OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID/TANZANIA'S PROGRESS IN IMPLEMENTING THE PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF

AUDIT REPORT NO. 9-621-06-006-P
MAY 4, 2006

WASHINGTON, DC

Office of Inspector General

May 4, 2006

MEMORANDUM

TO: USAID/Tanzania Mission Director, Pamela White

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

SUBJECT: Audit Of USAID/Tanzania's Progress in Implementing the President's Emergency Plan for AIDS Relief (Report No. 9-621-06-006-P)

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

This report includes a recommendation that USAID/Tanzania develop a monitoring plan—including field site visits and milestones—based on a risk assessment of its partners and their activities. Since a management decision has been reached and final action has been taken, the recommendation is closed upon issuance of this report.

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

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SUMMARY OF RESULTS

This audit, performed by the Performance Audits Division, is the pilot in a series of audits to be conducted by the Office of Inspector General. The objective of this audit was to determine whether USAID/Tanzania's Emergency Plan prevention and care activities were progressing as expected towards the planned outputs in its grants, cooperative agreements, and contracts. (See page 3.)

As a result of our audit, we concluded that USAID/Tanzania's activities were not progressing as expected towards meeting planned outputs in their grants, cooperative agreements, and contracts due to the late receipt of FY 2005 funding. We are not making any recommendations on this finding because actions have already been taken by management to remedy this situation and to prevent it from reoccurring in the future. (See page 4.)

This report does include a recommendation that USAID/Tanzania develop a monitoring plan—including field site visits and milestones—based on a risk assessment of its partners and their activities. (See page 7.) Since a management decision has been reached and final action has been taken, the recommendation is closed upon issuance of this report. See page 8 for our evaluation of management's comments.

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

BACKGROUND

Congress enacted legislation to fight HIV/AIDS internationally through the President's Emergency Plan for AIDS Relief (Emergency Plan). The $15 billion, 5-year program provides $9 billion in new funding to speed up prevention, care, and treatment services in 15 focus countries.[1] The Emergency Plan also devotes $5 billion over five years to bilateral programs in more than 100 countries and increases the U.S. pledge to the Global Fund[2] by $1 billion over five years. The fiscal year (FY) 2005 budget for the Emergency Plan focus countries totaled $1.03 billion. The Emergency Plan is directed by the Department of State's Global AIDS Coordinator (AIDS Coordinator) and implemented collaboratively by country teams composed of staff from USAID, the Department of State, the Department of Health and Human Services, and other Federal agencies.

Tanzania is one of the 15 focus countries. The U.S. Government Mission in Tanzania was allocated $85.7 million during FY 2005, of which $44.2 million was managed by USAID. The Bureau for Global Health has general responsibility for USAID's participation in the Emergency Plan. More specifically, the Director of Global Health's Office of HIV/AIDS provides the technical leadership for USAID's HIV/AIDS programs.

The U.S. President and Congress have set aggressive goals for addressing the worldwide HIV/AIDS pandemic. The worldwide goal over 5 years is to provide treatment to 2 million HIV-infected people, prevent 7 million HIV infections, and provide care to 10 million people infected and affected by HIV/AIDS, including patients and orphans. The AIDS Coordinator—which directs the U.S. Government's fight against HIV/AIDS internationally—divided these Emergency Plan targets among the 15 focus countries and allowed each country to determine its own methodology for achieving its portion of the assigned targets by the end of five years. The U.S. Government Mission in Tanzania committed to achieving the following targets by September 30, 2005.

[1] Twelve countries in Africa (Botswana, Cote d'Ivoire, Ethiopia, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, and Zambia), and three other countries (Guyana, Haiti and Vietnam).

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

U.S. Government Emergency Plan
FY 2005 Targets for Tanzania

Prevention		Care	Treatment
Pregnant Women Receiving Antiretroviral Prophylaxis	Pregnant Women Receiving PMTCT[3] Services	Individuals Receiving Care and Support	Individuals Receiving Antiretroviral Therapy[4]
6,896	113,327	51,250	23,163

AUDIT OBJECTIVE

As part of the Office of Inspector General's fiscal year 2006 annual audit plan, this audit was conducted as a pilot for a series of worldwide audits of USAID's progress in implementing the President's Emergency Plan for AIDS Relief. The audit was conducted to answer the following question:

- Are USAID/Tanzania's Emergency Plan prevention and care activities progressing as expected towards the planned outputs in its grants, cooperative agreements, and contracts?

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

[3] PMTCT means prevention of mother-to-child HIV transmission.

[4] This audit focused only on prevention and care, not treatment, under which antiretroviral therapy falls.

AUDIT FINDINGS

USAID/Tanzania's prevention and care activities were not progressing as expected towards meeting planned outputs contained in grants, cooperative agreements, and contracts with its partners. For the six partners reviewed, representing 81 percent of the USAID/Tanzania prevention and care funding for fiscal year (FY) 2005, 6 of 14 key outputs (43 percent) selected for review were not being met.

At the time of our audit, all ongoing USAID/Tanzania activities were FY 2005 Country Operational Plan (Operational Plan) activities, except that the funding is either from FY 2004 or 2005. Some partners' 2005 activities were a continuation of 2004 activities. This report discusses progress toward outputs in detail, by partner, in Appendix III (see page 13).

We found that the late receipt of FY 2005 funds had delayed progress toward outputs, and that USAID should strengthen the monitoring of its partners' reported data. These issues are addressed in the following subsections.

The Late Receipt of Funds Has Delayed Progress Towards Outputs

Summary: The FY 2005 country operational plan contained outputs that should have been met by every prevention and care partner. However, progress towards achieving those outputs has been severely delayed, primarily due to the late availability of FY 2005 funds. For the six partners selected, representing 81 percent of the USAID/Tanzania prevention and care funding for FY 2005, 6 of 14 key outputs (43 percent) selected were not met, which jeopardized the achievement of USAID outputs and could hinder progress towards U.S. Government targets.

Pact and the Academy for Educational Development did not make progress towards their key outputs because they had not received FY 2005 funds, and therefore, their activities had not significantly started by September 30, 2005. Another partner, African Medical and Research Foundation, met one of three key outputs. Elizabeth Glaser Pediatric AIDS Foundation met three of four outputs. The remaining two partners, CARE International and Family Health International, exceeded their two key outputs.

As explained below and in more detail in Appendix III, the primary reason for not achieving progress towards outputs was the late availability of FY 2005 funds.[5] FY 2005 funds were first available to USAID/Tanzania in April 2005, but the amounts were at FY 2004 levels, which were approximately 50 percent of the requested amounts. FY 2005 funding was not made fully available until July or August 2005. (See timeline on Appendix IV, on page 19.)

[5] The AIDS Coordinator acknowledged the funding delay for Tanzania activities in its June 2005 update to its FY 2005 Operational Plan.

The root causes for the funding delays were various, as discussed below:

(1) The U.S. Government Tanzania team initially submitted its FY 2005 Operational Plan in October 2004, but it was not approved until March 2005 because the AIDS Coordinator believed that the initial country strategy was somewhat vague and needed more clarity. Other reasons for the delay were AIDS Coordinator's concerns about the Government of Tanzania policies and rollout plan on antiretrovirals, and the need for additional information on various issues, such as the role of two mass media partners, links to blood safety programs, Tanzania faith-based organization networks, and concerns on the clarity of the strategies for home–based and palliative care.

(2) The Strategic Objective Agreement (SOAG) was not sent to the Government of Tanzania until April 2005, since the FY 2005 funds did not become available until earlier that month. The SOAG was sent to the Government of Tanzania's Ministry of Health in April 2005, its Ministry of Finance in May 2005, and was approved on June 6, 2005.

(3) In August 2005, when the second tranche of funds became available, the regional contracting officer for Tanzania[6] had competing priorities, creating congestion in the contracting process, as reported by USAID/Tanzania officials.

Funding delays, if not resolved, could jeopardize the achievement of USAID outputs as well as U.S. Government targets. The Mission has taken a number of actions to prevent the FY 2005 funding situation from occurring in FY 2006, as discussed below:

(1) At the time of our audit, the FY 2006 Operational Plan was expected to be approved, and the AIDS Coordinator had highlighted no "red flags" on the plan.

(2) In December 2005, the Mission hired a new agreements/contracting officer with an unlimited warrant, which eliminated the need to rely on the regional contracting officer located in Kenya.

(3) The Mission now has an umbrella SOAG with the Government of Tanzania in place, with future actions limited to amendments.

(4) The Mission stated that it will make efforts to circulate SOAG amendments to the Ministry of Health and the Ministry of Finance ahead of time, to increase the likelihood that the final SOAG will move swiftly, once the funds become available.

(5) A revised five-year strategy was approved in April 2005, therefore, the strategy will not cause a delay for the FY 2006 Operational Plan.

(6) The Mission expects that all FY 2006 funds will become fully available earlier in the fiscal year.

[6] The regional contracting officer for Tanzania at the time was based in Kenya.

Since the Mission has already taken actions to address causes for funding delays that could jeopardize the achievement of outputs, we are not making any recommendations.

USAID/Tanzania Should Strengthen its Monitoring of Partners' Reported Data

Summary: According to USAID's Automated Directives System 202.3.6, monitoring the quality and timeliness of outputs produced by implementing partners is a major task of cognizant technical officers and strategic objective teams. However, reportedly due to insufficient staff and workload demands associated with the Emergency Plan, USAID/Tanzania's technical officers had not conducted site visits as frequently as they would have liked. Insufficient monitoring of its partners could jeopardize the achievement of future outputs and targets, and impact the quality of the program data reported by the partners to the Mission, and the target information reported to the U.S. Government by USAID/Tanzania.

Mission officials acknowledge that they had conducted some field visits to monitor partners' progress in achieving outputs, and expressed that they were conducting less visits than they should. Officials stated that the Mission did not have the time and staff to sufficiently monitor partners. In addition to limited site visits, officials monitor progress using alternative methods. For example, the primary partners meet quarterly in Dar es Salaam (the capital of Tanzania) to discuss program progress and challenges. During these meetings, the Mission seeks clarification from partners on data contained in their reports. Also, the Mission reviews quarterly reports prepared by partners to ensure that the reported data conform to pre-established performance indicators and that activity outputs are progressing as planned. In addition, the Mission ensures that the required indicators are being reported. Also, in February 2005, the Mission conducted a workshop to inform the partners on data and indicators to be reported, as well as to teach various definitions and explain data reporting timelines.

Notwithstanding the Mission's review of partners' reports, some data quality mistakes could have been prevented or detected earlier with more frequent site visits and verification of reported data through inspection of partners' records. For example, CARE reported 1,047 orphans assisted as of September 30, 2005 through Alpha Dancing Group, which was its subgrantee. However, whereas the subgrantee's internal reports initially supported 1,118 orphans, an examination of records showed that 1,077 people received support as of August 15, 2005. Officials were unable to explain why the register did not list any participant names that signed up past August 15, 2005. The net effect of these two mistakes was minimal (the total count reported to USAID was 1,047, while the actual count was 1,077,[7] or less than a 3% difference), but without an independent verification, discrepancies could be larger and go undetected. Likewise, slight undercounts in the records of other CARE subgrantees appeared to be caused by a confusing monthly reporting form.[8]

[7] Of course, the actual total might have increased for any new participants that joined during the August 15 to September 30, 2005 timeframe.

[8] CARE is already using a new reporting form, which should prevent this situation from reoccurring. The confusion occurred due to the layout of the prior form, since the cumulative

Similarly, errors in the records of Iringa Development of Youth Disabled and Children Care, a Family Health International subgrantee, were identified. According to documents we reviewed, it underreported the number of individuals reached with community outreach prevention programs promoting abstinence and/or being faithful. Iringa Development of Youth Disabled and Children Care reported that it reached 1,679,923 individuals, while it documented 1,977,284 individuals, or approximately a 15 percent undercount. USAID/Tanzania officials and its implementers were unaware of these discrepancies until the auditors made site visits and performed tests on the partners' records.

According to Mission officials, the lack of monitoring was due to the heavy workload associated with the Emergency Plan, and was exacerbated by not having sufficient staff. Additionally, some partners' activities were located in remote areas of the country and the long distances from Dar es Salaam make it a challenge to conduct regularly scheduled field visits.

USAID/Tanzania had initiated several actions to strengthen the monitoring of its partners' progress. For example, the Mission had hired a contractor to work on strategic information,[9] but the contractor resigned after nine months, and the Mission was looking for a replacement in December 2005. In addition to this contractor, the Mission also expects to hire a full-time Foreign Service National to work on monitoring.

Actions undertaken by the Mission are commendable and are positive steps for improving the monitoring of its partner's progress. However, despite these actions, we believe that the Mission's monitoring of its Emergency Plan activities need to be further strengthened in a more systematic way. For example, the number of field visits could increase, and data reviews at both the implementer and mission levels could occur more frequently and be more thorough. Accordingly, we are making the following recommendation.

> *Recommendation No. 1: We recommend that USAID/Tanzania develop a monitoring plan—including field site visits and milestones—based on a risk assessment of its Emergency Plan partners and their activities.*

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figures (the prior month's total plus new cases) were not apparent from the design of the form, and could easily be misinterpreted.

[9] Strategic information, within the context of HIV/AIDS, is information that measures treatment, prevention, and care activities to help facilitate program improvement, evaluate progress, and ensure policy compliance.

EVALUATION OF MANAGEMENT COMMENTS

In its response to our audit report, USAID/Tanzania agreed with the audit findings and recommendation and described actions taken and planned to address our concerns. The Mission's comments and our evaluation of those comments are summarized below.

USAID/Tanzania agreed with our audit finding that the late receipt of funds has delayed progress toward outputs. The Mission has undertaken additional steps since the audit team's visit to work more closely with the Government of Tanzania to process and clear documentation in a timelier manner. In addition, the new cognizant technical officer has implemented methods to speed up the obligation of funds. As a result of these actions, funds for fiscal year 2006 were obligated four months earlier than fiscal year 2005.

USAID/Tanzania agreed with our finding that stated that the Mission should strengthen the monitoring of its partner's reported data. Also, the Mission concurred with our recommendation, and subsequent to the audit, developed a monitoring plan, which schedules staff visits to the field based on prioritized needs. Accordingly, we believe that a management decision has been reached and that final action has been taken on this recommendation upon issuance of this report.

We removed the statement that Mission officials could not quantify the number of site visits from the final audit report.

Management comments are included in their entirety in Appendix II. (See page 11.)

SCOPE AND METHODOLOGY

SCOPE

The Performance Audits Division of the Office of Inspector General conducted this audit in accordance with generally accepted government auditing standards. Fieldwork was conducted from November 30, 2005 through December 21, 2005 in Dar es Salaam, Arusha, and Iringa, Tanzania. Fieldwork continued in Washington and was completed on January 25, 2006.

This pilot audit was the first of a series of worldwide audits to be conducted by the Office of Inspector General. The objective of this audit was to determine whether USAID/Tanzania Emergency Plan prevention and care activities were progressing as expected towards the planned outputs in its grants, cooperative agreements, and contracts.

In conducting this audit, we assessed the effectiveness of USAID's internal controls with respect to consolidating reporting data for USAID's portion of the U.S. Government annual progress report of its activities through September 30, 2005. We identified internal controls such as USAID's process for monitoring its partners' progress and reporting; and USAID partners' process for compiling regional data to their country-level reports.

For the period audited, 14 partners were scheduled to be engaged in prevention and care activities. We judgmentally selected awards to 6 of the 14 partners. These six partners represented 81 percent of the total funding for prevention and care activities.

METHODOLOGY

To answer the audit objective, we met with USAID's staff in the Office of Global Health in Washington, D.C. and reviewed prior Emergency Plan audit reports to gain an understanding of the subject matter. We performed an in-depth review of USAID/Tanzania's FY 2005 Country Operational Plan. Of the 14 partners engaged in prevention and care activities for FY 2005, we selected six[10] for review. We then judgmentally selected 2 to 4 key outputs[11] for each selected partner and compared those output percentages against the audit threshold criteria to determine if planned outputs

[10] The selected implementers were (1) Academy for Educational Development (http://www.aed.org/), (2) African Medical and Research Foundation (http://www.amref.org/), (3) CARE International (http://www.care.org/), (4) Elizabeth Glaser Pediatric AIDS Foundation (http://www.pedaids.org/), (5) Pact (http://www.pactworld.org/), and (6) Family Health International (http://www.fhi.org/).

[11] In February 2006, the AIDS Coordinator announced that estimates of persons reached by mass media programs are no longer reported, as such estimates are not sufficiently reliable to be useful. Therefore, our report did not use key outputs that were based on estimates of persons reached by mass media programs.

were achieved. The audit threshold criteria were as follows:

1) If at least 90 percent of the selected key outputs have been achieved,[12] the answer to the audit objective would be positive.

2) If at least 80 percent but less than 90 percent of the selected key outputs have been achieved, the answer to the audit objective would be qualified.

3) If less than 80 percent of the selected key outputs have been achieved, the answer to the audit objective would be negative.

We interviewed Mission officials and in-country partners, and reviewed quarterly reports to determine whether progress towards outputs was being achieved. Also, we observed operations at various sites, and met with several partner personnel and beneficiaries. We also reviewed subgrantees documentation, and traced selected indicators to the prime partner's reports.

[12] The audit team considered an output to be achieved if the partner completed at least 90 percent of the expected (planned) output.

MANAGEMENT COMMENTS

April 26, 2006

MEMORANDUM

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

FROM: USAID/Tanzania Mission Director, Pamela White /s/

SUBJECT: Audit of USAID/Tanzania's Progress in Implementing the President's Emergency Plan for AIDS Relief (Report No. 9-621-06-007-P)

The Tanzania Mission appreciates the opportunity to respond to the Audit Report of USAID/Tanzania's Progress in Implementing the President's Emergency Plan for AIDS Relief, as submitted March 30, 2006. This memorandum transmits the management comments to be included in the Audit Report. In general, we are pleased with the audit report, and its findings and recommendations will be very helpful in strengthening our program, the reliability of our monitoring and evaluation systems, and our ability to work more effectively. The Mission concurs with the Scope and Methodology description as provided in Appendix I.

Following are our specific comments on the remaining sections of the report:

Audit Finding 1: The Late Receipt of Funds has Delayed Progress Towards Outputs

The Mission agrees with this Finding. The timeline and delays detailed in Appendix III of the report are accurate. The preventive actions outlined in the audit report are also accurate. Additional steps have been also undertaken since the audit team's visit to work more closely with the Government of Tanzania so that they better understand the SOAG amendment process and clear the documentation in a more timely fashion. Specifically, agreement has been reached with the Government of Tanzania (GOT) to discuss and approve the specifics of the SOAG amendments in advance of their formal submission. In addition, the new Contracting Officer at the Mission has planned and implemented, coordinated with the technical staff, methods to have documentation approved in advance of funds becoming available so that obligation documents can move quickly as soon as funds do become available. Indeed, early funds were obligated for FY06 as early as March 2006 (four months earlier than FY05).

Other comments: The delay in the start of the Pact award for an Orphan/Vulnerable Children (OVC) activity, as cited in the audit report, has now been addressed through an award made on January 10, 2006. By March 31,

2006, their first sub-grant to serve 491 OVC had been approved by the Mission.

The progress with Academy for Educational Development, initially delayed because of late receipt of funds and proprietary challenges by the prior contractor vis-à-vis a male condom brand, has accelerated significantly. The new male condom has now been launched,

Audit Finding 2: USAID/Tanzania Should Strengthen its Monitoring of Partners' Reported Data

The Mission agrees with this finding, noting that workload demands made it difficult to monitor partners' activities as closely as the team would have liked. Following the review of specific activities, there have been corrective actions taken in the programs that were mentioned in the audit. For example, Care Tumaini was noted to have some data quality errors that could have been prevented or detected earlier. While the magnitude of the errors was small, within 3 months of the audit Care Tumaini corrected the weaknesses in their systems and sent teams to every sub-grantee to trace their aggregated data back to the source documents to validate the numbers to be reported for the next O/GAC reporting cycle. Family Health International's YouthNet activity also has reviewed its reporting processes and provided additional training for those performing activity monitoring for improved accuracy.

Recommendation 1: We recommend that USAID/Tanzania develop a monitoring plan—including field site visits and milestones—based on a risk assessment of its Emergency Plan partners and their activities.

The Mission agrees with this recommendation. Subsequent to the audit, the Mission Director requested that a Monitoring Plan be developed no later than January 30, 2006. This Monitoring Plan, which schedules staff visits to the field based on prioritized needs, has been put in place and is on record in the Mission's Program Office. Prioritization is based on a risk assessment (dollar volume of mechanism; reporting irregularities, etc.) of partners and their activities. In addition the team is transitioning to a more systematic Monitoring Plan, to be implemented by the 3rd quarter of the 06 FY. The plan will include an assessment of each partner's M&E technical assistance needs and joint site visits by technical managers and an M&E specialist. The effort will be staffed by a new Foreign Service National who joined the team early in calendar year 06, and a senior advisor to be placed by Measure/Evaluation. The advisor position is in the final stages of recruitment. Based upon this action the Mission requests this recommendation be closed upon issuance.

The Mission does wish to correct one error in this section of the draft report. It states that Mission officials could not quantify the number of site visits. This is not correct. Trip approvals and the respective trip reports are a matter of record at the Mission, and could have been quantified.

Progress Towards Outputs, by Partner

Pact – Pact's activities did not progress as planned in FY 2005 due to the late receipt of FY 2005 funds, as well as to unexpected award requirements. Pact had not received any FY 2005 funds by September 30, 2005,[13] the end of FY 2005. The Mission prioritized FY 2005 funding for other partners over Pact, as the FY 2005 funds was received in tranches.

Additionally, Pact's award is under the Leader with Associate[14] mechanism. This type of award mechanism required a subordinate full-scale proposal by Pact, and apparently this was not known to Pact until late 2005. Pact submitted its first concept paper to USAID on May 2005 and its last proposal on December 15, 2005. As a result of the late funding and the award mechanism requirements, the start of Pact activities was significantly delayed.

Pact was programmed to receive $3 million in FY 2005 funding for care of orphans and vulnerable children. Pact primarily gives grants to local non-governmental organizations, on a competitive basis, for education, health, nutrition, psychological support, and other purposes; and also to the Government of Tanzania's Department of Social Welfare, whose social workers will train other social workers. We selected one key output (see table below), and although it had not been reached, Pact has substantially completed preparatory activities such as planning. The Mission notified us that Pact was ready to start its activities as soon as it receives its funding.

Output description	Planned FY2005 Output	Achieved FY 2005 Output	Percentage Achieved
Number of Orphans Assisted	18,000	0	0%

Academy for Educational Development – Its activities did not progress as planned in FY 2005 due to a late receipt of FY 2005 funds and significant challenges related to the development and distribution of a male condom brand from a prior USAID contractor. The Academy for Educational Development had not received any FY 2005 funds by September 30, 2005,[15] and its FY 2005 activities did not start until around April or May of 2005, using FY 2004 funds. The Mission prioritized FY 2005 funding for other partners

[13] Pact funds were scheduled to be obligated on December 15, 2005.

[14] Leader with Associate Awards are cooperative agreements or grants which missions or regional bureaus develop with the "Leader." The "Leader" is the lead organization, which successfully competed for the Leader with Associate Awards, and which is primarily responsible for implementation of the project. After the Leader has already secured the grant or cooperative agreement via a competitive process, missions can create their own agreements with the Leader without going through a competitive (or sole source justification) process. The mission has full control over the development and the management of the Associate Award.

[15] The Academy for Educational Development's FY 2005 funds were obligated on November 7, 2005.

over the funding for the Academy for Educational Development. As a result, the start of activities was significantly delayed.

Additionally, the Academy for Educational Development encountered significant challenges related to the development and distribution of male condoms from Population Services International, the prior USAID contractor. For several years, USAID/Tanzania had been working with Population Services International. Unbeknownst to the Mission, Population Services International had trademarked the condom's brand (Salama) in Tanzania. After the Mission launched a new Request for Proposals, the Academy for Educational Development prevailed, and Population Services International then prohibited the use of its condom brand by the Academy for Educational Development. As a result, USAID/Tanzania, with the approval of USAID's General Counsel, had to develop a new condom brand for USAID. The development of this new condom took months, and was unanticipated by both the Mission and the Academy for Educational Development when the contract was awarded. The Academy for Educational Development did not plan to receive its first shipment of male condoms from South Korea until March 2006.

The Academy for Educational Development was scheduled to receive $3.4 million in FY 2005 funding for prevention activities, of which $3.1 million were for the "other prevention" category that included condoms. We selected two key outputs from the Academy for Educational Development's reported outputs, and as shown in the table below, only about 12 and 2 percent of these two outputs had been achieved.

Output description	Planned FY2005 Output	Achieved FY 2005 Output	Percentage Achieved
Number of individuals reached with community outreach prevention activities promoting abstinence and/or being faithful	1,715,000	206,040	12%
Number of individuals reached with community outreach prevention not focused on abstinence or being faithful	5,575,000	116,287	2%

We did not verify any of the Academy for Educational Development's outputs because the reported outputs were significantly behind schedule. However, we did visit several HIV/AIDS high-risk locations (a movie theater, a kitchen party[16] and a brothel) and observed displays of female condoms available for sale.[17] We also observed posters advertising the Academy for Educational Development's branded condoms prominently posted. Subsequently, we briefly visited two bars with the Academy for Educational

[16] A kitchen party is a euphemism that refers to a female condom promotional event geared toward prostitutes.

[17] The cost was approximately 10 U.S. cents per a two-pack of female condoms.

Development activities, and observed female condoms being distributed in one of the bars.[18]

African Medical and Research Foundation – Two of three key African Medical and Research Foundation's outputs were not met by September 30, 2005. FY 2005 funds for the African Medical and Research Foundation were not obligated until October 12, 2005. Thus, the African Medical and Research Foundation could not timely fund its sub-grantees' activities in order to meet all of its FY 2005 planned targets.

The African Medical and Research Foundation was allocated $3.5 million in FY 2005 funding for prevention and care activities, of which $3.3 million is for counseling and testing, and $0.2 million is for Prevention of Mother to Child Transmission (PMTCT). The African Medical and Research Foundation implements its program through 45 sub-grantees. We selected three key outputs from the African Medical and Research Foundation's reported outputs, and as shown in the table below about 73 percent, 121 percent, and 24 percent of the outputs from these activities had been achieved.

Output description	Planned FY2005 Output	Achieved FY 2005 Output	Percentage Achieved
Number of individuals who received counseling and testing, and that received test results	150,000	108,789	73%
Number of individuals were trained/re-trained in HIV Counseling and Testing	364	439	121%
Number of pregnant women counseled, tested, and that received test results	15,000[19]	3,576	24%

We visited an African Medical and Research Foundation Training Center in Dar es Salaam, Tanzania, which also had the largest volume of counseling and testing patients of the 46 African Medical and Research Foundation clinics. We reviewed patient data and found an insignificant (less than 0.4 percent) difference between the sum of the quarterly totals and the total reported to USAID. They explained that this difference was

[18] We did not observe evidence of sales of the female condom on the second bar. The Academy for Educational Development representative told us that the owner of this bar wants to be discrete about condoms.

[19] The implementer told us that this PMTCT target was too large, as it was based on the assumption of a pregnancy rate of 9.3 %, but the area rates in which the program operated had lower pregnancy rates. The 9.3% is a national rate, estimated by the Government of Tanzania. Other factors mentioned by the implementer were inexperience with PMTCT activities, sites in rural areas where people are hard to reach, and late funding.

due to people that were HIV-tested, but for some reason did not receive the exam results. We also selected individual names from these forms and verified that there was a record of these individuals having received services. In Arusha, we visited a counseling and testing clinic operated by Uzima, an African Medical and Research Foundation subgrantee. We reviewed monthly records for a complete year and found an insignificant (about 0.2 percent) difference between the sum of the monthly totals and the total reported to USAID. As in Dar es Salaam, they also explained that this difference was due to people that were tested, but for some reason did not receive the results. We did not trace records to individual files, as the files had been moved to Dar es Salaam.[20]

Elizabeth Glaser Pediatric AIDS Foundation (Glaser Foundation) – Three of four key outputs were met, despite the late receipt of FY 2005 funds. Funds for FY 2005 were not obligated until October 12, 2005. The Glaser Foundation began its FY 2005 activities in January 2005, using FY 2004 funds. It has a $2.8 million budget, all for PMTCT activities. The Glaser Foundation is a grant-making mechanism, and it passes down funding to five public health care centers and three faith-based organizations. We selected four key outputs, and as shown in the table below, three of the four outputs had been met.

Output description	Planned FY 2005 Output	Achieved FY 2005 Output	Percentage Achieved
Number of service outlets providing the minimum package of PMTCT services	115	138	120%
Number of pregnant women provided with PMTCT services, including counseling and testing	51,217	60,772	118%
Number of pregnant women provided with a complete course of antiretroviral prophylaxis in a PMTCT setting[21]	2,810	2,055	73%
Number of health workers newly trained or retrained in the provision of PMTCT services	750	975	130%

[20] Given the low error rates, we decided not to pursue this review upon our return to Dar es Salaam.

[21] This output was not met because a significantly lower HIV prevalence rate was observed among the tested women than the national average (5.6% vs. 9.6%, or a 42% lower rate), as explained to us by Glaser Foundation and USAID/Tanzania officials.

We visited a health center that receives Glaser Foundation funds through Engender Health. EngenderHealth conducts training on mother-to-child HIV prevention. The course consists of a week of theory and a week of practice, and follows Government of Tanzania protocols. The Glaser Foundation also trains trainers for such course. We checked some program data for two months, and found a minor mistake. The number of women that had HIV+ tests in a particular month was 73, but the summary reported 69, so 4 women were missed. The data for another month agreed. We also checked the summary data that the clinic sends to the Glaser Foundation and compared it to the Glaser Foundation's report that breaks down the data among the clinics, and the data also agreed.

CARE – CARE's activities progressed as planned in FY 2005, despite the late receipt of FY 2005 funds. CARE's FY 2005 funds were not obligated until July 15, 2005. CARE reported that most of its FY 2005 activities were funded using FY 2004 funding, and that between April and July 2005, CARE received no funding at all from USAID. CARE has $5 million in FY 2005 funding for care activities, of which $4 million were for palliative care and $1 million was for orphans and vulnerable children.

For palliative care activities, CARE procures drugs and home based care kits and provides money and training through sub-contractors that provide volunteers. Support for orphans and vulnerable children includes paying for school fees such as books, supplies, and uniforms. Subgrantees pay for these items directly from CARE funds. Income generating activities are provided, but limited to food production. We selected two key outputs from CARE's reported outputs, and as shown in the table below about 100 percent and 97 percent of the outputs from these two activities had been achieved.

Output description	Planned FY2005 Output	Achieved FY 2005 Output	Percentage Achieved
Number of individuals provided with general HIV-related palliative care	12,500	12,473	100%
Number of orphans and vulnerable children served	25,000	24,277	97%

We visited a health center run by a faith-based organization in Iringa. This center implements activities for both orphans and vulnerable children, and palliative care. We reviewed the registers for a one-month period. The number of names agreed with the subtotals reported for that month. We also selected one name from the register for each activity, and compared the information with the individual person's file. In both cases, the information on the register agreed with information on the individual's file. However, due to a confusion caused by a CARE form, we found slight undercounts (2 and 7 percent) in the totals for both orphans and vulnerable children and palliative care activities, respectively. Also in Iringa, we visited a subgrantee, Alpha Dancing Group, and we found that it had an undercount of less than 3 percent (as described under the monitoring finding on page 6) in its orphans and vulnerable children program, as well as an overcount of 15 percent on its palliative care program.

We visited a 15-year-old girl who lost both of her parents due to HIV/AIDS. She is supporting[22] her three siblings and her own toddler. CARE provided school uniforms and food for her family, and provided a one-time 5,000 schillings (about $4) payment. We also visited an older female who, because of her HIV-positive status, was rejected by her then-husband's family, and subsequently, by her own family. Her husband died of AIDS complications in 2000. The CARE program provided them with school uniforms and food.

Family Health International – Its activities progressed as planned in FY 2005, despite the late receipt of FY 2005 funds. FY 2005 activities did not start until May 2005. FY 2005 funds were not obligated until July 1, 2005.

Family Health International was programmed to receive $3.4 million for prevention activities in FY 2005, of which $3.2 million were for abstinence and be faithful programs, mostly focusing on the at-risk group between the ages of 10 to 24 years. We selected two key outputs, and as shown in the table below, about 113 percent and 4,844 percent of the outputs from these activities were achieved.

Output description	Planned FY2005 Output	Achieved FY 2005 Output	Percentage Achieved
Number of individuals reached with community outreach prevention activities promoting abstinence and/or being faithful	2,052,000	2,324,931	113%
Number of individuals reached with community outreach prevention not focused on abstinence or being faithful	48,000	2,324,931	4,844%

We visited Iringa Development of Youth Disabled and Children Care, a faith-based organization mostly targeting out-of-school youths that promotes abstinence and being faithful as a mean of preventing HIV/AIDS. We found that its records underreported the number of individuals reached (refer to finding on page 7). We also visited the Anti-Female Genital Mutilation Network, another faith-based organization promoting abstinence, but could not observe or test outputs, since it started receiving funding from Family Health International in October 2005, and had not commenced activities at the time of our audit. However, the Anti-Female Genital Mutilation Network had reportedly performed some planning work, and had displayed its goals and objectives on charts pasted on its office walls.

[22] To sustain her family, she buys and resells mangoes and firewood.

Timeline for USAID/Tanzania FY 2005 Activities[23]

FY 2005	FY 2005 Funds Fully Available	Month	Event
		Oct-04	FY 2005 Country Operational Plan (Operational Plan) submitted - 10/30/04 5-year Strategy submitted - 10/30/04
		Nov-04	(No significant activity)
		Dec-04	Annual report submitted - 12/2/04 First Congressional Notification submitted for Emergency needs (did not include FY 2005 Operational Plan requests)
		Jan-05	Operational Plan provisionally "approved," but funding request is temporarily flatlined to FY 2004 budget level, approximately half of total requested, until the strategy is redone. 1st Congressional Notification approved – USAID/Tanzania was not included
		Feb-05	2nd Congressional Notification for FY 2005 Operational Plan submitted, which included the flatlined amount of funding for Tanzania
		Mar-05	Revised 5-year strategy approved FY 2005 Operational Plan approved in full 2nd Congressional Notification approval and AIDS Coordinator notified USAID/Washington - 3/18/05
		Apr-05	Funds available to Mission at FY 2004 levels (approximately 50% of requested amounts) Strategic Objective Agreement (SOAG) sent to Ministry of Health
		May-05	SOAG process underway - sent to Ministry of Finance
		Jun-05	SOAG signed 6/6/05 First Modified Acquisition and Assistance Request Document for FY 2005 funding submitted
		Jul-05	Family Health International Funds obligated - 7/1/05 CARE funds obligated - 7/15/05 Second Congressional Notification approved - 7/22/05
		Aug-05	Funds allowed to Mission from second tranche of funding SOAG amendment sent to Ministry of Health and Ministry of Finance Deloitte & Touche funds obligated - 8/24/05

[23] This table was prepared by USAID/Tanzania, who provided us with key documentation supporting the above timeline, and slightly modified by the OIG.

Sep-05	SOAG amendment signed - 9/26/05 2006 Operational Plan submitted - 9/30/05
Oct-05	African Medical and Research Foundation funds obligated 10/12/05 Elizabeth Glaser Pediatric AIDS Foundation funds obligated 10/12/05
Nov-05	Review of FY 2006 Operational Plan at OGAG Academy for Educational Development funds obligated - 11/7/05 Annual Report submitted - 11/14/05
Dec-05	Revisions to FY 2006 Operational Plan submitted Pact funds to be obligated by 12-15-05

NOTES:

* Field support occurs approx. 9/30 at close of FY

** 2nd Congressional Notification - 1/2 funds after provisional Operational Plan approval

*** 3rd Congressional Notification balance

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