OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID/NAMIBIA'S HIV/AIDS EFFORTS TO BUILD HEALTH WORKFORCE CAPACITY

AUDIT REPORT NO. 9-000-11-001-P
February 24, 2011

WASHINGTON, D.C.

Office of Inspector General

February 24, 2011

MEMORANDUM

TO: USAID/Namibia, Acting Mission Director, Debra Mosel

FROM: IG/A/PA Acting Director, Michael W. Clinebell /s/

SUBJECT: Audit of USAID/Namibia's HIV/AIDS Efforts to Build Health Workforce Capacity (Report No. 9-000-11-001-P)

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

The report contains two audit recommendations to strengthen the mission's human resources for health activities of its HIV/AIDS program. On the basis of information provided by management in response to the draft report, we determined management decisions have been reached on both recommendations. Determination of final action on these recommendations will be made by the Audit, Performance and Compliance Division on completion of the planned corrective actions.

I appreciate the cooperation and courtesy extended to my staff during the audit.

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SUMMARY OF RESULTS

The United States provides funds to combat the global HIV/AIDS epidemic through the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), signed into law in 2003.[1] The initial PEPFAR strategy focused on establishing and scaling up prevention, care, and treatment programs. During its first phase, PEPFAR supported the provision of treatment to more than 2 million people; care to more than 10 million people, including more than 4 million orphans and vulnerable children; and counseling and testing services for the prevention of mother-to-child transmission during nearly 16 million pregnancies.

In 2008, Congress authorized $48 billion to combat global HIV/AIDS, tuberculosis, and malaria for 5 additional years, from 2009 through 2013, of which $39 billion was set aside for HIV/AIDS programs.[2] This reauthorization initiated Phase Two of PEPFAR, intended to expand access to prevention, care, and treatment and promote sustainable health systems in recipient countries. Under the reauthorization, PEPFAR seeks to improve six core health system functions: service delivery; human resources for health (HRH); medical products, vaccines, and technologies; information; governance; and finance.

With an estimated 2008 HIV prevalence rate[3] of about 15 percent, mostly affecting the country's poorer, rural regions, Namibia faces a major obstacle as it addresses the HIV/AIDS epidemic: a shortage of trained health system workers, such as doctors and pharmacists. PEPFAR's efforts in Namibia aim to decrease this shortage by developing HRH capacity. HRH activities help build the health workforce[4] and address its distribution, density, and performance. Specifically, the HRH activities in Namibia include:

- Pharmaceutical sector strengthening.
- Development of curriculum.
- Development of human resource information systems.
- Provision of scholarships for health workers.
- Training of home-based care workers.
- Technical assistance in areas such as building the capacity of Namibian ministries and strengthening the Namibian supply chain.
- Direct funding of salaries for health workers including nurses, pharmacists, and other professional staff that support Namibia's Ministry of Health and Social Services[5] and

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[1] The United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003, Public Law 108-25, 117 Stat. 711.

[2] Section 401 of the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008, Public Law 110-293, 122 Stat. 2918.

[3] The prevalence rate is the percent of people living with the disease at a specified point in time. The rate given here is for adults aged 15 to 49. The comparable rate for sub-Saharan Africa was 5.2 percent in 2008.

[4] The World Health Organization defines the health workforce as "all people engaged in actions whose primary intent is to enhance health." In the context of this report, the term "health workers" refers to health professionals such as doctors and nurses, health associate professionals such as pharmacy assistants, home-based personal care workers, and health-related professionals such as social workers.

[5] The Ministry of Health and Social Services was established to provide efficient, cost-effective, appropriate, and comprehensive quality health and social welfare services at all levels of care.

Ministry of Gender Equality and Child Welfare.[6]
- Implementation of task shifting.[7]

From FY 2007 to FY 2009, the United States appropriated about $300 million for HIV/AIDS activities in Namibia, of which USAID/Namibia had spent about $39 million on investments in health workers. Table 1 details the spending on human resources for health under USAID/Namibia's HIV/AIDS program.

Table 1. USAID/Namibia's Human Resources for Health Spending by Category (unaudited) ($)

HRH Category	FY 2007	FY 2008	FY 2009	Total
Salary for health workers	8,960,539	10,623,273	12,316,823	31,900,635
Curriculum development	486,704	700,143	440,501	1,627,348
Training	1,123,167	1,321,669	1,900,936	4,345,772
Need-based scholarships or grants	0	5,501	56,856	62,357
Policy/advocacy costs	147,060	261,459	559,950	968,469
Total	**10,717,470**	**12,912,045**	**15,275,066**	**38,904,581**

This audit was conducted to answer the following question: Have USAID/Namibia's efforts improved the capacity of the Namibian health system's workforce to address the HIV/AIDS epidemic?

This audit found that USAID/Namibia's HRH activities have:

- Improved pharmaceutical sector capacity, governance, management systems, and access to essential commodities.
- Developed and expanded the social work sector after conducting a staffing analysis.
- Provided technical training along with requisite tools for community health system workers.
- Directly funded the salaries of 3,658 health workers who work in the Namibian Government, faith-based public health facilities, rural communities, and training facilities.

Taken together, both the direct support of health workers and the health system strengthening efforts have improved the capacity of the Namibian health system's workforce to address the HIV/AIDS epidemic. However, USAID/Namibia lacks two critical program elements: a transition plan for shifting the cost of workers' salaries to Namibian entities, and baseline data, indicators, and targets for HRH activities.

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[6] The Ministry of Gender Equality and Child Welfare was established to address women's equality and the welfare of orphans and vulnerable children.

[7] Task shifting is a process whereby a lower-level health worker, such as a pharmacy assistant, performs the nonspecialist tasks of a higher-level health worker, such as a pharmacist, enabling the pharmacist to do more specialist work.

According to PEPFAR guidance, programs that use U.S. Government funding to pay the salaries of employees of host-country governments and nongovernmental organizations must have a transition plan to ensure that salary payments for health workers—which in FY 2009 accounted for 80 percent of all HRH expenditures by USAID/Namibia ($12,316,823 out of $15,275,066)—can be absorbed by host-country institutions. However, although USAID/Namibia is working with other U.S. Government agencies on a transition plan, no plan exists that clearly outlines a transition away from U.S. Government assistance (pages 4–5).

Furthermore, USAID/Namibia is unable to assess the contribution of its HRH activities throughout the Namibian health system to improving capacity. Currently, USAID/Namibia uses PEPFAR indicators established by the U.S. Department of State's Office of the Global AIDS Coordinator to monitor its HRH activities. Although these output indicators may be helpful in monitoring HRH activities, they do not measure the mission's contribution to strengthening the Namibian health system. At present, outputs being monitored—for example, the number of new health workers who graduated from a preservice training institution—do not tie to a starting point (baseline) of USAID/Namibia's HRH activities; a starting point is needed to determine whether the cumulative efforts have resulted in positive outcomes such as improved health service delivery. Consequently, USAID/Namibia does not know whether its support through salaries and training of health workers has resulted in better outcomes (pages 5–6).

This audit makes two recommendations to address these problem areas:

- USAID/Namibia, in conjunction with U.S. Government agencies, the Namibian Government, and civil society, needs to establish and implement a plan to transfer strategic and financial responsibilities for HRH investments to the host government or civil society (page 5).

- USAID/Namibia needs to establish baselines and develop indicators and targets to measure the progress and achievement of its human resources for health activities, and include the measures in its performance management plan (page 6).

In response to this report, USAID/Namibia agreed with both recommendations and presented plans for corrective action by January, 2012. On the basis of information provided by the mission in response to the draft report, we determined that management decisions have been reached on the recommendations.

Detailed audit findings appear in the following section. Appendix I contains a discussion of the audit's scope and methodology. Our evaluation of management comments appears on page 7, and the full text of management comments is in Appendix II.

AUDIT FINDINGS

Transition Plan Needed for the Absorption of USAID-Supported Health Workers

According to USAID's *Guidance on the Definition and Use of the Global Health and Child Survival Account*, HIV/AIDS funds for HRH activities can be used to support the salaries of health workers. The guidelines stipulate that if HIV/AIDS funds are used to hire personnel to work in the host-country government or in nongovernmental organizations, a transition plan is needed to ensure that those on salary support can be absorbed by non-U.S. Government resources.

Clearly, USAID/Namibia is using HIV/AIDS funds to support health workers' salaries. In FY 2009, salaries for health workers accounted for 80 percent of all HRH expenditures by USAID/Namibia—$12,316,823 out of $15,275,066. Salary support costs increased by 37 percent from FY 2007 to FY 2009. USAID/Namibia currently supports salaries for 3,658 health workers, largely community-based health workers and support staff implementing HIV/AIDS activities. USAID's support by category for health workers for FY 2010 is shown in Table 2.

Table 2. Health Workers Supported by USAID/Namibia (unaudited)

Health Worker Category	Position Types	Number Supported
Clinical services	Nurses, pharmacists	166
Community services	Volunteers, social workers	3,173
Managerial and support	Administrative assistants/clerks, accountants, drivers, cleaners	319
Total		**3,658**

Although USAID guidance requires a transition plan for shifting the salary costs to Namibian entities, no transition plan exists. The plan has been delayed because stakeholders cannot come to a decision on a staffing strategy. Mission officials suggested that any plan to transfer health workers—many of whose positions were created by PEPFAR—to Namibian payrolls would need to include input from both the Namibian Government and civil society to determine which U.S. Government-supported positions would be absorbed by the Namibian Government, which positions would be absorbed by civil society, and which positions would be phased out.

Furthermore, the Namibian Government needs to revise its staffing structure. The current structure is outdated and does not include lower-level categories such as community-based health workers and volunteers. A June 2008 Namibia Health and Social Services System Review, prepared under the Health Systems 20/20 Project, noted the outdated staffing structure and recommended that the Ministry of Health and Social Services revise the staffing structure to include the lower-level categories. While the Ministry of Health and Social Services is aware of

the outdated structure, the ministry has yet to update it, further contributing to the delay in implementing a transition plan.

Without a transition plan, USAID/Namibia will continue paying health worker costs indefinitely, which is unsustainable. The mission supports portions of the Namibian health system narrowly targeted at addressing HIV/AIDS without knowing whether those HRH salaries fit within the current government structure or civil society—meaning that the positions may be abolished and the money spent on them wasted. This lack of clarity creates uncertainty for all stakeholders—including donors, health workers, and the Namibian people—as to which parties will ultimately be responsible for funding future health worker salaries in Namibia. To address this problem, we make the following recommendation.

> ***Recommendation 1.*** *We recommend that USAID/Namibia, in conjunction with U.S. Government agencies, the Namibian Government, and civil society, establish and implement a plan to transfer strategic and financial responsibilities for human resources for health activities to the host government or civil society.*

Baseline Data, Indicators, and Targets Needed to Measure Progress and Achievement of Human Resources for Health Activities

USAID policy gives guidance on developing and implementing performance management plans (PMPs). According to Automated Directives System (ADS) Chapter 203, "Assessing and Learning," performance monitoring reveals whether desired results are occurring and whether outcomes are on track.[8] That is, performance monitoring uses indicators chosen in advance of activities to measure progress toward planned results. Performance monitoring is an assessment tool involving (1) identifying indicators, baselines, and targets, (2) collecting results data, and (3) comparing actual performance with targets. Specifically, ADS 203.3.3 requires assistance objective teams to prepare a complete PMP for each assistance objective for which they are responsible, and notes that:

> The purpose of this requirement is to establish indicators that will provide accurate baseline data on the initial program or project/activity conditions. As the project unfolds, management can measure the degree of change. While a solicitation instrument may include a preliminary PMP, once the award is executed the project staff must complete the PMP, with relevant indicators and baseline data, within the first few months and before major project implementation actions get underway.

USAID/Namibia did not establish baseline data or include relevant indicators and targets in its PMP to measure the progress and results of its HRH investments in the Namibian health system. The outputs it was monitoring did not tie to a starting point (baseline) of USAID/Namibia's HRH activities, making it impossible to determine whether the cumulative efforts have resulted in positive outcomes such as better health service delivery. Consequently, USAID/Namibia does not know whether its support through salaries and training of health workers has resulted in better outcomes.

[8] ADS 203.3.2.

The output indicators used were established by the U.S. Department of State's Office of the Global AIDS Coordinator to monitor its HRH activities. Indicators include *number of new health workers who graduated from a preservice training institution*, *number of community health and parasocial workers who successfully completed a preservice training program*, and *number of health workers who successfully completed an in-service training program*.

Although these output indicators may be helpful in monitoring HRH activities, they do not measure the mission's contribution to strengthening the Namibian health system. The main reason HRH activities do not have indicators other than output indicators is that stakeholders, such as USAID, the Global Fund, and the World Health Organization, have not agreed on how to measure the progress of HRH activities.[9] According to the October 2009 USAID report to Congress, *Sustaining Health Gains—Building Systems*:

> The global community has yet to reach a consensus on internationally approved indicators and benchmarks to measure HSS [Health Systems Strengthening]. The lack of consensus surrounding a set of tested and accepted indicators related to health systems hinders efforts to track progress and demonstrate evidence-based results of investments in health systems.

Despite the absence of mutually agreed-on indicators, USAID/Namibia needs to establish HRH baseline data and include indicators and targets in its PMPs to measure progress and achievement (outcomes) and to comply with ADS 203.3.3.

To address this problem, we make the following recommendation.

Recommendation 2. *We recommend that USAID/Namibia establish baselines and develop indicators and targets to measure the progress and achievement of its human resources for health activities, and include the measures in its performance management plan.*

[9] The World Health Organization's *Toolkit on Monitoring Health Systems Strengthening for HRH* contains four possible indicators to evaluate country actions for strengthening the health workforce: *health worker density per 10,000 population*; *distribution of health workers* (by geographical area, place of work); *rate of retention of health service providers at primary health-care facilities in the past 12 months*; and *proportion of nationally trained health workers*. HRH is a component of Health Systems Strengthening.

EVALUATION OF MANAGEMENT COMMENTS

USAID/Namibia agreed with both recommendations. Based on an evaluation of management comments, a management decision has been reached on each recommendation. Determination of final action on these recommendations will be made by the Audit, Performance and Compliance Division on completion of planned corrective actions.

Recommendation 1. The mission agreed with the recommendation to establish and implement a plan to transfer strategic and financial responsibilities for HRH investments to the Namibian Government or civil society. To accomplish this objective, USAID/Namibia indicated it would work with the U.S. Government team in Namibia to develop a strategy for transferring PEPFAR-supported staff to the host country. By March 2011 the mission planned to complete an inventory of U.S. Government-supported positions that could be potentially transferred. USAID/Namibia anticipated that the first phase of the HRH transition would be submitted to the Namibia Government for approval in April 2011. As for civil society, USAID/Namibia pointed to a lack of sufficient funding as a hindrance to transferring HRH investments. To address this, the mission was working with civil society partners on strategies to mobilize resources through partnerships with the private sector and involvement of other donors. The mission will detail all actions for the HRH transition in the upcoming Partnership Framework Implementation Plan, to be drafted by October 31, 2011. The mission gave this date as the target date for completion of planned corrective action. On the basis of the mission's described actions, we consider that a management decision has been reached on Recommendation 1.

Recommendation 2. The mission agreed with the recommendation to establish baselines and develop indicators and targets to measure the progress and achievement of its HRH activities. The mission said it would revise its PMP to include HRH indicators and targets and would tailor HRH indicators for implementing partners' PMPs and evaluations; the data obtained from partners' PMPs will be used to develop baselines for the mission's PMP. The target date for completion of the planned corrective action for this recommendation is January 2012. On the basis of the mission's described actions, we consider that a management decision has been reached on Recommendation 2.

Management comments are presented in their entirety in Appendix II.

SCOPE AND METHODOLOGY

Scope

The Office of Inspector General conducted this performance audit in accordance with generally accepted government auditing standards.[10] Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions in accordance with our audit objective. We believe that the evidence obtained provides that reasonable basis. The purpose of the audit was to determine whether USAID/Namibia's efforts have improved the capacity of the Namibian health system's workforce to address the HIV/AIDS epidemic.

The audit fieldwork was performed from February 8 to April 8, 2010, at USAID's offices in Namibia and Washington. The audit focused on HRH aspects of six active HIV/AIDS programs funded by USAID/Namibia during FYs 2007–9.

We visited and observed several of the mission's implementing partners' projects and conducted site visits in Ondangwa, Oshakati, Onayena, Onandjokwe, and Oshikango. We also met with officials in various government ministries.

As part of the audit, we assessed the management controls used by USAID/Namibia to monitor program activities. The assessment included controls related to documentation, supervisory review, and separation of duties. We also reviewed the mission's FY 2009 report required by the Federal Managers' Financial Integrity Act of 1982.[11]

Methodology

To answer the audit objective, we worked with the mission's Office of HIV/AIDS to identify the six active programs funded by USAID/Namibia that had HRH components. A program was defined as having an HRH component if it spent funds in any of these areas: salary support, curriculum development, training, bursary,[12] or policy and advocacy. (See Table 1 on page 2.)

The programs reviewed include:

- Community REACH (Rapid and Effective Action Combating HIV/AIDS) Leader with Associates Awards, implemented by Pact, Inc.
- Namibia HIV Prevention, Care, and Support, implemented by IntraHealth International
- Rational Pharmaceutical Management Plus, implemented by Management Sciences for Health
- Supply Chain Management System, implemented by the Partnership for Supply Chain Management

[10] *Government Auditing Standards*, July 2007 Revision (GAO-07-731G).

[11] Public Law 97-255, as codified in 31 U.S.C. 1105, 1113, and 3512.

[12] Bursary refers to scholarships or grants for students with financial need.

- Tuberculosis Control Assessment Program, implemented by KNCV Tuberculosis Foundation
- Health Care Improvement Project–Task Order 3, implemented by University Research Company

To determine the extent to which USAID/Namibia's efforts have improved the capacity of the Namibian health system's workforce to address the HIV/AIDS epidemic, we interviewed officials from the Office of HIV/AIDS at USAID/Namibia and the PEPFAR coordination team. Additionally, we met with officials in several Namibian Government ministries receiving HRH assistance: Office of the Prime Minister, Ministry of Health and Social Services, and Ministry of Gender Equality and Child Welfare. Further, we interviewed representatives of each of the six implementing partners with HRH-related activities as part of their programs.

The audit team also reviewed documents relevant to each of the programs with HRH components. The documentation reviewed included strategic and operational plans, award documents, indicator reporting documents, annual work plans, annual and quarterly progress reports, salary support contracts, and bursary contracts.

To address the objective, the audit team performed outside research and interviewed subject matter experts from the Office of the Global AIDS Coordinator; USAID Bureau for Global Health, Office of HIV/AIDS; and USAID Bureau for Africa. Using the information gathered, the team (1) assessed the impact that salaries set under USAID/Namibia programs had on sustainability, (2) reviewed the status of the transition plan in process between stakeholders, (3) reviewed the impact of HRH investments by functional area (e.g., task shifting, pharmacology).

To assess USAID/Namibia's administration of its HRH activities, the audit team used the following criteria: USAID's Automated Directives System, USAID's "Strategy for Sustainable Development: An Overview," USAID's *Guidance on the Definition and Use of the Global Health and Child Survival Account,* the World Health Organization's *Toolkit for Monitoring Health Systems Strengthening,* and the *Handbook on Monitoring and Evaluation of Human Resources for Health* by USAID, WHO, and the World Bank.

MANAGEMENT COMMENTS

Memorandum
February 3, 2011

To: **Michael W. Clinebell, Acting Director, IG/A/PA**

From: **Melissa Jones, Health and HIV/AIDS Office Director /s/**

Subject: **Mission Comments on the Audit Report 9-000-11-00X-P: Audit of USAID/Namibia's Efforts to Address Critical Shortages in Trained HIV/AIDS Health Workers**

This memorandum contains USAID/Namibia's management comments to the revised subject audit report transmitted on December 22, 2010.

Recommendation No. 1: USAID/Namibia, in conjunction with U.S. Government agencies, the Namibian Government, and civil society, needs to establish and implement a plan to transfer strategic and financial responsibilities for HRH investments to the host government or civil society.

USAID concurs with this recommendation. USAID/Namibia will embark upon the following plan for corrective action. Where feasible, the Mission will work with the USG team to develop a concerted strategy for transitioning PEPFAR-supported staff to the host country. Specifically, the team will work to gradually transition PEPFAR supported staff to the Government of the Republic of Namibia (GRN) and if possible to civil society without interruption of service delivery. It is anticipated that positions will be more readily transferred to the host government compared to civil society. This is because many civil society organizations lack access to sufficient funding streams to maintain many of the positions that were created under PEPFAR. We seek additional clarification from the Office of the Global AIDS Coordinator and USAID/HQ on transitioning PEPFAR positions to civil society.

Under the Partnership Framework, the United States Government has engaged the National Planning Commission, Ministry of Health and Social Services, and Public Service Commission (PSC) to address the importance for transition. To further facilitate this process, the GRN has articulated its need for specific details on PEPFAR-supported positions in order to begin the transition process. Over the next three months (January-March, 2011) the USG team, including USAID/Namibia, will complete an inventory of USG supported positions that could be potentially transitioned to the host government. In April 2011, draft criteria for transition will be established and the first phase of this HRH transition will be submitted for PSC approval. In addition to working with the GRN, USAID/Namibia is working with its civil society partners to explore alternative resource mobilization strategies, including stronger partnerships with the private

sector, to sustain their programs and needed personnel. USAID/Namibia will to work with other donors to identify areas of joint collaboration in support of the GRN and civil society efforts for sustainability and country ownership.

Further, all of these actions related to the HRH transition will be articulated in greater detail as part of an overall HRH plan which will be included in the upcoming five year USG-GRN Partnership Framework Implementation Plan (PFIP).

In reference to the need to propose a target date to confirm that a management decision has been reached, the Mission proposes a date of **October 31, 2011** for GRN positions only. We seek greater clarity from USAID/HQ RE: civil society positions and will be able to report back in October on any future direction or recommendations. Finally, we anticipate that the PFIP will be drafted by October 31, 2011. In our view, the PFIP will meet the core needs of the Audit's recommendation.

Recommendation No. 2: *:* We recommend that USAID/Namibia establish baselines and develop indicators and targets to measure progress and achievement for its human resources for health activities, and include the measures in its performance management plan.

USAID/Namibia concurs with this recommendation; however, it should be recognized that high-level aggregate HRH indicators have not been identified globally or by USAID/HQ. While our Office will work to develop such indicators and targets for the Mission's overall performance management plan, given the unique nature of each implementing partner's HRH activities—it is easier to track HRH progress and achievement by developing tailor-made indicators for each partner's performance monitoring plan (PMP). Nevertheless, we will work at both levels; we will revise the overall Mission PMP to include HRH indicators and targets by October 31st, 2011 and we will also include HRH indicators in all implementing partner performance monitoring plans (PMPs) and evaluations. Work on the latter level has already begun. After the indicators and targets for the Mission's performance management plan are defined, baseline data will be collected from partners and analyzed by January 2012 — this data will then be included in the Mission PMP.

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