

OFFICE OF INSPECTOR GENERAL
U.S. Agency for International Development

President's Malaria Initiative in Africa: USAID Did Not Implement Its Strategy to Prioritize High-Burden Countries

Audit Report 4-000-25-001-P
February 26, 2025

Audit



Office of Audits, Inspections, and Evaluations



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

DATE: February 26, 2025

TO: USAID Bureau for Global Health, Acting Assistant Administrator, Nicholas Enrich

FROM: Assistant Inspector General for Audits, Inspections, and Evaluations, Toayoa Aldridge /s/

SUBJECT: President's Malaria Initiative in Africa: USAID Did Not Implement Its Strategy to Prioritize High-Burden Countries

This memorandum transmits our final audit report. Our audit objective was to determine the extent to which USAID implemented the President's Malaria Initiative Strategy to prioritize high-burden malaria countries in Africa. In finalizing the report, we considered your comments on the draft and included them in their entirety, excluding attachments, in Appendix C.

The report contains three recommendations to ensure that USAID documents a strategic budgetary process that supports its malaria strategy. After reviewing information you provided in response to the draft report, we consider Recommendation 2 closed. We consider Recommendations 1 and 3 resolved but open pending completion of planned activities. For Recommendations 1 and 3, please provide evidence of final action to the Audit Performance and Compliance Division.

We appreciate the assistance you and your staff provided to us during this audit.

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Report in Brief

Why We Did This Audit

Malaria, the world's deadliest mosquito-borne illness, is a longstanding health problem that leads to over half a million deaths annually. Africa had 95 percent of all malaria cases and 96 percent of deaths in 2022.

The USAID-led U.S. President's Malaria Initiative (PMI) has been a key player in the fight against malaria. USAID has invested over \$9 billion since PMI's inception in 2005 to help partner countries fight the disease. In fiscal year (FY) 2024 alone, Congress appropriated \$795 million to USAID for malaria control and elimination.

As PMI's lead agency, USAID develops a comprehensive malaria strategy every 5 years. The most recent version identified six "strategic shifts" from its previous strategy. Our audit focused on the Agency's shift to prioritizing countries with the highest burden of malaria and death.

The objective for this audit was to determine the extent to which USAID implemented the PMI Strategy to prioritize high-burden malaria countries in Africa. Specifically, we sought to determine whether the Agency's resource allocation process resulted in changes in funding for the 14 high-burden countries identified in the Strategy and whether existing budget and planning processes prioritized high-burden countries.

What We Recommend

We made three recommendations to ensure that USAID documents a strategic budgetary process that supports its malaria strategy. The Agency agreed with two recommendations and partially agreed with one.

What We Found

USAID's allocation of funding for the 14 high-burden countries in Africa remained flat under its 2021–2026 Strategy. These countries accounted for about 81 percent of the total deaths and malaria cases that occurred within the 27 countries included in PMI. However, the 14 countries received only about 50 percent of USAID's malaria funds in FY 2023—the same percentage they received in FYs 2020 and 2021 under the previous PMI Strategy that did not include a shift to prioritize high-burden countries.

The U.S. Global Malaria Coordinator did not use his authority to adjust funding allocations to the high-burden countries. The Coordinator can adjust final budget levels for individual country programs to ensure that strategic priorities are met. In FY 2023, USAID received a \$20 million budget increase from the previous year for malaria control and elimination activities, yet none of the 14 high-burden countries received a year-over-year increase in funding. Rather, the Agency used the funds for other PMI priorities, such as expansion to additional countries.

USAID failed to document budget and resource priorities during strategy development. As a general principle, strategic planning and budget plans should work closely together to ensure stated objectives are achieved, and strategic plans should document that alignment. According to USAID officials, documenting how changes to strategic objectives impact resource allocations across countries within PMI was not part of their strategy development or implementation processes.

Introduction

Malaria, the world’s deadliest mosquito-borne illness, is a longstanding problem that causes over half a million deaths annually. It was eliminated in the United States by 1951, yet almost half of the world’s population is still at risk. Malaria is preventable and treatable, but if not treated promptly the illness can become severe and rapidly lead to death. The World Health Organization (WHO) reports that malaria disproportionately affects women and children from the poorest communities around the world.

The President’s Malaria Initiative (PMI) is the U.S. government’s largest program targeting malaria control and elimination. PMI is a multi-agency initiative, led by the U.S. Agency for International Development (USAID) and co-implemented with the U.S. Department of Health and Human Services’ Centers for Disease Control and Prevention. PMI works to expand access to malaria-fighting tools, support frontline and community health workers, and strengthen health systems across 27 partner countries in Sub-Saharan Africa and Southeast Asia. In fiscal year (FY) 2024, Congress appropriated \$795 million for malaria control and elimination to USAID, the lead implementing agency that funds PMI’s activities. Since PMI’s inception in 2005, the United States has invested over \$9 billion in the effort to help partner countries fight the disease.

While malaria is active in many countries, its prevalence in Sub-Saharan Africa is greatly disproportionate to the rest of the world. In 2022, the continent was home to 95 percent of all malaria cases and 96 percent of malaria-related deaths. In 2023, the WHO reported that just four African countries—Nigeria (27 percent), the Democratic Republic of the Congo (12 percent), Uganda (5 percent), and Mozambique (4 percent)—accounted for almost half of all cases globally.

In 2019, WHO issued a call for international donors to refocus attention on the countries hardest hit by malaria, warning that “continuing with the status quo will take us further off track in the fight against this deadly disease.” WHO noted that with high malaria transmission rates, efforts to increase interventions resulted in marked reductions in morbidity (cases) and mortality rates (deaths).

On October 6, 2021, USAID announced the launch of a new malaria strategy for its 27 partner countries. The 5-year *PMI Strategy 2021–2026: End Malaria Faster* (Strategy) was consistent with WHO’s approach to focus on countries hardest hit by malaria. Instead of targeting all supported countries equally, USAID’s plan designated 14 of its partner countries—all located in Africa—as “high burden”¹ and targeted them in two of their three strategic objectives to significantly reduce malaria deaths and malaria cases. In 2021, the 14 countries accounted for about 81 percent of the total malaria cases and deaths in the 27 countries covered by the Strategy.

This audit is a part of our coordinated HIV, Tuberculosis, and Malaria audit plan and is our first examination of USAID’s efforts to provide resources to the countries most affected by malaria.²

¹ High-burden countries are countries with malaria prevalence (infection rate) greater than 20 percent among the at-risk population and all-cause child mortality greater than 70 per 1,000 live births in 2015.

² [Fiscal Year 2022 Inspectors General Coordinated Oversight Plan for Foreign Assistance to Combat HIV/AIDS, Tuberculosis, and Malaria](#), August 2021.

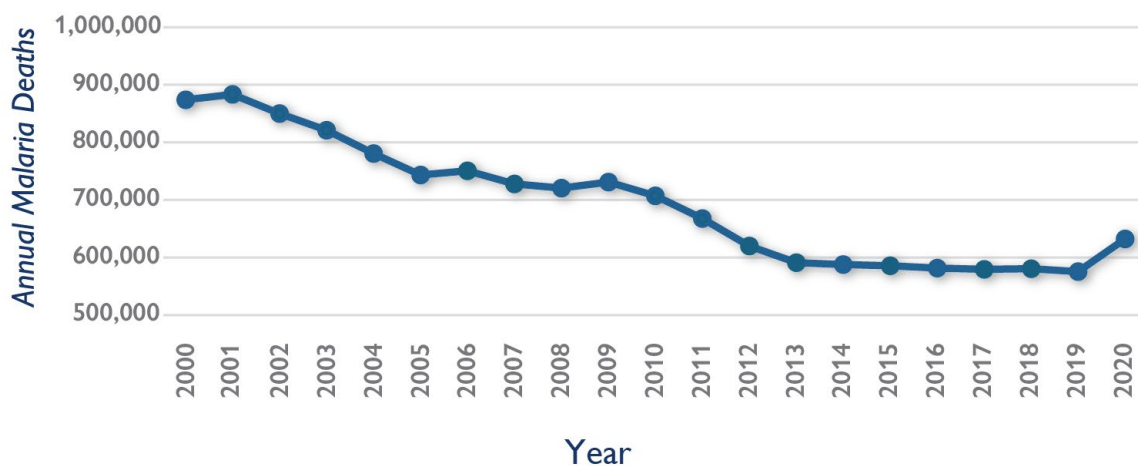
Our audit objective was to determine the extent to which USAID implemented its PMI Strategy to prioritize high-burden malaria countries in Africa. Specifically, we sought to determine whether the resource allocation process resulted in changes in funding for the 14 high-burden countries identified in the Strategy, and whether existing budget and planning processes prioritized high-burden countries.

Our audit scope focused primarily on USAID’s strategic planning, budgeting, implementation, and reporting between FY 2020 and FY 2023. We gathered information on USAID’s malaria funding across the 27 partner countries, which includes 14 high-burden, 5 moderate-burden, and 8 low-burden countries. We conducted our audit in accordance with generally accepted government auditing standards. Appendix A provides more detail on our scope and methodology.

Background

Through concerted efforts by USAID, national malaria programs, and the Agency’s international partners, the estimated annual deaths attributed to malaria declined 37 percent worldwide from 864,000 deaths in 2000 to 586,000 deaths in 2015. During the same period, malaria cases decreased from about 83 cases per 1,000 persons at risk in 2000 to around 60 cases per 1,000 in 2015. However, since 2015 global gains against malaria leveled off, with the number of malaria deaths rising to an estimated 631,000 in 2020. According to USAID officials, disruptions to malaria programs caused by the COVID-19 pandemic combined with increasing drug and insecticide resistance, the impact of a changing climate, and conflict in malaria-affected areas have set back progress against the disease. Figure I shows the annual number of deaths from malaria over a 20-year period beginning in 2000.

Figure I. Global Malaria Deaths for the Years 2000–2020



Source: OIG generated based on World Health Organization, *World Malaria Report 2023*.

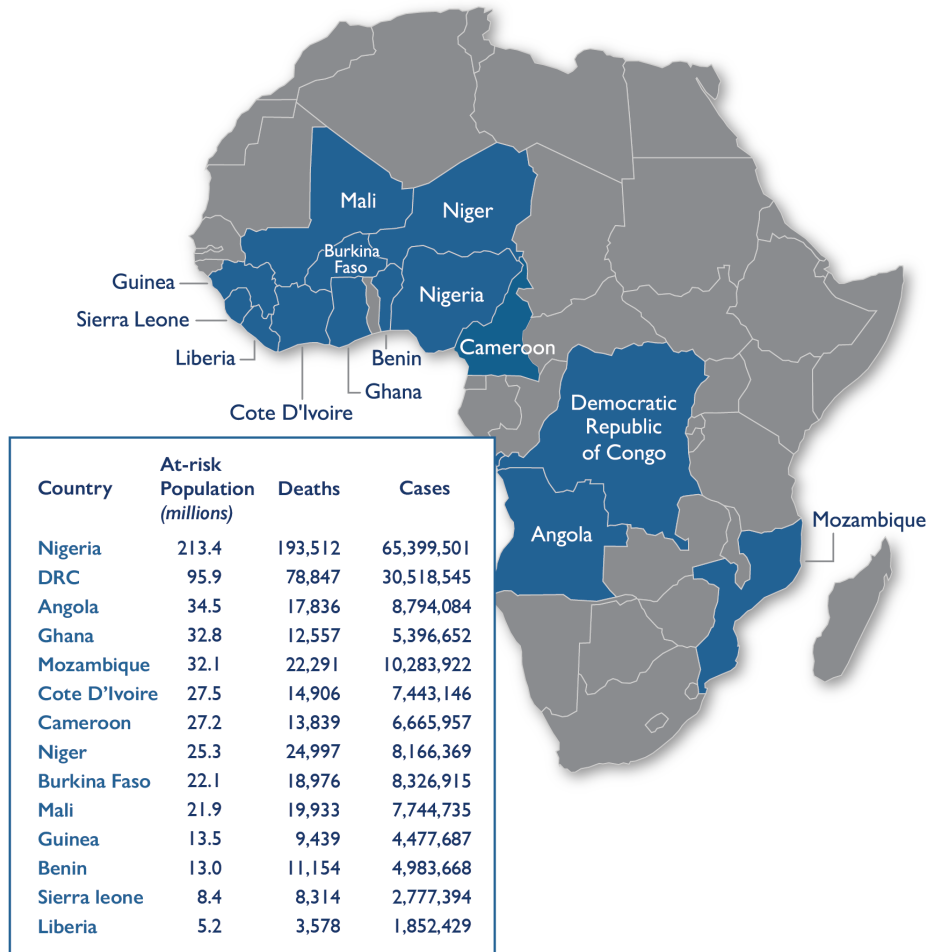
Within USAID, PMI consists of:

- The U.S. Global Malaria Coordinator, who is located within the Front Office of the Bureau for Global Health;

- The Malaria Division, which is part of the Bureau for Global Health’s Office of Infectious Disease and is the key operational component for PMI planning and implementation; and
- USAID missions, with the mission director as the PMI country lead and PMI country teams consisting of direct hire employees, contract employees, and Foreign Service Nationals.

USAID has revised its comprehensive malaria strategy every 5 years since 2009. The third and most recent version, *PMI Strategy 2021–2026: End Malaria Faster*, contains 3 high-level objectives, 2 of which focused on reducing malaria deaths and cases in the 14 high-burden countries. According to WHO estimates from 2021, these 14 countries accounted for about 81 percent of the total malaria cases and deaths among the 27 countries covered by the PMI Strategy. Therefore, implementation of the PMI Strategy in high-burden countries is critical to the fight against malaria. Figure 2 shows malaria estimates in the 14 countries when PMI issued the Strategy in October 2021.

Figure 2: Estimated At-Risk Population, Malaria Deaths, and Malaria Cases in 14 High-burden Countries (October 2021)



Source: OIG generated based on data from WHO’s *World Malaria Report 2022*. The depiction and use of boundaries and geographic names used on this map do not imply official endorsement or acceptance by the U.S. government.

According to USAID, partner countries have made varying degrees of progress over the years, with several achieving lower malaria burdens while others continue to experience high rates of the disease. The new strategic objectives were targeted to specific clusters of countries, targeting plans to reduce deaths and case numbers for high-burden countries, reducing cases in moderate-burden countries, and achieving progress toward elimination for low-burden countries.³ Specifically, the PMI Strategy sought to:

- Reduce malaria deaths by 33 percent from 2015 levels in high-burden PMI partner countries, achieving a greater than 80 percent reduction from 2000;
- Reduce malaria cases by 40 percent from 2015 levels in PMI partner countries with high and moderate malaria burden; and
- Bring at least 10 PMI partner countries toward national or subnational elimination and assist at least 1 country in the Greater Mekong Subregion to eliminate malaria.

The 2021–2026 PMI Strategy stated that it would implement six “strategic shifts” from the 2015–2020 strategy.⁴ The targeted shift to prioritize countries with the highest burden of malaria cases and deaths is most directly related to our audit objective.

As a general principle, strategic planning and budget plans should work closely together to ensure the achievement of their stated objectives.⁵ For example, the Government Accountability Office’s (GAO) *Standards for Internal Control in the Federal Government* states that strategic plans set the goals and objectives for an entity along with the effective and efficient operations necessary to fulfill those objectives. Also, the Office of Management and Budget (OMB) Circular A-11 states that a strategic plan should provide the context for decisions about performance goals, priorities, and strategic human capital and budget planning. To provide budget flexibility needed to achieve PMI’s objectives, the U.S. Global Malaria Coordinator has broad authority to transfer and allocate appropriated funds to achieve PMI’s goals.

Resource prioritization is especially important for malaria reduction efforts because the Strategy makes clear that PMI’s goals and strategic objectives were based on “an aspirational budget of \$1 billion annually.” The PMI Strategy acknowledged that this was higher than the anticipated actual appropriations. Recognizing that it would likely face a shortfall from its aspirational budget amount, USAID’s PMI Strategy committed to “work[ing] diligently to maximize all available resources based on the program priorities outlined in the strategy.”

³ Moderate-burden countries are countries with malaria prevalence greater than 5 percent in 2015. Low-burden countries are countries with malaria prevalence near or below 5 percent.

⁴ The strategic shifts are (1) strategically prioritizing countries with the highest burden of malaria and deaths; (2) a primary focus on reaching people currently unreached by malaria services; (3) less “one size fits all” implementation, and more tailoring of interventions within countries based on data; (4) an emphasis on strengthening frontline and community health systems; (5) efforts to keep malaria services resilient in the face of conflict, COVID-19 and climate change; and (6) a commitment to partner with local stakeholders to lead and promote sustainability.

⁵ OMB, Circular A-11, Section 200, “Preparation, Submission and Execution of the Budget,” July 2024.

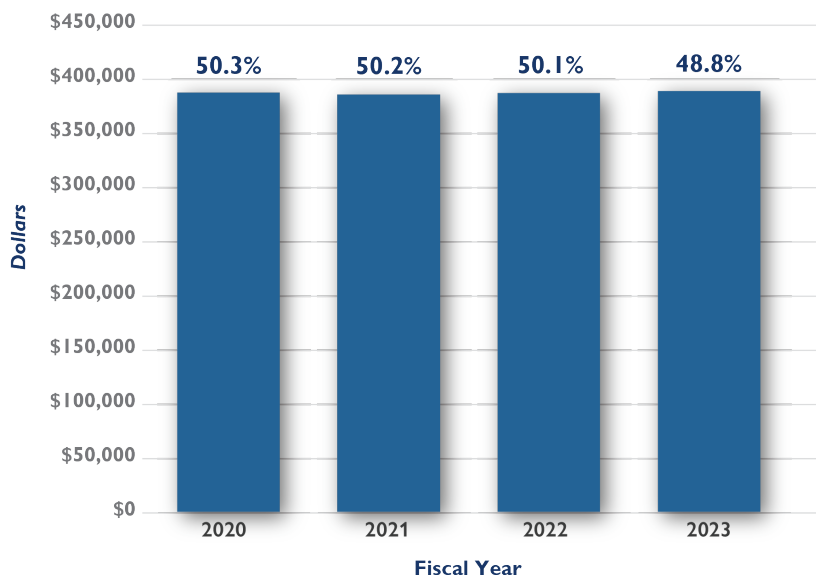
USAID Did Not Prioritize Funding for High-Burden Countries

USAID’s PMI Strategy states that it will “strategically prioritize countries with the highest burden of malaria and deaths” and significantly reduce malaria deaths and cases among 14 high-burden countries in Africa. We found that funding for these countries has not increased under the Strategy based on funding levels from FY 2020 to FY 2023. We also found little evidence that USAID prioritized the high-burden countries for increased malaria funding when allocating the malaria appropriation. Finally, while developing the PMI Strategy, USAID did not document how changes to the strategic objectives and the prioritization of high-burden countries would impact resource allocations.

USAID’s Allocation of Funding for the 14 High-Burden Countries Remained Flat Under Its 2021–2026 Strategy

The 14 high-burden countries accounted for about 81 percent of the total malaria deaths and cases in the 27 PMI countries, according to 2021 WHO data. However, these 14 countries received only about 50 percent of USAID’s malaria funds in FY 2023—the same percentage they received in FYs 2020 and 2021 under the previous PMI strategy that did not prioritize high-burden countries. As Figure 3 illustrates, there was a slight decrease in the percentage of malaria funds allocated to the 14 high-burden countries in FY 2023 as a percentage of PMI’s overall malaria budget.

Figure 3: Budgeted Amounts for Malaria Activities in 14 High-Burden Countries, FYs 2020–2023



* Other spending categories include activities in low-and-moderate burden countries, some regional malaria programs, the development of new malaria drugs, insecticide-based tools, and operational research.

Source: PMI budget data.

These high-burden countries were collectively allocated \$388 million in FY 2020—the same amount they received in FY 2023. While overall malaria funding set by Congress changed little during this period, increasing from \$770 million in FY 2020 to \$795 million in FY 2023, the allocations to low-and-moderate burden countries also remained consistent.

The Coordinator Did Not Use the 653(a) Budget Process to Adjust Funding Allocations to 14 High-Burden Countries

The U.S. Global Malaria Coordinator has broad authority to transfer and allocate appropriated funds to achieve PMI's goals and objectives.⁶ Section 653(a) of the Foreign Assistance Act of 1961 requires USAID and the Department of State to notify Congress about the countries and organizations that will receive foreign assistance funding. The Department of State and USAID determine 653(a) budget levels for foreign assistance accounts based on several variables, including historic funding levels, request levels, and technical group recommendations. During the 653(a)-budget allocation process, the Coordinator can adjust the final budget levels for individual country malaria programs to ensure that Agency priorities are met. Per OMB Circular A-11, strategic plans should be used as a guide to create a coherence of effort, including the alignment of budgetary resources, to achieve program strategic objectives.

While overall funding has been relatively stable since FY 2020, funding for malaria received modest increases in overall appropriations in both FY 2020 and FY 2023. However, while this resulted in a budget increase for the 14 high-burden countries in FY 2020—when there was no commitment in the Strategy to prioritize high-burden countries—they received no additional funds in FY 2023.

Specifically, under FY 2020's pre-high-burden country strategy, USAID received an appropriation for malaria that was \$15 million higher than in FY 2019 with the understanding that the funds would be used to jump start procurement of newer types of malaria nets to combat insecticide resistance. Using his authority, the Coordinator distributed the \$15 million to countries in greatest need, with an additional \$15 million distributed to high-burden countries, resulting in 5 of the 14 countries receiving a year-over-year increase.⁷

In contrast, in FY 2023 when USAID received a \$20 million budget increase for malaria activities, none of the 14 high-burden countries received a year-over-year increase in funding. This occurred even though a least 4 of the 14 high-burden countries had stated a need for additional PMI funds to support or expand their malaria activities. For example, the PMI country team in the Democratic Republic of the Congo reported that its community-level malaria activities were being restricted due to funding constraints. However, instead of expanding malaria activities in existing high-burden countries, the Coordinator added two additional high-burden countries—Burundi and Togo—to the PMI portfolio and allocated \$16 million to these two countries. The Gambia, a moderate-burden country, was also added to the portfolio and received the remaining \$4 million of the budget increase. The Coordinator stated that he chose to maintain funding levels for the 14 high-burden countries at FY 2020 levels because the program was waiting on updated case data “before considering shifts in funding.” According to

⁶ Public Law 110-293, 22 USC § 7601, enacted July 30, 2008.

⁷ One high-burden country, Angola, saw a budget reduction of \$3 million in FY 2023.

USAID Malaria Division officials, in 2025 USAID will determine if such shifts are needed to achieve program strategic results.

Although the Coordinator did not provide the 14 high-burden countries identified in the Strategy with additional funding through the 653(a) process in FY 2023, USAID officials stated that identifying two additional high-burden countries demonstrates that the Agency is prioritizing high-burden countries. However, due to this decision, additional funds were not available to expand malaria activities in the existing high-burden countries. USAID officials acknowledged that they have not developed guidance that might help guide PMI's 653(a) decisions, and that such guidance would be useful.

USAID Failed to Document Budget and Resource Priorities During Strategy Development

In general, budget planning and the prioritization of resources should be incorporated into strategic planning to ensure that government agencies achieve their stated objectives. For example, the *Standards for Internal Control in the Federal Government* states that strategic plans set the goals and objectives for an entity along with the effective and efficient operations necessary to fulfill those objectives.⁸ According to OMB Circular A-11, a strategic plan should provide the context for decisions about performance goals, priorities, and strategic human capital and budget planning.⁹ Consistent with these principles, USAID's guidance for strategic planning states that "a thoughtful, evidence-based approach to prioritizing and using available funding and resources is necessary for successful development progress in any context."¹⁰ Similarly, USAID's Automated Directives System (ADS), Chapter 200, "Development Policy" required the strategy development process to be closely linked to budget and resource discussions.¹¹ This type of budget planning, linked to the strategy development process, would guide budget decisions such as the decision to maintain flat funding for high-burden countries or to add new countries.

According to officials in USAID's Malaria Division, the PMI Strategy was developed in accordance with applicable requirements in ADS Chapter 200. We requested that USAID provide all relevant documents from the strategy development process that indicated how the changes in strategic objectives and focus would impact budget resource allocations to high-burden countries. In response, Malaria Division officials stated that PMI had not developed such documentation. Rather, officials stated that their focus had been on the operational changes needed to align existing resources to the revised strategy within each country. Officials also acknowledged that the malaria strategy document contains no specific policy statement explaining PMI's overall approach and rationale for making budget adjustments during the 653(a) process.

Despite the absence of a documented budget approach for the PMI Strategy, USAID officials asserted that their budget decisions related to high-burden countries have been consistent with the program's overall strategy. Moreover, they stated that the rationale for maintaining largely

⁸ GAO, *Standards for Internal Control in the Federal Government*, "Overview," Section 2, September 2014.

⁹ OMB, Circular A-11, Section 230, "Preparation, Submission and Execution of the Budget," July 2024.

¹⁰ USAID, Automated Directives System, Chapter 201, Section 201.3.2, "Strategic Planning and Implementation," partial revision, July 2024.

¹¹ ADS, Chapter 200, "Development Policy," September 2016.

steady funding to partner countries was that many countries categorized as moderate or low burden previously faced higher malaria burdens and risked backsliding if resources were reduced.

However, we found that USAID failed to document its rationale for maintaining resource allocations in its policy statements or budget guidance. As such, it is difficult for stakeholders to explain the connection between USAID's budget outcomes and its malaria strategy, which prioritizes significant reductions in malaria deaths and cases in high-burden countries. USAID officials also acknowledged that the strategy contains no clear statement explaining PMI's overall approach and rationale of providing continuity of support to countries as they make progress from high to lower burden categories. The lack of a documented budget plan linked to strategic goals and objectives may also increase the risk that USAID will not achieve its strategic goals and provide the transparency necessary for stakeholders, including Congress, to better understand program budget decisions.

Conclusion

USAID leads the U.S. President's Malaria Initiative, a program that has invested over \$9 billion since 2008 to help partner countries fight the disease. The Agency's 2021–2026 PMI Strategy included new commitments to strategically prioritize 14 high-burden countries that account for about 81 percent of the total malaria death and malaria cases within the 27 countries included in the PMI. However, these 14 countries received only about 50 percent of USAID's malaria funds in FY 2023—the same percentage they received in FYs 2020 and 2021 under the previous PMI strategy that did not include a strategic shift to prioritize high-burden countries. Moreover, USAID's prioritization of these countries will remain unclear in the absence of documentation linking the Agency's budgetary plan and decisions to the Strategy's objectives. At a time when WHO warns against maintaining a status quo approach, a thorough review of funding priorities would clarify why USAID's funding choices are justified and how the Agency intends to implement its strategy to prioritize high-burden countries and to achieve its strategic objectives. While Agency officials said they plan to consider budget reallocations in the future, examining these issues now would help position USAID and PMI to better meet their stated goals.

Recommendations

To help the President's Malaria Initiative implement its strategy to prioritize the reduction of malaria cases and deaths in 14 high-burden African countries, we recommend that USAID's Bureau for Global Health, in conjunction with the U.S. Global Malaria Coordinator:

1. Update its current Strategy to include an analysis of resource requirements and priorities that reflect PMI's strategy and objectives per applicable guidance.
2. Develop a plan to include in future strategies an analysis of budget priorities that reflect strategic objectives in accordance with applicable guidance.
3. Develop guidance to formally document how the priorities and principles of USAID's strategies will be considered during the 653(a)-budget allocation process.

OIG Response to Agency Comments

We provided our draft report to USAID on January 7, 2025. On February 11, 2025, we received the Agency's response, which is included as Appendix C of this report.

The report included three recommendations, and we acknowledge management decisions on all. We consider one closed (Recommendation 2), and two resolved but open pending completion of planned activities (Recommendations 1 and 3).

Appendix A. Scope and Methodology

We conducted our work, from November 2022 through January 2025 in accordance with generally accepted government auditing standards. 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 based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Our audit objective was to determine the extent to which USAID implemented its PMI Strategy to prioritize high-burden malaria countries in Africa. Specifically, we sought to determine how the resource allocation process changed under the new Strategy, whether it resulted in changes in funding for the 14 high-burden countries, and whether existing budget and planning processes prioritized high-burden countries.

In planning and performing the audit, we gained an understanding and assessed internal controls that were significant to the audit objective. Specifically, we designed and conducted procedures related to two of the five components of internal control as defined by GAO. These components were Risk Assessment and Monitoring.

The audit focused on USAID's malaria activities funded to support USAID's *PMI Strategy 2021– 2026: End Malaria Faster*, which was developed and implemented by the Malaria Division. The audit examined the strategic planning, budgeting, and implementation that took place under the PMI Strategy.

The audit scope was from October 1, 2020, through September 30, 2023 (the start of FY 2020 to the end of FY 2023). This period allowed us to assess changes in budget allocations as USAID implemented its PMI Strategy. We conducted our audit remotely from Pretoria, South Africa, via teleconferences with USAID officials, Malaria Division officials at headquarters, PMI country team staff, and the U.S. Global Malaria Coordinator.

To answer the audit objective, we identified relevant criteria for strategic planning through a review of GAO's *Standards for Internal Control in the Federal Government*, USAID's Automated Directives System, and other sources. We interviewed Agency officials and staff from the Bureau for Global Health involved in the process of developing or implementing USAID's malaria strategy. We also conducted interviews with mission staff from USAID/Democratic Republic of the Congo to gain a thorough understanding of Agency procedures related to malaria program implementation.

To determine how resource allocation changed under the new Strategy, we gained an understanding of the annual planning and budgeting process and the funding request process. To determine how the resource allocation process resulted in changes in funding for the 14 high-burden countries, we requested information and documentation of annual budgets and resources allocated to the PMI-partner countries for FYs 2020–2024. We also conducted interviews with relevant officials from USAID's Bureaus for Global Health and Africa to further our understanding of funding requests and approval processes. To determine whether existing budget and planning processes prioritized high-burden countries, we reviewed relevant documents and interviewed officials, including the Global Malaria Coordinator.

We reviewed and assessed compliance with procedures and documentation requirements related to the 653(a)-budget allocation process and malaria strategy implementation. We then obtained and analyzed budget data across fiscal years to determine the extent to which USAID had prioritized the 14 high-burden countries identified in its Strategy for resource funding.

We reviewed USAID policy, guidance, and templates on budgeting, funding, and resource allocation for PMI award activities focused on eliminating malaria. We also reviewed legislation and regulations, such as Public Law 110–293, related to USAID’s development of a comprehensive 5-year strategy with priorities and selection criteria for the distribution of resources. We also reviewed ADS chapters and other related Agency guidance to determine if USAID had met appropriate standards for the Strategy’s development, budgeting, and resource prioritization. Specifically, we reviewed USAID’s ADS 200, “Development Policy,” on the linkage between the strategy development process, budget, and resources. In addition, we reviewed ADS Chapter 201, “Program Cycle Operational Policy,” regarding the approach to prioritizing and using available funding and resources. Moreover, we reviewed regulations and guidance such as OMB Circular A-11.

In addressing our audit objective, we did not rely on computer-processed data from USAID. Our audit was primarily focused on how PMI uses all available data to make budgetary decisions regarding funding levels for high-burden countries. The budget data used for our analysis came directly from external source documents such as Mission Resource Requests, 653(a), and congressional budget justifications. Although we reviewed and relied on PMI annual reports to Congress, they were not significant to our audit objective. In addition, we relied on WHO’s annual *World Malaria Report*. Although WHO morbidity and mortality data are widely used to inform decision making, it is recognized to be an estimate based on available data that is periodically refined and updated.

Appendix B. Countries Included in PMI's Strategy 2021–2026

High-Burden	Moderate-Burden	Low-Burden
Angola	Madagascar	Burma
Benin	Malawi	Cambodia
Burkina Faso	Tanzania	Ethiopia
Cameroon	Uganda	Kenya
Cote D'Ivoire	Zambia	Rwanda
Democratic Republic of Congo		Senegal
Ghana		Thailand
Guinea		Zimbabwe
Liberia		
Mali		
Mozambique		
Niger		
Nigeria		
Sierra Leone		

*High-burden countries are countries with malaria prevalence greater than 20 percent and all-cause child mortality greater than 70 per 1,000 live births in 2015. Moderate-burden countries are countries with malaria prevalence greater than 5 percent in 2015. Low-burden countries are countries with malaria prevalence near or below 5 percent.

*List does not include additions or changes of countries after the strategy was published.

Source: *President's Malaria Initiative Strategy 2021–2026*.

Appendix C. Agency Comments



MEMORANDUM

TO: Toayoa Aldridge, Assistant Inspector General for Audits, Inspections, and Evaluations

FROM: Acting Assistant Administrator for Global Health, Julie Wallace *Julie Wallace*

DATE: January 17, 2025

SUBJECT: Management Comments (Corrective Action Plan) to Respond to the Draft Audit Report Produced by the Office of Inspector General (OIG) titled, “President’s Prioritize High-Burden Countries: Draft Audit Report” (Task No. 441M0322) (4-000-25-00X-P)

The U.S. Agency for International Development (USAID) would like to thank the Office of Inspector General (OIG) for the opportunity to provide comments on the subject draft report. USAID believes that PMI’s funding allocations have been consistent with its Strategy and strategic objectives to reduce malaria mortality, morbidity, and accelerate toward elimination. The findings in the draft report do not reflect the complex factors involved in prioritization and informing resource allocations with flatline budgets, growing populations at risk for malaria, the benefits of leveraging other resources including other USG contributions, and increased biological and environmental threats that threaten to erode progress. While USAID believes some of the report’s findings are inaccurate, USAID appreciates the recommendations made by OIG to improve PMI’s program. One recommendation has already been addressed, and another aligns closely with PMI’s approach, already underway, for continuous improvement. Please find below the Management Comments from USAID on the draft report produced by the OIG, which contains three recommendations for USAID.

The U.S. President’s Malaria Initiative (PMI) has been at the forefront of the global fight against malaria since its beginning and continues to play a leading role in reducing illness and

death from one of the world's deadliest diseases. Together with its partners, PMI has helped save 12.7 million lives and prevent 2.2 billion malaria cases since 2000.¹²

The Strategy under review in this audit is the PMI Strategy 2021–2026: End Malaria Faster (Tab 3). It is the 4th PMI Strategy developed by USAID and fully complied with Agency guidance at the time of drafting, as well as the requirements specified under the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008. Each five-year Strategy guides PMI's program implementation. Per the 2021-2026 Strategy, PMI has prioritized three overarching objectives which include: mortality reduction in high burden countries, working to lower morbidity in high and medium burden countries, and supporting malaria elimination in low burden countries. Each of these objectives must be balanced against each other with the budget provided by Congress. In 2023 alone, PMI contributed to a remarkable 177 million cases and 1 million deaths averted globally.

Over half of PMI funding under the current Strategy period goes to high burden countries, in support of the first strategic objective. Funding to the 14 high burden countries aligns closely with each country's population at risk for malaria and has remained stable, as multiple competing factors are considered when allocating resources. These include:

- **The total pool of funding for a country from all sources.** In the 14 high burden countries highlighted in the audit, The Global Fund to Fight AIDS, TB, and Malaria (Global Fund) is contributing nearly \$690 million annually. This along with other funding sources, including domestic contributions, World Bank, Gates Foundation, Against Malaria Foundation, and others, informs PMI's allocation, which focuses on leveraging all available resources within and across countries to maximize impact. This practice also intentionally ensures that USG doesn't crowd out other development partners, to support long term sustainability of funding for malaria control. It is for this reason that PMI intentionally committed to covering a portion (no greater than ⅓) of needs in the two largest high burden countries, Nigeria and the Democratic Republic of Congo, allowing other significant donor investments in these countries to be leveraged in the fight against malaria.
- **Leveraging funding in new partner countries to maximize impact.** In its 19 years, PMI has used the 653(a) process to regularly expand its country footprint when significant additional resources have been appropriated by Congress. Each decision has been made in consultation across the Interagency, Administration, and Congress, with the shared recognition that PMI resources and technical assistance contribute to more effective use of all available resources in a given country. When Congress appropriated

¹² WHO World Malaria Report 2024

an additional \$20 million of FY 2023 funds, the Coordinator used the factors described here to review current funding allocations, identified existing gaps within and outside of PMI-supported countries, and applied the funds to reach over 25 million more people by expanding to three new countries—nearly 23 million of whom are living in high burden settings. This addition of two new high burden countries to fill essential gaps fully aligns with the 2021-2026 PMI Strategy to reach the unreached to reduce malaria deaths and illness, as well as the strategic objective of reducing mortality in high burden countries. In addition, PMI's expansion to three additional countries that also receive Global Fund resources allows USG bilateral (through PMI) AND multilateral (through Global Fund) resources to be leveraged to maximize impact in saving lives, a key founding principle of the Initiative.

- **Country absorptive capacity.** The ability of countries to effectively use resources to reduce the malaria burden depends on multiple factors including good governance, robust health systems, and stability. Unfortunately, many high burden malaria countries currently face growing conflicts and unrest, weakened health systems and poor governance that limits their ability to effectively manage resources. PMI considers country stability when determining whether these settings may be suitable to absorb additional resources to achieve impact at any given time.
- **Addressing biological threats.** Biological threats such as insecticide and drug resistance erode the effectiveness of tools to reduce deaths and disease and can reverse gains made in malaria control as they spread and intensify across countries. The FY 2020 example shared in the draft audit report was one such example, where an increase in appropriation led to high burden countries receiving increased funding to procure newer types of malaria nets to combat insecticide resistance. Tackling these threats remains an essential component of the 2021-2026 Strategy, as reflected in the 3rd strategic focus area and in the strategic shift to keeping malaria services resilient. Under the current strategy, with FY 2024 funds, the Coordinator used the 653(a) process to shift resources to two high burden countries specifically to combat the threat of emerging antimalarial drug resistance.
- **Preventing backsliding.** We have learned repeatedly from previous global malaria control efforts that gains in reducing malaria burden are easily lost if support and resources are interrupted. Three of the five countries in the moderate burden category at the baseline time period for the 2021-2026 Strategy were in the high burden category when PMI was announced in 2005, with the other two falling just below the high burden cutoff¹³. Progress made in these and all countries is to be celebrated, but

¹³ [Steketee RW, Choi M, Linn A, Florey L, Murphy M, Panjabi R. World Malaria Day 2021: Commemorating 15 Years of Contribution by the United States President's Malaria Initiative. Am J Trop Med Hyg. 2021 Apr 23;104\(6\):1955-1959.](#)

remains fragile. Malaria's propensity to resurge when conditions are permissive, leading to rebounds in deaths and illness, means that it requires continued investment to reduce and eventually eliminate malaria. Reallocating resources from countries that have reduced their burden to those that are further behind, particularly when all countries face critical gaps in prevention and treatment, presents a significant risk to maintaining and accelerating hard-won progress.

Within this context, USAID has prioritized high-burden countries in alignment with the PMI Strategy and as one of the three Strategy objectives.

USAID has identified the following significant factual inaccuracies in the draft audit report:

- The report bases its findings on an inaccurate assertion that the PMI Strategy for 2021-2026 committed to increasing funding to 14 high burden countries in Africa. This assertion is not supported by any written documentation in the PMI Strategy or elsewhere. The PMI Strategy contains a section on "Funding Assumptions" which outlines resource requirements and general areas of budgetary prioritization, based on availability of funding. The audit's claim that PMI committed to increase funding in 14 high burden countries is not made in the Funding Assumptions Section, nor anywhere else in the Strategy document or in any PMI guidance or policy documents.
- The report also inaccurately indicates that PMI did not follow proper Agency and USG guidance for developing its 2021-2026 PMI Strategy stating "USAID failed to document budget and resource priorities during strategy development". In fact, PMI followed all Agency requirements outlined in ADS 200 which applies to technical strategies (Tab 4: version dated September 7 2016 and applicable during the 2020-2021 period of writing and approval of the PMI 2021-2026 Strategy). The Strategy includes a section on "Funding Assumptions" (pg 29) which was aligned with Agency guidance that was in effect at the time of drafting and approval in 2020-2021. PMI will continue to follow the most recent Agency guidance (Tab 5: current version dated April 4 2024) when drafting its next Strategy, a process that will begin in late 2025.

PMI strives to continuously improve its programming to drive down malaria deaths and illness. In late 2023, PMI began an in-depth review of its programs across all its partner countries to assess progress and to identify opportunities to drive greater impact. A key component of the review is an examination of the current allocation approach, comparing it to PMI's initial approach of aligning with population at risk of malaria, the approaches used by other funders, different measures of malaria burden, and other considerations including threats like drug and insecticide resistance. The review will inform needed adjustments to best focus resources where the need is greatest and where they can be used most effectively, without jeopardizing

progress. The recommendations of the audit align well with this effort.

While the Agency does not agree with the Audit’s findings, USAID welcomes feedback aimed at improving the transparency and clarity of PMI’s budgeting and programming processes. As such, the Audit’s recommendations are welcome. The Agency partially agrees with Recommendation 1, agrees with and has implemented Recommendation 2, and agrees with Recommendation 3.

Recommendation 1: Update its current Strategy to include an analysis of resource requirements and priorities that reflect the President’s Malaria Initiative strategy and objectives per applicable guidance.

- **Management Comments:** USAID partially agrees with this recommendation and will implement it in the development of the next Strategy. The current PMI Strategy was developed in accordance with USAID guidance at the time of approval and fulfills the Congressional mandate of a 5-year strategy as laid out in the authorizing legislation (Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008). PMI will begin developing its 5th Strategy in late 2025 in alignment with legislative requirements and will include a section on “resource considerations” in accordance with current USAID guidance in ADS 200 and 200mac, or as per any additional updates to Agency guidance at the time of writing. As an alternative to Recommendation 1, PMI proposes to issue guidance that formally documents how priorities and objectives under the next PMI Strategy will be considered during the budget allocation process (as per Recommendation 3).

- **Target Completion Date:** February 5, 2026.

Recommendation 2: Develop a plan to include in future strategies an analysis of budget priorities that reflect strategic objectives in accordance with applicable guidance.

- **Management Comments:** USAID agrees with this recommendation and notes that the April 4 2024 version of ADS 200 and 200mac has been revised to require USAID strategies to include a section on “resource considerations” that describes “budget and human resources”, which is consistent with this recommendation. USAID will comply with this ADS requirement (and any additional relevant Agency guidance) in developing the next PMI Strategy that will begin drafting later this year, to be implemented beginning in 2027. Current (April 4 2024) USAID ADS 200 guidance (Tab 5) has been revised to require a section on resource considerations, which addresses this Recommendation and which will be included in the next PMI Strategy.

- **Target Completion Date:** USAID requests that this recommendation be closed upon issuance of the final audit report.

Recommendation 3: Develop guidance to formally document how the priorities and principles of USAID’s strategies will be considered during the 653(a)-budget allocation process.

- **Management Comments:** USAID agrees with this recommendation as it pertains to documenting priorities and principles of PMI’s Strategy. Guidance will be developed to formally document how priorities and objectives under future PMI Strategies will be considered during the budget allocation process.

- **Target Completion Date:** February 5, 2026.

In view of the above, we request that the OIG inform USAID when it agrees or disagrees with a recommendation’s management comments (correct action plan).

USAID appreciates the OIG’s commitment to improving USAID and PMI programs and looks forward to working closely with OIG auditors on future engagements to achieve timely audits with solutions that enhance our programs.

CLEARANCE PAGE FOR Management Comments (Corrective Action Plan) to Respond to the Draft Audit Report Produced by the Office of Inspector General (OIG) titled, “President’s Malaria Initiative in Africa: USAID Did Not Implement Its Strategy to Prioritize High-Burden Countries: Draft Audit Report” (Task No. 441M0322)



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