPFAR bilateral countries. With the July 2010 signing of the partnership framework by representatives of the U.S. and Vietnamese Governments, an additional \$10 million will be allocated to Vietnam for FY 2010, bringing total PEPFAR funds to \$97.8 million.

PEPFAR accounts for a large majority of total U.S. aid to Vietnam. The program has helped create positive relations with this former adversary, with whom the United States established diplomatic relations in 1995. The good will from PEPFAR boosts diplomatic cooperation in other areas. Broader U.S. health diplomacy in Vietnam, including programs for pandemic influenza and Agent Orange remediation, builds trust and improves relations.

USAID and CDC implement the largest parts of the bilateral PEPFAR assistance program. Each agency accounts for almost half of the total annual PEPFAR budget, or over \$40.5 million each. These agencies are supported by significant efforts from a PEPFAR unit of the U.S. Navy and a small unit of the HHS Substance Abuse and Mental Health Services Administration (SAMHSA). Most of the interagency PEPFAR team works in the embassy in Hanoi. CDC and USAID also assign staff to the U.S. consulate general in Ho Chi Minh City. Approximately half of Vietnam's HIV/AIDS cases are in Ho Chi Minh City and its surrounding provinces. The DOD PEPFAR

component, with an annual budget of about \$3.8 million, works directly with the Vietnam Ministry of Defense and plays an important role in the U.S.-Vietnamese relationship. DOD programs reach a large part of the population, as its military hospitals serve about 80 percent of the civilian population. The SAMHSA representative, who is the agency's sole permanent attaché overseas, plays a key role in supporting U.S. efforts to address the HIV/AIDS problem in Vietnam, given that intravenous drug use is the main behavior driving the epidemic.

Full-time PEPFAR coordinators hired under a USAID contract have worked at the embassy for 4 years. Limited Department contracting authority means it is not possible for the coordinator to be a Department employee, which is the preferable model. The current coordinator arrived in May 2010. She is considered a Department employee and reports to the Ambassador and DCM. The public affairs section of the embassy supports PEPFAR, with assistance from a USAID communications officer and an information specialist in the coordination office. PEPFAR has raised the profile of U.S. assistance among Vietnamese government officials and the general public. A 2009 survey conducted by USAID found that 46 percent of the public interviewed in Hanoi and Ho Chi Minh City recognized PEPFAR as a U.S. health assistance project.

The HHS health attaché position (recently vacated at the time of the OIG review, and one of approximately 10 such positions worldwide), was partially funded by PEPFAR. Health attachés are responsible for oversight and coordination of all embassy health assistance programs. The political section and the environment, science, technology, and health office perform some PEPFAR-related functions. Embassy officials and the PEPFAR team were unanimous in stating that the health attaché played a valuable and essential role and expressed concern that HHS has left the position vacant.

USAID and CDC, the primary implementing agencies, are located at separate annexes away from the chancery, but a scheduled move to consolidated quarters is planned for late 2010. This will facilitate daily contact and coordination.

PEPFAR is the largest contributor to HIV/AIDS programs in the country, the other major donor being the Global Fund. Coordination of the Global Fund process is a concern at the embassy. The country coordinating mechanism for the Global Fund is convened for review and submission of grants; the Fund does not have the capacity to provide adequate oversight of the principal recipients. Using the partnership framework, the PEPFAR team plans to improve its technical assistance to the country coordinating mechanism to strengthen governance, oversight, and accountability.

Other donor support for HIV/AIDS programs comes from the World Bank and the Clinton Foundation. However, the Clinton Foundation is phasing out its support of pediatric activities by the end of 2010, and the World Bank will likely phase out its HIV/AIDS activities by 2012.

PEPFAR helps Vietnamese agencies work closer together, even within ministries. The Government of Vietnam does not contribute large financial or human resources to combat HIV/AIDS, given the press of other health demands. With PEPFAR assistance, the government set up a national action plan, but the government budget covers only 5 percent of medical treatment. During a visit to the United States in late 2009, Vietnam's deputy prime minister visited U.S. methadone clinics; after his visit, the Government of Vietnam decided to create more methadone clinics, because of the associated benefits for the entire community. The Government of Vietnam appreciates PEPFAR assistance and hopes that bilateral assistance will continue after the current PEPFAR authorization expires in September 2013.

In June 2010, the PEPFAR team provided support to convene the first Lower Mekong Initiative Conference on Infectious Diseases. The conference resulted from commitments made at a July 2009 meeting in Phuket, Thailand, between Secretary Clinton and the foreign ministers of Cambodia, Laos, Thailand, and Vietnam. During that meeting, U.S. officials proposed that one objective of the conference should be to bolster regional cooperation, and PEPFAR Vietnam was asked to fund the conference.

Given the authoritarian nature of the Government of Vietnam, the creation of faith-based and nongovernmental organizations (NGOs) has been limited. Nonetheless, more than 40 domestic and international NGOs work as PEPFAR implementing partners.

## **Chief of Mission Role**

The Ambassador and DCM provide strong executive oversight and support of the PEPFAR program, while leaving most day-to-day operations to the PEPFAR coordinator and the PEPFAR team. The front office resolves the few issues that cannot be resolved by the PEPFAR coordinator and team members. The Ambassador delegates most supervisory authority to the DCM, who meets frequently with the PEPFAR team and agency heads. The DCM knows the PEPFAR issues well and had PEPFAR experience at a previous post that was a former focus country. The Ambassador is willing to make high-level representations as needed; he has a good working relationship with many Vietnamese government officials.

The Ambassador and the DCM engage agency heads in a weekly country team meeting, where the PEPFAR coordinator discusses current and projected activities; a twice-monthly PEPFAR team meeting with the DCM to discuss key issues regarding operations, staffing, or Washington-based issues; and regular digital videoconferences with the team in Ho Chi Minh City. The embassy recently instituted a monthly U.S. health team meeting, chaired by the DCM, that covers all U.S. health assistance programs. The purpose of these meetings is to share information, harmonize activities and interactions with local government counterparts, and reinforce a “one U.S. Government” approach to health diplomacy in Vietnam. The DCM also meets weekly with the USAID director, and every 2 weeks with the CDC director. The DCM recently attended the 2010 PEPFAR annual meeting in Tanzania. In addition, the front office actively supported a 3-year effort to colocate the PEPFAR implementing agencies.

## **Coordination by Implementing Agencies and Partners**

With the arrival of new PEPFAR agency personnel in the past year, including the new coordinator in May 2010, interagency relations and coordination improved markedly. The improvement was driven largely by personality, rather than by systemic changes to the coordination process. Given the nature of interagency sparring that the OIG team has seen at other posts, a more systematic approach to encourage harmonious relations is needed, rather than relying on the good will and common sense of agency participants. The OIG team endorses the recommendation in the 2009 OIG report that a directive be sent worldwide from the heads of S/GAC, USAID, and HHS reiterating the imperative that agencies work collegially. The team also concurs that this responsibility should be an element in the performance evaluation of each agency head.

The current PEPFAR team appears able and willing to work through challenges. Given the unique nature of the PEPFAR process, some hiccups are to be expected. Nonetheless, a good team will work cooperatively to resolve them.

Apart from the frequent meetings with the front office, the PEPFAR team meets on its own and communicates via phone or e-mail. Technical working groups, made up of agency representatives, also meet every 2 weeks. With the encouragement of the front office, the political section, public affairs section, and environment, science, technology, and health office work well together in drafting cables and preparing diplomatic notes and otherwise assisting in negotiations. The embassy has made good use of cables to generate attention and to focus on issues in Washington, particularly before the U.S. Global AIDS coordinator visited in June 2009. The USAID and CDC offices in Ho Chi Minh City make an important contribution to the country interagency effort.

The scheduled move of all Hanoi-based PEPFAR elements to one annex will improve day-to-day contact and other forms of communication. In particular, the increase in the number of OpenNet terminals for all PEPFAR agencies, including the coordinator, will increase ease of communication. Also, switching the PEPFAR coordinator's email from a USAID account to a Department account will reinforce the fact that the coordinator works for and reports to the Department, not USAID.

PEPFAR implementing partners (e.g., NGOs) expressed frustration with the relatively rapid turnover of the embassy's PEPFAR team members. Partners also said they would appreciate more meetings with other partners and U.S. agencies, in particular to understand the PEPFAR team's decision making process. They appreciated that quarterly reporting requirements were dropped in favor of semiannual reports, but they would welcome a shift to annual reports. They also would welcome more visits by PEPFAR team members to project sites. The embassy PEPFAR team concurred with this and cited the heavy reporting burden as one reason why they have not visited project sites as frequently as needed for proper program oversight.

## **The PEPFAR Coordinator**

The OIG team believes that a coordinator is essential to carrying out a large PEPFAR program. The embassy has had a series of coordinators in recent years. A full-time coordinator departed in the fall of 2009, and a temporary duty coordinator filled in for about 6 months until early 2010. In May 2010, the new full-time coordinator arrived. The position description was based largely on a template from S/GAC, adapted to reflect post- and country- specific needs. The coordinator's role was clearly defined and was widely understood and accepted by PEPFAR team members. As part of the hiring process, candidates were interviewed by PEPFAR team members.

The new coordinator, who was a deputy coordinator in a former PEPFAR focus country, is off to an impressive start. The agencies look forward to working with her, and she attends country team meetings regularly. She received minimal orientation from S/GAC prior to coming to Hanoi, and believes that coordinators would benefit from additional training, including training in conflict resolution and negotiation, and the procurement and budgeting processes.

Three local employees work for the coordinator, including an information specialist, who helps implement the Ambassador's small grants PEPFAR fund with the assistance of the public affairs section.

## **Public Diplomacy**

The PEPFAR team's media efforts are supported by the public affairs section, a USAID documentation and communications officer, and an information specialist in the PEPFAR coordinator's office. In addition, the front office and PEPFAR agency heads routinely attend key public events and technical conferences hosted by the Government of Vietnam. The regular participation of U.S. staff at these meetings demonstrates strong support for Vietnamese-led activities in the fight against HIV/AIDS.

The Ambassador's small grants fund for HIV/AIDS public diplomacy efforts, established 2 years ago, also plays an important role in raising PEPFAR's visibility. Activities supported by the fund raise awareness of the epidemic among affected communities and promote community and national-level dialogue on stigma and discrimination against people living with HIV/AIDS.

The embassy believes, and the OIG team agrees, that PEPFAR's public diplomacy efforts are weakened by the competing logos, brands, and slogans of various U.S. agencies and other implementing partners, which often appear alongside (or sometimes in lieu of) PEPFAR's own insignia. Some agencies, such as USAID, are mandated by law to use their own logos, while others are discouraged from doing so. The embassy notes that, after nearly 7 years of PEPFAR activities and despite the 2009 OIG team's recommendation, S/GAC still has not developed guidance with regard to PEPFAR branding. This leads to confusion in the field among U.S. agencies, implementing partners, the Vietnamese Government, and the population.

## **Embassy Support**

The embassy believes that it can meet PEPFAR's International Cooperative Administrative Support Services (ICASS) services needs with the continued coordination, support, and management assistance of local PEPFAR agencies; it also needs headquarters support from the Department, CDC in Atlanta, USAID in Washington, and regional offices in Bangkok, and DOD naval facilities in San Diego. In particular, the human resources unit has worked hard to understand the unique requirements of the position classification process for PEPFAR's locally employed staff. All agencies have a good relationship with the management section.

It took nearly 3 years and required much front office and management section support to find and rent annex space in which to consolidate the PEPFAR agencies. The delays were caused primarily by the need to meet Department safety and security standards. Due to an overlap of the leases, some agencies have to pay double rent for an extended period, but the embassy is confident there will be a large net gain for all agencies once the new offices are ready.

## **Support from the Office of the U.S. Global AIDS Coordinator**

S/GAC requires one of the most elaborate and comprehensive reporting schemes in the U.S. Government. In the early years of PEPFAR, this level of reporting was justified – in large part as a means to convince Congress that high levels of funding were worthwhile. In general, detailed annual budgets and semiannual reporting still require enormous amounts of time and resources from overseas PEPFAR teams that take away from the time the team can spend in the field actually implementing programs. Given the general consensus in Congress and elsewhere of the utility of the program, a move to biennial budgeting and annual reporting would free up enormous time and resources.

The PEPFAR team believes that the budgeting and reporting process have become so cumbersome, labor-intensive, and frustrating that it undermines the team's ability to plan strategically or provide on-site technical assistance. The embassy emphatically suggests that S/GAC continue to work in close collaboration with field staff, to ease the burden of preparing COPs (and hopefully the recently announced 2-year COP concept will alleviate some of this burden). S/GAC also should work with PEPFAR's field staff to reduce the COP indicators to a limited number of required core elements, and diminish reporting frequency. In addition, the embassy wants the reporting cycles to be synchronized better with the budgeting cycles. S/GAC has changed some indicators to try to lessen the reporting burden, but at times the new requests seem to be made for no clear purpose. The shift of a few words in the guidance can be cumbersome, and the constant changes in directions regarding the indicators cause confusion and reporting difficulties. The lack of an updated S/GAC data system also makes preparing the COP difficult.

## Looking to the Future

The PEPFAR team is working actively to move the program from an emergency response to a sustainable one. The recently established partnership framework seeks to strengthen the quality and accessibility of government prevention, care, and treatment services; strengthen overall health systems; and strengthen the national response to HIV by increasing the capacity of government, nonprofit, private, and multilateral organizations. The team is developing the partnership framework implementation plan, which will detail first-year activities and achievements after 5 years. The PEPFAR team hopes that S/GAC will send a clear signal about future funding, in order to establish desired benchmarks for Vietnamese government commitments.

Given the low HIV/AIDS prevalence rate in Vietnam and the country's growing economy, some sources speculate that Washington could reduce PEPFAR funds significantly in future years. The PEPFAR team believes that an early reduction of funds would be a mistake, as it could reverse the gains made with the \$400 million invested thus far — such as the estimated 58 percent reduction in HIV incidence achieved between 2000 and 2007. Neither the Global Fund nor the Government of Vietnam could be expected to provide the funding needed to continue HIV prevention and treatment programs at current funding levels. If funds are to be reduced, the embassy would like to be alerted as soon as possible in order to prepare host-country counterparts. The PEPFAR public diplomacy team is developing a strategy that addresses possible flat or declining funding and encourages a transition towards Vietnamese ownership and sustainability of its HIV/AIDS response.

Given Vietnam's role as a crucible for many diseases, and given the long history of local U.S. work on HIV/AIDS and other diseases, the embassy is eager to understand more about the Global Health Initiative and its implementation. The embassy is eager to participate in health systems strengthening. However, agencies have a limited ability to transfer assistance funds among programs and the possibility of conflicts if the GHI implementation process is not clear.

## **APPENDIX A-2: CAMBODIA COUNTRY REPORT**

### **BACKGROUND**

Cambodia is one of Asia's poorest nations. Its health system infrastructure is inadequate, and the health workforce is poorly paid and poorly trained. The health of the Cambodian population ranks among the lowest in Asia, with high infant and child mortality rates and a very high maternal mortality rate. HIV prevalence is also among the highest in Southeast Asia. The HIV/AIDS epidemic is spread primarily through heterosexual transmission and revolves largely around the sex trade. Of a total Cambodian population of approximately 14.5 million adults and children, about 75,000 people are living with HIV/AIDS.

The Cambodian health care system is almost entirely dependent on donor funds; donor investment in HIV/AIDS programs is approximately \$50 million annually. The Global Fund is the biggest donor in Cambodia; through 2009, it has pledged a combined total of more than \$500 million, of which more than \$300 million is for HIV/AIDS programs. The influx of resources from the Global Fund, however, has coincided with reductions in other donor support, most notably from the United Kingdom's Department for International Development, which ended its \$7 million a year HIV/AIDS program in 2009.

Cambodia has achieved enormous success in combating HIV/AIDS. Between 1998 and 2006, the prevalence of HIV in adults has been reduced by half (from 2 percent to 0.9 percent); there has been great progress in expanding access to care and treatment. More than 70 percent of HIV-affected individuals have access to services, and antiretroviral medication is provided to an estimated 90 percent of those in need. To date, however, these efforts have not necessarily translated into improvements to the overall health system and to broad health outcomes.

With \$18.5 million in funding for FY 2010, PEPFAR is a modestly sized, though extremely important, program. USAID receives about 78 percent of these funds, and CDC receives about 22 percent. In terms of PEPFAR funding, the country ranks

number 20 on the list of 31 partner countries. PEPFAR does not dominate U.S. health assistance programs in Cambodia—total U.S. health assistance funding is approximately \$40 million annually. Other infectious diseases have high priority, especially tuberculosis, which affects 60 percent of the population (the highest rate in Asia). There are also programs for pandemic influenza and Japanese encephalitis, and a satellite of the U.S. Navy Medical Research Unit conducts infectious disease research. While DOD does not receive PEPFAR funds, some of its humanitarian aid programs complement those of PEPFAR. Maternal and child health are the highest priorities, especially reducing maternal mortality. The resources, time, and attention given by the mission to PEPFAR are commensurate with its place among overall mission priorities and strategic objectives.

The U.S. Government's HIV/AIDS programs in Cambodia predate PEPFAR; they began in 1993, when the United States resumed diplomatic relations with Cambodia. These programs provided a strong foundation for bilateral relations and cooperation. Embassy officials credited health assistance programs with sustaining a bridge to the Cambodian Government over the lengthy period of almost nonexistent bilateral relations and Congressional restrictions on almost all forms of U.S. direct assistance. Over the years, HIV/AIDS and other health programs have had time to mature, and there is a mutually positive and longstanding relationship with the Cambodian Ministry of Health.

PEPFAR activities are aligned with the Cambodian Government's 5-year national HIV/AIDS strategies. The existing plan covers 2006 through 2010, and there is a draft plan for 2011 through 2015. The national strategy serves as a substitute for a PEPFAR partnership framework. Officials at the embassy determined, and S/GAC concurred, that considering the United States is not the largest donor, creating a stand-alone partnership framework would be duplicative of the national strategy, would place a burden on the Cambodian government, and would be an inefficient use of resources.

Part of the success of the program is attributed by the embassy and partners to there being a manageable number of partners. This is possible because there is a well developed NGO health sector, with a small number of capable and collegial partners. CDC has three partners within the Ministry of Health, and USAID has six partners. The partners commented that this results in better communication among them, which facilitates developing mutually agreed-upon objectives, coordinating the planning process, and reducing program duplication. The partners also stated that having a small group results in better communications with the Ministry of Health. All partners reported good relations with the embassy's PEPFAR team. Restricting the number of partners, however, is not suited to every country; there are valid reasons why in some countries the agencies have dozens of partners.

In contrast to the experience of the 15 original focus countries, the advent of the PEPFAR program in Cambodia did not result in a substantial increase in U.S. funds for HIV/AIDS programs. PEPFAR funding and resources allocated to Cambodia have been stable over the years and are expected to remain so. As a result, the embassy has not experienced some of the problems and turbulence found at missions where PEPFAR funding and programs were scaled up dramatically over a short period of time.

## **Chief of Mission Role**

The Ambassador is knowledgeable, engaged, and approachable regarding PEPFAR; her role is appropriate to the size and priority of the program. She is accessible to the PEPFAR coordinator; engages with the agencies and intercedes when necessary; and reviews and approves the COP. For public diplomacy activities, she includes references to PEPFAR whenever the opportunity arises. The Ambassador has been very active at the policy level, fully participating in the development of the COP and serving as PEPFAR's spokesperson to the Department on strategic issues. She is active in high-level policy discussions with the Cambodian government; it is clear that the PEPFAR country team can count on her direct intervention with the highest levels of host-country officials.

## **Interagency Coordination**

Relations and coordination between the two implementing agencies are excellent; the PEPFAR team works exceptionally well across agency lines. Any tensions or disagreements are resolved early on and not allowed to fester. The Ambassador will step in, if needed. The collegial interagency relationship can be attributed, in part, to several factors. Among these are: both USAID and CDC have been in Cambodia long enough to have developed a foundation for a collaborative relationship; PEPFAR team members are well seasoned health assistance experts with many years of overseas experience; colocation of CDC and USAID staff on the new embassy compound facilitates coordination and communication; and the Ambassador and DCM play an active and supportive role. Some staff suggested that the relatively small size of the program helps minimize interagency competition and turf battles. Perhaps most importantly, the PEPFAR team is composed of a mix of congenial personalities.

## **The PEPFAR Coordinator**

The PEPFAR coordinator is a contractor hired by USAID, who also fills the position of USAID's senior technical HIV/AIDS prevention advisor. He has experience in the global health field, both overseas and in Washington, and at both USAID and HHS. Due to the relatively small size of the program in Cambodia and in order to conserve program funds, the PEPFAR team, Ambassador, and DCM agreed there was no need for a full-time coordinator. In his USAID role, the coordinator reports to the USAID health and population officer; on PEPFAR matters, he reports to the Ambassador via the DCM. This arrangement is working well and is satisfactory to both agencies. The coordinator spends a substantial amount of time on PEPFAR administrative and management duties. This reduces the time he is able to spend on his areas of expertise as a public health advisor and limits his work in the field.

Recently, S/GAC provided the post with additional funds to hire a full-time contractor to serve as liaison to the Global Fund. The liaison will enhance coordination of PEPFAR and Global Fund support and work with the Fund on quality assurance, innovation, cost effectiveness, and customer satisfaction. To date, the PEPFAR coordinator has been fulfilling many of these duties and representing the U.S. Government on Cambodia's Global Fund Country Coordinating Committee.

## **Public Diplomacy**

Although PEPFAR is not a large component of the public diplomacy portfolio, the public affairs officer coordinates with USAID and CDC on PEPFAR whenever an opportunity arises. CDC coordinates with the public affairs officer on CDC's numerous health related activities, including PEPFAR. The public affairs officer inserts references to PEPFAR in remarks prepared for the Ambassador, and the Ambassador attends PEPFAR events in the field. PEPFAR is a positive story in Cambodia, and it is mentioned within the appropriate context. The public diplomacy section provides press guidance on PEPFAR or related topics that appear in the media. The guidance highlights the fact that PEPFAR assistance, like other U.S. assistance to Cambodia, is designed to build capacity within the Cambodian Government so it can manage programs independently, and that this transition is the logical next step in the process.

Embassy officials expressed disappointment that S/GAC materials seldom mention Cambodia when highlighting the significant resources and accomplishments of the former 15 focus countries. They noted that Cambodia, with significantly less funding, has achieved impressive results with U.S. resources, through PEPFAR funds

and through U.S. contributions to the Global Fund. Embassy officials would like to see Cambodia's success highlighted in PEPFAR reports and they would very much welcome a high-level S/GAC visit.

## **Embassy Support**

As a small program, PEPFAR has minimal impact on the embassy's management support platform. No administrative issues related to PEPFAR were noted. While the embassy has suffered growing pains over the past 5 years, this has been due to the growth of other programs and agencies, such the Departments of Agriculture, Justice, Treasury, and Homeland Security. The growth of these entities has had a greater impact on service providers than has PEPFAR.

## **Support from the Office of the U.S. Global AIDS Coordinator**

The embassy's PEPFAR team agreed that S/GAC staff is dedicated and hard working, and they all acknowledged that there are several excellent country support staff members. Nonetheless, many on the PEPFAR team characterized S/GAC's support as uneven and prone to micromanaging; they also have been adversely affected by S/GAC's high turnover rate. Several staff members at the embassy stated that some S/GAC employees appear not to fully understand the realities in the field and thus may have unrealistic expectations. Embassy officials said that S/GAC needs to understand that posts require flexibility and that they have expertise and should be left to make common sense decisions on their own. Embassy officials believe S/GAC approval of the mission's HIV/AIDS programs should be limited to the strategic level, leaving the selection of partners, program areas, procurements, and funding levels to those who better understand the epidemic and local environment. Rather than being given detailed instructions, both the PEPFAR team and the Ambassador would like more input and clarity from S/GAC's senior officials who can give policy guidance and make policy decisions.

Some on the embassy's PEPFAR team believe that S/GAC would benefit from having more Foreign Service officers on its staff, to provide a more realistic perspective on overseas operations and to ensure that S/GAC has employees with the diplomacy and advocacy skills that are needed for PEPFAR's transition phase.

A universal refrain concerned PEPFAR's onerous planning, reporting, and writing requirements. These are an enormous burden that takes staff away from program implementation, monitoring, and evaluation, among other things. The PEPFAR team believes it would be eye-opening for S/GAC to calculate the cost, in time and money, of fulfilling these requirements. The agencies agree that there is a need for reporting; there are legitimate needs in Washington, and individual agencies have valid needs. The team also agrees that the planning and reporting process facilitates inter-agency coordination and joint planning. However, they unanimously and vigorously asserted that the requirements, especially those for the COP, are excessive and need to be proportional to the size of the program. Further, the writing and reporting processes and cycles for the COP are not integrated with the separate operational plan for foreign assistance, resulting in both the duplication of effort and a confusing, bifurcated budget process.

The PEPFAR team stated that S/GAC guidance is changed frequently, often is late, and sometimes lacks clarity. Indicators change, too. S/GAC also issues numerous tasking assignments with short turnaround times. One employee summed it up by saying that the embassy seems to support S/GAC, rather than S/GAC supporting the embassies.

Planning and reporting requirements also place a burden on PEPFAR's implementing partners, who have to collect data and prepare narratives. Sometimes, the host country data systems cannot provide the needed information. In addition, many partners are supported by multiple donors, each one with its own reporting requirements. Partners said that data reporting is a constant challenge, and that PEPFAR and other donors' requirements change every year. Further, the partners would like the indicators to be more outcome based, rather than activity based.

The post knows that S/GAC is aware of the reporting issue, but questions the extent to which S/GAC and the agencies have analyzed and diagnosed the problem. The reporting burden connected with all foreign assistance programs needs to be reviewed, as does the proliferation of nonintegrated strategic plans and budgets. There is also the concern that GHI will add yet another reporting system, with no added value.

## **Looking to the Future**

In looking to the future, the PEPFAR team and Ambassador focused on three primary subjects: (1) defining sustainability; (2) improving the effectiveness and efficiency of the Global Fund, and (3) understanding the implications of the Global Health Initiative.

## **Sustainability**

Embassy officials have questions about the meaning of sustainability and host country ownership; they feel that Washington pronouncements and guidance are nebulous. They point out that, if these terms mean the host country must fund the programs, they are unrealistic, as the Cambodian health system relies on donor funds for 98 percent of its budget. The PEPFAR team has frequent discussions about strengthening and integrating health systems, and moving PEPFAR from direct service delivery to technical support. The team is working to create realistic programs that can function within the existing health system; they are not trying to create “Cadillac” programs. The team said that country ownership should mean more than just a transfer from PEPFAR to other donors, which provides no incentive for the host country to commit its own resources. Cambodia’s successes in securing Global Fund grants could enable the U.S. Government to scale back bilateral investments, but embassy officials are concerned that Cambodia might come to expect too much from the Global Fund and depend too heavily upon it, when the Fund’s capacity is limited and its ongoing role cannot be assured.

## **The Global Fund**

The PEPFAR team and embassy officials expressed concerns about the responsible and effective use of Global Fund resources. Embassy officials believe that, while service delivery needs in Cambodia are increasingly met through the Global Fund, there are substantial challenges to ensuring the wise and efficient use of funds. Local oversight of the Global Fund is provided by volunteer members of the Country Coordinating Committee. These individuals are performing above and beyond their official duties with their respective organizations and agencies, and the Committee Secretariat is inadequately staffed and supported. The embassy feels that, in the interests of assessing and improving service quality, the Global Fund needs to revisit its indicators and monitoring and evaluation systems. The embassy also has concerns about the overall cost-effectiveness of Global Fund operations, especially its procurement system. It believes the Fund has taken few steps to reduce service delivery costs and has put few measures in place to promote efficiency or increase proportional host country investments.

Both the Ambassador and the agencies believe that the United States, as the largest single contributor to the Fund, should be more influential in its operations, demand greater accountability and transparency from the Fund, and have an oversight role. Embassy officials do not know what legal authorities the U.S. Government has to conduct oversight of the Global Fund; this question must be addressed by officials in Washington. The PEPFAR team’s new Global Fund liaison officer will

work with the Country Coordinating Committee to reduce program duplication and to ensure that grant proposals to the Global Fund are aligned with overall goals and that monitoring and evaluation activities are conducted.

### **Global Health Initiative**

Details about GHI's implementation are not yet known, but embassy officials and the PEPFAR team are cautiously optimistic and agree that its goals are laudable (if not a little too lofty). Everyone agrees that GHI implementation will be a tremendous challenge. Officials are encouraged by GHI's recognition of the need to broadly integrate HIV/AIDS initiatives with all other health and related programs. The embassy noted that the proliferation of disease specific initiatives has been a barrier to the design and implementation of integrated health sector programs that meet country specific needs.

Currently, embassies have limited flexibility to transfer funds, due to the stove-piping of health assistance funds. The existing foreign assistance budget process pits one disease against another, so that PEPFAR funds displace maternal and child programs that are critically needed in Cambodia. Embassy officials believe there should be an increase in funds for maternal and child health and infectious disease programs and, some believe, a decrease in bilateral HIV/AIDS funds. This would better align funding with Cambodia's shifting health priority needs and reflect the fact that as the United States transitions to a technical support role, service delivery needs for HIV/AIDS, tuberculosis and malaria will be met predominantly by the Global Fund. As previously noted, the PEPFAR team is afraid that GHI will impose yet more planning and reporting requirements, further limiting the capacity of the small number of local staff to focus on improving services and systems. Some PEPFAR team members suggested that, without a specific process for integrating GHI planning, budgeting, and reporting with other programs, the initiative has the potential to create interagency tensions.

## **APPENDIX A-3: DOMINICAN REPUBLIC COUNTRY REPORT**

### **BACKGROUND**

The PEPFAR program in the Dominican Republic has grown from a small- to medium-sized effort, with increases in funding and the number and size of implementing agencies. Such growth requires more interagency coordination than in the past. In particular, the rapidly expanding CDC unit will assume a role roughly equal in size to that of the longstanding USAID effort. From a modest budget of \$5.2 million in FY 2005, the PEPFAR budget grew to \$17.3 million in FY 2009, and it will be at least \$15.5 million annually through 2013. PEPFAR is the largest component of the bilateral U.S. assistance effort to the Dominican Republic, accounting for about 35 percent of development assistance to the country.

USAID first started work on HIV/AIDS in the Dominican Republic about 15 years ago, before the creation of PEPFAR. USAID was the sole implementing agency until about 2005, when the Peace Corps began efforts that centered on developing a large group of Dominican HIV/AIDS volunteers around the country. In 2008, an embassy military liaison office began HIV/AIDS programs to assist the Dominican military, and the office hired a local project officer in 2009. The embassy hired a full-time PEPFAR coordinator in December 2008 for a 2-year contract with USAID. The Department's contracting authority is limited, and inhibits the Department's ability to contract services directly, rather than through another agency. The coordinator is considered a Department of State employee, and reports only to the Ambassador and DCM. Following a few temporary duty assignments over the past several years, in early 2010 the local unit of the CDC began to hire full-time staff, to establish a permanent office. The public affairs section of the embassy has a small budget for HIV/AIDS media support. The embassy's science and health officer attends some PEPFAR meetings but has a limited role in PEPFAR implementation.

The four main PEPFAR implementing agencies work out of four separate buildings, but a new, consolidated embassy compound is planned for FY 2014. Other than the Peace Corps and some CDC staff members who will likely stay at a local partner university, the PEPFAR team will be consolidated at the new chancery. This should improve daily contact and coordination.

With the growth in the program budget and agencies, the PEPFAR team was asked by S/GAC in the second half of 2009 to produce its first full-scale COP, versus the former mini-COP. This greatly increased the internal reporting requirements for the small PEPFAR team. Starting in the second half of 2009, the mission also negotiated a partnership framework with the Dominican Government, followed by a partnership framework implementation plan. Both documents are nearing completion, following some delays due to translation issues.

A major delay in receiving program funds, in part due to the slowness of the congressional notification process, has caused the PEPFAR program to lose some momentum with the local government. The delays mean that some money that was agreed to in 2008 and 2009 still has not arrived, particularly for the Peace Corps. The budget delays may be due in part to some delays in approving the COP and the partnership framework, the relatively low priority of the Dominican Republic in the PEPFAR program until recently, and other issues.

Due to the delay in receiving program funds, some momentum that PEPFAR once had with the local government has been lost. The team reports that it has been difficult to get their Dominican counterparts to stay focused on PEPFAR and commit to meetings and workshop dates. For example, the PEPFAR team has been trying unsuccessfully to hold a workshop with the Dominican Government, to disseminate the partnership framework implementation plan and to harmonize the Dominican Government indicators with the required PEPFAR indicators. To avoid budget delays in the future, the PEPFAR team suggests that the team receive, up front, most of the previous year's congressional notification level and settle accounts later, instead of waiting for the final approval of congressional notifications.

The Dominican Government spends approximately 2 percent of its GDP on healthcare (although international standards call for about double that amount) and devotes little funding to HIV/AIDS. PEPFAR funding levels have put it on a par with the Global Fund as the largest contributor to HIV/AIDS programs in the Dominican Republic. The two programs account for almost all HIV/AIDS money spent in the country. The World Bank recently stopped funding Dominican health programs.

About 10 percent of the Dominican population (about 1 million to 1.3 million people) is from Haiti, and their HIV/AIDS prevalence rate is approximately triple the overall 0.8 percent rate for the Dominican Republic. Nonetheless, none of the much larger PEPFAR funds going to Haiti reach the Dominican Republic, including along the border areas. The Dominican Government asserts that it does not discriminate against Haitians in providing HIV/AIDS treatment.

## **Chief of Mission Role**

With the departure of the last Ambassador in January 2009, the current chargé d'affaires has directed overall PEPFAR implementation since he arrived in August 2009. In his early months, the chargé met a few times with the PEPFAR technical team to review progress of the program and to discuss any pending issues. The enormous amount of time the PEPFAR team dedicated to preparing the latest COP and partnership framework lessened their need (and ability) to meet so often with the chargé. In addition, the urgent relief and reconstruction effort following the recent earthquake in Haiti was based in large part in the Dominican Republic, and the earthquake effort made great claims on the chargé's time, partly at the expense of the PEPFAR program.

Nonetheless, the chargé has been available at all times to deal with any issues the PEPFAR coordinator needed to raise to his level. Informal and frequent contacts between agencies, particularly during the drafting of the COP and the partnership framework, kept communication flowing. As the Haitian relief effort assumed a more normal work pace in recent months, and as the chargé recognized the growing size of the PEPFAR program, he has taken a more active role in overseeing PEPFAR-related activities. Monthly meetings with the chargé and the PEPFAR team recently were reinstated. In sum, the chargé is committed to the PEPFAR program.

## **Coordination by Implementing Agencies**

Coordination by the four implementing agencies has been good. CDC's small contingent helped with the arduous preparation of the COP in 2009, which strained the CDC resources. The cooperation by CDC continued in recent months as the agency's office has grown in size.

## **The PEPFAR Coordinator**

Given the projected growth in the PEPFAR budget and the number of implementing agencies, S/GAC decided to hire the first full-time Dominican Republic PEPFAR coordinator in December 2008. Some standard S/GAC position descriptions were used in the hiring process. The coordinator, formerly the health officer at USAID in Santo Domingo, returned from an intervening tour in another country to take the position. The coordinator received only 2 days of orientation from S/GAC, as well as some online tutorials.

Some of the other agencies were not clear about the coordinator's role in his first year, and some thought he should do more initial drafting of the COP and partnership framework. The coordinator preferred that various agencies contribute initial drafts, which he then edited. With time and experience, the PEPFAR team came to better understand the coordinator's role. As the team moves from planning to implementing, the coordinator's role has evolved, and it increasingly includes representing the PEPFAR team at meetings with senior Dominican counterparts, facilitating interagency coordination, raising the profile of PEPFAR in the country, and working with PEPFAR agency heads on strategic issues.

Overall, the PEPFAR coordinator is a positive force, and he is patient and tries to listen to all agencies. He has grown into role, and people at the embassy now understand that he is not a USAID employee, but rather the Department's broker for the PEPFAR program. Given space limitations in the chancery, the coordinator sits in the USAID annex, which has led some to assume that he works for USAID. The coordinator does not always attend the country team meetings.

The OIG inspectors advised the PEPFAR coordinator to take advantage of any opportunities to visit S/GAC to gain further insight into its workings. The team encouraged the coordinator to take advantage of the planned move to a new chancery, to ask for an office that is separate from USAID, to preclude any perception that the PEPFAR coordinator works for USAID. The team also suggested that he ask to attend the country team meetings. The coordinator agreed to follow up on these suggestions.

## **Public Diplomacy**

While the PEPFAR team has engaged on HIV/AIDS issues in the Dominican Republic, a larger public diplomacy strategy on PEPFAR awaits the official signing with the Dominican Government's partnership framework and, afterwards, the official rolling out of the framework's implementation plan. Approval of the partnership framework will give structure to and increase Dominican ownership of the PEPFAR

program. The public affairs section has proposed using some PEPFAR funds to create a new locally employed position to focus on public diplomacy outreach efforts for PEPFAR, but the PEPFAR team has not decided on the issue.

## **Embassy Support**

The embassy provides good administrative support to the PEPFAR coordinator and USAID, Peace Corps, and the military liaison office. The recent growth of CDC has led to some issues, particularly regarding a lack of space in any existing embassy buildings and local employee job classifications and ranks, as well as some procurement difficulties. With some exceptions, CDC often is perceived incorrectly by mission staff as a contractor for USAID, rather than a PEPFAR implementing agency intending to become permanent. CDC also until recently had been unable to hire staff due to lack of space.

The new embassy building is scheduled for completion in 2014 so the CDC given its rapid growth and limited experience will need to weigh its space needs carefully. The CDC is asking for just two offices in the new chancery and plans to keep most of its staff at the local university. CDC may wish to reconsider its final space needs in the chancery before it is too late to make any design changes.

Regarding the hiring of local employees, CDC generally prefers to hire permanent staff on the embassy's permanent job classification scale and not hire contractors, but CDC's demand for relatively high skills strains the upper reaches of the embassy's hiring scale. The CDC unit has sought advice and counsel from its headquarters in Atlanta on how to address the problem. The embassy and the CDC continue to work together to smooth out these hiring issues. Finally, CDC has procurement needs that Department regulations cannot meet, particularly for technical equipment. Again, CDC has asked Atlanta for advice.

## **Support from the Office of the U.S. Global AIDS Coordinator**

The PEPFAR coordinator position description was based on a model position description provided by S/GAC. The coordinator has received no training from S/GAC other than online tutorials, but S/GAC has been supportive of requests for technical assistance.

The OIG team believes that S/GAC could best support the PEPFAR team by reducing the heavy reporting and planning burden, particularly for the COP. The OIG team believes that because of the current reporting requirements, the PEPFAR team has little time to focus on actual program implementation. In particular, the OIG team suggests that the COP be prepared every other year, rather than annually; program funds need not be accounted for every year, but rather over 2 years or the life of the program. The OIG team also suggests dropping the semiannual reporting plan and making sure the annual reporting plan deadline jibes better with the COP timetable. Another suggestion is to switch the COP's indicators with an expanded version of what will be needed for the partnership framework implementation plan. The OIG team thinks that the indicators for partnership framework, with a few additions, would be a better reporting system than the COP. Some PEPFAR team members with experience in domestic HIV/AIDS projects in the United States noted that such efforts have fewer reporting requirements, compared with PEPFAR programs.

The PEPFAR team believes that many of the S/GAC data requests are reasonable, but gathering and tabulating the information takes much longer than S/GAC realizes. Collecting such data could take years in the United States, much less in a developing country, and yet S/GAC wants it done in 1 year. Complicating matters further, S/GAC changes its data requirements about every year, and it does so by means of addenda that are not always compatible with the existing guidance. The guidance recently reached 160 pages long, which is unmanageable.

## **Looking to the Future**

The global PEPFAR program is seeking greater sustainability and host government ownership of the efforts. The U.S. HIV/AIDS assistance program in the Dominican Republic predates the emergency nature of the PEPFAR funds, and it has always focused on sustainability. From the outset of the HIV/AIDS program in the 1990s, the mission has emphasized host country leadership and has provided support to the Dominican Government program. The expanded and revised PEPFAR program under the partnership framework continues this approach, emphasizing host country leadership, ownership, and health systems development and sustainability, in addition to supporting service delivery and prevention interventions.

More specifically, the PEPFAR team has discussed with the host government how to increase the sustainability of the HIV/AIDS program by boosting the level of national funding. Nonetheless, major health sector reform in the DR is still taking place; rapidly changing health service structures and functions present major challenges for achieving sustainability in some PEPFAR program areas, as does the redeployment of staff when changes in leadership occur.

The PEPFAR team believes that sustainability is a slow, gradual, and sometimes painful process, especially in a country where frequent turnover of Ministry of Health personnel, including technical personnel, places an additional burden on the PEPFAR program. In sum, the Dominican Government does not appear to be in a position to take over the HIV/AIDS program in the foreseeable future.

The PEPFAR team has received little guidance on what the GHI will mean for PEPFAR and other health programs in the coming years. In any case, no new initiative money is likely to go to the Dominican Republic in GHI's early years.



## **APPENDIX B: SUMMARY OF OIG QUESTIONNAIRE RESULTS**

The OIG team sent a questionnaire with nine open-ended questions to the 30 embassies receiving the largest amount of PEPFAR funds. (Cote d'Ivoire was omitted inadvertently from the distribution list.) The questionnaire was distributed to 14 out of 15 of PEPFAR's original focus countries, plus 15 other countries with significant PEPFAR programs. Most of the responses represented the consolidated views of the PEPFAR country teams. The officials who prepared the responses included chiefs of mission (COM), DCMs, PEPFAR coordinators, USAID officers, and CDC representatives. In a few instances, the OIG team received multiple responses from different officers within the PEPFAR country team. The team consolidated their responses, to ensure that all views are reflected in this summary.

The OIG team received 26 responses, or an 87 percent response rate. The countries that responded to the questionnaire were: Angola, Botswana, Cambodia, China, Democratic Republic of Congo, Dominican Republic, Ethiopia, Ghana, Guyana, Haiti, India, Indonesia, Kenya, Lesotho, Malawi, Mozambique, Namibia, Russia, Rwanda, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe, Ukraine, and Vietnam. The following summary, grouped by the questions as they appeared in the questionnaire, provides valuable input from the posts' perspective about the PEPFAR program.

**1. Describe and comment on the COM's role in PEPFAR oversight, including the degree of Front Office time and attention devoted to PEPFAR and managing the interagency process. List the methods that have worked best at your post.**

The majority of the responses indicated that the COMs were engaged and active in the PEPFAR program. These responses pointed out that COMs led the bilateral relationship with the host government in all PEPFAR matters, played a leadership role in the interagency management of the program, and participated in the development of partnership frameworks and COPs. There were a few exceptions. For example, at one embassy, the responses from PEPFAR country team members indicated different views about the level of COM involvement. In one country with

a small PEPFAR program, although the COM is interested in PEPFAR program, the COM does not consider the PEPFAR a priority, because there are many competing and higher profile issues to be addressed. In another country with a small PEPFAR program, the role of the COM is limited to approving the COP.

In eight out of the 26 responses, the COMs have delegated PEPFAR oversight to the DCM. There were no major problems reported with this reporting arrangement. Three missions provided percentages of time spent on PEPFAR issues, and these figures were reasonable and appropriate. In all responses, the COMs and/or DCMs meet regularly with the PEPFAR team. The intervals of most of these meetings were weekly, biweekly, or monthly. At two missions, the COMs and/or DCMs met with the PEPFAR management committee every 2 months and quarterly, respectively.

Among the responses, there were two examples of strong COM leadership and participation in PEPFAR activities. At one embassy, the COM established a rotating team approach to PEPFAR coordination, because he wanted to save on the cost of establishing a PEPFAR coordinator. To accomplish this, the COM asked an embassy officer to monitor and mentor PEPFAR staff from the different implementing agencies. At another embassy, the COM established an annual interagency retreat to review PEPFAR successes and challenges, and to chart a path forward. The retreat was welcomed by all PEPFAR country team members.

**2. What has been the impact of PEPFAR on your bilateral relations? Have other assistance programs been affected by the presence of PEPFAR in your host country? If so, how?**

As stated in the 2009 OIG report, PEPFAR has had positive results and in most instances has positively influenced bilateral relations with the host country, particularly with the Ministry of Health in each country. In some cases, PEPFAR has deepened and significantly broadened relations with the host country, and the people in the country have a favorable impression of PEPFAR and of the United States. There were two exceptions. At one post, in the first 5 years of PEPFAR, the bilateral relationship was strained, because the minister of health was not fully supportive of the PEPFAR program; however, the current minister has improved relations with the PEPFAR implementers, and bilateral relations have improved. Another post said that the host government has lost focus on PEPFAR, due to delays in approving the COP and the partnership framework and delays in receiving PEPFAR funds.

None of the posts stated that other assistance programs had been affected by the presence of PEPFAR. Six of the respondents said that PEPFAR was the largest program in the country. Some missions described the Global Fund and the Global

Health Initiative as broadening the focus of U.S. assistance by building more sustainable health systems and strengthening primary health care. At some posts, the Global Fund is the largest source of funds for HIV/AIDS programs. There was recognition by posts that PEPFAR and the Global Fund need to be closely aligned, but many embassies asked how the PEPFAR implementers will work with the Global Fund to ensure that programs and activities are not duplicated. In summary, most of the responses see the Global Fund, the Global Health Initiative, Millennium Challenge Compact, and collaboration with NGOs as a way to strengthen the bilateral relations and synergies among all programs.

**3. Is the amount of PEPFAR financial assistance sufficient for targeted activities? How would the additional funding be used if allocated?**

Eleven embassies indicated that the amount of PEPFAR assistance allocated to them was insufficient. Most of the posts that replied had not seen a decline in their PEPFAR budgets. One expressed concerns about a drop in funding, because “other major donors in the country are reducing their commitments as well so the health system infrastructure will collapse.” One embassy did not respond. Fourteen missions asserted that their funding is adequate to meet targeted activities. They all stated that additional funding will be used to scale up the host country health system. Some health systems strengthening activities described in the responses were:

- surveillance and monitoring/evaluation systems;
- training and retention of health workers;
- effective infection control programs;
- adequate resources in rural areas;
- monitoring and measuring a national “combination prevention” effort;
- technical assistance to programs supported by the Global Fund to improve the quality of care at clinical level;
- staff engagement with the Global Health Initiative;
- quality assurance and facility accreditation of health services; and
- Tuberculosis and HIV services at primary care sites

One post would use additional resources as incentive funds, aimed at increasing the host government’s public health expenditures. In some African countries, additional funds would be used for a nationwide male circumcision program.

Significantly, three embassies reported that it takes a significant amount of time to get approved funding to partners in order to continue projects without disruptions. Because of delays in receiving PEPFAR funds from Washington, the relationship with some partners (and, in one case, with the host government) has been negatively affected and has reduced host country commitment to the program.

**4. Is the PEPFAR coordinator full-time? If so, does the coordinator have a position description developed by S/GAC? If there is no position description, are the PEPFAR responsibilities included in the officer's work requirements? Is the role of the PEPFAR coordinator clearly defined and widely understood by country team members? Has the PEPFAR coordinator received adequate training and support from S/GAC?**

Ten embassies have a full-time PEPFAR coordinator. Some of these positions were established within the last 3 years. The missions without a PEPFAR coordinator usually have a small PEPFAR program, and program responsibilities are most often carried out by a USAID officer. At one post without a PEPFAR coordinator, the PEPFAR team developed an interagency collaborative approach, by which each implementing agency serves as acting coordinator for a 3-month period. At another embassy, the mission did not have a coordinator, "because of the limited amount of funding." In another country, the USAID senior technical advisor for HIV/AIDS functioned as the coordinator. At this post, there was no full-time coordinator position; the mission wanted to conserve PEPFAR funds and determined that the USAID officer could effectively perform the coordination role.

At those embassies that have a full-time PEPFAR coordinator, not all responses indicated which hiring mechanism was used to fill the position. Posts that responded showed that the coordinator position falls under numerous personnel categories, such as USAID personal services contractor; USAID direct-hire Foreign Service officer (including technical advisor, health officer, and detailee from HHS); and locally employed staff and eligible family member. One embassy stated: "Given the complexity of the PEPFAR program and the delays in hiring PEPFAR coordinators under mechanisms not designed to fill such positions, we recommend OGAC consider adding full-time employees from either civil or foreign service so that it has personnel it could assign overseas as PEPFAR coordinators following Washington assignments in OGAC."

Most coordinators have a position description developed by S/GAC. The embassies stated that they had modified and adapted the model position description to meet their own needs. At one embassy, the position description was drafted by the interagency team prior to S/GAC's development of the standardized position description. In another country, the position description was developed by HHS

using S/GAC's model as a guide. The role of the PEPFAR coordinator appears to be understood by country team members, with the exception of two missions. One of these two embassies stated: "The role of the PEPFAR coordinator is not widely understood because the primary agencies working on PEPFAR have been longer in the host country and the PEPFAR coordinator position is still relatively new. These primary agencies filled the coordination role previously and there has not been always a clear recognition of the jobs that should transfer to the PEPFAR coordinator."

Almost universally, the responses expressed dissatisfaction with the lack of training the PEPFAR coordinators received before arriving at post and throughout their tenure. Some of the comments are quoted below:

- The PEPFAR coordinator has not received adequate training from S/GAC, partly due to the fact that there is still no standardized training plan developed for PEPFAR coordinators. Particularly for coordinators who are not already part of the Department of State system, training in the functioning and procedures of one or more agencies is essential to working effectively in the inter-agency context. The coordinator has learned on the job.
- The PEPFAR coordinator spent one day at S/GAC at the beginning of the assignment tour, right before attending the annual country coordinators' meeting. One day consultation was not sufficient.
- More training opportunities in strategic planning, group facilitation, decision-making and conflict resolution are welcome.
- The coordinator did not, as such, receive any training from S/GAC prior to arrival in country, nor was any training offered. Training would have been helpful in areas such as conflict resolution, team building and facilitation. It would also be beneficial to have consistent core support team leadership with the appropriate experience.
- The more advanced leadership courses given by the Foreign Service Institute would be good for PEPFAR coordinators to attend if nothing more tailored to their own situation can be made available. It is a very difficult job, and the initial support from S/GAC to the team generally, and coordinator specifically, had been minimal/insufficient.
- The PEPFAR country coordinator would benefit from training on agency-specific requirements and processes for assistance and acquisition. Support from S/GAC has improved, especially since the formation of a position at S/GAC responsible for liaising with the PEPFAR country coordinators.

- There has been a lack of coordinator training. There are no courses, no formal orientation to the PEPFAR role, and little to no support to translate and implement the 85-plus pages of guidance issued, in last year's case, very late in the reporting cycle.

Some of the responses gave S/GAC high marks for organizing and presenting the 2010 country coordinators' meeting in Washington and the annual PEPFAR meeting held this year in Arusha, Tanzania. One embassy stated, "The coordinators' meeting was very useful and provided a good orientation to the program and explained the role of coordinators in the field." Another embassy expressed that the "S/GAC sponsored and largely organized annual PEPFAR country coordinators meeting has been invaluable and should be seen as a best practice."

**5. What steps has post taken to transition PEPFAR from an emergency response to a sustainable one by the host nation? If you have not taken steps, please comment on the interagency PEPFAR team's strategic thinking in this regard. Describe any help and guidance received from S/GAC or other U.S. based entities in achieving host nation sustainability for providing HIV/AIDS relief and prevention, medicines, and services.**

The majority of the responses indicated the PEPFAR program has moved from an emergency response to a sustainable one through the development of partnership frameworks. The framework describes specific steps in the transition to country ownership and the commitments of both the host country and implementing partners. Some of the responses stated that the partnership framework serves as a starting point for the host-country national health strategy. A few embassies clarified that PEPFAR was never an emergency response in their respective country but rather a "technical assistance response." Other responses stated that although the partnership framework is in place, it is not realistic to think that the host government can assume the full cost of the HIV/AIDS programs. At one embassy, the partnership framework has not been drafted because of the unstable political situation. However, this embassy continues to promote government leadership by assisting in the areas of needs identification, setting priorities, integrating PEPFAR activities with national plans and guidelines, technical assistance, and capacity building with both the public and private sector.

Many of the responses did not provide milestones or specific actions to move PEPFAR from an emergency response to a sustainable one. While responses did not answer specifically whether PEPFAR teams were working strategically and collectively to determine a practical, realistic transition plan, it is clear that the partnership frameworks contain the incremental steps to be taken by the PEPFAR team and the host country. It is also clear that most of the posts worked within an interagency

process. With regard to the guidance provided by S/GAC for achieving host-nation sustainability of HIV/AIDS programs, only eight posts provided positive comments about S/GAC guidance, mostly related to the development and approval of the partnership framework. Three responses indicated that S/GAC has not provided detailed guidance and embassies are left “to determine how to establish a sustainability approach.” One respondent was critical of agency headquarters: “The myriad of agencies involved in PEPFAR at the Washington level further complicate the notion that host country ownership is achievable, as each agency wants to call the shots, without recognizing that the local government may have a different idea.”

**6. Are there nongovernment organizations, foundations, faith-based or other groups working on HIV/AIDS programs? If yes, please describe PEPFAR’s interaction/interface with these organizations.**

Every respondent worked with NGOs, international foundations, and faith-based organizations. Some of the common international organizations included: Catholic Relief Services, World Vision, William J. Clinton Foundation, World Health Organization, United Nations Children’s Fund, Joint United Nations Program on HIV/AIDS, United Nations Population Fund, United Nations Development Program, and the Global Fund. One embassy worked with as many as 134 implementing partners and 600 sub-grant recipients. Some posts choose to work with a smaller number of partners to ensure better coordination and avoid duplication of efforts. One embassy stated that the NGO sector is still “nascent and significant attention needs to be devoted to building the capacity of individuals and institutions within this sector. In recognition of the importance of the nongovernmental sector to the achievement of the host country’s national program goals, the USG has, during the past few years, given targeted attention to building the capacity of NGOs.”

Some of the interactions between the country PEPFAR team and these international organizations included:

- providing data management support to various HIV/AIDS preventive projects;
- providing funding for prevention programs targeting high-risk groups;
- providing technical assistance to bolster efforts to combat HIV/AIDS;
- holding regular meetings to ensure minimum overlap of activities and to cross-leverage activities that are deemed especially effective; and
- supporting capacity building to bolster civil society involvement in the national HIV/AIDS response.

**7. Does post have a public diplomacy strategy for the transition from PEPFAR as an emergency response to one of sustainability by the host nation? If so, please describe the strategy.**

None of the respondents indicated that there is a public diplomacy strategy for the transition from PEPFAR as emergency response to one of sustainability by the host nation, although most of the responses stated that a strategy “is in the works or will be developed soon.” Only three embassies reported that an interagency communications strategy was in place “aiming to place host government, civil society and people at the center and move from project partners to strategic alliances.” Embassies described specific public affairs activities that were used to highlight PEPFAR success stories. They included press guidance, awareness campaigns, speeches, visits, and engaging the media. At one mission, the embassy sponsored a tour by American country musicians for a World AIDS Day concert. The event included “a local group performing an opening act of original jazz and spoken word performance, highlighting the challenges – and the hope – that surround HIV/AIDS in the host country.”

The COM plays a key role in PEPFAR public affairs activities. At one post, the COM participated in the launching of a hip-hop compact disc recorded by local artists that featured HIV prevention messages. In addition, a recent program supported by the COM provided environmental and outdoor education opportunities to orphans and vulnerable children as an innovative way to approach education and provide psychosocial support, while also communicating health and HIV-related messages.

Some of the embassies described coordinated efforts between the PEPFAR team and the public affairs section. One embassy noted: “with the public affairs officer, the Public Affairs staff, the Regional Environment and Health Officer, and communications officers from other PEPFAR agencies, we are the process of developing a long-term public diplomacy strategy.” Three embassies pointed out they have a PEPFAR communications specialist, and two missions would like to establish a PEPFAR communication specialist position.

**8. Does post have sufficient resources and expertise to support and maximize the PEPFAR effort (including human resources, financial management, general services, facilities, and other ICASS services)? List any additional resources needed.**

Fifteen out of 26 respondents said that their respective posts have sufficient resources and expertise to support the PEPFAR program. However, some these respondents expressed concerns about the future relationship with the Global Fund and GHI. One African post stated that, “Given the expanding role of PEPFAR/ GHI and the fact that the host country has been striving and working toward greater efficiency, the need for selected technical staff has been identified – for example, at the coordination office positions for a Strategic Information Advisor has become more apparent and critical.” Another embassy with a medium size PEPFAR program noted: “In the absence of a Health Attaché, the embassy is concerned about its ability to respond effectively to and align its multiple health activities with the Global Health Initiative.”

A few respondents said that, while there are currently sufficient resources to manage and support PEPFAR, space in the chancery is a challenge. At one embassy with a new embassy compound that was occupied in early 2008, the building quickly reached maximum capacity, in large part due to the growth of PEPFAR staffing. Three embassies mentioned that ICASS services have been negatively affected by the growth of PEPFAR. In some cases, PEPFAR has generated the need for more ICASS positions.

Limited funding and lack of qualified staff were the two major reasons why 10 embassies felt that there are insufficient resources to adequately carry out the PEPFAR program. Some of the additional resources still needed are laboratories and technical and support staff. Recruitment of qualified local staff in some of the embassies is difficult, due to local conditions or lack of expertise. Many of the missions said that PEPFAR coordinators have been overburdened with internal reporting requirements and planning processes. One embassy stated: “The PEPFAR administrative and reporting requirements are burdensome and excessive. The fact that the PEPFAR COP and the USAID Operational Plan remain de-linked and result in much duplication of effort and a confused, bifurcated budget process.” Another embassy added: “the impact of the local U.S. staff is still constrained by highly-detailed planning and reporting requirements of headquarters. Responding to these internal U.S. demands continues to come at the expense of greater engagement on program implementation and quality assurance.”

**9. List additional thoughts and suggestions about the challenges and successes of PEPFAR as it transitions towards sustainability and ownership by host governments.**

Most of the respondents asserted they are committed to greater country ownership and sustainability. Many recognized that these issues required a sustained commitment. One embassy noted that a “sustainable funding of the PEPFAR response will be required for an extended period and host governments will need extensive support if they are to truly take over a large and complex program such as PEPFAR.” Given that this question was open-ended, many responses followed up on issues mentioned earlier in the questionnaire.

Following are quotations from a sample of the comments received:

- Host government relies heavily on Global Fund resources to complete its comprehensive care and treatment package. The Global Fund HIV proposals have been unsuccessful. A strong proposal is needed to strengthen U.S. delivery on the Global Health Initiative and prevent disruption of treatment. This will require continuous strategic coordination, leveraging and integration of key partnerships. Future U.S. government financial commitments to both PEPFAR and the Global Fund should be clarified. PEPFAR teams are committed to supporting the Global Fund.
- When filling the coordinator position is an ad hoc process at posts, it can have dramatic impacts on programs. The gap in filling the PEPFAR coordinator position can impact the operations of the PEPFAR office.
- When working with local organizations, the U.S. government and the embassy need to take a certain amount of calculated risk. Not all non-governmental organizations will flourish, and sometimes there are issues with financial management and reporting. While U.S. government contracting offices are increasingly reluctant to accept any risk in contract and grant-making, U.S. agency health offices are tasked with supporting local non-governmental organizations. Clear guidance is needed from the highest levels of S/GAC to resolve this issue.
- Aligning PEPFAR requirements with the country’s policy and governance structures is a challenge. Government organizations have limited capacity in providing leadership and absorbing funding to implement programs. The country’s weak health infrastructure and human resource is a challenge. Given the limited capacity of the country, it is still not clear how a transition can occur for the host country to be in charge of everything including funding after the second five years of PEPFAR.

- With financial irregularities continuing to plague the Ministry of Health and now other ministries, the idea of increasing assistance to or through the host government (by any/all donors) make sustainability more challenging.

Some embassies also had specific recommendations for S/GAC:

- Provide additional guidance on the shift towards sustainability and increased country ownership with flexibility for adaptation in the field. This guidance should be harmonized with any forthcoming guidance around the Global Health Initiative.
- Increase its role in the management of PEPFAR and determining how PEPFAR funds are allocated.
- Continue piloting the Global Fund liaison position although the Global Fund position is still in early stages.
- Work in close collaboration with experienced field staff to ease the country operating plan burden.
- Implement the 2-year country operating plan concept to alleviate some of the reporting burden and establish a simplified and streamlined reporting which includes agency and host-government data, indicators and timeliness.
- Continue using the Partnership Framework as a tool to continually engage host governments in the move towards greater program sustainability.

#### **10. Please describe any “best practices.”**

Three of the 26 embassies did not provide any best practices. Some of the best practices presented described standard practices and approaches. Other responses included the following quotes:

- Widespread institutionalization of task-shifting responsibilities from doctors to nurses to community health workers, which has improved access for a largely rural, impoverished population. For example, trained nurses in rural areas initiate AIDS treatment. HIV testing is offered during all encounters in the health care system, which improves identification of those living with HIV/AIDS and supports prevention efforts.
- Creation of new cadres of health care workers, such as health extension workers, health information technicians, and field epidemiologists through CDC’s field epidemiology and laboratory training program, which will help to create a culture of evidence-based decision-making.

- Improved health care financing through the development of social insurance schemes and the creation of a new cadre of chief executive officers who oversee reforms, fee retention, and private practice scheme to retain health workers at the facility level.
- Usage of cost surveys and assessments to inform budget decisions. While this started with HIV-related treatment services, it has expanded to prevention of mother-to-child transmission, and HIV-related care. There are plans to expand these ideas to all program areas.
- Including other U.S. government agencies in country in the PEPFAR country team. This approach has strengthened participation in interagency PEPFAR meetings and made it possible to leverage the interests and expertise of all agencies to advance PEPFAR's implementation.
- Using behavioral research, programmatic data and social marketing principles, PEPFAR partner Family Health International has designed new branded initiatives: *SMARTgirl*, an HIV prevention and care program for women in the entertainment industry; *MStyle*, a peer-led network to improve the sexual health among men who have sex with men and transgendered people; and *You're the Man!*, an interpersonal and mass media initiative that strives to challenge gender norms and promote male responsibility for positive health. These targeted, but inter-related, programs – where consistent, reinforcing interventions and messaging recognize that people interact with one another and are not defined simply by what job they do or where they socialize or with whom they have sex – use multiple strategies to impact behavior.
- Piloting mobile methadone maintenance treatment clinics in rural areas. Establishing Rural HIV/AIDS clinical training centers. Improving prevention of mother-to-child transmission programs by fostering integration between village, township, and country level health care systems.
- Through a public diplomacy strategy, supporting study tours in technical areas of mutual concern, which provide our local counterparts with examples of evidence-based prevention, care, and treatment programming.
- The technical assistance framework, an inter-agency strategic planning process, is providing a valuable opportunity to engage with the host country and broader stakeholders. The process has highlighted several areas of host country concern, specifically reconciliation of different strategic planning and funding cycles.
- The Peace Corps national consortium initiative that supports the I Choose My Life Program. The consortium is a “grass-roots” organization that supports sustainable development in HIV/AIDS prevention and other health and personal development programs at an NGO level.

- The use of the Peace Corps response volunteers who serve as short-term consultants with the goal to strengthen the relations between the host country and non-governmental organizations partners and to take on more responsibilities in the HIV/AIDS programs.
- Monitoring and evaluation and surveillance interface is a CDC developed web-based interface that is a model of HIV surveillance across all PEPFAR sites in the country.
- The electronic medical records system was developed through the PEPFAR program and is used throughout the country at Ministry of Health sites. It permits real-time collection of key data elements for all HIV positive patients and allows uploading of these key elements into the monitoring and evaluation system.

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