

~~SENSITIVE BUT UNCLASSIFIED~~

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

Report of Inspection

The Exercise of Chief of Mission Authority in Managing the President's Emergency Plan for AIDS Relief Overseas

Report Number ISP-I-10-01, November 2009

~~IMPORTANT NOTICE~~

~~This report is intended solely for the official use of the Department of State or the Broadcasting Board of Governors, or any agency or organization receiving a copy directly from the Office of Inspector General. No secondary distribution may be made, in whole or in part, outside the Department of State or the Broadcasting Board of Governors, by them or by other agencies or organizations, without prior authorization by the Inspector General. Public availability of the documents will be determined by the Inspector General under the U.S. Code, 5 U.S.C. 552. Improper disclosure of this report may result in criminal, civil, or administrative penalties.~~

~~SENSITIVE BUT UNCLASSIFIED~~

PURPOSE, SCOPE AND METHODOLOGY OF THE INSPECTION

This inspection 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 instances of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

METHODOLOGY

In conducting this inspection, the inspectors: reviewed pertinent records; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on-site interviews; and reviewed the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.



**United States Department of State
and the Broadcasting Board of Governors**

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

TABLE OF CONTENTS

KEY JUDGMENTS	1
CONTEXT	5
THE ROLE OF THE AMBASSADOR	7
COORDINATION OF THE IMPLEMENTING AGENCY WORK	13
THE PRESIDENT’S EMERGENCY PLAN FOR AIDS RELIEF COORDINATOR	15
PUBLIC DIPLOMACY	21
EMBASSY MANAGEMENT OF RESOURCES TO SUPPORT THE PRESIDENT’S EMERGENCY PLAN FOR AIDS RELIEF	25
THE OFFICE OF THE U.S. GLOBAL AIDS COORDINATOR	31
PLANNING FOR THE FUTURE	37
RECOMMENDATIONS	41
INFORMAL RECOMMENDATIONS IN APPENDICES A-1 THROUGH A-5	43
PRINCIPAL OFFICIAL	47
ABBREVIATIONS	49
APPENDIX A-1: BOTSWANA COUNTRY REPORT	51
APPENDIX A-2: ETHIOPIA COUNTRY REPORT	59
APPENDIX A-3: HAITI COUNTRY REPORT	65
APPENDIX A-4: NIGERIA COUNTRY REPORT	73
APPENDIX A-5: SOUTH AFRICA COUNTRY REPORT	85
APPENDIX B: SUMMARY RESULTS OF OIG QUESTIONNAIRE	95

KEY JUDGMENTS

- Chiefs of mission (COM) at the five posts visited as well as 19 other posts out of the 23 queried by questionnaire have assigned a high priority to the President's Emergency Plan for AIDS Relief (PEPFAR) program. The program's size and complexity requires significant COM attention. When this attention has been given, the program has been generally well-coordinated and synchronized with other U.S. programs and objectives. However, the inspection found a few instances where, for one reason or another, COM attention had at times been insufficient, and during those times the program suffered.
- Ambassadors and their missions have done an extraordinary job of providing policy oversight, management, and administrative support for the program. However, they have received less than adequate support in all three of these areas from the Department of State (Department) itself, which continues to experience severe resource shortages. As PEPFAR evolves to address the more complex task of ensuring sustainability, the Department will need to take a more direct interest in the program. The Department's policy leadership and its management support apparatus have not been actively involved in the PEPFAR program in any sustained way. Among other things, more effort should be made to apply existing PEPFAR resources to the program's support needs.
- The Office of the Global AIDS Coordinator (S/GAC), within the Department since 2003, has done an outstanding job of developing and directing the PEPFAR program itself. During the second phase of PEPFAR, the Department needs to take steps to better integrate S/GAC with the Department's policy and support functions. S/GAC personnel need more exposure to working in the field and Department Foreign Service and Civil Service personnel need to be rotated through the S/GAC office.
- The model of the first 5 years, where most important decision-making has been centralized within the S/GAC office, will be increasingly inappropriate as the program necessarily shifts to expanding cooperation with host governments. S/GAC will need to reduce the demands it makes on posts and devolve substantially more decision-making authority to the Ambassadors and PEPFAR teams.

- PEPFAR, by its nature, has brought new bureaucratic players to the international field. Some of these players are inexperienced in working overseas or supporting overseas operations. This has caused considerable problems, stress, and even disharmony at overseas posts. Programs for introducing and training newcomers—individuals and agencies—need to be improved. Programs for familiarizing Department employees with PEPFAR program operations and procedures are also needed.
- PEPFAR has accomplished much in its first 5 years. The U.S. Government now faces the more difficult challenge of making that initial contribution sustainable. In particular, the U.S. Government has assumed varying degrees of responsibility for the lives of over 2 million people now dependent on antiretroviral (ARV) medication. This is an enormous policy challenge that needs to be actively addressed.

In 2007, the Office of Inspector General (OIG) conducted an inspection of S/GAC and how it directed the program.¹ Section 103 of the Hyde-Lantos Act (Reauthorization Act of 2008, H.R. 5501), signed into law on 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 to jointly develop coordinated annual plans for oversight activity in each of the fiscal years 2009 through 2013. This current inspection is part of the coordinated annual oversight plan dated September 26, 2008.

The purpose of the inspection is to determine how COMs are fulfilling their responsibilities to coordinate, direct, and support the PEPFAR program at overseas posts. The report describes and evaluates program oversight by COMs, including their role in policy and program implementation, the challenges they face, the effectiveness of mission support, and implications for sustainability.²

The methodology included a survey to 30 PEPFAR posts and information from about 25 routine OIG post inspections during FY 2009. The team conducted interviews in Washington, including meetings with current and past ambassadors and traveled to five targeted posts for in-depth review of the COM exercise of authority at those locations. For more detailed information on the five countries visited by the

¹OIG Report No. ISP-I-08-23, *Review of the Office of the U.S. Global AIDS Coordinator* (February 2008)

²Reauthorization Act of 2008, §4 (1)(C), "...emphasizing capacity building initiatives in order to promote a transition toward greater sustainability through the support of country-driven efforts..."

CONTEXT

During his tenure, former President George W. Bush committed to fight AIDS in afflicted countries. Congress passed the United States Leadership against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 (P.L. 108-25). It called for a comprehensive, integrated 5-year strategy to combat global HIV/AIDS and authorized \$15 billion for U.S. global efforts. The Act required coordination among the implementing executive branch departments or agencies: the Department, USAID, HHS, the Department of Defense, the Peace Corps, the Department of Labor, and the Department of Commerce.

The first 5 years of the PEPFAR program are widely considered very successful. S/GAC reported the following results as of September 30, 2008:³

- **Prevention:** supported HIV counseling and testing for nearly 57 million people; supported prevention of mother-to-child [HIV] transmission services during nearly 16 million pregnancies; and prevented an estimated 240,000 infant infections.
- **Care:** supported care for more than 10.1 million HIV-affected people, including more than 4 million orphans and vulnerable children.
- **Treatment:** supported antiretroviral treatment for more than 2.1 million people, including 130,100 children.

These results meet or surpass the specific goals that PEPFAR set for itself. The program has received generally favorable treatment in local, regional, and global media. It has substantially enhanced the image of the United States both in countries with serious HIV/AIDS problems and globally. Some elements of the program have been controversial, both within the United States and overseas where the program is implemented. These included the statutory 33 percent spending requirement on abstinence-until-marriage programs within HIV/AIDS prevention efforts, and the use of faith-based organizations as implementing organizations and efforts to bring in new partners for the implementation of PEPFAR, both at the local and international level.

³Kellie Moss, Congressional Research Service Report for Congress, *PEPFAR Reauthorization: Key Policy Debates and Changes to U.S. International HIV/AIDS, Tuberculosis, and Malaria Programs and Funding*, January 29, 2009.

The Reauthorization Act of 2008 (H.R. 5501), signed into law on July 30, 2008, authorized a budget of \$48 billion to cover fiscal years 2009 through 2013.⁴ The Lantos-Hyde Act, as it is called, made a number of changes. It removed the spending requirement on abstinence-until-marriage programs; authorized the use of compacts or framework agreements between the United States and countries already receiving U.S. funds to fight HIV/AIDS; and emphasized strategies to promote the sustainability of health care systems in affected countries.

⁴Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008 (H.R. 5501).

THE ROLE OF THE AMBASSADOR

The importance of the Ambassador's role in overseeing and guiding the PEPFAR program in each country cannot be overstated. The oversight and management structure of the PEPFAR program, sometimes referred to as the PEPFAR model, is substantially different from the development assistance model used by the United States for the last 50 years. USAID was the only agency that managed that model. USAID was responsible for planning the approach in each country, managing the financial disbursement, and implementing the programs. The field offices were included in most of this process, and had significant decision-making latitude in implementation. If the expertise of individuals resided in other agencies (e.g., agriculture, finance, or medicine), those individuals were detailed by their home agencies to USAID and worked under USAID supervision in the field. USAID negotiated with Congress for the budgets and applied whatever specific requests were made by Congress. The Ambassador had responsibility for policy oversight and ensuring that the programs were consistent with other U.S. policy and objectives, but direct management and all support needs were provided directly by USAID. While, over the years, other agencies such as HHS/Centers for Disease Control and Prevention (CDC) have established presences and programs at overseas posts, these have not been major development assistance programs.

PEPFAR, for a variety of reasons, circumvents the bureaucracy, the established practices—and some argue the expertise—developed over the last several decades. It is centrally directed from a small organization in Washington in the Department of State, S/GAC. Originally, the function was attached to the White House in the Office of National AIDS Policy. The specific programs and responsibilities of the implementing agencies are usually initiated at post through the Country Operational Plan (COP), but S/GAC, working with a complex interagency process involving senior managers as well as PEPFAR implementing agency political leadership, makes most important decisions about program goals and objectives, controls disbursement of the funds appropriated by Congress, and directs individual overseas missions in their implementation of the program. Actual implementation of the program overseas is carried out by a variety of U.S. Government agencies that have different kinds of expertise in development, health, and community organization. The two principal implementing agencies for PEPFAR are USAID and HHS/CDC. Others include the Departments of Defense, State, and Labor, and Peace Corps. These agencies

receive funding from S/GAC for PEPFAR activities. Some of the funds are funneled through the Department to the embassies. In the cases of USAID, HHS/CDC, and the Department of Defense, additional HIV/AIDS funding is appropriated directly to the agencies. Some are transferred by the Department to the agencies. Each agency reports to the Ambassador and receives policy and operational support from the embassy. This presents significant coordination, support, and policy challenges for the COM.

Coordination of this multiagency approach falls to the COM (ambassador or chargé d'affaires), because only the COM, as the President's personal representative, has the authority to direct individual U.S. Government agencies in the host country. This task can be quite complicated as each implementing agency's field office has obligations to its home agency and to S/GAC as well as to the COM. The COM's job becomes more difficult when there are many different agencies at post, which in Washington have considerable independence and different operating styles. PEPFAR complicates this task even more as a new, often unfamiliar entity. It has an unprecedented level of resources, which sometimes dwarf other agencies and programs at post, and authority and influence that, from the beginning of the program, were closely connected to the White House. The program needs substantial fiscal accountability and oversight, and Congress has required extensive and detailed reporting of results and new levels of accountability.

Ensuring sufficient administrative support is a universal problem for African posts due to the difficult host country environments, chronic and serious staffing shortages, and a resource-poor Bureau of African Affairs. Some ambassadors have been more aggressive than others in seeking those resources. Some ambassadors have also been less willing to use National Security Decision Directive (NSDD-38) authority to prevent new personnel for the PEPFAR program from coming to posts when administrative resources are insufficient to properly support them. In most cases this has been with the best of intentions: a desire to support a unique humanitarian program that is fighting terrible odds; and an effort to respond to White House and Department admonitions to make every effort to support the program. To do so, they have been willing to endure a heavier workload and more difficult working conditions—and to impose those conditions on the rest of the staff. This is appropriate and even normal for limited periods of time—as with an “emergency” program. However, PEPFAR is now 5 years old and has just been extended for another 5 years. Stressful working conditions not only impact the immediate operation of the program but may also undermine the availability of experienced personnel for the program in the future.

The ambassador is responsible for ensuring that the programs of the various agencies are complementary rather than competitive, and the programs promote rather than detract from broader U.S. Government interests (e.g. by causing political controversy, economic disruption, etc.). The ambassador is also responsible for overseeing the agencies' activities and assisting them with access to the host government. These can be very time consuming.

Ambassadors handle these responsibilities differently depending on host country conditions and individual management styles. Some, particularly at smaller posts where the PEPFAR program may be the largest activity in the country, have become integrally involved in day-to-day management of the program. Others have delegated that authority and restricted their own activity to public diplomacy support or high level diplomatic representation. However, none can avoid the overall responsibility, and this was most recently articulated in an instruction to posts sent by the Under Secretary for Political Affairs and the U.S. Global AIDS Coordinator in October and December 2008.

On the whole, the inspection team found that ambassadors have done an extraordinary job of stepping up to the task of initiating and supporting this unique and extensive program. Some have had more success than others in promoting a synergy with other embassy elements and integrating the program with broader U.S. Government interests. One example of success is that of the Ambassador to Nigeria between 2004 and 2007, who used the program's specific need for wide geographic coverage of the AIDS crisis to extend the U.S. Government presence to areas and populations of the country to which access had previously been limited—notably to Muslim areas in the north. Another is the recently departed Ambassador to South Africa, who took an active role in influencing the program's strategic direction, convincing S/GAC to initiate a decrease in program funds to begin a process that will lead to eventual graduation of South Africa from the program.

The OIG team found effective COM oversight includes:

- Ensuring all implementing agencies understand the imperative to promote cooperation and avoid destructive competition—and enforcing that mandate when necessary;
- Ensuring the implementing agencies and the country team fully understand the PEPFAR mission and its place in U.S. Government strategic objectives;

- Ensuring that the mission provides sufficient administrative and other support to the program and personnel in it—including making sure that the mission has the resources to provide that support and exercising NSDD-38 authority when those resources are not sufficient; and
- Ensuring the PEPFAR program is properly tailored to the host country environment in the present and that the mission sufficiently analyzes future opportunities and challenges.

The inspection team found most of the current ambassadors were effectively meeting these responsibilities. Some face more difficulties than others with regard to cooperation among agencies. This may be owing to problems inherited from before their tenure, current staffing gaps, or difficult personalities. Some ambassadors need to better articulate PEPFAR's place in the post's strategic mission, and this generally requires more than a simple statement in the Mission Strategic Plan.

The inspection team found that, although the specific nature of the Ambassador's involvement may vary from post to post, if the Ambassador does not maintain active oversight, the program suffers. At posts where the Ambassador took an active interest in the program, was available to the PEPFAR team, and provided policy guidance, the program did well and supported broader U.S. Government interests. The ambassadors are currently actively involved at most posts that were visited and queried by questionnaire. However, in posts where the Ambassador was too far removed from the process, or where there were gaps with no ambassador, more serious problems developed. Two specific examples are Embassy Addis Ababa, where there was no ambassador between 2005 and 2007, and Embassy Maputo, which has not had an ambassador for several years. In both cases, the PEPFAR program experienced severe interagency problems. Embassy Abuja also experienced significant coordination problems before 2004, which appear to have resulted from insufficient COM attention.

Most of the problems of this nature have occurred in the Bureau of African Affairs, which has the largest number of COM positions, and traditionally has experienced frequent gaps in ambassadorial positions. The OIG team believes the Department needs to make an extra effort to ensure prolonged gaps in the presence of experienced COMs are avoided, particularly at posts with significant PEPFAR programs. When it is impossible, for political or other reasons, to send a fully accredited ambassador, the Department needs to ensure an experienced substitute with sufficient rank to exercise authority over all mission elements is temporarily installed

to prevent any gap from exceeding 2 months. It must also ensure that such an individual is clearly instructed to pay priority attention to the PEPFAR program. In at least one case—Addis Ababa between 2005 and 2007—an interim COM chose to pay little attention to the program, and it suffered.

Recommendation 1: The Bureau of African Affairs should develop and implement a clear process that makes it a priority to provide interim chiefs of mission to posts that have a President's Emergency Plan for AIDS Relief program and where, for any reason, a fully accredited ambassador is not available. (Action: AF)

COORDINATION OF THE IMPLEMENTING AGENCY WORK

For many ambassadors, getting the PEPFAR program up and running in their countries, and then keeping its various elements harmonious and directed toward a common goal, has been a very challenging and time consuming task. Some had to devote much of their own time to it, while others have been able to delegate the task to the deputy chief of mission (DCM) or to others. Shortly after the program was initiated, some ambassadors established PEPFAR coordinators to facilitate this process and reduce PEPFAR's drain on managerial resources. This has proved to be an important element in program success and is discussed in more detail below.

Those posts that were lucky enough to have representatives of implementing agencies—who had compatible personalities and were willing to work cooperatively together—had relatively smooth sailing. Others that were assigned one or more individuals who brought a more competitive approach to interagency relations had more difficulty. In a few cases, agency representatives have been overtly hostile to each other. They have caused strife not just within the PEPFAR program, but throughout the mission, which has undermined both the program and the effective functioning of the U.S. mission in the host country. Some ambassadors have been more effective than others in mitigating this strife by advising, disciplining, and sometimes even removing individual representatives from post. Sometimes, the extended absence of an ambassador has undermined the program. Overall, the effective implementation of the COM's authority has been essential to the effective functioning of the program.

Sometimes the headquarters of implementing agencies have helped by guiding or disciplining their own representatives, but on occasion they may have actually encouraged the strife. The Department and S/GAC need to coordinate more with the headquarters of implementing agencies to ensure all are operating from the same script. Implementing agencies need to give, or reiterate, clear instructions to their representatives in the field that on PEPFAR at least they are to coordinate and cooperate with their other agency counterparts. In the words of the first U.S. Global AIDS Coordinator, they are to “leave their agency identities at the door.”

Recommendation 2: The Office of the U.S. Global AIDS Coordinator should ask that the appropriate level of implementing agencies send an annual directive to their overseas personnel with responsibilities for a President's Emergency Plan for AIDS Relief program reminding them to give top priority to cooperation and program coordination with other implementing agencies. (Action: S/GAC)

In the initial years of the program, each individual mission developed its own approach to organizing and managing the PEPFAR effort. S/GAC provided some guidance and organized regional and global conferences, which gave attention to organizational issues. Some cross-fertilization was initiated by the missions themselves, but overall the missions were on their own.

Most U.S. missions have established a set of regular meetings designed to promote information sharing and coordination among those directly involved with the PEPFAR program and with other parts of the U.S. mission. Most of the posts visited were relatively large posts where the PEPFAR programs are very large but are not necessarily the largest program or the highest priority of the post. Most used one large monthly meeting, chaired by the DCM or the Ambassador, to ensure all sections were aware of what the others were doing. These meetings appear to have been effective forums for information exchange, but less effective for addressing program management issues or strategic direction. Most posts also had a series of smaller working group meetings attended by a variety of personnel from all agencies involved in the PEPFAR program. These meetings dealt effectively with the details of implementation.

A number of embassies have also established a much smaller core group, usually including only the single most senior individual dealing primarily with PEPFAR from each implementing agency, plus the PEPFAR coordinator. This group tackles the most difficult issues involving disagreement between the implementing agencies as well as administrative support. This kind of group appears to be the most effective forum for discussion of strategic direction and communication with Washington. The inspection team observed the creation of this core group has not only provided a more effective forum for management, but it has promoted a team spirit and sense of commitment to the program that more successfully integrates individual agency goals in the larger program perspective.

THE PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF COORDINATOR

The PEPFAR coordinator is extremely important to the success of the program. Every post's experience with the program is different, molded by the host country environment, the nature of the HIV/AIDS problem in the country, and the size of the program. However, post responses to OIG's questionnaire (see a summary in Appendix B) and other information gathered during the inspection indicated that during the first 5 years of the PEPFAR program, those posts that successfully hired effective PEPFAR coordinators had relatively successful programs. There was less interagency strife, better communication with S/GAC in Washington, less strain on post resources, and better integration of the program with U.S. interests in host countries. Posts that chose not to seek a PEPFAR coordinator, were unable to find an effective one, or experienced large gaps between successive PEPFAR coordinators were more stressed by the program's demands and had more difficulty running an effective program.

Defining these positions, establishing them, and recruiting qualified individuals to fill them has been quite difficult. During the first 5 years of the program, very few of the PEPFAR coordinator roles have been filled by Department personnel. Posts and regional bureaus reported that the Department did not have the positions, the personnel, or the contract authority to provide the manpower. Although the former U.S. Global AIDS Coordinator⁵ reportedly appealed directly to the Deputy Secretary of State for help in this regard, the Department appears to have made no response. The Bureau of Human Resources told the inspection team that it was unaware of any request for assistance with the PEPFAR coordinators.

Funding, in principle, should not be a problem, because the PEPFAR program had the funds and the authority to pay for the PEPFAR coordinators. However, while S/GAC has provided encouragement and some guidance, and last year developed a position description for PEPFAR coordinators, there has been no centrally established process or guidance for drawing on those funds, recruiting, or hiring

⁵The past Global AIDS Coordinator left his position January 23, 2009. A replacement was sworn in on June 23, 2009.

the coordinators. The burden of finding both qualified people and mechanisms for bringing them on board fell entirely on the individual embassies administering the PEPFAR programs overseas. Each embassy appears to have done it on its own, and only after several years has a body of knowledge about the available alternatives coalesced within S/GAC. These alternatives include: dedicating existing Foreign Service positions and personnel at post (by taking them away from their original duties); assigning CDC or USAID direct-hires to the position (also by taking them away from their original duties); making use of regional positions, such as HHS regional health attachés (similarly conflicting their assigned responsibilities); and using USAID personal services contract (PSC) authority to hire PSCs. The fourth alternative has been used most, because it involves the least conflicting demands.

The embassies, led by their COMs, have done an extraordinary job of pioneering this effort. Two of the current implementing agencies, USAID and CDC, have contributed significantly by making positions, personnel, or contracting authority available. USAID has been both flexible and generous with its contracting authority, making exceptions to its standard policy regarding supervision and transferring that authority out of USAID to the respective COMs.

However, this is not a satisfactory process for the longer term. It is too ad hoc, demands too much of scarce post time and resources, and provides little continuity. It is considered unsatisfactory by many of the implementing agencies at post, either because they consider the individual's neutrality to be compromised by USAID ownership of the hiring mechanism, or because they believe the individuals filling the position are lacking the organizational and diplomatic skills necessary to be effective. It has also caused some confusion about who is responsible for overseeing and providing administrative support for these individuals, further contributing to inter-agency tension.

During the second phase of PEPFAR, which will require increasing cooperation with the host governments, the synergy an effective PEPFAR coordinator is able to promote between implementing agencies will be even more important than during the first 5-year period. Synergy will be necessary for planning, for the negotiation process, for the increased challenge of dealing with multiple host-country agencies, for capacity building, and for the gradual transfer of this massive program to the host countries themselves.

In administering the program and broader U.S. Government interests, the embassies cannot recruit and hire PEPFAR coordinators in the same ad hoc manner used in the first 5 years of the program. The hiring process has not been regularized.

Positions have not been advertised early enough to allow individuals with the necessary skills to plan ahead and compete for the jobs, and make it possible for posts and agencies to find those individuals with minimum disruption to their own already stretched resources.

The inspection team believes the process needs to be centralized in the one agency that has been given the responsibility of coordinating the program overall: the Department of State. Ideally, full-time positions would be established to accommodate PEPFAR coordinators that could use Foreign Service or Civil Service personnel from a variety of agencies. S/GAC is in the position to encourage its staff to apply for available PEPFAR coordinator positions and to develop a set of appropriate incentives to support that encouragement. If the Department could establish such positions, S/GAC might even consider mandatory overseas tours for its senior staff.

The positions need to be established in posts with significant PEPFAR programs, and some posts may need more than one position (if they can be accommodated with space and support). While extensive experience or technical expertise in the public health field can be helpful, it is not essential. The most important skills for these positions are diplomatic and managerial; the job elements would be outstanding career builders for both Foreign and Civil Service personnel:

- Planning, coordinating, and managing annual budgets ranging from \$10 million to \$500 million;
- Interaction with multiple host-government agencies;
- Negotiation with senior government officials with millions of dollars at stake;
- Economic and political analysis of host government capabilities, objectives, and tolerances;
- Regular, direct communication with senior levels of the U.S. Government;
- International conferences with PEPFAR officials, implementing partners, international organizations, and host country officials;
- Coordination of planning and strategy with major private donors such as the Gates and Clinton Foundations and with large implementing partners like Harvard University, the University of Pennsylvania, and Catholic Relief Services.

The OIG inspection team believes it would be inappropriate in the context of this limited-scope inspection to prescribe a specific answer to the problem. However, after discussions with personnel both overseas and in Washington, the team sees three basic alternatives from which the Department could draw such a solution:

1. The most solid institutional approach would be for the Department to provide 20 full-time-equivalent positions, which might be funded by PEPFAR for PEPFAR coordinators in overseas posts. These positions should be structured in such a way that they could be filled by either Foreign Service or Civil Service personnel from the Department of State or other appropriate agencies. This approach would make available the full range of experience and talents of the career services and would help to enrich those services through the experience gained.
2. The second alternative would be for the Department to seek PSC authority, again funded by PEPFAR, to fill a similar number of overseas PEPFAR positions. This would provide a vehicle for the Department to assist the posts in hiring the coordinators, provide the coordinators with a more neutral platform than is currently available, and allow the Department to more effectively take ownership of the coordination function. One advantage of the use of contract authority is it would allow embassies to expand their recruitment beyond the active-duty career government services. Its principal disadvantage is it would have limited ability to recruit those same career service personnel and would be less likely to provide continuity. Contract employees are not authorized to supervise career personnel.
3. The third alternative would be for the Department to obtain waivers to hire retired Foreign Service and Civil Service personnel for extended periods of time to fill PEPFAR positions, both overseas and in Washington, without limitations on pension payments or hours worked.⁶ While more limited than the first alternative, this would have an added advantage in that it could allow the Department to draw upon its extensive group of experienced retirees to fill not only the PEPFAR coordinator positions, but also administrative positions that provide essential support to the PEPFAR program. This could help to alleviate the general shortage of support personnel, which tends to be particularly acute in hardship posts where the PEPFAR program operates. Expanding the parameters of the when-actually-employed (WAE) system of

⁶The OIG team is aware this option is a controversial government-wide issue. It is included here because PEPFAR is a discrete program with special needs for dealing with hard-to-fill positions over a limited time period.

hiring retired Foreign Service personnel would be appropriate in this case because of the need to find support personnel with extensive experience working in difficult overseas environments.

Recommendation 3: The Office of the U.S. Global AIDS Coordinator, in coordination with the Bureau of Human Resources, should design and implement a plan for hiring coordinators. (Action: S/GAC, in coordination with DGHR)

PUBLIC DIPLOMACY

PEPFAR, by virtue of its nature and size, presents unique opportunities and challenges for public diplomacy. PEPFAR is one of the largest single humanitarian efforts ever undertaken. The program provides benefits directly to individuals and communities in nations all over the world. It has saved lives and provided hope to individuals, communities, and governments.

PEPFAR has also created political controversy from messages such as the previous emphasis on sexual abstinence. Sometimes controversy results from program demands on the host government or the competition for scarce resources with other programs that the host government may value more highly. Sometimes host governments may see it as a challenge to their own authority. There is even a possibility of PEPFAR becoming a liability for the U.S. Government.

PEPFAR is both an opportunity and a challenge for individual posts. In most countries, PEPFAR is seen as a very positive force, and association with it can enhance many aspects of the U.S. presence in a host country as well as promote a wide range of U.S. interests. Some embassies have used the program to expand public exposure for a range of U.S. messages, and even to reach areas where the U.S. Government has had little or no previous exposure. PEPFAR is well-resourced, and sometimes these resources can translate to broad public diplomacy benefit. At the same time, the program can be a challenge to embassies that have limited public diplomacy sections and many other issues to address.

In most cases, an embassy's public affairs section (PAS) serves primarily as a source of counsel and guidance to members of the PEPFAR team and as final clearance authority for public messages with policy content. Most of the actual work—building the messages, arranging public events, and promulgating information—is done by the implementing agencies and their implementing partners. In some cases, implementing partners are themselves experienced in public affairs work, or they hire sophisticated public affairs organizations in the host countries. This division of responsibility works well when there is an effective PEPFAR coordinator in place, a well-coordinated PEPFAR team, and experienced implementing agencies. When one or more of those elements are missing, public diplomacy implementation suffers.

Posts have established different ways of coordinating public affairs activities for PEPFAR. Some have relied on large meetings of the whole PEPFAR community; and some have strictly informal communication between PAS and the PEPFAR team. The most effective means of coordination appears to be a small focus group that includes limited representation from each implementing agency, PAS, and the PEPFAR coordinator. These groups can address strategy, messaging, and coordination with limited time demands on the various players.

However, some ambassadors have found that without senior supervision of the process, the public message can become confusing, with each implementing agency publicizing its own role as much as, or sometimes more than, the overall program. In one country, which was not visited by the inspection team, the Ambassador successfully played a vigorous directive role, coaching all members of the PEPFAR team and other sections of the embassy, and insisting on one message devoid of individual agency identification: that PEPFAR was “from the American people.”

At the embassies visited, some public diplomacy specialists expressed concern to the inspection team that the proliferation of individual agency logos and messages, sometimes known as “branding,” is a problem for essentially two reasons:

- First, multiple logos can cause confusion in the non-American public about the actual source and nature of the PEPFAR program; and
- Second, the multiple logos and messages can sometimes cause the impression that there is dissension within the U.S. Government about the program and encourage host governments to try to exploit those perceived differences.

The inspection team believes this issue merits attention from the Department and the headquarters of PEPFAR implementing agencies. The issue is complicated by the fact that some agencies, such as USAID, have a long history of publicizing their projects internationally with great effect. Over time, in consultation with congressional interests, USAID has developed procedures and regulations that are not easily changed to accommodate a single program. The Department has not conducted a public diplomacy review of the issue of branding by individual agencies to determine whether it is appropriate for a program such as PEPFAR, and to make appropriate recommendations for changes if necessary. Such a review would benefit from the participation of representatives from the Office of the Under Secretary for Public Diplomacy and Public Affairs, the Office of the U.S. Global AIDS Coordinator, the Department’s regional bureaus, and the PEPFAR implementing agencies.

Recommendation 4: The Office of the U.S. Global AIDS Coordinator should coordinate a review of branding by individual agencies specifically related to the President's Emergency Plan for AIDS Relief program and implement appropriate changes. Action: (S/GAC)

EMBASSY MANAGEMENT OF RESOURCES TO SUPPORT THE PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF

U.S. embassies and consulates provide a platform for all U.S. Government activities around the world. Most U.S. Government agencies overseas depend primarily or even exclusively on the embassy for support services including personnel management, procurement, financial management, transportation, office space, housing, and other general services. A few agencies provide all or most of their own support in select circumstances. For decades, USAID has provided its own support because its operations in many developing countries were too large for embassies to handle, and it too had access to more substantial appropriated resources. Peace Corps has traditionally provided most of its own support because its structures are relatively small and undemanding, and because the Peace Corps needed to maintain relative independence from the policy entities of the U.S. Government. In recent years, some effort has been made to regularize and centralize administrative support for the U.S. Government platforms overseas with the creation of International Cooperative Administrative Support Services (ICASS) and consolidation of Department and USAID management support operations with those of the embassies. The former is far from perfect, and the latter is still a work in progress.

The creation and rapid growth of the PEPFAR program overseas has placed a great strain on the support capabilities of U.S. embassies. The PEPFAR program has enormous budgetary resources and was able to ramp up personnel and programs more rapidly than most believed possible. However, those budgetary resources have been less successfully applied to the many aspects of support services needed overseas, either because the program's sponsors and administrators were reluctant to do so, or because the Department was either unable or unwilling to develop the required mechanisms. The Department's resources have not increased commensurate with the growth of PEPFAR programs or demands. Budgetary resources have been more or less flat, and personnel resources have been increasingly stressed by hiring gaps and the demands of the wars in Iraq and Afghanistan, and other unanticipated crises.

All of the embassies the inspection team visited were particularly constrained by personnel shortages. Most of the five embassies have chronic difficulty filling their positions due to these shortages and their own unattractive working environments. When they do succeed in filling positions, it is often with people who do not have

the requisite rank and experience. At the posts visited, all but one of the management counselors were in stretch assignments, and several had no previous experience with most post management functions. All of the posts had chronic gaps in their human resources sections, and some in their general services sections. Similar situations were described in the responses to the questionnaires sent to other embassies with PEPFAR programs.

In some cases, these staffing shortages were aggravated by an ICASS system that appeared divorced from the reality of post management needs. All of the posts visited have experienced substantial growth of both American and locally employed (LE) staff. As the personnel from each implementing agency increases, so does the amount the agency has to pay annually to ICASS. However, at least two posts—Abuja and Pretoria—reported that since 2003, the embassies' support staff had not kept up with the increase in PEPFAR activities and personnel, and in the case of Pretoria, the ICASS budget allocated to the post had actually decreased due to erosion of the ICASS base.

While it is difficult for individual posts to directly impact the ICASS process, it may be possible for some of the regional bureaus to weigh in when there are particularly glaring anomalies, such as the South Africa case. The inspection team believes the Bureau of African Affairs (AF), which is the regional bureau most seriously impacted, could request the opportunity to meet with the ICASS executive board in Washington and make a case for priority consideration of posts with PEPFAR programs. ICASS could also make arrangements to directly facilitate the flow of PEPFAR funding instead of filtering it through the various agencies. S/GAC noted it had a brief dialog with ICASS about paying for its own ICASS staff to help alleviate the burden on the current staff. S/GAC said it was discouraged from this suggestion by ICASS Washington, but would be willing to broach the subject again.

Recommendation 5: The Bureau of African Affairs, in coordination with the Office of the U.S. Global AIDS Coordinator, should meet with the International Cooperative Administrative Support Services executive board in Washington and make a case for priority consideration of posts with P President's Emergency Plan for AIDS Relief programs. (Action: AF, in coordination with S/GAC)

Space is also a severe constraint and an enormous challenge to the embassies and the PEPFAR implementing agencies. Most of the countries with substantial PEPFAR programs are developing nations with a variety of security problems and limited office and housing space that meet U.S. Government standards for security and safety. In many of these countries, the best possible option is for the U.S. Government to build its own buildings, but this has obvious resources constraints, and less obvious but just as important technical and bureaucratic constraints. Central to the latter is the Bureau of Overseas Buildings Operations (OBO), which is charged with overseeing security and safety standards and has sole approval authority for most building and leasing overseas. The Bureau of Diplomatic Security also plays a significant role in security standardization and oversight.

Even when an implementing agency has sufficient funds to lease space and space is available, securing that space can be problematic. In all but one of the posts visited, all or most of the CDC personnel were located outside of the embassy compounds, either in leased office space or in space donated by the host government. In one country, CDC has been trying for several years to upgrade its space and has actually been paying rent for a year and a half on a lease approved by the embassy and OBO, but has not moved into that space because it has not met what it described as a moving target of OBO demands.

Based on interviews at post and in Washington, the inspection team understands OBO has tremendous demands made upon it worldwide. According to provisions in the Secure Embassy Construction and Counterterrorism Act of 1999, OBO must give priority to the most critical security areas. It makes a strong effort to respond fairly to all requests, but its personnel and budgetary resources are limited. Under current circumstances, this means many posts and many programs must endure significant delays. This is particularly problematic for a program such as PEPFAR, which is not intended to be one of indefinite duration and has some important time pressures. It is also ironic, because the PEPFAR program has significant budgetary resources, separate from the Department of State's budget, that could possibly be directed to these needs.

The inspection team believes this problem could be significantly diminished by OBO's developing parallel procedures, under the umbrella of its authority and responsibility, for approval of certain projects that would not have to compete for attention with the overwhelming array of normal demands. Such projects might include unclassified projects undertaken by other agencies that do not have insurmountable security concerns, and for which separate funding is identified. OBO could establish a stable of reputable architectural or engineering firms to provide advice and approvals, on behalf of OBO, based on a set of pre-established OBO standards and guidelines.

S/GAC leadership questioned whether a parallel system would be costly and duplicative or legally appropriate. OBO said it was consumed by projects that meet its legally mandated mission requirements and had insufficient resources for a discretionary obligation. It added, however, that it has been in contact with PEPFAR staff across various agencies and Department bureaus. In accordance with 1 FAM 281.1, covering OBO's responsibility to "provide direction and guidance on building matters abroad...to other agencies," OBO has agreed to meet with staff to:

- Explain relevant processes;
- Provide statements of work for indefinite delivery or indefinite quantity contracts;
- Recommend architectural and engineering firms;
- Provide information on quality assurance and security standards; and
- Identify entities that can assist in non-Department construction projects.

However, the OIG team believes OBO's efforts to date have been insufficient, and this is directly related to insufficient OBO resources. Since regulations require posts to get OBO approval for a variety of projects, and OBO does not have sufficient resources to provide its advice and approval in a timely manner, it could establish a procedure by which it can use other available resources to buttress its own and minimize delays.

Recommendation 6: The Bureau of Overseas Buildings Operations, in coordination with the Bureau of Administration and the Office of the U.S. Global AIDS Coordinator, should establish parallel procedures for approval of overseas construction and leasing that do not have to compete with the overwhelming array of normal demands. (Action: OBO, in coordination with A and S/GAC)

The inspection team found that all of the embassies in the five countries visited were making strong efforts to provide necessary support for their PEPFAR programs. However, none was able to fully overcome the chronic resource constraints.

It is not surprising, in the face of these challenges, that some of the agencies believe they are not receiving the services that they need or are funding. Some stated they felt they were treated without full consideration by the embassy management sections—an impression that is reinforced when they are physically separated from those support services. This impression was strongest among the leadership and staff of the newest agency to overseas service, the CDC. USAID has considerably fewer problems with support, because in most countries it continues to provide most

of its own support. In fact, USAID is providing support to the embassies—not least by providing the most effective means to date of hiring PEPFAR coordinators. Both the Department of Defense and the Peace Corps reported some difficulties, but their operations were small, and their own support staff was sufficient to deal with most challenges.

In all of the posts visited, the inspection team found the lack of familiarity of CDC field staff and CDC headquarters with standard operating procedures at overseas posts was a source of many mistakes, misunderstandings, and tension. However, there appeared to be no formal procedure at post or in Washington to educate either individuals or agencies new to the foreign affairs field in the procedures and perspectives developed over the years to sustain overseas operations. The inspection team believes it would be helpful for the Department to create an appropriate training program to fill that need. Expenses relating to creation of the course might be offset by PEPFAR, and then charges for mandatory attendance might be made through ICASS.

A CDC official said more training would be welcome. Currently, CDC sends its country directors to the Foreign Service Institute (FSI) for a week-long class about working with an embassy. If FSI could provide a week-long class in management support operations and procedures, CDC would send its country directors and deputies. It would also be glad for FSI instructors to participate in its annual training program in Africa and the United States.

Site visits to selected PEPFAR posts also revealed a common problem of both Department administrative staff and others new to PEPFAR being unfamiliar with the intricacies of the PEPFAR funding process. Without adequate knowledge of this important process, the work could not be done smoothly and could waste many hours that otherwise would be used efficiently. This situation could be improved by training at FSI that would specifically address the issue.

Both S/GAC and FSI reported that S/GAC established a cross-training program with AF to ensure that new Foreign Service officers going to PEPFAR countries are appropriately briefed. It has also discussed a PEPFAR Budget 101 class for financial management officers and program staff, and is trying to determine the appropriate forum. However, no one interviewed at any of the posts mentioned such training, while many complained that they were unprepared.

FSI's written reply to OIG had several suggestions for dealing with the training needs. If specialized training were needed for new PEPFAR coordinators, S/GAC would need to hire a contractor to design and implement the course because it is a very specialized and technical area. It noted that if a specialized course were needed

on the subject of the Department's management support functions, FSI personnel would have to spend a great deal of time and money creating such a course. FSI felt a more appropriate solution would be for S/GAC to reinstitute the regional and global conferences that addressed organizational issues in the initial years of the program. FSI thought four available courses already provided the necessary coverage:

- ICASS One Day Seminar
- ICASS Basics
- Accounting, Vouchering, and Certifying
- Budgeting for Supervisors

However, the OIG team believes current preparation is insufficient, and that FSI needs to play a central role in improving it. While PEPFAR is a specialized area, it is an area to which the U.S. Government is dedicating an average of \$7.8 billion per year over 10 years, more than the annual operating budget for the entire Department. The program could be better understood. Using PEPFAR money to hire contractors is probably acceptable, but it should not be left to S/GAC, which has far less understanding of how embassies work, to conduct this training. While much of the familiarization of other agency personnel can probably be done within the existing structure of management courses, they will probably have to be adjusted to accommodate the unusual demands of the PEPFAR program.

Recommendation 7: The Foreign Service Institute, in coordination with the Office of the U.S. Global AIDS Coordinator, should develop training to introduce Department of State support personnel to President's Emergency Plan for AIDS Relief program and to introduce other agency personnel to Department of State management support functions. (Action: FSI, in coordination with S/GAC)

THE OFFICE OF THE U.S. GLOBAL AIDS COORDINATOR

S/GAC is headed by a Coordinator appointed by the President and confirmed by the Senate to coordinate and oversee the U.S. global response to HIV/AIDS. According to the PEPFAR Web site, the Coordinator reports directly to the Secretary of State and has the following duties:

- Leads the U.S. Government's international HIV/AIDS efforts;
- Ensures program and policy coordination among the relevant U.S. Government agencies and departments and nongovernmental organizations, avoiding duplication of effort;
- Pursues coordination with other countries and international organizations;
- Resolves policy, program, and funding disputes among the relevant U.S. Government agencies and departments;
- Directly approves all activities of the United States relating to combating HIV/AIDS in 15 focus countries; and
- Promotes program accountability and monitors progress toward meeting PEPFAR's goals.⁷

The OIG inspection of S/GAC in 2008 (ISP-I-08-23, February 2008) described the challenges facing S/GAC and the effort it has made to meet them. The inspection report had high praise for the office, for its leadership and staff, and for the remarkable job it had done in creating a unique program to address an enormously complex problem. This inspection team does not take issue with that report's praise. Indeed, a year later, the successes of the program are even more evident, having actually met the expressed goal of making available antiretroviral treatment to 2 million people worldwide. The dedicated and talented staff in S/GAC bears much of the credit for that success. The predominant view of S/GAC from the field is also generally positive. The previous Administration's leadership team in S/GAC appears to have been almost universally admired, both for their vision and for their ability to pragmatically address difficult issues and situations. The S/GAC staff is seen as intelligent, hard working, and generally accessible.

⁷For more information, see www.PEPFAR.gov.

However, the inspection team also heard extensive observations that, while accessible and sympathetic to post concerns, S/GAC has been unable to address all of those concerns. The most prominent examples given are the continuing and growing planning and reporting burdens. Almost every one of the 23 posts responding to the OIG questionnaire listed preparing the annual and semiannual reports, and the annual COP and responding to endless short-fused requests for information as the most serious, time consuming, resource consuming, and—in their view—most unnecessary burdens faced in implementing the PEPFAR program. Many posts have appealed to S/GAC to rationalize and reduce the burden. However, most posts say the burden has not decreased. Many report the burden has, in fact, increased each year with new requirements and guidelines.

Many posts reported that most or all of the personnel at post who are engaged primarily with PEPFAR responsibilities spend as much as 6 months of all their time on the COP process alone, not to mention other regular and ad hoc reporting requirements. They argue this is time that would be better spent on oversight of the program and the field, and on more strategic thinking about how to more effectively pursue PEPFAR goals and to integrate those efforts into broader U.S. interests and objectives. Some posts 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 also stated they are unable to do so, specifically because the planning and reporting burdens placed on them by S/GAC leave them insufficient time and resources.

One PEPFAR coordinator explained program accountability is harmed by the amount of time senior technical staff must dedicate to the COP process as well as semiannual reporting requirements. It reduced significantly the time available for direct program management and oversight, field visits by senior technical and managerial staff, and the early identification of implementation bottlenecks. This is compounded by some missions, such as Nigeria, which have relied on fairly large strategic information teams, which have taxed interagency staff resources. Some posts and USAID development missions have attempted to outsource the strategic information function to a private contractor, freeing up staff time to address other inadequately filled program management responsibilities.

This inspection team believes that devoting 50 percent of program time and resources to planning and resources is excessive, but recognizes there are political reasons for these demands, and some agencies have also argued there are technical or scientific needs for such information. These issues need to be discussed and debated in the larger context of U.S. Government development assistance reform.

There are two areas where the inspection team believes changes could be made that would streamline the planning and reporting process and reduce redundancy. They would also ensure that requests for information are sufficiently important to merit placing the additional burden on missions in the field without seriously impacting political demands on the program.

The first would be to place the COP exercise on a biennial rather than an annual basis. A review that S/GAC sponsored in 2005 already made such a recommendation. The COP is essentially a budget submission tool. Its descriptive parts do not need to be changed every year, particularly as the program is now more mature. During the second 5-year phase of the program, which will focus increasingly on building host government willingness and ability to take over and sustain the program, a COP with a longer term and more consistent scope is also more appropriate. The yearly statistics, which are still being reported with the annual and semiannual reporting requirements, will continue to be available for the budget submission process. Reducing the COP burden on the posts from an annual to a biennial basis would considerably free up post resources and enhance both implementation of the program and strategic direction.

S/GAC officials told the OIG team it was aware of the problems faced by posts. It had done an assessment of needs in 2008, and is implementing a new technical requirements and database system this year. S/GAC has argued that COPs cannot be done every 2 years until there is a 2-year budget plan, but it might be possible to input COP data in 1 year and update it the next year, thus having multiyear entry data. Budgets, targets, and results would have to be refreshed annually. The OIG team did not agree. Simply adjusting the process each year actually increases the burdens on the posts. The COP can be submitted by posts biennially. For the years the posts do not make a COP submission, S/GAC can make the submission using current data from the annual and semiannual reports. The posts would not have to revise and rewrite the COP every year.

Recommendation 8: The Office of the U.S. Global AIDS Coordinator, after appropriate consultations with Congress, should reduce post country operation plan submissions to a biennial basis, and use post annual and semiannual reporting to prepare the annual budget submission. (Action: S/GAC)

The second way the tasking burden might be reduced would be to establish a clearance process within S/GAC for all PEPFAR-related demands that are made to overseas posts from S/GAC, the interagency working groups, and the implementing agencies. Currently, there is a process for the deputy principals meetings to clear policy directives to the field, but there is not a central place within S/GAC for clearing other requests or demands, other than perhaps the senior leadership itself. The interagency working groups often function without direct S/GAC supervision and make their own demands on the posts. There needs to be a single entity within S/GAC that is specifically aware of the totality of demands being made on posts, as well as the resource conditions at individual posts. This entity would make determinations about the relative importance of these demands and then be held accountable for those determinations. S/GAC needs to clarify to its own staff and to all the interagency working groups that no binding requests for information or reports can be made without going through this clearance process. This would also be the entity to which posts and bureaus could appeal taskers if necessary.

Recommendation 9: The Office of the U.S. Global AIDS Coordinator should establish a single entity within S/GAC that is responsible for assessing and clearing all taskers sent to posts from S/GAC and the President's Emergency Plan for AIDS Relief technical working groups, and guidance for communicating with that entity. (Action: S/GAC)

Many people in the field believe a major cause of misunderstandings or disagreements between S/GAC and the field is the lack of experience most S/GAC personnel have living and working overseas and even a lack of experience being on the receiving end of requests for reports or information—which results in a corresponding inability to distinguish between what requests are essential and what are merely desirable.

In addition, the inspection team was struck by how little communication and cross-fertilization there is between S/GAC and the rest of the Department. There was very good communication between the former S/GAC Coordinator and senior Department leadership, including the Secretary, the Deputy Secretary, and others. However, there is significantly less communication between other S/GAC personnel in the policy and management support offices in the Department.

One example was the former Coordinator's appeal to the Deputy Secretary in the summer of 2008 for, among other things, Department assistance in filling PEPFAR coordinator positions overseas. While the Coordinator received a positive response

from the Deputy Secretary, the inspection team found no evidence in either the Director General's office or the regional bureaus that this response was conveyed from the Deputy Secretary's office to any other part of the building or that S/GAC followed up on it.

The inspection team believes both S/GAC and implementation of the PEPFAR program would benefit from increased cross-fertilization and exchange of personnel between S/GAC, the Department, and overseas posts. Most S/GAC personnel have only worked on PEPFAR from S/GAC headquarters. They may have travelled to overseas posts, but they have not had the experience of living, working, and implementing the program in an overseas environment. For some, their only work experience has been in S/GAC. They would benefit significantly from a tour overseas. The posts would also benefit from the application of S/GAC experience to program implementation. During this inspection, the inspection team saw first-hand the benefit such experience brought to the position of PEPFAR coordinator at the embassy in Nigeria.

Both S/GAC and the Department now suffer from the lack of Department policy and administrative expertise in S/GAC. When S/GAC was first established one of the two deputy coordinator positions was filled by an ambassadorial-level Foreign Service officer. The OIG team heard that individual played an important role in facilitating the relationship between COMs, the U.S. Global AIDS Coordinator, and the PEPFAR program. When he departed, S/GAC filled the position with an Ambassador who had set up one of the first PEPFAR programs overseas. When he left, the U.S. HIV/AIDS Coordinator promoted the Director of Program Services into the position, a USAID senior Foreign Service officer with years of international development and public health experience.

The inspection team believes S/GAC needs a senior person with extensive experience in policy formulation, preferably an ambassador who has worked with PEPFAR in the field. The second 5 years of PEPFAR will focus on the initiation and development of Partnership Frameworks, which are agreements between the U.S. Government and host governments to guide the next 5 years of assistance and establish the foundation for host governments to take over the programs. This will involve a whole range of diplomatic activity. It is important for S/GAC to have the presence of someone who has that range of experience, both to contribute to S/GAC decision-making and to help access all the necessary levels of the Department in the process.

S/GAC told the OIG team it submitted two Foreign Service position descriptions to the Department in October 2008. The Department, as of August 2009, had not classified the positions and the exact status of these positions is unclear. It may be that S/GAC has sufficient senior-level positions, but they are inappropriately filled. It may be that a new position is needed.

Recommendation 10: The Office of the U.S. Global AIDS Coordinator, in coordination with the Bureau of Human Resources, should place on the bid list a senior Foreign Service officer position to be filled by a candidate with Department of State-specific knowledge and experience with an overseas President's Emergency Plan for AIDS Relief program. (Action: S/GAC, in coordination with DGHR)

While S/GAC would benefit from high-level policy expertise, it would also benefit from the expertise of senior- or mid-level Foreign Service or Civil Service personnel with administrative and management experience in its relations with the Department of State. For a variety of reasons, the Department and S/GAC have not successfully filled Foreign Service positions in S/GAC during the first 5 years of the program. Part of this is certainly due to the general shortage of Department personnel. Part of it may also be due to a perception that a tour of duty in S/GAC would not be "career-enhancing." While it is unlikely the Department will resolve its shortage of active-duty personnel soon enough to make a difference to S/GAC, there are other ways of accessing experienced personnel. One would be to make available retired Foreign Service and Civil Service personnel on a WAE or contract basis. Each Department bureau maintains its own list of WAE personnel. The Bureau of Human Resources does not maintain a roster of WAE employees Department-wide, but it does have a database of skills (self-identified) of employees and former employees who are interested in supporting the Department during crises or as urgent needs arise. Offices can request a data run from this database.

Recommendation 11: The Office of the U.S. Global AIDS Coordinator should request from relevant bureaus an annually updated list of when-actually-employed personnel from which it can employ Foreign Service personnel experienced in appropriate administrative and management areas. (Action: S/GAC)

PLANNING FOR THE FUTURE

S/GAC's concept of developing Partnership Frameworks with individual countries to encourage and assist those countries in assuming increasing ownership of the HIV/AIDS programs is a good start. This is a phase that involves more traditional diplomatic challenges than the creation of an emergency program to treat victims of HIV/AIDS. It will require the application of diplomatic skills in the field, and it will require more foreign policy coordination and direction in Washington from the Department and possibly the National Security Council than the PEPFAR program has received thus far.

The Ambassadors and PEPFAR teams in countries with PEPFAR programs are engaged. The inspection team's impression is that the Department is less engaged. The regional bureaus in particular need to participate in the process, both with regard to the bilateral challenges and to integrating them regionally and multilaterally with other strategic U.S. interests. Building a sustainable public health program owned by individual governments and coordinated regionally and internationally involves broader development issues, as well as bilateral and regional relations (political, economic, and security) than the PEPFAR program thus far. These issues need attention and coordination beyond the purview of either S/GAC or individual COMs.

Recommendation 12: The Secretariat of the Department of State should direct each Department of State regional bureau with a President's Emergency Plan for AIDS Relief program to assign an appropriate office or deputy assistant secretary with responsibility for overseeing and coordinating all President's Emergency Plan for AIDS Relief issues within the bureau's area of responsibility. (Action: S/ES)

There are also some serious potential dangers ahead. The U.S. Government has in some respects adopted a large population of non-U.S. citizens for whose lives and livelihoods it has varying degrees of responsibility. In a country like Nigeria, the U.S. Government alone pays for and provides antiretroviral medications that sustain the lives of more than 300,000 Nigerians and by extension the livelihoods of their families. S/GAC leadership says the United States has made the policy very clear that the

treatment is for life and PEPFAR cannot walk away. The U.S. Government believes the issues to resolve are new patients and how PEPFAR transitions more responsibility to partner governments through Partnership Frameworks. This may indeed be what is needed over the long term. However, if the U.S. Government becomes unable to continue paying for this treatment, in the short-to-medium term those people will almost certainly die, their families will suffer accordingly, and it might even affect the nature and intensity of the epidemic. In addition to presenting a clear humanitarian danger, this could have significant implications for stability in the host countries, for bilateral relations, and for global perceptions of the United States. Some individual posts have begun to address this concern within their own policy parameters. Some interviewed at posts and in Washington told the inspection team that Washington did not begin to address the issue seriously until the Ambassador in Zambia specifically warned the Department of the potential dangers.

One PEPFAR coordinator pointed out another concern that is sometimes referred to as the budgetary momentum. It was created by escalating budgets from 2005-2008 and pressure to increase targets to help meet the worldwide PEPFAR targets. In the case of Nigeria as well as other countries, counseling, care, and treatment programs accelerated sharply, leading to increasingly higher caseloads and future demands for services. This has robbed funds needed for essential prevention services. In the case of Nigeria, prevention funding has dropped from approximately 45 percent to under 35 percent of all available funding.

The Department needs to keep an eye on this and to task the regional bureaus and posts with analysis and policy proposals to avoid or cope with such an eventuality. Again, the inspection team believes this is a policy issue that goes beyond the parameters of S/GAC's expertise and responsibility. This will also require ongoing consultations with Congress, and those consultations should not be left entirely to S/GAC. The inspection team believes the Department should task an appropriate Under Secretary with responsibility for oversight of the policy implications of the PEPFAR program.

The authorizing legislation is very specific about the S/GAC Coordinator reporting directly to the Secretary of State. S/GAC felt the legislation would have to be changed in order for the following recommendation to be possible. Nevertheless, S/GAC said the Department's new Deputy Secretary for Management is engaged with S/GAC and PEPFAR. However, the OIG team believes first that ad hoc engagement is not sufficient and a senior policy official needs to be assigned specific responsibility, and second that such responsibility need not interfere with the ability of the S/GAC Coordinator to report directly to the Secretary.

Recommendation 13: The Secretariat of the Department of State should designate an appropriate Under Secretary with principal responsibility for oversight of the policy implications of the President's Emergency Plan for AIDS Relief program. (Action: S/ES)

Many posts have been reluctant during the first 5 years of the PEPFAR program to raise questions about the longer term policy implications of the program and the way it is administered. This is understandable given the clear admonishments from both the White House and the Department to give it every possible support. It may have been justified by the need to get this unique program off the ground. However, now that it is up and running, it is the Ambassadors' responsibility to think about the broader implications of the program for U.S. interests in their host countries and to keep the Department and Administration advised of potential dangers.

In October 2008 and again in December 2008, the Under Secretary for Political Affairs and the U.S. Global AIDS Coordinator sent a cable to COMs with the subject of "Message on PEPFAR partnership compacts from Under Secretary Burns and Ambassador Dybul."⁸ The message stressed the importance of seeking greater country ownership in responding to HIV/AIDS through the development of partnership compacts with host nations. It asked for COM leadership throughout the process, helping the country team to engage the host country government across multiple ministries and to engage key partners from the nongovernmental sector. The Department needs to revise and reissue its October and December 2008 instruction to COMs to ensure this responsibility is perfectly clear.

Recommendation 14: The Secretariat of the Department of State should require that the October and December 2008 instructions to chiefs of mission are revised and reissued to make clear that their responsibilities for supporting the implementation of the President's Emergency Plan for AIDS Relief program also include critical analysis of the program's implications for future political and economic stability. (Action: S/ES)

⁸State cable 10619, October 7, 2008, and State cable 127533, December 3, 2008.

RECOMMENDATIONS

Recommendation 1: The Bureau of African Affairs should develop and implement a clear process that makes it a priority to provide interim chiefs of mission to posts that have a President's Emergency Plan for AIDS Relief program and where, for any reason, a fully accredited ambassador is not available. (Action: AF)

Recommendation 2: The Office of the U.S. Global AIDS Coordinator should ask that the appropriate level of implementing agencies send an annual directive to their overseas personnel with responsibilities for a President's Emergency Plan for AIDS Relief program reminding them to give top priority to cooperation and program coordination with other implementing agencies. (Action: S/GAC)

Recommendation 3: The Office of the U.S. Global AIDS Coordinator, in coordination with the Bureau of Human Resources, should design and implement a plan for hiring coordinators. (Action: S/GAC, in coordination with DGHR)

Recommendation 4: The Office of the U.S. Global AIDS Coordinator should coordinate a review of branding by individual agencies specifically related to the President's Emergency Plan for AIDS Relief program and implement appropriate changes. Action: (S/GAC)

Recommendation 5: The Bureau of African Affairs, in coordination with the Office of the U.S. Global AIDS Coordinator, should meet with the International Cooperative Administrative Support Services executive board in Washington and make a case for priority consideration of posts with P President's Emergency Plan for AIDS Relief programs. (Action: AF, in coordination with S/GAC)

Recommendation 6: The Bureau of Overseas Buildings Operations, in coordination with the Bureau of Administration and the Office of the U.S. Global AIDS Coordinator, should establish parallel procedures for approval of overseas construction and leasing that do not have to compete with the overwhelming array of normal demands. (Action: OBO, in coordination with A and S/GAC)

Recommendation 7: The Foreign Service Institute, in coordination with the Office of the U.S. Global AIDS Coordinator, should develop training to introduce Department of State support personnel to President's Emergency Plan for AIDS Relief program and to introduce other agency personnel to Department of State management support functions. (Action: FSI, in coordination with S/GAC)

Recommendation 8: The Office of the U.S. Global AIDS Coordinator, after appropriate consultations with Congress, should reduce post country operation plan submissions to a biennial basis, and use post annual and semiannual reporting to prepare the annual budget submission. (Action: S/GAC)

Recommendation 9: The Office of the U.S. Global AIDS Coordinator should establish a single entity within S/GAC that is responsible for assessing and clearing all taskers sent to posts from S/GAC and the President's Emergency Plan for AIDS Relief technical working groups, and guidance for communicating with that entity. (Action: S/GAC)

Recommendation 10: The Office of the U.S. Global AIDS Coordinator, in coordination with the Bureau of Human Resources, should place on the bid list a senior Foreign Service officer position to be filled by a candidate with Department of State-specific knowledge and experience with an overseas President's Emergency Plan for AIDS Relief program. (Action: S/GAC, in coordination with DGHR)

Recommendation 11: The Office of the U.S. Global AIDS Coordinator should request from relevant bureaus an annually updated list of when-actually-employed personnel from which it can employ Foreign Service personnel experienced in appropriate administrative and management areas. (Action: S/GAC)

Recommendation 12: The Secretariat of the Department of State should direct each Department of State regional bureau with a President's Emergency Plan for AIDS Relief program to assign an appropriate office or deputy assistant secretary with responsibility for overseeing and coordinating all President's Emergency Plan for AIDS Relief issues within the bureau's area of responsibility. (Action: S/ES)

Recommendation 13: The Secretariat of the Department of State should designate an appropriate Under Secretary with principal responsibility for oversight of the policy implications of the President's Emergency Plan for AIDS Relief program. (Action: S/ES)

Recommendation 14: The Secretariat of the Department of State should require that the October and December 2008 instructions to chiefs of mission are revised and reissued to make clear that their responsibilities for supporting the implementation of the President's Emergency Plan for AIDS Relief program also include critical analysis of the program's implications for future political and economic stability. (Action: S/ES)

INFORMAL RECOMMENDATIONS IN APPENDICES A-1 THROUGH A-5

Informal recommendations cover operational matters not requiring action by organizations outside the inspected unit and/or the parent regional bureau. Informal recommendations will not be subject to the OIG compliance process. However, any subsequent OIG inspection or on-site compliance review will assess the mission's progress in implementing the informal recommendations.

The second phase of the PEPFAR program in Botswana is likely to place more demands on Embassy Gaborone than its current staff can meet. The Embassy's current administrative support staff may be sufficient, but PEPFAR growth will probably exceed its capabilities soon. Non-PEPFAR developments are also likely to increase the management section's burdens. For these reasons, the inspection team believes the post and the Department should begin now to strengthen the management section's ability to meet these challenges.

Informal Recommendation 1: Embassy Gaborone should immediately reassess the burdens that increased growth of the President's Emergency Plan for AIDS Relief program over the next 5 years will place on the management section and submit a report to the Bureau of African Affairs, the Bureau of Human Resources, and the Office of the U.S. Global AIDS Coordinator with specific personnel or other requests.

Personnel in the PEPFAR implementing agencies at Embassy Gaborone believe the Embassy is not able to provide all of the support needed. Some of this may be due to insufficient support personnel. If PEPFAR and other program personnel increase without a commensurate increase in personnel, problems with support and morale are likely to increase at Embassy Gaborone. The Ambassador must maintain the proper balance.

Informal Recommendation 2: Embassy Gaborone should exercise ambassadorial control of National Security Decision Directive-38 permission more judiciously to restrict the arrival of new President's Emergency Plan for AIDS Relief program personnel pending responses from the Bureaus of African Affairs and Overseas Buildings Operations to the Embassy's requests for space approval and additional support personnel.

The second phase of the PEPFAR program in Botswana will also place more demands on traditional diplomacy. The Ambassador, the DCM, and the political/economic section at Embassy Gaborone will need to be more active with the Government of Botswana across the board assessing its capabilities, evaluating the way its objectives mesh with PEPFAR objectives, and working to obtain its agreement in the negotiating and implementation process. The Embassy has already requested a third political/economic officer to take on this kind of work and to fill the gap left by removal of the regional environment and health officer (REHO) position.

Informal Recommendation 3: Embassy Gaborone should request that the Bureau of African Affairs fully factor President's Emergency Plan for AIDS Relief program needs into its consideration of the Embassy's request for a third political/economic officer position.

The current new embassy compound (NEC) plans for Embassy Addis Ababa position the PEPFAR and health staffs of CDC and USAID on separate floors, apparently at the strong insistence of USAID that all of USAID staff remain together on the same floor. The OIG team questions the wisdom of diluting this opportunity for increased synergy in what is still the largest single development program in Ethiopia. While the OIG team was not in a position to fairly balance the comparative benefits of the two alternatives, it believes the Ambassador should revisit this decision and ensure that USAID's management concerns are properly balanced with the needs of the PEPFAR program and its principle of interagency coordination and cooperation.

Informal Recommendation 4: Embassy Addis Ababa should revisit the decision to locate the President's Emergency Plan for AIDS Relief program staff of the Centers for Disease Control and U.S. Agency for International Development on separate floors and balance U.S. Agency for International Development's management concerns with the needs of the President's Emergency Plan for AIDS Relief program and its principle of interagency coordination and cooperation.

The strategic priorities of the Ambassador to Nigeria are rational and well-articulated. The OIG team does not challenge them, or the Ambassador's decision to spend more time focusing on the mission's higher priority objectives than on PEPFAR. However, the OIG team believes the Ambassador needs to devote more personal attention to certain aspects of the program requiring influence and perspective that only the COM can bring to bear.

Informal Recommendation 5: Embassy Abuja should devote more attention to certain aspects of the President's Emergency Plan for AIDS Relief program, such as the Embassy's relationship with the Office of the U.S. Global AIDS Coordinator, and the more strategic issues of reducing U.S. Government liabilities and promoting long-term sustainability.

Public diplomacy support of the PEPFAR program in Nigeria has been sporadic, and communication between the PAS and those implementing the PEPFAR program has been limited. Part of the problem is that efforts at coordination have been made in organizational meetings that are too large with too extensive an agenda to effectively address public diplomacy issues.

Informal Recommendation 6: Embassy Abuja should establish a small forum with a limited group of appropriate people to address public diplomacy issues related to the President's Emergency Plan for AIDS Relief.

There is a severe shortage of office space for current and future PEPFAR-related personnel in Pretoria. The ideal solution of building an embassy annex on the current compound has been postponed to 2023 at the earliest. The PEPFAR program needs space now. The OIG team believes the next best solution is to proceed with the USAID proposal to build another unclassified building next to the current USAID building, using PEPFAR funding for part of the cost. The U.S. Global AIDS Coordinator did not agree to that proposal when first presented.

Informal Recommendation 7: Embassy Pretoria should present a new proposal to the Office of the U.S. Global AIDS Coordinator to fund part of the United States Agency for International Development annex expansion.

PRINCIPAL OFFICIAL

	Name	Arrival Date
U.S. Global AIDS Coordinator	Dr. Eric Goosby	06/09

ABBREVIATIONS

AF	Bureau of African Affairs
ARV	antiretroviral
CDC	Centers for Disease Control and Prevention
COM	chief of mission
COP	Country Operational Plan
Department	Department of State
DCM	deputy chief of mission
FSI	Foreign Service Institute
DHAPP	Department of Defense HIV/AIDS Prevention Program
HHS	Department of Health and Human Services
ICASS	International Cooperative Administrative Support Services
LE	locally employed
NEC	new embassy compound
NGO	nongovernmental organization
NSDD	National Security Decision Directive
OBO	Bureau of Overseas Buildings Operations
OES	Bureau of Oceans and International Environmental and Scientific Affairs
OIG	Office of Inspector General
PAS	public affairs section
PEPFAR	President's Emergency Plan for AIDS Relief
PSC	personal services contract

REHO	regional environment and health officer
S/GAC	Office of the U.S. Global AIDS Coordinator (also OGAC)
USAID	United States Agency for International Development
WAE	when actually employed

APPENDIX A-1: BOTSWANA COUNTRY REPORT BACKGROUND

Botswana was one of the first countries in Africa to recognize it had a serious HIV/AIDS epidemic and to begin to do something about it. The HIV virus there is one of the most virulent varieties known and infects more than 20 percent of the adult population of Botswana.

The U.S. Government has been working with Botswana on efforts to combat HIV/AIDS since at least 1995; PEPFAR began there in 2004. When it was initiated, the Government of Botswana insisted that it fit into its existing effort. The program was welcomed, but not unconditionally. PEPFAR has put about \$300 million into Botswana over the last 5 years. In FY 2009, the budget for Botswana was \$91 million. It is allocated to four sectors as follows: prevention \$32.2 million; care \$18.7 million; treatment \$22.2 million; and other \$18 million.

The Government of Botswana manages and provides most of the funds for maintaining the 117,000 people who are currently on ARV treatment. This is made possible by disposable revenue from the diamond industry. Although the global economic crisis has adversely impacted that revenue, the Government of Botswana has substantial reserves upon which it is now drawing to continue its support for the HIV/AIDS program. It is unclear how long it will be able to continue to do so.

Chief of Mission Role

The last three U.S. Ambassadors to Botswana have played active roles in efforts to combat HIV/AIDS. The previous Ambassador, who served during the early (though not initial) stages of the program and left post in 2008, assigned the DCM primary responsibility for coordination; but the Ambassador attended meetings, actively promoted the program with the Government of Botswana, engaged extensively in public diplomacy, and helped conceive, build, and support specific projects such as the programs addressing refugees from Zimbabwe. The Ambassador also dealt effectively with several interagency and managerial problems.

The current Ambassador is committed to active personal involvement with the program, but this was delayed by unforeseen and unavoidable circumstances that kept him away from post for extended periods.

The inspection team believes that active COM involvement with the program will be essential as the mission initiates the Partnership Framework with more intensive and extensive cooperation with the Government of Botswana. The Ambassador's role will be critical to shaping the direction of the negotiations, leading them, and coordinating them with S/GAC and the Department. The Ambassador will also need to deal with imminent changes in post personnel, including the rotation of the DCM, the CDC country director, and an influx of new USAID personnel.

Coordination

The U.S. Government implementing agencies in Botswana are HHS/CDC, USAID, Department of Defense/Department of Defense HIV/AIDS Prevention Program (DHAPP), Peace Corps, and the Department of State.

- Botswana is unusual because CDC is the largest of the implementing agencies and is implementing programs beyond just PEPFAR. CDC's FY 2009 program budget is \$70.1 million or 77 percent of the total.
- USAID actually closed out its assistance program in the late 1990s and moved its remaining regional support from Gaborone to Pretoria in 2000. It only recently began to restore a limited presence. Currently, the USAID program is run by three American personnel on PSCs. There are no direct-hire personnel, though there are plans to send two in the near future. USAID's FY 2009 program budget is \$16 million or 18 percent of the total.
- The Department of Defense/DHAPP has a relatively small program with an FY 2009 budget of \$1.7 million managed by very limited staff. It concentrates on the Botswana Defense Force, but also contributes to the construction of facilities that relate to the broader civilian program.
- The Peace Corps in Botswana uses \$ 1.5 million of PEPFAR funds, which pay the salaries and expenses of a number of Peace Corps volunteers. They work at the community level primarily on training and education. While technically only a limited number of the Peace Corps volunteers are funded by PEPFAR, virtually all the Peace Corps volunteers in Botswana are involved with PEPFAR and the HIV/AIDS efforts in one form or another because of the ubiquity of the problem and of government efforts to address it.
- The Department administers about 1 percent PEPFAR funds as an extension of the Ambassador's self-help funds directed at short-term support for civil society organizations.

Coordination of the different agency programs is reasonably effective, and the inspection team saw no serious problems impacting the program's effectiveness or cooperation with the Government of Botswana. There have been some unresolved tensions between some of the agencies. While there is coordination of the various efforts, the agencies have not been functioning as a closely integrated team, and the program is therefore missing some of the synergy that it can produce. This is surprising given the relatively small size of the Embassy and the importance of PEPFAR and HIV/AIDS in Botswana. Part of the reason was due to personalities, a lack of consistency in PEPFAR coordinators (see below), and unusual fluctuation in agency presence. However, the inspection team also concluded part of it was due to existing coordination mechanisms. There are two regular management meetings for interagency PEPFAR coordination at post. The first is a monthly information-sharing meeting that brings together all senior PEPFAR elements with other embassy elements such as the political/economic, public affairs, and management sections. The second is an operational monthly meeting of the PEPFAR technical working groups.

The mission is lacking a mechanism or forum for more concentrated coordination, problem solving, and strategic thinking. The inspection team believes establishing a senior management team, along the lines done in some other PEPFAR posts, which would include only the senior PEPFAR individual from each implementing agency, would fill this need. It could meet weekly and be charged with addressing all elements of the program, including strategic planning, and report to the DCM or Ambassador. Such a mechanism will be critical as the Embassy moves into the Partnership Framework process with the Government of Botswana.

The PEPFAR Coordinator

When the inspection team visited Botswana, there was no PEPFAR coordinator on board, the most recent coordinator having left in August 2008. The OIG team was subsequently informed that an excellent candidate had been selected and would begin in early August 2009.

Since the inception of the PEPFAR program, the Embassy has had several PEPFAR coordinators, none of which has been fully satisfactory. Ironically, the single most successful PEPFAR coordinator in Botswana was actually terminated upon recommendation of the OIG inspection in 2005. That individual had been assigned to Botswana as the REHO, a position funded by the Bureau of Oceans and International Environmental and Scientific Affairs (OES). The officer did a solid job of coordinating the PEPFAR program and communicating with Washington, but the task was so time consuming that he had difficulties fulfilling the other responsibilities given to him by OES. The OIG inspection team concluded a separate individual

should be found to coordinate PEPFAR. Since that time, the post has been unsuccessful in finding a satisfactory replacement to handle PEPFAR, and OES has also decided to eliminate the REHO position. The OIG team was later informed the REHO position is being advertised as a 2010 vacancy. The COM anticipated the 1-year freeze would not become permanent.

Embassy Botswana has had great difficulty finding and hiring PEPFAR coordinators. Like other posts, it has had virtually no help from the Department in doing so. Like other posts, it has concluded the easiest mechanism is a USAID PSC, and USAID has been accommodating. The last PEPFAR coordinator was a retired USAID officer who, according to others at post, had difficulty in coordinating the process. The most recent attempt to hire a replacement fell apart when the top candidates withdrew at the last minute to take other jobs. The Embassy has restarted the effort.

Several of the implementing agency representatives stressed the need for the PEPFAR coordinator position to be a Department direct-hire position, filled by someone who can be credibly neutral as well as an effective communicator and organizer.

The position of PEPFAR coordinator will be critical to the program's success over the next several years, particularly as the mission moves into the Partnership Framework process and the long-term challenge of building a sustainable program.

Support from the Embassy

Embassy leadership has made it clear that PEPFAR is one of the mission's highest priorities. All sections are expected to support it to the best of their ability, and during the inspection, they all expressed enthusiastic support for the program. All of the PEPFAR implementing agencies agreed everyone is doing their best and often going out of their way to help make the program a success. However, many in the implementing agencies still believe the Embassy is not able to provide all of the support needed. They believe sometimes this is due to insufficient embassy resources, inadequate expertise, or Department and ICASS regulations and procedures that are not changing quickly enough to meet the program needs.

The major concerns were continuing difficulties with LE position classification and office space. Changes to the Computer-Assisted Job Evaluation system are being made in Washington, but the results are only trickling out to the field. The implementing agencies in Botswana say it is challenging to hire qualified staff. The Embassy needs more space to accommodate the PEPFAR program, which contin-

ues to grow. Unlike in some other countries, office space is available in Gaborone. However, the process embassies have to go through with OBO and the Bureau of Diplomatic Security to approve that space for lease and occupancy can be long and cumbersome. The Embassy reports it takes about 2 years after space has been found to obtain the approval and complete the compliance process to move in.

The second phase of the PEPFAR program, the negotiation of a Partnership Framework and an intensified focus on sustainability, is likely to place more demands on the Embassy than its current staff can meet.

The Embassy's current administrative support staff may be sufficient, but anticipated (and probably unanticipated) PEPFAR growth will soon exceed its capabilities. Both CDC and USAID have plans to expand. At other posts, USAID's own administrative support capabilities ameliorate such burdens, but it is unlikely that USAID will place support staff in Gaborone in the near future. Non-PEPFAR developments are also likely to increase the management section's burdens. The Marine security guard detachment at one time was to be removed, but the Bureau of Diplomatic Security has decided not to close it for now. If the Marine security guard detachment is closed, management and the regional security officer would need to implement a new system for securing the Embassy. For these reasons, the inspection team believes the Embassy and the Department should begin now to strengthen the management section's ability to meet these challenges.

Both the Department support staff and CDC staff stressed the need for more training. Embassy support staff reported they have never received any general guidance or training regarding PEPFAR, and this is particularly needed in the general and financial services area. At present, CDC and the Department financial systems are not integrated, which makes tracking more complicated and adds a burden to both CDC and the Embassy's financial management sections. The CDC management officer had received training that gave him some familiarity with Department of State support procedures, but this is still lacking for the CDC staff in Atlanta. CDC has sent a contracting officer to Pretoria as part of a pilot program to establish procurement expertise overseas. The OIG team made informal recommendations concerning these issues.

The second phase of the PEPFAR program in Botswana will also place more demands on traditional diplomacy. The Ambassador, the DCM, and the political/economic section at Embassy Gaborone will need to be more active with the Government of Botswana across the board assessing its capabilities, evaluating the way its objectives mesh with PEPFAR objectives, and working to obtain its agreement in the negotiating and implementation process. The Embassy has already requested a third political/economic officer to take on this kind of work and to fill the gap left

by removal of the REHO position. The OIG team made an informal recommendation concerning this issue.

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

The Embassy considers the reporting burden to be onerous and unnecessary. While accepting the need for more reporting to keep Congress informed and supportive, the Embassy highlighted that it still receives constant requests for more information not included in the regular submissions. It, therefore, questions the value of the enormous annual submissions designed to establish a database in Washington. It also echoed the complaint of other posts that S/GAC is constantly changing the guidelines for the regular reporting, which reduces the ability to gain any advantage through familiarity with the reporting system.

The Embassy also points out the reporting burden will likely be even greater for the next stage of PEPFAR. As cooperation with the Government of Botswana increases, the myriad demands from Washington will fall on the shoulders of the Government of Botswana as well as the U.S. PEPFAR staff. The growth of burden-sharing with the Government of Botswana will mean many aspects of implementation, including response to S/GAC taskings, will slow down. It will be much more difficult to task the Government of Botswana agencies, which have their own obligations, complications, and timetables; much more will become a process of negotiation. To the degree that Washington consumers like S/GAC do not understand or accept this reality, the burden on the post of having to negotiate with both sides could be considerable.

Looking to the Future

Embassy leadership and the implementing agencies have been focused on the program's future for some time already. The Embassy's submission of a concept paper for the Partnership Framework process, while missing the S/GAC deadline for inclusion in the first tranche of negotiations, is a good start.

The Embassy's work in this regard has been made easier by the extensive commitment and involvement of the Government of Botswana, which not only owns the program, but is itself thinking actively about the future. This ownership makes the issue of treatment sustainability significantly less worrisome in Botswana than in some other countries.

Another resource the Embassy has to draw upon in its effort to promote sustainability of the program is the quality and commitment of the PEPFAR LE staff. The experience they are acquiring by working with the program may eventually be transferable to the Government of Botswana at a time in the future when the program itself moves more completely into its hands. The LE staff told the inspection team the Government of Botswana has asked the Embassy to consider including understudies for the PEPFAR LE staff to help train them for future government roles.

APPENDIX A-2: ETHIOPIA COUNTRY REPORT

Background

Ethiopia is the second largest country in Africa in terms of area and the third largest in population with 76 million people. Occupying the high ground in the Horn of Africa, it borders Sudan, Eritrea, Djibouti, Somalia, and Kenya. An array of security and counterterrorism issues top the U.S. strategic agenda.

The PEPFAR program, which reached \$350 million in FY 2009, is a very important assistance program to Ethiopia and is welcomed by both the Ethiopian people and the Government of Ethiopia. In strategic terms, however, it is not the first priority of either the Ethiopian or the U.S. Governments.

The HIV/AIDS epidemic in Ethiopia is serious, but less threatening to the nation than in some other African countries. While the HIV infection rate in some major cities exceeds 7 percent, the overall infection rate is only 2.5 percent. Health issues are high in the Government of Ethiopia's national priorities, and strengthening the national health system receives high-level attention and support. The Minister of Health sits on the Governing Council. He works actively and effectively with the Embassy and implementers of the PEPFAR program. The nation's overall HIV/AIDS program is managed by the Ethiopian Government. While PEPFAR makes an important contribution, the Government of Ethiopia has clear ownership of the program, including the critical treatment sector, which it took over fully in 2006—at the Embassy's initiative.

The PEPFAR program is directed to four sectors as follows: prevention \$68.8 million; care \$70 million; treatment \$122.4 million; and other \$49.8 million. Implementing agencies in Ethiopia and their respective parts of the PEPFAR program are: USAID \$182.4 million (59 percent) CDC \$109.6 million (35 percent); Peace Corps \$2.5 million (1 percent); DOD \$2.7 million (1 percent); and Department/PRC \$13.6 million (4 percent).

The relationship between USAID and CDC was dysfunctional for several years due in part to staffing gaps and individual and organizational personalities. The inspection team was unable to interview the last USAID mission director, who was at post from 2006 to March 2009. However, discussions with a number of those at post indicate that he made no secret of his belief that CDC should work for USAID in the field, and he made little effort to coordinate. Neither embassy leadership, S/GAC, nor USAID in Washington were able to ameliorate the situation.

In the last 2 years, the situation has improved. Embassy leadership intervened more actively; a new and very experienced CDC chief of party (formerly the deputy U.S. Global AIDS Coordinator) arrived at post, and most recently a new PEPFAR coordinator was hired. While the situation is improving, there remains a residual air of suspicion and resentment that may take some time to resolve.

Coordination has certainly been made more difficult by the physical separation of the implementing agencies. The CDC staff work in two locations 15 to 45 minutes away from the Embassy, depending on traffic. The USAID staff is located in another facility 15 to 45 minutes away from the Embassy in the opposite direction. When the NEC is completed, both CDC and USAID will be colocated in the chancery, which should make coordination substantially easier.

However, the inspection also discovered the current NEC plans position the PEPFAR and health staffs of CDC and USAID on separate floors, apparently at the strong insistence of USAID that all of USAID staff remain together on the same floor. The inspection team questions the wisdom of diluting this opportunity for increased synergy in what is still the largest single development program in Ethiopia. While the inspection team was not in a position to fairly balance the comparative benefits of the two alternatives, it believes the Ambassador should revisit this decision and ensure USAID's management concerns are properly balanced with the needs of the PEPFAR program and its principle of interagency coordination and cooperation. The OIG team made an informal recommendation concerning this issue.

The President's Emergency Plan for AIDS Relief Coordinator

Embassy Addis Ababa has had great difficulty finding and hiring qualified people to fill the PEPFAR coordinator PSC position. With one exception, the Embassy has relied on the USAID PSC hiring mechanism.

Between 2003 and 2007, the position of PEPFAR coordinator was filled for only a brief time by two people. The first was a Foreign Service officer, who was generally

given good marks for effective coordination and neutrality by those who remembered him. The second was a USAID contractor from Washington, who was considered by some as less effective. Those interviewed in CDC and USAID missions stressed strongly that the coordinator should most appropriately be a Foreign Service officer experienced in diplomacy and embassy operations, and have the ability to be credibly neutral in dealing with the implementing agencies.

There was no PEPFAR coordinator between 2007 and 2009. The new coordinator, a U.S. citizen on a USAID PSC, has 30 years experience working in Africa (including several years with USAID). She appears to have made a good start. The hiring process was very slow and difficult, as it has been for most embassies. It took 6 months from the time she submitted her application to the time she was actually hired. At the time of the inspection, 3 months after being hired, she was still awaiting her final security clearance and was restricted from participating in some embassy functions, such as the country team meeting.

Embassy Support

Ethiopia is a difficult environment in which to work, though not as difficult as two of the other posts visited by the inspection team. The embassy services appear to be fairly good, and there are no serious complaints from the implementing agencies. USAID provides most of its own services. Construction of the NEC is moving ahead. The Embassy hopes many of its space problems will be resolved when it is completed, though it appears already to be too small.

Public Diplomacy

The Embassy regularly publicizes the PEPFAR program and the work of the implementing agencies with promotional events and media reporting. The Ambassador and the DCM participate actively in these events.

However, this work has been limited by the lack of a PEPFAR coordinator. Coordination of the public diplomacy effort is done through the PEPFAR technical working group on public diplomacy, which includes the PAS information officer and LE communications specialists from the PEPFAR office, CDC, and USAID. Before the recent arrival of a PEPFAR coordinator who could give direction to the effort and coordination to the knowledgeable but less empowered local staff, most of the burden for coordinating and managing the events fell to the already busy PAS information officer.

With the new PEPFAR coordinator on board, this situation should change, though the new coordinator faces a steep learning curve in U.S. Government public diplomacy procedures. It will be made more difficult by the fact both the embassy's information officer and public diplomacy counselor depart this summer.

The PAS director and the information officer also expressed some concern about the issue of branding, whereby each implementing agency applies its own logo to publicity material or events either alone or together with those of other agencies. They believed that for the PEPFAR program, at least, it would be better to stick with one message, i.e. "from the American people." Multiple logos, they explained, cause two problems. First, they cause confusion among the non-American public as to where this program is actually coming from. Second, they can create the impression of division within the U.S. Government, which can be exploited by host governments. The Government of Ethiopia is particularly inclined to make this kind of effort. When the inspection team raised this issue with implementing agencies, only USAID expressed commitment to maintain the current practice. A USAID official explained to the inspection team that USAID's branding is required by agency regulations.

Looking to the Future

Embassy Addis is looking seriously at the future. The Ambassador, DCM, and others in the Embassy are concerned by the continued growth of the epidemic and the relative lack of success of the prevention sector. PAS is particularly focused on the potential danger of any significant downturn in financial support to the program before the Government of Ethiopia has been able to assume full responsibility. Some officials at post were concerned such a downturn could result in a humanitarian and public diplomacy disaster.

The Embassy has worked closely with the Government of Ethiopia to mesh the PEPFAR program with broader Government of Ethiopia efforts to build a viable national health system that could ensure long-term support for the immediate PEPFAR gains. They are struggling to find enough flexibility in the PEPFAR program to do this effectively. Recently, working closely with S/GAC and with the Government of Ethiopia, the Embassy helped host a "Prevention Summit" with the Ethiopian Government and other international and nongovernmental players.

The Embassy was not able to start working on the Partnership Framework last year because of staffing gaps and interagency tensions. However, it planned to submit a concept paper in the summer of 2009.

APPENDIX A-3: HAITI COUNTRY REPORT

Background

The PEPFAR program has faced enormous challenges in Haiti. The United Nations estimates 2.2 percent of Haiti's 9 million citizens have the HIV virus. Approximately 1.2 million citizens have actually been tested; and 100,000-120,000 Haitians know they are HIV positive. Approximately 20,000 are now on ARVs. The PEPFAR program is large, and, for FY 2009, approved funding is over \$100 million. However, PEPFAR is neither the largest component of U.S. Government assistance to Haiti, nor is it the highest mission priority. Haiti's chaotic security, political, and social environment of the last decade, its devastating poverty, and poor economy all compete for attention.

On several occasions, the security situation has eclipsed all other issues. The U.S. Government began focusing attention on the HIV/AIDS situation more than 7 years ago. PEPFAR was introduced in FY 2003, but security troubles, including the collapse of the Aristide government and reduction of the Embassy to a skeleton staff, prevented it from growing until 2005. Since that time, PEPFAR has grown to the current \$100 million program. Most of this growth has taken place during the tenure of the current Ambassador, who arrived in 2006 and is scheduled to depart in the summer of 2009.

Chief of Mission Role

The current Ambassador plays an active role supporting the PEPFAR program with the host government, promoting it through public events, and providing policy and managerial guidance within the Embassy. Due to the often critical demands of other high priority issues, she does not play a day-to-day role in managing the program or the personnel. However, she is readily accessible and has established a managerial environment that keeps strife between sections and agencies to a minimum.

The DCM plays a support role, helping to ensure the Embassy provides necessary logistical support. His supervisory role with the PEPFAR coordinator consists largely of general oversight.

Coordination

Coordination of the work of implementing agencies at Embassy Port au Prince is effective. The two implementing agencies for PEPFAR in Haiti are CDC and USAID. There are no Department of Defense or Peace Corps programs. For FY 2009, the approximate PEPFAR breakdown by agency is: CDC 48 percent, USAID 41 percent, and the HHS Health Resources and Services Administration 11 percent. The CDC staff is small. The USAID presence is much larger, because there is a large development program in country.

The PEPFAR program at Embassy Port au Prince is effectively run by a senior management team comprising the PEPFAR coordinator, the CDC chief of party, and the USAID HIV/AIDS program officer. While the CDC chief of party and the USAID mission director directly supervise their own staff members, the senior management team manages the American and LE staff that plan and carry out the program. The PEPFAR program operates to a large degree on its own. No representatives from other sections of the Embassy attend the PEPFAR meetings, and only one of the PEPFAR senior management team members (the CDC director) is included in the country team meetings.

Although the three members of the senior management team are not formally equal in terms of rank, experience, or embassy hierarchy, this arrangement works remarkably well. The OIG team believed this is due to three reasons. The first is the coordinator has strong management and interpersonal skills that have earned the confidence and trust of her supervisors and colleagues. She learned quickly and carried her weight as the chief of party. The second is all three of the members have demonstrated both a willingness to make the effort and the ability to succeed in working together as a team of equals. The third is the Ambassador made it very clear from the outset that she would not accept destructive competition or one-upmanship from anyone.

This combination of factors will not necessarily continue in the future. The Ambassador's tour of duty ends in summer 2009, as does that of the CDC director. The current PEPFAR coordinator is scheduled to depart post in December 2009. These changes may require the Embassy in the future to build a structure that depends more on clearly defined authorities than on personalities and good will.

The President's Emergency Fund for AIDS Relief Coordinator

The Embassy has had a full-time PEPFAR coordinator since early 2008. The individual is hired under a USAID PSC contract and supervised by the DCM. From 2006 to 2008, the USAID HIV/AIDS program officer performed the role of PEPFAR coordinator. The Embassy's front office was satisfied with her performance and made little effort to find a permanent coordinator. However, by 2008 the growth in the program made it impossible for one person to do both the coordinator work and the USAID implementation work.

Encouraged by all parties, including S/GAC in Washington, to hire a dedicated coordinator, the Ambassador agreed but continued to oppose a direct-hire from the United States for both budgetary and rightsizing reasons. In spite of Washington's pressure, the Embassy was on its own in terms of recruiting and finding a hiring mechanism. It received very little assistance from either S/GAC or the rest of the Department. In 2008, the Embassy hired the spouse of a newly assigned Foreign Service officer, enabling the Embassy to avoid increasing the support costs or enlarging the embassy footprint. The current PEPFAR coordinator has a master's degree in public health and experience working with nongovernmental organizations in developing countries.

The PEPFAR coordinator is outranked and is less experienced than her counterparts in CDC and USAID. Nevertheless, the three function very effectively as a team of equals coordinating the program's planning, implementation, and reporting.

The PEPFAR coordinator in Haiti has no coordination authority over the implementing agencies either in her own person or delegated from the Ambassador. She works as an equal team member with the senior persons in those agencies implementing the PEPFAR program. While this is effective, there is some discomfort with this arrangement. Partially because the coordinator works under a USAID contract, and actually sits in the USAID office space, some are not confident that her neutrality is completely reliable.

To a very large degree, the effectiveness of the PEPFAR coordinator position, and the current structural arrangement for managing the PEPFAR program, depend on the exceptional abilities of the current coordinator. When she departs at the end of 2009, the Embassy may need to establish a more institutionalized PEPFAR coordinator position.

Support from Embassy

Embassy Port au Prince is a relatively large embassy. This is particularly noteworthy since most of the staff (and their positions) have come on board since 2005 when security began to gradually improve following the crisis of the Aristide government's collapse. Embassy leadership believes the current size of the Embassy—including its support personnel—is sufficient. The Ambassador points out Embassy Port au Prince is the most expensive post in the Western Hemisphere in which to support direct-hire personnel—about \$500,000 per person. Any requests for increasing staff now receive very careful scrutiny from the front office.

The management section has been challenged in recent years by a number of factors. The dangerous and unstable security situation makes everything more difficult. Staff cannot drive their own cars, but have to be transported by secure embassy vehicles to and from work, as well as to any official functions. Some consider support from the Department to be a problem, not just a problem for PEPFAR. One of the most serious problems is filling positions with experienced at-grade personnel.

The PEPFAR program in Haiti is very demanding in terms of support. In addition to the basic support package needed by all direct-hire personnel (residence, security, utilities, etc.), the PEPFAR program is very active and needs support for travel outside of Port au Prince (security and transportation in particular). The management and regional security sections declared that PEPFAR has not yet become too much of a burden.

Post leadership believes existing support staff is sufficient to handle the PEPFAR demands, and consequently no requests have been made to Washington to increase ICASS support staff. Most agree with this assessment in general, and the implementing agencies voiced no complaints about lack of embassy support for the PEPFAR program.

However, some voiced concern that the mission was very close to being overburdened, and if the PEPFAR program expands, more support personnel will be needed. In addition, ICASS consolidation is still underway in Haiti. While the management section provides PEPFAR support for CDC, USAID still provides all of the logistical support for its part of the PEPFAR program. It is unclear how long that will continue.

Public Diplomacy

The PEPFAR program in Haiti appears to be well publicized and explained to the public. The PEPFAR staff appears to do most of the public affairs work.

The Embassy's public diplomacy section is committed to the PEPFAR program and tries to be supportive of it. Although the public diplomacy section was understaffed during most of 2008, it has supported the program in several ways:

- Dubbing a DVD on PEPFAR into Creole;
- Supporting receptions, speeches, and other events for the Ambassador, with the PEPFAR coordinator doing most of the organizing and writing the material;
- Organizing forums for local journalists on health reporting;
- Providing access to radio programs, which is the type of that the Embassy believes gets to the most people;
- Providing funding for visits to PEPFAR sites and materials to PEPFAR partners; and
- Including PEPFAR-related issues in other public diplomacy activities (e.g. programs designed to bring citizens of Haiti and the Dominican Republic together in a variety of activities).

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

PEPFAR personnel believe they have good communications with S/GAC. However, on issues related to the reporting and planning burden and to micromanagement of partner contracts, they believe there is little receptivity in Washington to their objections.

The Embassy's response to the OIG questionnaire states the routine requirements for reporting and providing information are primarily absorbed by the coordinator, so the effect on other staff or resources is minimal. The front office does not consider the reporting burden to be a problem, and CDC did not mention it as a problem. The PEPFAR coordinator does not consider it a problem, but mentioned the reporting burden as a reason that at least one other PEPFAR-related task was substantially behind schedule—namely the development of a PEPFAR Web site for public affairs purposes.

On the other hand, USAID personnel unanimously interviewed criticized the reporting and planning program as burdensome, wasteful, and of questionable utility. They pointed out that many staff months are spent on these exercises, which produce thousands of pages of statistics. The reports are so large they are only managed electronically and not printed. USAID also stated the statistics are not useful to the post, noting the 500-page COP is never used at post, whereas the previous USAID-required annual report was used regularly. They questioned whether Washington really needs that much information or even reads it. They believed it would be far more efficient to simply pass on Congressional requests to the post to answer rather than providing every conceivable piece of information to build a database in Washington. The lag time would be 2 weeks at most; the information would be more up-to-date; and the process would be far less time consuming for the Embassy than the current system.

The embassy response to the questionnaire points out that other regular requests from S/GAC for participation in technical working groups and review panels require a considerable amount of technical staff resources that are not always available. In addition, some at the Embassy argue S/GAC's decision to take an active part in the contracting process has significantly increased the workload in the field without a commensurate payoff. In 2008 S/GAC, responding to congressional pressure to increase the range of organizations receiving partner contracts, began contracting in Washington with new organizations to perform work at overseas posts. Some at Embassy Port au Prince reported this has substantially increased the workload at post, because many of those organizations lack experience working in Haiti and with the subject matter, and have required a great deal more support from the Embassy.

Looking to the Future

PEPFAR has had a very positive impact on Haiti and on the U.S. image in Haiti. It is a popular program that has stimulated hope even in some of Haiti's darkest hours. As early as 2005, the then Ambassador used the PEPFAR program to begin reestablishing a more active U.S. Government development role with both the Haitian Government and nongovernmental organizations. The current Ambassador's active public affairs role has both helped the PEPFAR program and improved the U.S. Government's humanitarian profile in Haiti.

The program is saving lives, improving health awareness, and improving Haitian medical infrastructure and human capacity. It is also working in a complementary role with the Global Fund to Fight AIDS, Tuberculosis, and Malaria and with UN and regional organizations such as the UN Population Fund, the UN Children's Fund, and the Pan American Health Organization.

The Government of Haiti is not likely to have the ability to finance the PEPFAR program in Haiti at anytime in the foreseeable future. The Embassy believes HIV/AIDS funding will have to come from sources external to Haiti for a long time. The largest source of funding now is from the U.S. Government, and the Embassy believes an annual PEPFAR budget for Haiti of \$250 million would be possible to implement.

There have been times in the past when the program could not function for security reasons. This could happen again in the future. However, the Embassy points out that much of the most serious violence and insecurity took place in Port au Prince. The Embassy has made an effort to ensure the program is in each administrative department of the country, which should also help to ensure continuity.

There are Haitians and Haitian organizations with professional healthcare competence. However, the instability of the last 10 years has caused many healthcare and other educated people to seek residence elsewhere. The instability has also exacted a serious toll on government capacity and infrastructure. One organization in particular, GESKIO (Groupe Haitien d'Etudes du Sarcome Centres de Kaposi et des Infections Opportunistes), is world renowned for its community health work. GESKIO is a nongovernmental organization that has so far survived the worst of times in Haiti and continued to function. The Embassy hopes to strengthen the Ministry of Health, perhaps by building an organization with a structure similar to CDC that could oversee and work with existing nongovernmental organization capability.

Haiti and U.S. interests in Haiti would suffer from a decline in external financial support to HIV/AIDS anytime in the near to medium-term future. Those now on ARV treatment would die if that treatment were no longer available. While the program has strongly reinforced popular goodwill toward the United States, a reversal could very well have the opposite effect. Some in the Embassy believe should PEPFAR support decline for any reason in the future, maintenance of the ARV program would be a priority for both humanitarian and political reasons.

APPENDIX A-4: NIGERIA COUNTRY REPORT

Background

Nigeria has the largest population of any country in sub-Saharan Africa with 150 million people. The AIDS incidence is estimated to be 4.4 percent of the total population or about 6.6 million people.

Nigeria is a relatively wealthy African country because of its vast petroleum reserves that are being actively developed by international oil companies. Although Nigeria has sufficient wealth from oil to make a significant contribution to HIV/AIDS relief, improvement of general health services to the population is not one of the current government's seven top priorities. The part of the total population estimated to have HIV/AIDS is 4.4 percent, not as high as many other African countries, and HIV/AIDS has been neither a political priority nor a humanitarian priority of the last several governments. Since the inception of the PEPFAR program in 2003, the Government of Nigeria has shown little interest in it; other health issues such as malaria and tuberculosis are of much higher concern to the Government of Nigeria.

Coordination and cooperation with the Government of Nigeria has therefore been difficult and limited. Most of the HIV/AIDS programs are funded and run by the United States and other national, international, and private donors. The PEPFAR program in Nigeria totals more than \$440 million in FY 2009 and is the largest single development-related assistance program in the country. The PEPFAR program is directed to four sectors as follows: prevention \$66 million; care \$91 million; treatment \$237 million; and other \$47 million. There are currently 200,000 people under ARV treatment, and that number is estimated to increase substantially over the next several years. At present, almost all ARV treatment is funded directly by the U.S. Government through PEPFAR.

The PEPFAR implementing agencies in Nigeria are USAID, CDC, the Departments of State and Defense with USAID and CDC receiving the vast majority of funds.

The U.S. Mission in Nigeria (which includes Embassy Abuja and Consulate General Lagos) is large. Working conditions are difficult and often dangerous, and there are chronic staffing problems. For many years, it has been very difficult to staff American positions at the grade and experience level needed.

The Chief of Mission Role

The previous Ambassador to Nigeria (2004-07) played a very active role in managing and directing the PEPFAR program. Current and previous embassy officials interviewed in Abuja and Washington reported that at the time the Ambassador arrived, the program had serious coordination problems. The Ambassador's leadership resolved those problems, providing policy direction and an organizational foundation that has sustained the program to this day. He also focused the program's resources in a way that both satisfied PEPFAR objections and promoted broader U.S. Government interests in Nigeria, which might not otherwise have been possible. Specifically, the U.S. Government presence was significantly expanded in the Islamic part of the country by building clinics, and expanding cultural and educational ties.

The current Ambassador to Nigeria has been at post since the fall of 2007. She strongly believes improving the government's ability to govern is essential for all other U.S. Government objectives and interests in Nigeria. She admires and supports the PEPFAR program, which she believes does a great deal of good, but points out that unless the government can be improved, PEPFAR's advances and accomplishments cannot be sustained. According to the Ambassador, she and her country team therefore established U.S. Government priorities in Nigeria as follows:

- 1) Governing justly and democratically;
- 2) Peace and Security;
- 3) Economic Development; and
- 4) Investing in People (which includes PEPFAR).

At one point during the Mission Strategic Plan preparation, a desk officer in AF challenged the Embassy's reiteration of these priorities in its FY 2011 Mission Strategic Plan and recommended the Embassy consider putting Investing in People at the top of the priority list since it was receiving such substantial U.S. Government resource attention. The Embassy reaffirmed its original priorities, which were affirmed by the Bureau of Resource Management.

After her arrival at post, the Ambassador also concluded the PEPFAR program was well-run and did not need her priority attention. According to the Ambassador, her attention was needed elsewhere in light of the climate under the new Nigerian

administration. She delegated the overall management of the program to the DCM and decided to focus her own attention on the other U.S. Government objectives, which she believed had not received enough attention.

The Ambassador's strategic priorities are rational and well-articulated. However, the inspection team advised the Ambassador that it believes she needs to pay more attention to several items:

- First, she could better articulate to her staff PEPFAR's strategic contribution to mission and U.S. Government objectives. Many on her PEPFAR team members have the impression that, for whatever reason, the Ambassador is not interested in the program and she is not available to support them and the program when needed. The example most cited was the team's request that the Ambassador intervene with Nigeria's president to seek his support for the newly initiated Partnership Framework. They believe she rejected this request on the grounds it was not sufficiently important to be raised at that level. The Ambassador felt that particular meeting was not an appropriate time to raise the issue because it had not yet been raised with the new interim Health Minister. She thought it would be counter-productive. There may be some failures in communications on the part of both the Ambassador and her PEPFAR team that have caused misunderstanding. They need to be corrected.
- Second, the Ambassador needs to engage more directly with S/GAC in Washington. The majority of communications with S/GAC, particularly on operational matters, can be left to the Embassy's PEPFAR team. However, the Ambassador needs to engage directly with S/GAC leadership, particularly on strategic issues. Apart from her call on S/GAC before arriving at post, she has not been able to meet with S/GAC leadership during any of her visits to Washington. The inspection team advised the Ambassador to take advantage of the PEPFAR program's transition with the reauthorization and the transition of leadership under the new Administration, to build a more dynamic relationship with Washington's PEPFAR leadership.
- Third, the Ambassador needs to allow USAID to proceed with its proposed move out of its current office space, either by approving the move to the proposed new office space, or by actively helping them to find another property. The Ambassador may also have to devote more high-level attention to property issues to avoid the possibility of USAID, CDC, and the Department of Defense issues all coming to a head at the same time. The Ambassador said she considered the matter to be a mission issue rather than a PEPFAR issue, contrary to the OIG team's assessment of the situation.

- Fourth, while the Ambassador has been active in visiting PEPFAR sites and including PEPFAR in speeches, she needs to provide more direct leadership and guidance to the strategic assessment of PEPFAR's future in Nigeria and to how the U.S. Government can better promote its long-term sustainability. (See below.)

The OIG team made an informal recommendation addressing these matters.

Coordination

The structure for coordinating and managing the PEPFAR program at Embassy Abuja is appropriate, and the members of the PEPFAR implementing agencies work well together as a team.

The Ambassador has delegated oversight and management of all Investing in People programs to the DCM. The DCM chairs major coordination and strategy meetings, directly supervises the PEPFAR coordinator, and works closely with the heads of the implementing agencies. She is knowledgeable about the program and actively supports its strategic, management, and public diplomacy elements. Agency representatives spoke positively about her support. However, several made the point the Ambassador did not sufficiently empower the DCM to play a truly effective leadership role. They cited several examples of the team's efforts to promote the new Partnership Framework and to improve general coordination that had received DCM support and guidance, but were not approved by the Ambassador. The Ambassador disagreed with this characterization.

There are four sets of meetings that serve to coordinate and direct the PEPFAR program. The first is an extended country team meeting, chaired by the Ambassador or DCM, which is held every 2 months and includes representatives of all sections of the Embassy. It is primarily an informational meeting that addresses all embassy operations and programs, including PEPFAR. The second is an Investing in People meeting, chaired by the DCM, which is held every 2 weeks and includes all American personnel from all agencies working on Investing in People programs, as well as representatives from other parts of the Embassy, such as the economic and public affairs sections. PEPFAR is the largest program and dominates the agenda. This also is primarily an informational meeting to ensure everyone is aware of what the others are doing and how their responsibilities fit together. The third is a meeting, not yet operational, to be chaired by the deputy PEPFAR coordinator and held every 2 weeks. It will include senior representatives from each of the PEPFAR implementing agencies as well as American and LE members of all of the PEPFAR technical working groups. This is an operational meeting designed to address the whole range

of problems and issues faced by the technical working groups, including the division of labor and assignment of personnel to the technical working groups.

The fourth meeting is a weekly PEPFAR management team meeting, chaired by the PEPFAR coordinator and including Americans with specific PEPFAR oversight responsibilities from each implementing agency including the CDC chief of party, the USAID director of Investing in People, the USAID HIV/AIDS team leader, and the Department of Defense/HIV program director, as well as other American and Foreign Service national staff. They and the DCM realized the three larger meetings described above are either only informational or are focused on day-to-day operational issues. With participation limited to the core leadership elements, the senior management team is designed to address policy and strategic issues of the program, as well as a limited number of critical operational problems. All members of the team report it is working well and has strengthened the cohesiveness of the core PEPFAR team. It is also serving to push more responsibility for the daily operational issues down to the technical working groups with the intention of increasing the experience and empowerment of the Nigerian employees.

The President's Emergency Plan for AIDS Relief Coordinator

Embassy Abuja first initiated the PEPFAR coordinator position in 2006 at the urging of S/GAC. Since that time, there have been three coordinators and two interim coordinators. The first PEPFAR coordinator was from HHS. The second was a junior USAID Foreign Service officer who served successfully in the position for a year but could not remain there for career development reasons. The third was a USAID global health fellow who provided support for approximately 6 months on an interim basis. The current PEPFAR coordinator previously worked for the first Global AIDS Coordinator at S/GAC and then in the Office of the Director of U.S. Foreign Assistance. She was recruited for the Abuja PEPFAR coordinator position and hired on a USAID PSC.

The previous two PEPFAR coordinators appear to have functioned primarily as staff assistants rather than as coordinators with any authority. The current PEPFAR coordinator brought to the job substantial knowledge and experience with the PEPFAR program, and the DCM, with the support of the implementing agencies, has elevated her stature and improved her ability to play a more active coordination role. The previous two PEPFAR coordinators had their offices in USAID, which is separate from the chancery. They were USAID staff and reported directly to the

USAID Investing in People office director, which had the potential for undermining their perceived independence and neutrality. The current PEPFAR coordinator has been given an office in the chancery and reports directly to the DCM. She chairs the PEPFAR team meetings and is respected as an equal by the implementing agency representatives. In her relatively short time at post, she has played an important role in encouraging and enabling the post to think more strategically about the program.

At a recent retreat for the senior management team hosted by the DCM, the team explored ways in which the PEPFAR coordinator could be further strengthened by providing her with a staff, establishing the PEPFAR coordinator as a section in the embassy, and including her in the core country team meeting. The Embassy is exploring the managerial and budgetary steps to create a new embassy section. The DCM and the implementing agency heads have recommended to the Ambassador the PEPFAR coordinator's inclusion in the country team, but the Ambassador rejected that recommendation. The OIG team believed the recommendation had merit. While recognizing the Ambassador's sole authority to determine who attends the country team meetings, the inspection team suggested the Ambassador reconsider the request on the grounds that it would empower the PEPFAR coordinator and make her more useful to the Ambassador, not only within the Embassy, but also with the Government of Nigeria.

Embassy Abuja has taken almost 5 years to find and hire a GS-14-level PEPFAR coordinator due to agency disagreements over the coordinator's scope of authority. In the interim, program management has suffered, and embassy leadership has had to spend time and effort resolving conflicts. This has taken their attention away from other important strategic and management issues. A major reason for this difficulty has been the lack of any guidance or assistance from the Department. The previous Ambassador was told by AF that there were no personnel or positions available for the job and was offered no alternatives. The Embassy resorted to the use of a USAID PSC, because it seemed to be the only mechanism by which such a person could be employed. Most implementing agency representatives voiced the opinion that the position should be a Department position to ensure neutrality, necessary qualifications, availability, and sufficient stature to deal equally with all agencies.

Support from the Embassy

Nigeria is an extraordinarily difficult environment in which to operate. Government services are inadequate, transportation and communication are erratic, security is a never-ending concern, and adequate office and residential space are hard to find and very expensive. The U.S. mission in Nigeria has grown significantly in recent years. PEPFAR personnel have been a big part of that increase. CDC alone has

grown from two U.S. direct hires and 17 LE staff in 2005 to eight U.S. direct hires and 47 LE staff. In addition, both Embassy Abuja and Consulate General Lagos have been historically difficult to staff with experienced at-grade Foreign Service officers. The management section in particular has not been able to fill all of its positions, and those that are filled are usually filled with below-grade officers who often lack the skills for the positions.

The heads of PEPFAR implementing agencies expressed some frustration with the embassy services. Most recognize the Embassy is severely constrained and do their best to tailor their requests and expectations, but it makes their jobs more difficult. CDC, as the agency with the least overseas experience, has the most difficulty. USAID has fewer problems with embassy support because USAID still provides much of its own administrative services. There is some concern that if administrative consolidation progresses before the Department is able to actually live up to its support obligations, the support situation might become substantially worse. The Department of Defense has a relatively small staff, but also provides many of its own support services.

One embassy official indicated that support to CDC is particularly difficult due to the lack of experience and familiarity CDC personnel have with embassy management procedures. Because of their relatively new expanded international program, CDC made a conscious decision to subscribe to almost all of the Department-provided ICASS services. In Nigeria alone, this amounts to over \$1million a year. Several of those interviewed thought it would be helpful for all concerned if CDC staff were given some orientation training in Department management procedures. One example of additional training requirements could be the 2-day course offered by FSI on ICASS.

Staff shortages in the Embassy's financial management, human resources, and general services sections make it difficult to fully support the agencies implementing PEPFAR. Last year, the Embassy did a workload analysis of management support using ICASS software. The analysis determined the mission needed 40 additional LE staff. However, the Department approved only 26 positions. Consequently, the Ambassador has imposed a freeze on all new NSDD-38 requests until support staff is increased.

The biggest support concern, and one that could critically impact the PEPFAR program in the years ahead, is that of office space. USAID, CDC, and the Department of Defense all have problems with office space or anticipate problems in the near future. OBO is building a new office annex on the embassy compound,

but construction has been stalled for some time. Additionally, the new office annex will be too small to house many of the USAID, CDC, and Department of Defense staff who are currently outside the compound, and there are as yet no clear decisions about who will move in and who will not.

The most serious space concern is for USAID, which is currently housed in the old embassy compound. That compound is located in a residential neighborhood whose residents have clearly indicated they would like USAID to move. The landlord would like to retrieve his property for investment purposes. (b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2) USAID has found another location that could house all USAID staff together for at least 2 years pending completion of the new office annex. Other options risked dividing the USAID mission and creating other significant management and oversight burdens. As an Abuja commercial property, it is expensive, and USAID proposed an arrangement using both USAID program and operational expense funds and PEPFAR funds prorated according to how staff is dedicated. That arrangement has been held up by the Ambassador since October 2008 over concerns about whether its use of PEPFAR funds would be appropriate. Since that time, S/GAC has approved the use of PEPFAR funds, and an OBO team visited with inconclusive results. The Embassy is also concerned that it is unclear how much would actually have to be spent to maintain this building during the lease period. Both CDC and the Department of Defense cannot move there because of insufficient space for both agencies to colocate; in addition, both agencies consider it too expensive. There is another building, however, that may be a possibility; and the Embassy is now looking into that.

The Embassy

CDC also has a serious property issue. In September 2007, with help from the Embassy and approval from OBO, it signed a lease for office space to which it intended to move its staff, and then began the process of renovation. The nature of the renovation was such that no one involved believed further OBO involvement would be necessary. However, because costs in Nigeria are so high relative to elsewhere, the renovation cost eventually exceeded OBO's designated threshold. In March 2008, OBO declared it had to review the plans. Since that time, according to the CDC chief of party, OBO has seemingly imposed requirements that are still not met. CDC is paying \$200,000 per year for this space in addition to its rent for currently unoccupied space, with no end in sight.

The Department of Defense lease for currently occupied office space expires summer 2010, and it has planned for several years to collocate with CDC. The aforementioned OBO issues have had a ripple effect of causing the Department of Defense lease to be extended several times while waiting for the collocation to occur.

The inspection team told the Ambassador that in its opinion, due diligence requirements now appear to have been met, and that she needs to allow USAID to proceed either by signing the collocation waiver or by actively helping them to find another property. The inspection team also advised the Ambassador that she might have to devote more high level attention to these issues to avoid the possibility of all three lease issues coming to a head at the same time.

Public Diplomacy

The public diplomacy effort to support PEPFAR in Nigeria has been somewhat hampered by confusion over the focus and role of PAS. When the PEPFAR program started there was agreement between the PEPFAR team and PAS that PAS would focus primarily on grass roots efforts to promote understanding of and support for the program. PEPFAR provided funds to support this effort, including the hiring of several LE staff by PAS. According to PAS, this worked well for several years.

Then, in 2006, some of the PEPFAR team changed. Their approach to public diplomacy was different, focusing less on grass roots and more on broader publicity of the PEPFAR program itself. PEPFAR funding to PAS was cut substantially, and PAS reduced the staff it devoted to PEPFAR. For a variety of reasons, communication between the PEPFAR team and PAS does not appear to have been effective. The large coordination meetings did not provide a useful forum for discussion of public diplomacy strategy, and confusion continued for several years. Most publicity for the program was initiated by the implementing agencies through their implementing partners with recourse to PAS primarily related to material that needed to be cleared for policy content.

This period corresponds with the time when Embassy Abuja had no effective PEPFAR coordinator. With the arrival of the new PEPFAR coordinator, discussion has resumed about the appropriate role of PAS. The inspection team advised PAS to work with the PEPFAR coordinator to create a small forum, such as a technical working group, to address these issues in a consistent fashion with a limited group of people directly related to the program.

Support from the Office of the Global AIDS Coordinator

Most members of the PEPFAR team believe that the reporting burden is excessive. They argued so much time is spent on reporting and responding to S/GAC requests that it becomes very difficult to focus on strategic thinking or planning. One example given was the reprogramming process. There are four reprogramming exercises a year. The first submissions are due in January. The Embassy submitted it on schedule, but did not hear back from S/GAC until mid-March when they received a request for additional data that was due in 24 hours. Within that same 24-hour period, S/GAC's guidance arrived for the second round of reprogramming. The Embassy also pointed out that sometimes S/GAC itself is not aware of all the demands for information that are directed at the Embassy, because many of them come directly from the technical working groups in Washington without clearance from S/GAC. Some also expressed concern about eventually burdening the Government of Nigeria with these requirements if the Embassy is successful in shifting more responsibility for the program to the host government.

Looking to the Future

Because the Government of Nigeria has kept its distance from the PEPFAR program and has not taken ownership of the measures to combat HIV/AIDS, the U.S. Government's dilemma in creating a sustainable program here is more serious than in many other countries. In Nigeria, the challenge is not to find ways to help the host country assume more ownership of the program; it is to convince the Government of Nigeria to assume any ownership at all. To some degree, the program has been successful so far because it has not included the Government of Nigeria. It can only be sustained in the future if it does include the Government of Nigeria.

Most of those interviewed believed that even if the Government of Nigeria decided it wanted to take over the program, the government is years away from being able to do it, not because it does not have the financial resources, but because the government capacity and political will are not there. This is why the Ambassador places such an emphasis on good governance. With good governance, the Government of Nigeria can manage this program and care for its people. Without good governance, it will fail. Even if the U.S. Government is willing and able to unilaterally pay for and run this program for the short- or medium-term, it eventually will have to turn it over to the Government of Nigeria. Without good governance, the Government of Nigeria will never be capable of accepting that turnover. Some point out that the U.S. Government cannot simply convince the Government of Nigeria to improve governance, but needs to support nongovernmental organizations and the private sector in order to build a demand for change.

However, this is a big order, and time may be running out. At the beginning of FY 2009, there were 200,000 Nigerians on ARV drugs, and that number is rising. The U.S. Government, through PEPFAR, is responsible for providing almost all of the ARVs. One of the largest nongovernmental donors, the Clinton Foundation, which provides funding for adult and pediatric ARVs, reportedly plans to phase out its support in 2010 and 2011. It may fall to the U.S. Government to take up that slack as well.

Although the cost of the drugs needed to sustain ARV treatment is decreasing due to economies of scale, there is still a large need because of the number of infected people. The drugs are successful. They keep people alive, and most of these people can expect to live for another 20-40 years. The treatment part of the program has been extraordinarily successful. However, the number of people contracting AIDS every year has not diminished. As these people are tested and diagnosed as HIV-positive, they are referred to the care and support program. Eventually, most patients will move to the treatment program because there is still no cure for the disease. Nevertheless, as the first 5 years of PEPFAR drew to a close, the PEPFAR budget for Nigeria was flat-lined. Treatment cannot be reduced because of potentially dire consequences for those in the program. As the numbers increase, resources must be withdrawn from the other sectors to cover the growing treatment sector. If resources are withdrawn from the prevention sector, the numbers contracting HIV/AIDS may accelerate. The Embassy realized under these circumstances, the continued growth in the care and treatment sectors was not sustainable.

Even if the budget were not flat-lined, it might be more difficult to expand the prevention program. The embassy PEPFAR staff is already stretched thin. More staff might be necessary, and the Embassy has neither the space to accommodate increased staff nor the administrative resources to support them. This may prove to be a problem for implementation of the Partnership Framework, which might even require the participation of more agencies, such as the Department of the Treasury, to be successful. The Ambassador is already strictly enforcing NSDD-38. Some have suggested a USAID-type approach that might minimize the U.S. Government personnel presence by hiring an implementing partner to manage the Partnership Framework and force the Embassy and the U.S. Government to think strategically.

The new Partnership Framework is designed to get the Government of Nigeria to take ownership. However, some on the PEPFAR team point out this is not the best possible time to move forward. The global economic crisis has also put pressure on Nigerian Government resources. Additionally, moving forward on the Partnership Framework will require coordination within the Government of Nigeria, and

such coordination is currently weak. The Embassy asked the Ministry of Planning 1 month ago to identify a point of contact. The Embassy has heard nothing. Since Nigeria is a federal system, it will also be necessary to bring local governments and organizations into the process.

If the Global Fund could take up some slack on ARV treatment and services, it could help considerably for the future. However, its first foray into this possibility was not encouraging. The Global Fund's country coordinating mechanism, which submits proposals for each 3 to 5- year "round," made a proposal along these lines, but it was turned down. They may have asked for too much and were to make a new submission for round nine in June 2009. When the inspection team was in Abuja, there was a team of donors including the Clinton Foundation, discussing some of these same issues.

The Ambassador stressed that S/GAC needs to really think about how to use what it has done so far, and where to go from here. She said the Embassy needs a strategic document and pragmatic strategic thinking. The inspection team strongly agrees that strategic thinking is essential, but it also told the Ambassador she cannot afford to wait for Washington to initiate it. While S/GAC may have responsibility for directing the overall program, only the Ambassadors can assess and prescribe what will work in their respective countries. A good part of that strategic thinking needs to be initiated at post and transmitted to Washington.

APPENDIX A-5: SOUTH AFRICA COUNTRY REPORT

Background

The Republic of South Africa has a population of over 47.9 million. Its location, resources, and recent history of emergence from apartheid rule make it an influential player in Africa, and an important partner for the United States on many issues. HIV/AIDS is one of those issues.

According to the Joint United Nations Programme on HIV/AIDS *Report on the Global AIDS Epidemic, 2006*, “South Africa’s AIDS epidemic is one of the worst in the world. It is a generalized epidemic, affecting all segments of society.” Department information indicates there are 5.7 million HIV-infected individuals.⁹ Of the 15-49 age group, 18.1 percent is infected, and, in parts of the country, more than 35 percent of women of childbearing age are infected. Overall, the infection rate is 11.8 percent. About 1,000 new infections occur each day, and approximately 350,000 AIDS-related deaths occur annually. The Government of South Africa’s national strategic plan for 2007-11 identifies a range of interventions to address HIV/AIDS and works with more than 300 diverse partners.

The U.S. Government has been working with South Africa on efforts to combat HIV/AIDS for many years. In FY 2009, the PEPFAR budget for South Africa is \$546 million. It is allocated to four sections as follows: prevention \$139 million; care \$132 million; treatment \$213 million; and other \$62 million. Implementing agencies in South Africa and their respective parts of the PEPFAR program are: USAID \$307 million (56 percent); DOD \$1 million (less than 1 percent); CDC \$236 million (43 percent); Peace Corps \$1 million (less than 1 percent); State \$2 million (less than 1 percent).

⁹U.S. Department of State, *Background Note: South Africa (March 2009)*.

The Chief of Mission Role

The last Ambassador, who departed post at the end of the Bush Administration, was very engaged with the PEPFAR program. While he delegated day-to-day management to the DCM, he periodically attended the coordination meetings, actively communicated with the Global AIDS Coordinator in Washington, and tried to promote public diplomacy support of the program. He was constrained in his support for public diplomacy and in his efforts to coordinate with the Government of South Africa by the antipathy that key senior officials of the former African National Congress administration displayed toward the U.S. Government and President Bush. Because the Ambassador was a political appointee and known to be close to the President, his access to senior officials in the government was particularly restricted.

The Ambassador was active in guiding the program strategically. He initiated the first U.S. Government efforts to move South Africa toward eventual graduation from PEPFAR. He proposed to S/GAC that in light of recent South African Government accounts of budgetary surplus, the PEPFAR contribution for South Africa be decreased to accelerate the South African Government's assumption of ownership. Not all of the PEPFAR team believed this was the right decision, and some argued the South African Government was still a long way from being able to assume responsibility for the program and would need more resources to strengthen its long-term ability to sustain the program. The PEPFAR budget for the South African Government has leveled off but has not yet actually decreased. This is still under review.

Both the current and previous DCMs have played active coordination and managerial roles for the program, particularly when the PEPFAR coordinator position was vacant or problematic. The current DCM, who was the chargé at the time of the inspection, has had extensive experience with PEPFAR, initiating the program in Mozambique when she was Ambassador there, and also supporting it as consul general in Cape Town.

The PEPFAR program in South Africa is the largest and perhaps the most well-established worldwide. Based on the OIG team's observations and interviews in South Africa and elsewhere, it also appears to be one of the best run of the PEPFAR programs. This is due to a number of factors. As the premier program, it is viewed as setting an example for others. It has received top priority attention from S/GAC, and it has been a top priority for embassy leadership. The South Africa mission gets priority attention from AF and the Department, and consequently has fewer resource problems than many other posts in Africa. The Embassy and consulates appear to have no difficulty recruiting highly qualified personnel for program and support positions. The leadership of the principal PEPFAR implementing agen-

cies at post are senior professionals in their respective agencies and have extensive experience with and commitment to the PEPFAR program. The odds are in favor of a well-run program.

Coordination

Coordination is effective and reliable. There are five U.S. Government agencies implementing PEPFAR in South Africa: USAID, CDC, the Department of Defense, Peace Corps, and the Department. However, CDC and USAID account for the major part of implementation. The leadership of these agencies at post makes a strong effort to coordinate and cooperate with each other.

They do have some disadvantages. The principal one is physical separation of offices. Both CDC and USAID are located outside of the NEC. CDC leases offices, and USAID has its own building in the same general area, which is about 15-30 minutes away from the embassy, depending on traffic. Peace Corps is also outside of the NEC. All others are located in the chancery.

There is a formal system of coordination in place that has evolved over time. When the OIG team visited, this formal system consisted of essentially two coordination groups. The first was a large embassy-wide PEPFAR coordination meeting, chaired by the chargé, which met every 2 weeks. It served essentially as an information meeting to ensure that all players were aware of what the others were doing and was also a forum where the chargé could provide policy-level information and guidance. The second was a smaller PEPFAR management team meeting that included the heads of each of the PEPFAR implementing agencies and was chaired by the PEPFAR coordinator. This smaller group is intended to run the program in-country, dealing with problems with coordination, policy, and strategic planning. So far it appears to be working well, though some of the implementing agencies claimed they work out coordination problems directly among themselves rather than relying on the PEPFAR management team mechanism. While there is a clear provision for taking any unresolved differences to the embassy leadership (DCM or COM), those interviewed reported that it had not been necessary at least for the last year.

The PEPFAR Coordinator

Embassy Pretoria's experience with the position of PEPFAR coordinator is unusual. Since the program and the position were created, the position of PEPFAR coordinator has been paired with that of the health attaché. The latter is a public health specialist sent to selected embassies by HHS under a program created by the Secretary of HHS. In South Africa, the health attaché is a senior member of the

embassy staff who advises the Ambassador on health issues and supervises all health programs, including PEPFAR.

The first three PEPFAR coordinators reported to the health attaché with varying degrees of effectiveness. None apparently were able to gain the confidence of all of the implementing agencies.

HHS sent the current PEPFAR coordinator to Pretoria as the health attaché, arriving in September 2008. She supervised the then PEPFAR coordinator who was a Foreign Service officer, and then took over both jobs when the previous PEPFAR coordinator left the post. She is a very experienced public health official with a career background at the National Institutes of Health, who also has extensive experience with HIV/AIDS. She has been accepted by all elements of the PEPFAR team and has full responsibility for coordinating the different elements of the program. She reports directly to the DCM for daily management of the PEPFAR program and to the Ambassador for other health issues.

The system is working well; however, the coordinator is overburdened with the responsibilities of two jobs and a very limited staff. Without more help, at least one of those jobs will suffer. She is trying to hire a deputy coordinator, which would help considerably.

Support from the Embassy

Pretoria does not have the serious chronic staffing problems some other African posts experience. Its management and administrative positions are filled by at-grade, experienced personnel. In addition, many modern services are available in South Africa. The major management challenges are security (due to the high rate of violent crime), a support structure that has not kept up with the increase in program personnel (primarily PEPFAR), and a shortage of office and residential space (also largely due to PEPFAR growth).

Some of the implementing agencies are concerned the ICASS base has eroded. Consequently, the post has not been able to fund additional ICASS LE staff. CDC has had ongoing difficulties hiring LE staff because of continuing differences with the embassy human resources staff over classification. Embassy support staff reported these difficulties are aggravated because CDC administrative personnel lack experience in working with Department support procedures. CDC also points out it pays its ICASS bill and that bill has grown steadily over recent years with the growth in CDC staff. However, the number of ICASS support staff has not kept up with PEPFAR program growth. In fact, the embassy support staff has not grown at all

since the PEPFAR program started. PEPFAR is not the only source of growth that has stretched embassy support services. Those interviewed also explained that Pretoria has become a de facto regional center, helping many other posts in the southern Africa region. However, it has never been officially designated a regional center, and this puts it at a disadvantage.

The largest single support challenge is office and residential space. The NEC cannot accommodate all mission staff, and all USAID and CDC staff are located outside the chancery. USAID staff now total 185, and they are squeezed into the unclassified USAID building that was meant to accommodate a maximum of 150 persons. The Embassy was working with OBO for the last several years to plan and build a new office annex on the embassy compound but construction has not begun. The original completion date was to be 2011, which was postponed to 2012 and then 2014. Most recently, the date was suddenly pushed back to 2023 by OBO as security construction projects became a priority. In response, USAID has proposed building a replica of the building it now uses on adjacent land, using the original (OBO-approved) architectural plans and the original contractor. USAID originally proposed one third of the cost be paid by USAID and two thirds by PEPFAR. However, they were unable to convince the previous Global AIDS Coordinator.

S/GAC explained its position. Beginning in August 2008, it worked closely with both USAID headquarters and the USAID-PEPFAR team to review the building proposal. In the process, a cost benefit analysis was conducted based on information provided by the field. The result was a determination by S/GAC that space requirements for PEPFAR personnel could be met at significantly lower cost by leasing space rather than undertaking major new construction using PEPFAR's foreign assistance funding. Given S/GAC's conclusion that there was a less costly alternative, S/GAC also had legal concerns that such a use of PEPFAR funds could not be justified under a "necessary expenses" theory, particularly when funds for overseas construction of U.S. Government buildings are made available in other appropriations accounts such as the embassy security, construction and maintenance, and USAID's capital investment fund accounts.

It is S/GAC's understanding that the Office of Management and Budget (OMB) has provided funding for the building in USAID's capital investment fund in the FY 2010 budget request. Funding for the purchase of the land on which to construct the building is available in USAID's current FY 2009 funds. There is a mutual understanding among S/GAC, the Office of Management and Budget, and USAID that it is appropriate for PEPFAR funds to be used for rent in the new building to pay for the PEPFAR employees who are housed there as an ongoing administrative expense. S/GAC has been in touch with the Office of Management and Budget re-

garding a meeting to discuss how this would be calculated and when payments would start. Meetings were expected to be held in August 2009.

Based on interviews conducted with all parties at Embassy Pretoria, the OIG inspection team concluded continuing to rent space was both a difficult and less desirable option. During the inspection, USAID in Pretoria told the inspection team that USAID was currently seeking USAID funding for the whole project, but it was unclear whether it would receive that funding. It is also unclear, even if the financing were available, whether OBO would approve the construction or how long it would take OBO to provide that approval.

It is unlikely OBO would be able to reverse its postponement of the new office annex and build it by 2011. Absent that, proceeding with USAID's proposed expansion appears to make sense. The program is almost certain to continue in South Africa for some time to come. Continuing to rent facilities for PEPFAR personnel for the next 5 years will be expensive. Accommodating all PEPFAR staff together would be beneficial. USAID reported that it had signed a lease for a temporary commercial office building, pending approval by the Department.

The inspection team also believes it would make sense for S/GAC to reconsider allocating PEPFAR funds to this project. The OIG team made an informal recommendation on this issue.

Public Diplomacy

The public diplomacy effort in support of PEPFAR in South Africa has been constrained for years by the political environment. Two major factors contributed to this. The first was former President Mbeki's attitude adopted in the early years of the HIV/AIDS epidemic that HIV/AIDS was not a serious threat. He believed HIV/AIDS was a distraction, and the nation should focus on economic development and on other issues. He was not receptive to the high profile attention the U.S. Government gave the issue and took an opposing position. This opposition was accentuated by the previous Minister of Health who advocated her own somewhat eccentric cures for HIV/AIDS and was overtly hostile to the PEPFAR program. The second factor was the antagonism with which the senior leadership of the African National Congress viewed the President Bush and the war in Iraq. While many in the government welcomed the PEPFAR program, they had to be careful. The Embassy concluded it was better to concentrate efforts on local government and civil society, and to keep a relatively low public profile.

An additional challenge is presented by what PAS describes as “message fatigue” on HIV/AIDS. People have tuned out and all those working on HIV/AIDS are looking for new ways to be heard.

Over the last 6 months, the environment has changed with the departure of President Mbeki, the appointment of a new Minister of Health who has strongly advocated closer cooperation with the U.S. Government on PEPFAR, and the advent of a new African National Congress Government that also appears to be friendlier toward the U.S. Government. The PEPFAR team and PAS all anticipate a more active public affairs program in the months to come.

Most of the public affairs work in support of PEPFAR is actually performed by the implementing agencies through their implementing partners. South Africa has a very sophisticated public affairs industry, and a number of implementing partners have contracted with South African public affairs companies to publicize different aspects of the program and the message on HIV/AIDS, and reportedly have spent millions of dollars on the effort.

For some time, the principal embassy forum for discussing the public affairs support for PEPFAR was the large PEPFAR meeting, held every 2 weeks. However, this meeting had too extensive an agenda and too many participants to allow effective discussion of public affairs strategy. More recently, the Embassy established a PEPFAR public affairs working group with a maximum of six participants: the DCM, PEPFAR coordinator and deputy, and representatives from PAS, USAID, and CDC.

Some of those focused on public affairs for PEPFAR are concerned with the issue of branding. Most of the implementing agencies have their own individual logos that they use to identify and promote their parts of the PEPFAR program. When the former Ambassador arrived in South Africa, he reportedly was concerned that the source of the PEPFAR program was insufficiently publicized, and he insisted a plaque be prepared for each project stating that it was provided by the American People. However, to accommodate each of the implementing agencies, each of their logos was added. Some believe that the result is confusing and detracts from the original intent. The strongest advocate among the implementing agencies for its individual logo is USAID, which states it is required by USAID regulations to brand each project. While other implementing agencies say they would be willing and even prefer to have just one logo, i.e. PEPFAR, they have to include their own if USAID insists on the USAID logo, otherwise they will be placed at a disadvantage with their government and local clients.

Support from the Office of the Global AIDS Coordinator

Most members of the PEPFAR team said reporting was the most difficult burden of the entire program. They reported that those working on PEPFAR spend 5 to 6 months working primarily or exclusively on the COP alone, which is essentially a budget submission that has no utility to those in the field. Some accept the burden because they believe it is the principal reason for the program's extraordinary funding. However, they point out that tying up half the year's human resources on reporting means only half the year is left for oversight and strategic thinking. Everyone tries to do more in that shorter time frame. Some believe the new Partnership Framework process may help since it is supposed to be based on a 5-year timeframe.

Most of the implementing agencies pointed out that each year S/GAC sends out new guidance for preparing the COP, and serious work on the COP cannot begin until that guidance is received. Last year, the Embassy appealed to S/GAC to send the guidance earlier, and it came later. A draft arrived in June, and S/GAC kept changing the guidance until the time the COP was due; ad hoc requests kept coming right through the COP season. The PEPFAR team pointed out they do not need guidance every year. The programs have matured, they understand the epidemic better, and they understand the country environment. Those interviewed said that S/GAC uses the guidance as a control mechanism, but the control mechanism is restraining rather than promoting the program. The OIG team believes that if yearly guidance is necessary, S/GAC should send it in April instead of June or July. This would allow the posts to better manage the COP preparation.

The post noted it has often raised this issue of the reporting burden with S/GAC. As early as 2005, there was even a reporting task force set up by S/GAC to look at the issue. It made some useful recommendations. However, nothing has happened, and many believe that the burden has gotten worse each year.

The post views S/GAC as a dedicated and competent group of people. In some respects, communication with S/GAC is good. The country coordinator for South Africa is available and tries to respond to requests for information. However, members of the PEPFAR team see the communication as limited more to instruction than dialogue. While the post expresses its views on what is needed, they do not believe that their recommendations are seriously considered because the S/GAC guidance that comes back shows little reflection of what the post has recommended.

Last year, the PEPFAR team became concerned that the prevention section was too weak. They informed S/GAC and initiated action to correct it: reviewing the COP, meeting with partners, and conducting workshops with grantees. S/GAC's

response was to summon the team to Washington to discuss the problem, but the team opted to stay in South Africa and work on the problem.

Some of the PEPFAR team expressed the view that the S/GAC staff needs to work in the field to participate in the process, and to see how the plans are done and what kind of oversight is needed. Some people at post perceived that S/GAC's staff in Washington tends to focus more on defending policies created by S/GAC than promoting effective dialogue. The country coordinators need to spend as much time in the field as possible. The coordinator for South Africa has visited twice in 2 years. The team also noted that it would be useful in this regard for the desk officers of the regional bureaus to become more actively involved as well.

There was a general concern that the PEPFAR model is too centralized and that the programs need to be more field-driven. When PEPFAR came into South Africa, it brought its program and what it thought the country needed, which angered members of the South African Government and reduced cooperation. Each post needs to be given authority to negotiate with the host government to determine the best way to promote and support the program's objectives.

A specific example is the issue of the PEPFAR budget for South Africa. The previous Ambassador recommended to the last Global AIDS Coordinator that S/GAC initiate a downturn in the budget, and the coordinator agreed. When he announced the budget would decrease, he did not say by how much. The post points out PEPFAR I was based on performance year-to-year, but now it is unclear how the budgets will be determined. When the coordinator met with senior African National Congress leaders, he told them not to worry; and this year the money in fact remained at last year's level, albeit with important changes in emphasis. However, this lack of transparency has a very practical impact on implementation. The implementing agencies cannot plan and are constrained from working with their implementing partners to change emphasis because they do not have any advance information on the budget.

Looking to the Future

There is evidence of substantial discussion within the Embassy, with S/GAC, and also with the South African Government about the future of PEPFAR and other HIV/AIDS efforts in South Africa. The South African Government has become more aware of its vulnerabilities with the discovery that it can no longer afford its bill for ARV treatment. There appears to be growing awareness of the dilemma posed by the failure to slow new HIV infections.

The jeopardy in South Africa is significant. Almost 6 million people are infected today and, 600,000 people are receiving treatment. With a rate of 1,000 new infections per day, the burden of treatment will increase significantly in the near future. Because the South African Government initially assumed primary responsibility for treatment, the U.S. Government itself is not directly liable, but the U.S. Government and the international community have strong interests in ensuring that the South African Government is able to sustain the program. Not only is it empirically important for South Africa and the South African people, but South Africa's success or failure is symbolically important for the region and beyond.

The Embassy believes in spite of its vulnerability, South Africa is one of the countries with the best prospects for being able to succeed and take over the program completely. The government is aware; it is planning well for the future, and it has a reserve of human talent on which to draw. Cooperation with the U.S. Government is growing.

The Embassy is optimistic about the Partnership Framework initiated by S/GAC. In South Africa, the program already has a head start because partnership with South Africa is the theme that runs throughout all U.S.-South African relations. Other programs have long stressed a relationship of equals. However, the PEPFAR team also points out that PEPFAR and S/GAC will be challenged because PEPFAR, by virtue of both its size and its approach, has been a less cooperative program than others. S/GAC will need to relinquish some of its centralized bias and devolve decision-making authority to the posts for this work.

APPENDIX B: SUMMARY RESULTS OF OIG QUESTIONNAIRE

The OIG team distributed a questionnaire to 30 PEPFAR posts with eight open-ended questions. The OIG team sent the questionnaire to 13 countries (called “focus countries” at the time) and 17 other countries with major PEPFAR programs. Posts were allowed to share the questionnaire with their country teams. A variety of officials prepared the responses: COMs, DCMs, or PEPFAR coordinators. Others responses were a collaboration by the relevant parties on the PEPFAR team. There were 23 responses—a 77 percent response rate. The countries that responded were Angola, Botswana, Cambodia, China, Democratic Republic of the Congo, Dominican Republic, Haiti, India, Indonesia, Kenya, Lesotho, Namibia, Nigeria, Russia, Rwanda, South Africa, Swaziland, Tanzania, Thailand, Uganda, Vietnam, Zambia, and Zimbabwe. The following summary is broken down by question.

- 1. Please describe and comment on the COM role in PEPFAR oversight, including the degree of front office time, attention devoted to PEPFAR and the interagency process, and the methods that have worked best at your post.**

The responses indicated that most COMs were actively involved in the PEPFAR program, coordinating the agencies, and engaging with host government officials, but the degree of involvement varied. On the low end of the scale, one post said the COM and DCM chaired quarterly meetings and provided guidance on U.S. Government priorities. Another post, with limited funding, said the responsibility was delegated to the DCM and recommended the PEPFAR coordinator be a participant in the country team meetings. At one post, the COM gets periodic briefings and, as needed, the COM and DCM intervene with the host government to address problems. In another country with a small program, the DCM chairs regular meetings with health agencies and reviews all PEPFAR reports that are then approved by the COM.

For the majority of responding posts, COMs ranked on the higher end of the scale of participation. They were variously described as actively involved, consistently supportive, providing overall leadership, and sincerely interested. These COMs attended site visits and clinic openings. One was said to maintain current knowledge of the program with specific details in order to speak at any time with host country

officials. At a post where HIV/AIDS was considered the Embassy's primary mission, the COM spent significant time: "He incorporates talking points on PEPFAR into virtually every public address he makes."

One COM reported periodically chairing meetings with agency heads on strategy, planning, and coordination, spending 30 percent of his time on PEPFAR (while the DCM spent 40 percent). Another provided high-level leadership, policy guidance, and oversight, "linking PEPFAR to mission goals and programs" while the DCM managed the daily oversight. Another COM "has played a central role in establishing vision and principles of U.S. Government engagement" with the host government. These are but a few of the descriptions of COM participation, but the responses are overwhelmingly positive and showed the importance of strong leadership.

2. Does post have a full-time PEPFAR coordinator? If so, what is post's experience with this position?

Of the 23 respondents, eight did not have a PEPFAR coordinator. At one post, staff turnovers and vacancies had complicated the issue, so the post used a USAID HIV/AIDS specialist. One post was in the recruitment process. At another post, a coordinator had been selected but would not arrive until about July 2009. Two posts said the amount of their PEPFAR funding did not warrant a coordinator position. One said that a Department environment, science, technology and health officer, reporting to the economic counselor, functioned as a coordinator as needed.

Several options were used in hiring a coordinator. Not all posts indicated what mechanism they used. For those that did, the descriptions were: a contract employee, a GS-14 equivalent PSC, a contractor hired via a USAID PSC mechanism, an FS03 USAID health officer, a USAID GS-15 level HIV/AIDS senior technical advisor, and a selected coordinator serving the team from Washington pending arrival at post.

The positive comments for this question were that PEPFAR coordinators streamlined communication between agencies, were a catalyst to create systems and a favorable atmosphere, and were essential to smooth functioning. At one post, "the overall level of interagency coordination, cooperation, and collaboration has dramatically improved."

Some responses indicated the need for improvement in the PEPFAR coordinator hiring process. At a large post, a contract PEPFAR coordinator was challenged for being a contractor and did not have sufficient clout to direct key players from other agencies. The DCM had to intervene to mediate. One post with a large program suggested that there be PEPFAR funding to the Department for the position, rather

than through USAID or CDC. “Seating should be with Department of State. The feeling of multiagency support would be greater if the coordinator was located in a neutral area.” Another post said that the job was too big for any single individual and over time created a team. One post stressed that it was important to have a coordinator who has both managed a sizeable organization and has many years of experience in the health sector. Similarly, another post said that its experience had been that a successful PEPFAR coordinator was first and foremost a manager.

Finally, one post listed five factors that cause staff turn-over for PEPFAR coordinators:

- None of the PEPFAR coordinator office positions are considered career staff positions;
- The positions are supported by similar nonpermanent staff positions in S/GAC Washington headquarters, reflecting a similar degree of fluidity and institutional uncertainty;
- There are no formal staff training programs for acquiring skill sets to enhance the performance of PEPFAR coordinator positions;
- There is no formal system for sharing management lessons learned or best management practices between PEPFAR coordinators throughout PEPFAR, except for presentations or attendance at annual meetings; and
- PEPFAR coordinator positions are by their definition coordination positions, but without real authority or S/GAC process to direct or even evaluate the performance of U.S. Government agencies or personnel or their contribution to coordination between, among, or within agencies.

3. Please comment on the administrative, reporting, or other requirements S/GAC asks your posts to fulfill. What effect do these requirements have on post resources and other operations?

Virtually every respondent called the reporting requirements burdensome and used such terms as time and labor intensive, duplicative, micromanaged, an extraordinary burden, demanding, onerous, excessive, or “an Achilles heel.” However, one post said that the PEPFAR coordinator did most of the work, so the effect on other staff was minimal. Small countries with small PEPFAR sections felt that having the same reporting requirements as larger countries was difficult. Many posts estimated how much time was spent on reporting. Responses included: one fourth to one third of all available time of PEPFAR; 4 weeks to 3 months twice a year; 3 to 4 months

each year; and 50 percent of a 12-month period. Two posts reported that staff members had left due to frustration with the heavy reporting and administrative burdens.

An insightful post described the paradox of the reporting requirements: "...without extensive detailed planning and reporting documents, Congress would not have continued to support increased investment in PEPFAR, yet the increasing burden of this reporting causes a direct strain on the time available for the actual field monitoring of U.S. Government-funded programs." Seemingly in response, a different post noted that S/GAC frequently says that "Congress wants it." However, the post stated, "If this is really coming from Congress, then it is also the responsibility of S/GAC and PEPFAR field personnel to educate Congress regarding the trade-offs that arise with the increasing call for more information, which will most likely be a progressive deterioration in terms of the accuracy, reliability, reproducibility, relevancy, and sustainability of the collected data."

4. Does post have sufficient resources and expertise to support the PEPFAR effort (including human resources, financial management, general services, facilities, and other ICASS services)? What more is needed?

By far, most posts said they lacked adequate support, or that they currently were getting by but expected to need more support as PEPFAR grew and negotiated PEPFAR agreements. The responses used words such as seriously understaffed, under-resourced, and challenged. Posts gave specific examples of their needs, many a result of cost increases over the last 4 years. The most urgent needs were for human resources support, office space, and certain financial functions. Several posts also mentioned the need for motorpool support.

Some posts had adequate ICASS support. One post said it had sufficient ICASS service support, but needed technical leadership. Another said simply that it did not lack ICASS support. One post had just received ICASS approval for 10 new LE staff positions. A Southeast Asian post said it could manage because the home offices for all of the agencies had been extremely supportive.

The lack of support had ramifications. In one country, the COM put a hold on any new program positions until the post had enough ICASS support staff to adequately assist the current number of direct-hire positions. Future staffing positions there would be made on condition that the post's administrative ICASS platform, including housing and office space, could support an increase.

A creative solution for budget help at one post was that PEPFAR provided funding to hire an additional budget analyst for the budget office. The staff position would report to the head of the budget office and devote 80 percent of their time to overseeing PEPFAR-related issues. The remaining 20 percent of time was allocated to the budget office. The response said, “This approach would allow for PEPFAR items to be monitored more closely and deeply while lessening the overall demand on current budget office staff.”

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

The responses show overwhelmingly that PEPFAR has had positive results in most countries on bilateral relations. The program has been welcomed and supported by most governments, and recipients of the program are appreciative. In many cases, PEPFAR has improved the bilateral relations. One respondent said that under the previous Ministry of Health leadership, the relationship was negative, but with the new Ministry Of Health leadership it has markedly improved. One post quoted its former Ambassador as saying, “Because of programs supported by the American people, [the country] has come to view Americans as friends, advocates, and allies on the frontlines and at the forefront of the AIDS crisis...”

Some posts described how other assistance programs in the country had been affected. A Southeast Asian country explained that the introduction of the foreign assistance budgeting process had “basically pitted one program area against another so the PEPFAR funds have displaced critically needed material and child program funds.” Another post said that other assistance programs had not been affected. Good collaboration was seen at one post where PEPFAR “works collaboratively with the United Nations Population Fund (UNFPA), United Nations Children’s Fund (UNICEF) and Pan American Health Organization (PAHO)...With so many active programs, [the country] has felt the impact of the PEPFAR dollar in a broader capacity than if PEPFAR were working alone in this effort.”

At one post, PEPFAR and the Millennium Challenge Compact worked together to strengthen synergies between the two programs. At another, PEPFAR “has helped consolidate development partners and to look closely at each others’ activities so as not to duplicate efforts.” Similarly, at another post, “the fact that the PEPFAR program dominates other bilateral assistance in the health sector has allowed other donors to focus their resources in other areas.”

There were insightful responses concerning problems or less-than-positive aspects of the program. At one post, since most of the funds are channeled through nongovernmental organizations and contractors, sometimes U.S. Government efforts are seen as not integrated into the national framework. Reduced budget levels caused significant concern within one Ministry of Health and U.S. Government HIV partners, and it jeopardized care. The government of one PEPFAR country compared its small amount of funding with that of its regional neighbors; this caused “friction and misunderstanding at the political and diplomatic levels.” In several instances, one government had asked for support that could not be provided.

One post said that as the program moves forward, Partnership Compact negotiations are expected to be challenging and time-consuming, although potentially with great rewards. Another said there was a positive effect (improving health systems) and a negative one (hiring staff away from the Ministry of Health). The post noted it was participating in a multi-country evaluation to better understand and assess the attributes and limitations of global health initiatives such as PEPFAR, to see whether they are having a lasting impact on the various components of the nation’s health systems.

6. What challenges are there to the future sustainability and eventual assumption of host country responsibility for this program?

Every respondent listed challenges to future sustainability. While the challenges were great, most posts expressed hope that eventually they would be able to turn over the PEPFAR program to the host government and listed the incremental steps needed to be taken. Other posts were less optimistic for the medium-term. The first transitional step was to move from direct implementation to technical assistance.

Frequently mentioned challenges were:

- Scarce technical resources
- Lack of medical professionals (one country needed 700 percent more nurses)
- Undeveloped national health system
- Economic crises
- No coordinated prevention campaign
- Limited political will of country
- Reduced PEPFAR funding, making budgeting and planning difficult
- Weak management
- Corruption

One post summed up the financial problem: “The worldwide economic downturn is affecting local budgets as well as Washington budgets and the costs are becoming more burdensome.” In light of these challenges, one post underlined “the ethical responsibility that comes with ensuring that there is a continuum of care.”

On a positive note, a Southeast Asian post said that by providing high-level technical support and developing civil society it gained a partner in the host government that could provide technical support to other countries in the region and “even in Africa.”

7. Describe the extent or form of public diplomacy activity devoted to PEPFAR.

Public diplomacy is a vital part of the PEPFAR program at posts, according to a majority of the responses. Many public affairs officers are considered integral members of the PEPFAR interagency teams. They are involved in disseminating information about the program through such avenues as the media, conferences, and site visits. One post with a large public diplomacy program hired a public diplomacy PEPFAR assistant to work with grant management, and programs and events. Some posts reported public diplomacy was done by the entire PEPFAR team. One post uses its public outreach working group to coordinate public diplomacy activities.

In addition, ambassadors and other post personnel contribute to the awareness campaign, giving speeches, making visits, and talking to the media. At one post, an “extremely effective initiative” was a campaign organized by the Peace Corps volunteers under the Ambassador’s stewardship. One Ambassador said he actively participated and gave formal addresses at numerous, widely publicized events including the openings of new hospitals and regional blood donor centers. In his case, many of the events were attended by the nation’s president or senior officials and received wide press coverage. Other respondents gave similar examples of the COM role in public diplomacy.

Other public diplomacy techniques mentioned were:

- Music videos and television soap operas with HIV/AIDS messaging
- Public diplomacy provided-funding for visits to PEPFAR sites
- Visits by senior embassy staff and congressional delegations
- World AIDS Day activities at consulates and American centers
- “Embassy Road Show” events outside the capital city
- Use of PEPFAR public diplomacy grants through partners (media, arts, sports, education, speakers)

- Bureau of International Information Programs speaker tours, digital video-conferences, and International Visitor leadership programs
- A poster contest
- A mission PEPFAR calendar

On the other hand, there were also less positive responses on the subject of public diplomacy. One post in Southeast Asia that does not receive large sums for the PEPFAR program noted that PEPFAR materials produced by S/GAC “seldom mention [the country].” The post said its success “goes virtually unnoticed by S/GAC” and that little acknowledgement by S/GAC in reports and high level visits makes public diplomacy about PEPFAR difficult. A small post answered simply that its public diplomacy efforts were “very limited.” Another post had high hopes for its new communications strategy, but it was not yet fully operational. Finally, one post was using public diplomacy and good media coverage on PEPFAR but had to combat the host government’s perception that its own economic collapse was due to U.S. Government sanctions.

8. Please include any additional thoughts you have on future challenges of this program.

Five of the 23 posts had no additional comments. Those with additional thoughts followed up on issues mentioned earlier in the questionnaire:

- The need to couple support of mainstream HIV/AIDS activities with creative wrap around programs that truly aid all aspects of life for the HIV-positive individual;
- The most immediate challenge of negotiation of the Partnership Compact;
- Reconciling a host government’s goal of universal access to antiretroviral treatment for eligible individuals and its goal of using more expensive ARV medications and more expensive laboratory-based monitoring;
- The possibility of PEPFAR becoming a humanitarian and ethical liability if budgets are cut precipitously leading to a decline in the quality or quantity of services; and
- The need for a broad primary health care approach that focuses on health systems and a wider range of diseases.

Some posts also had specific suggestions for S/GAC's role:

- Limit S/GAC's approval to the strategic level and leave the rest to the people on the ground;
- Change the reporting requirements or leave staff burned out;
- Drastically reduce reporting demands in the next phase when countries take more responsibility;
- Continue to function with a significant degree of autonomy and play the crucial role of neutral arbiter in the interagency process; and
- Create behavioral expectations at the headquarters level and engage in conflict resolution among the headquarters interagency team.

FRAUD, WASTE, ABUSE, OR MISMANAGEMENT
of Federal programs
and resources hurts everyone.

Call the Office of Inspector General
HOTLINE
202-647-3320
or 1-800-409-9926
or e-mail oighotline@state.gov
to report illegal or wasteful activities.

You may also write to
Office of Inspector General
U.S. Department of State
Post Office Box 9778
Arlington, VA 22219
Please visit our Web site at:
<http://oig.state.gov>

Cables to the Inspector General
should be slugged "OIG Channel"
to ensure confidentiality.

~~SENSITIVE BUT UNCLASSIFIED~~

~~SENSITIVE BUT UNCLASSIFIED~~