



USAID
FROM THE AMERICAN PEOPLE

OFFICE OF INSPECTOR GENERAL

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

AUDIT REPORT NO. 9-615-05-007-P
JULY 21, 2005

WASHINGTON, DC




USAID
FROM THE AMERICAN PEOPLE

Office of Inspector General

July 21, 2005

MEMORANDUM

TO: USAID/Kenya Acting Director, Dwight Smith

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

SUBJECT: Audit of USAID/Kenya's Implementation of the President's
Emergency Plan for AIDS Relief (Report No. 9-615-05-007-P)

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

The report includes recommendations that USAID/Kenya (1) develop a monitoring plan—including field site visits and milestones—based on a risk assessment of its partners and their activities, (2) place into action a plan to ensure more effective coordination and knowledge-sharing with and among its partners, (3) develop and implement a new procurement and distribution system for HIV test kits, (4) require that its partners develop strategies for the sustainability of their activities, and (5) coordinate with the U.S. Government country team to request Emergency Plan funding for nutritional assistance to be provided to malnourished patients receiving anti-retroviral treatment that are at greatest risk.

Management decisions have been reached for Recommendations No. 1 through No. 5. Please provide documentation supporting final action to USAID's Office of Management Planning and Innovation.

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

CONTENTS

Summary of Results	2
Background	3
Audit Objectives	4
Audit Findings	5
How has USAID/Kenya participated in the President's Emergency Plan for AIDS Relief activities?	5
Did USAID/Kenya's HIV/AIDS activities progress as expected towards planned outputs in their grants, cooperative agreements and contracts?	8
USAID/Kenya Should Strengthen the Monitoring of Its Partners' Progress	13
Coordination Among USAID/Kenya's Partners Should Be Strengthened	15
Shortages of HIV Test Kits Are Impeding USAID/Kenya's Treatment Program	16
Are USAID/Kenya's HIV/AIDS activities contributing to the U.S. Government's overall Emergency Plan targets?	17
Partners Should Develop Strategies For Sustainable Activities	19
Strategies for Monitoring Patients on ARVs Should Be Developed	22
ART Should Be Accompanied by Nutritional Supplements	23
Evaluation of Management Comments	24
Appendix I – Scope and Methodology	26
Appendix II – Management Comments	28

SUMMARY OF RESULTS

This audit, performed by the Office of Inspector General's Performance Audits Division, is part of a series of audits to be conducted by the Office of Inspector General. The objectives of this audit were to determine (1) how USAID/Kenya participated in the President's Emergency Plan for AIDS Relief activities, (2) whether USAID/Kenya's HIV/AIDS activities progressed as expected towards planned outputs in their agreements and contracts, and (3) whether USAID/Kenya's HIV/AIDS activities contributed to the overall U.S. Government's Emergency Plan targets. (See page 4.)

As a result of our audit, we concluded that USAID/Kenya has a principal role in the President's Emergency Plan for AIDS Relief activities in Kenya for HIV/AIDS prevention and care, as well as a major supporting role for HIV/AIDS treatment; its partners were progressing as expected towards meeting planned outputs in their agreements; and USAID/Kenya's HIV/AIDS activities are contributing significantly to the U.S. Government's Emergency Plan care and treatment targets for fiscal year 2004. (See pages 5, 8, and 17.)

This report includes recommendations that USAID/Kenya (1) develop a monitoring plan—including field site visits and milestones—based on a risk assessment of its partners and their activities, (2) place into action a plan to ensure more effective coordination and knowledge-sharing with and among its partners, (3) develop and implement a new procurement and distribution system for HIV test kits, (4) require that its partners develop strategies for the sustainability of their activities, and (5) coordinate with the U.S. Government country team to request Emergency Plan funding for nutritional assistance to be provided to malnourished patients receiving anti-retroviral treatment that are at greatest risk. (See pages 14, 15, 16, 20, and 23.) Management concurred with all five recommendations and management decisions have been reached on all five recommendations. See page 24 for our evaluation of management's comments.

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

BACKGROUND

Congress enacted legislation to fight HIV/AIDS internationally through the President's Emergency Plan for AIDS Relief (Emergency Plan). The \$15 billion, 5-year program provides \$9 billion in new funding to speed up prevention, care and treatment services in 15 focus countries.¹ The Emergency Plan also devotes \$5 billion over five years to bilateral programs in more than 100 countries and increases the U.S. pledge to the Global Fund² by \$1 billion over five years. The fiscal year 2004 budget for the Emergency Plan totaled \$2.4 billion. The Emergency Plan is directed by the Global AIDS Coordinator and implemented collaboratively by country teams made up of staff from USAID, the Department of State, the Department of Health and Human Services, and other agencies.

Kenya is one of the 15 focus countries. The U.S. Government Mission in Kenya (Emergency Plan Team) spent \$76 million during the Emergency Plan 2004 year,³ of which \$44.1 million was managed by USAID. Furthermore, in Emergency Plan year 2005, the Mission will operate the United States Government's (USG's) largest single country Emergency Plan program, with a budget of about \$82 million. The Bureau for Global Health has general responsibility for USAID's participation in the Emergency Plan. More specifically, the Director of Global Health's Office of HIV/AIDS provides the technical leadership for USAID's HIV/AIDS programs.

As of 2003, Kenya had a population of 32 million people, of which an estimated 1.2 to 1.6 million were infected with HIV. The adult prevalence rate⁴ was estimated to be 4.5 percent for men and 8.7 percent for women in 2003, with significant regional and urban/rural variations. Moreover, approximately 890,000 children⁵ in country have been orphaned due to HIV/AIDS.

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

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

³ Kenya's Emergency Plan year 2004 ended May 20, 2005. The 2004 Emergency Plan year generally ended March 31, 2005. However, focus countries were given 12 months to spend their funds from the date each Country Operational Plan (see footnote number 38) was approved. Kenya's plan was approved on May 21, 2004.

⁴ The prevalence rate is defined as the number of cases of a disease during a particular interval of time, expressed as a rate.

⁵ Figures per UNAIDS 2002 Report.

The U.S. President and Congress have set aggressive goals for addressing the worldwide HIV/AIDS pandemic. The world-wide goal over 5 years is to provide treatment to 2 million HIV-infected people, prevent 7 million HIV infections and provide care to 10 million people infected and affected by HIV/AIDS, including patients and orphans. The Department of State's Office of the Global AIDS Coordinator (O/GAC)—which coordinates the USG's fight against HIV/AIDS internationally—divided these Emergency Plan targets among the 15 focus countries and allowed each country to determine its own methodology for achieving their portion of the assigned targets by the end of five years. The U.S. Government Mission in Kenya committed to achieving the following targets by May 20, 2005.

U.S. Government Emergency Plan Targets for Kenya

Total # of Infections Averted	Total # of People Receiving Care and Support	Total # of People Receiving Antiretroviral Therapy
30,000	180,000	Total 38,000 Directly 15,000 ⁶ Other 23,000

AUDIT OBJECTIVES

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

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

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

⁶ 15,000 is the number of people targeted to receive anti-retroviral treatment directly through USG Emergency Plan resources. An additional 23,000 HIV patients are targeted to benefit indirectly through USG investments in health infrastructure (commodity procurement, distribution and dispensing; facility-based and central reference laboratories, human capital, etc.), which will allow virtually all Kenyans supported by anti-retroviral treatment to be counted as supported by the Emergency Plan. For example, the strengthening of KEMSA (see page 8), an autonomous Government of Kenya supply agency, contributes towards the 23,000 target.

AUDIT FINDINGS

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

The President's Emergency Plan work and targets are divided into three broad categories: prevention, care and treatment. USAID/Kenya has a significant role in all three areas. About 58 percent (\$44.1 out of \$76 million) of the United States Government's (USG's) funding for Kenya is managed by USAID. The Mission's efforts in these areas are detailed below.

Prevention

The Office of the Global AIDS Coordinator (O/GAC) published guidance dividing the broad category of prevention into the following initiatives. (The percentages in parentheses represent the USAID/Kenya fiscal year 2004 budget as a percentage of the USG country budget.)

1. Prevention of Mother-to-Child Transmission (PMTCT) (48 percent)
2. Abstinence/Be Faithful (65 percent)
3. Medical Transmission/Blood Safety (33 percent)⁷
4. Medical Transmission/Injection Safety (no USAID role)
5. Other Prevention (92 percent)

USAID/Kenya had a significant role in initiatives 1, 2, and 5, and a small role in initiative 3.

Prevention of Mother-to-Child Transmission (PMTCT) – HIV prevalence in pregnant women is estimated at 9.4 percent, and it is estimated that 39,000 newborns are infected with HIV through mother-to-child transmission annually. PMTCT activities are in transition, moving from pilot projects to a scaled-up national program. USAID and its partners provide nevirapine,⁸ train service providers, facilitate minor renovations in hospitals and health care centers, design and implement a logistics system for PMTCT commodities, and produce and air a mass media campaign concerning the prevention of mother-to-child transmission of HIV.

⁷ The USAID/Kenya fiscal year 2004 funding for this activity was \$150,000. Due to its small size (about a third of one percent of USAID/Kenya's \$44.1 million fiscal year 2004 Emergency Plan funding), we are not reporting on blood safety.

⁸ Nevirapine is an FDA-approved drug that significantly reduces the risk of transmission of the AIDS virus from mother to child.

