



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

Incomplete Evaluations and Cut in Funding From Another Donor Could Impede USAID/Cambodia's HIV/AIDS Efforts

AUDIT REPORT 5-442-18-002-P
APRIL 6, 2018

1300 Pennsylvania Avenue NW • Washington, DC 20523
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MEMORANDUM

DATE: April 6, 2018

TO: USAID/Cambodia, Acting Mission Director, Veena Reddy

FROM: Regional Inspector General/Manila, Matthew Rathgeber /s/

SUBJECT: Incomplete Evaluations and Cut in Funding From Another Donor Could Impede USAID/Cambodia's HIV/AIDS Efforts (5-442-18-002-P)

This memorandum transmits the final report on our audit of USAID/Cambodia's HIV/AIDS Flagship Project. Our audit objectives were to determine (1) whether the project was achieving its planned results and (2) whether the results were sustainable. In finalizing the report, we considered your comments on the draft and included them in their entirety in appendix C.

The report contains one recommendation to improve USAID's processes. After reviewing information you provided in response to the draft report, we consider the recommendation resolved but open pending completion of the planned action. Please provide evidence of final action on the open recommendation to the Audit Performance and Compliance Division.

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

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INTRODUCTION

As noted by multiple sources, including the President’s Emergency Plan for AIDS Relief (PEPFAR),¹ Cambodia has been at the forefront of the fight against HIV/AIDS and is often cited as one of the few countries to reverse its generalized HIV epidemic. PEPFAR data shows that, between 1998 and 2015, the prevalence of HIV/AIDS in Cambodian adults decreased from 1.7 to 0.6 percent. U.S. Government funding has contributed substantially to Cambodia’s success in this effort.

However, the Cambodian Government faces multiple development priorities and decreasing international donor funding, resulting in a need to enhance impact while reducing the cost of the HIV response in the country. Moreover, as the HIV epidemic becomes concentrated in high-risk groups, work remains to reach those groups and to provide services for those living with, and affected by, HIV. To support the Cambodian Government’s national strategy to prevent new infections through case detection and ensuring patients start and continue treatment, and to reduce Cambodia’s dependence on donors, in November 2012 the USAID/Cambodia Mission awarded the HIV/AIDS Flagship Project (Flagship) to a Cambodian nongovernmental organization (NGO)—the Khmer HIV/AIDS NGO Alliance (KHANA). The project—so named because its innovation and capacity-building activities were the foundation of the mission’s multiyear HIV/AIDS program—was a 5-year, \$30 million cooperative agreement.

The Office of Inspector General (OIG) conducted this audit to determine (1) whether the project was achieving its planned results of improving local capacity to deliver HIV services and (2) whether results were sustainable. To answer these objectives, the audit focused on two of the project’s four expected outcomes—creating high-impact, low cost, replicable innovations and increasing the capacity of local organizations to eventually sustain project-developed innovations.

To conduct our work, we conducted site visits; interviewed officials from USAID/Cambodia, the Office of the U.S. Global AIDS Coordinator, the Cambodian Government, and implementer and partner staff; assessed the mission’s policies and procedures for managing the project; reviewed project plans and reports; and tested performance indicators. We conducted our work in accordance with generally accepted government auditing standards. Appendix A presents our scope and methodology.

¹ PEPFAR is a U.S. Government initiative designed to combat HIV/AIDS worldwide. While the U.S. Government has been funding related services in Cambodia since the mid-1990s, these activities were pulled under PEPFAR in 2006.

SUMMARY

While Flagship developed and piloted innovations for HIV/AIDS treatment and prevention, the project did not fully achieve its planned results. USAID did not ensure that cost-effectiveness—a key element of viable innovations—was considered when innovations were evaluated. Further, the evaluations were not always used for decision making—that is, to expand or scale up innovations to reach larger populations. In some cases, innovations were scaled up despite evidence of minimal impact or with no evaluations at all. In addition, USAID did not ensure that the project had adequate performance indicators to quantify progress in implementing innovations or to measure the impact of the project’s capacity-building efforts.

An abrupt drop in funding from the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) may affect the sustainability of innovations developed during the project.² While the project was designed to strengthen local NGOs to minimize the need for future external funding, continued support from other donors after the project was a key assumption for project success. However, an early and unanticipated decrease in funding required the project to revise its plans, substantially reducing the number of local centers for excellence it envisioned would continue disseminating innovations. The project’s alternate plan—making technical support providers available to provide technical assistance—lacked clarity, including how they would be financed.

We make one recommendation to inform any future USAID efforts in Cambodia to combat HIV/AIDS. USAID/Cambodia concurred with our recommendation.

BACKGROUND

Cambodia has made significant strides in managing its HIV/AIDS epidemic, supported by significant funding from the Global Fund, PEPFAR, and other external donors. The Government of Cambodia is committed to achieving zero new HIV infections by 2020 through a national strategy focused on proactively identifying new cases, initiating treatment, and tracking patients as they receive care. As the epidemic declines, it is anticipated that Cambodia will need to manage its decreasing, but still present, HIV cases with less external support. Despite the progress made, infections remain high in marginalized and hard-to-reach groups, specifically women and girls who exchange sexual services for money or goods—referred to as entertainment workers—and their clients; men who have sex with men; transgender people; and intravenous drug users.

² The Global Fund is a partnership of governments, the private sector, civil society, and others. The U.S. Government is the largest single contributor to the Global Fund. Cambodia’s HIV/AIDS program uses Global Fund resources to procure all antiretroviral medications in the country and to support service delivery activities.

To help the Government of Cambodia prepare for the decrease in external support, Flagship—a USAID/Cambodia project fully funded by PEPFAR—was designed to “enhance the impact, reduce costs and improve effectiveness of the national response through technical innovation and improvements in quality and capacity to deliver sustainable HIV services.” Flagship aimed to foster local capacity to:

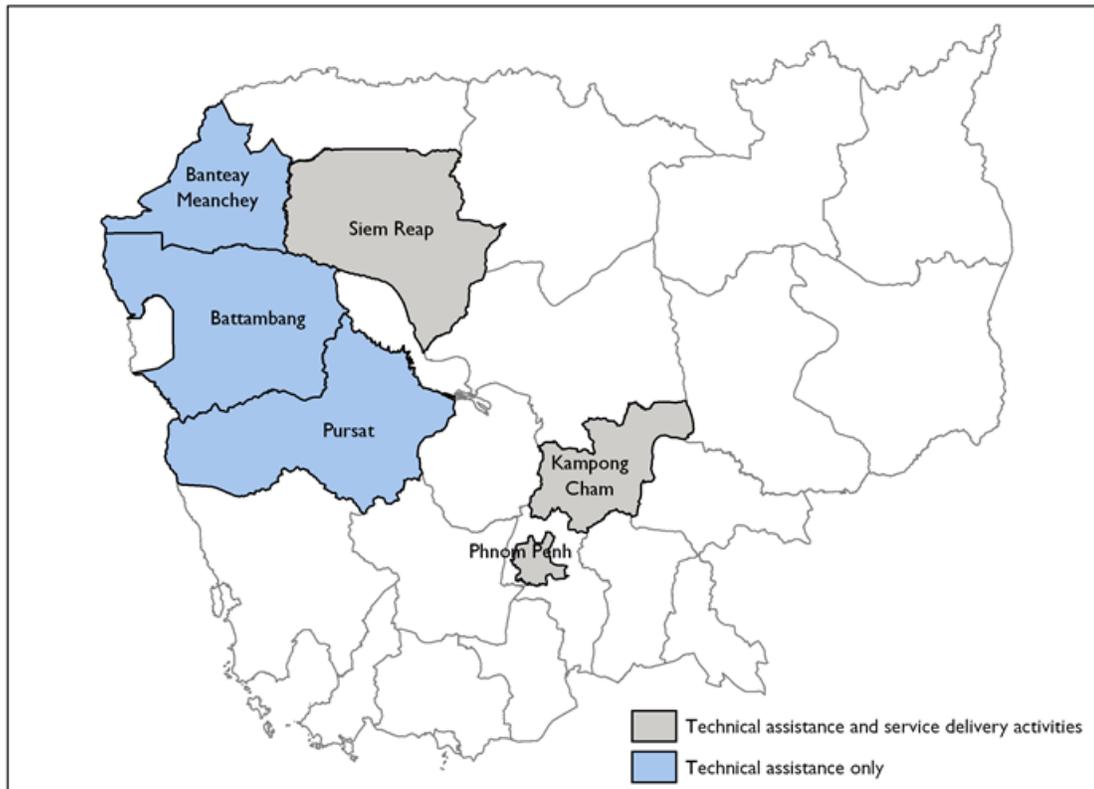
- Develop high-impact, low-cost technical innovations for HIV/AIDS prevention and treatment that could be replicated on a wide scale.
- Improve the quality and integration of HIV care and treatment services for high-risk groups.
- Strengthen the use of strategic information, gathered through surveillance, monitoring, and evaluation, to inform resource allocation.
- Lead the scaling up of technical innovations.

The first step toward fostering local capacity was awarding the project to a partnership of three organizations led by KHANA. The other two partners were FHI 360 and Population Services International, both U.S.-based NGOs. Flagship also collaborated with local organizations and Cambodia’s National Center for HIV/AIDS, Dermatology and STD (NCHADS) to implement innovations, and worked to build the capacity of local organizations to deliver innovative HIV services to target populations.

To achieve its objectives, the project’s strategy was to establish centers of excellence to develop and pilot innovations and to transfer skills from the project to local organizations. Additional local organizations would then be converted into centers of excellence through grants and technical assistance. Some of these centers would eventually become technical hubs, which would provide technical assistance to other local organizations, while focusing less on providing direct services themselves. Flagship designers anticipated that technical hubs could provide cost-effective capacity building and increase self-reliance beyond the end of the project.

Flagship supported both technical assistance and service delivery activities in three provinces—Phnom Penh, Siem Reap, and Kampong Cham—which were focus areas of PEPFAR activities. In three other provinces—Banteay Meanchey, Battambang, and Pursat—it supported technical assistance to organizations supported by the Global Fund. The following map shows the targeted areas.

Flagship Project Targeted Areas



Source: USAID/Cambodia.

PROJECT HAS LED TO SOME INNOVATIONS, BUT USAID LACKED DATA ON THEIR EFFECTIVENESS AND ON CAPACITY TO DISSEMINATE THEM ON A WIDER SCALE

Piloting and scaling up high-impact, low-cost innovations to address the HIV/AIDS epidemic were key components of Flagship. During its first 4 years, the project piloted several innovations that focused mainly on HIV prevention, care, and treatment. In the course of piloting innovations, the project expanded the reach of prevention messages to high-risk populations. However, while some project innovations were adopted by the Cambodian Government, evaluations meant to test the viability of the innovations did not include analysis of their cost-effectiveness—a key project element. Further, some innovations were scaled up despite modest evaluation results or with no evaluations at all. In addition, indicators designed to capture improvements in the capacity of local organizations did not adequately measure progress in this area and were unreliable.

IMPLEMENTER DEVELOPED AND PILOTED TECHNICAL INNOVATIONS FOR HIV/AIDS TREATMENT AND PREVENTION

Central to Flagship’s design were developing and piloting innovations. KHANA and its partners developed and piloted 12 innovations focused primarily on prevention, care, and treatment, some of which were specifically incorporated into the project at the request of the Cambodian Government. Some examples follow.

- **Branded communications and outreach.** KHANA and its partners created or expanded brands to promote behavior changes for three targeted high-risk groups—SMARTgirl for entertainment workers, MStyle for men who have sex with men, and Srey Sros for transgender people. Through a variety of branded materials, such as flyers (some shown in the following photo), posters, websites, and games, the project promoted targeted messages to an estimated 30,000 members of high-risk groups and online.



These brochures and condoms are examples of communication and social marketing materials developed through a Flagship innovation targeting entertainment workers. Photo: OIG (May 2016)

- **Technology-based risk-screening tools.** Using a tablet-based questionnaire, outreach workers piloted risk screenings to high-risk groups in communities, and were able to provide immediate assessment results, along with targeted messages based on those results.

- **Risk-tracing “snowball.”** Working with local organizations, the project piloted an effort to engage high-risk individuals tested at clinics to recruit their partners, peers, and contacts to also get tested.³
- **Peer-initiated finger-prick testing.** By using outreach workers to do finger-prick blood testing at targeted sites such as the entertainment venues, the project was able to provide immediate test results and save high-risk individuals the time, expense, and inconvenience of going to a hospital for testing.

An official from NCHADS provided positive feedback on KHANA’s work in piloting innovations and providing technical assistance. At the time of the audit, the Cambodian Government had approved seven innovations for scaling up, including technology-based risk screening and peer-initiated finger-prick testing.

USAID DID NOT REQUIRE EVALUATIONS TO WEIGH COST-EFFECTIVENESS AND EVALUATIONS WERE NOT ALWAYS USED FOR DECISION MAKING

USAID/Cambodia did not require the independent evaluation contractor to assess whether innovations were high-impact and low-cost, a key component of the project.⁴ Because of lessons learned from prior USAID-funded projects that determined evaluations were not done in a rigorous way, the language of the Flagship award emphasized the need for thorough evaluations, including consideration of cost-effectiveness. Despite this, our review of four evaluations focusing on three of the innovations—all performed by the evaluation contractor—showed no discussion of cost-effectiveness. An additional nine innovations were only partially evaluated or were not evaluated at all at the time of the audit. Overall, seven innovations were scaled up without any evaluations, or with evaluations showing minimal impact. Appendix B provides information on the status of evaluations.

Evaluations Did Not Include Analysis of Cost-Effectiveness

None of the evaluations of Flagship innovations fully assessed cost-effectiveness. Mission officials did not include analysis of innovations’ cost-effectiveness in the statements of work for the Flagship evaluations done by the mission-managed evaluation contractor, although this element was specifically included as a requirement in the Flagship award. A mission official offered possible reasons as to why cost-effectiveness was not evaluated—a priority focus on the technical aspects of innovations, concerns about the difficulty of carrying out that kind of analysis, and doubts about its usefulness.

According to a mission official, the evaluations considered elements such as the innovations’ (1) effectiveness, (2) efficiency compared with existing models, (3) viability in beneficiaries’ eyes, and (4) ability to be effectively implemented by NGOs. But

³ This method of recruitment—using research participants to assist in identifying other potential subjects—is referred to as snowball sampling.

⁴ USAID/Cambodia awarded a \$6.3 million contract to University Research Co. to evaluate the mission’s HIV/AIDS activities, including Flagship’s.

without consideration of cost-effectiveness, it is unclear how the innovation could be realistically measured and assessed for replicability.⁵ During the course of the audit, mission officials acknowledged the importance of cost-effectiveness and said it would be included in innovation evaluations during the project's final year "where feasible and appropriate." Following completion of this audit's fieldwork, USAID/Cambodia took steps to incorporate consideration of cost-effectiveness into the remaining evaluations of Flagship innovations. Therefore, we are not making a recommendation.

Cambodian Government Scaled Up Innovations Without Evaluations or With Evaluations That Showed Minimal Impact

According to USAID officials, the Cambodian Government decided to scale up four innovations without any evaluation results. For example, two innovations—technology-based risk screening tools and finger-prick testing—were scaled up before their planned evaluations were completed and results were available. Further, evaluations showed that three innovations had minimal impact, yet two of these innovations were approved for scaling up anyway. For example, the evaluation of a mobile health component of Flagship's three branded communication and outreach programs, which provides information and services via mobile phone systems, interactive websites, and Facebook, concluded that it was "greatly underutilized" and showed "no evidence . . . [of] major impacts." Similarly, an evaluation concluded that the impact of integrating family planning and HIV outreach through an effort targeting entertainment workers—the SMARTgirl program—was "modest." According to USAID officials, while USAID, KHANA, and its partners were involved in discussions on the replication of innovations, the final assessment and decision to scale up innovations—regardless of evaluation status—rested with the Cambodian Government.

The lack of cost information is problematic, as is the expansion of innovations with minimal or unknown impact. Flagship provided technical support directly to NCHADS—in addition to piloting innovations and conducting studies for the agency—to help NCHADS take over more of the direct management of Cambodia's HIV/AIDS response as donor funding declines. However, expansion of innovations without consideration of cost may have a significant effect on future impact and sustainability of innovations. In a time of declining resources, it is essential to fully understand the results and ramifications of innovations to allocate resources wisely.

USAID DID NOT ENSURE IMPLEMENTER ADEQUATELY MEASURED PROGRESS IN PILOTING INNOVATIONS OR IN BUILDING CAPACITY

Although KHANA implemented multiple innovations, USAID did not ensure that KHANA developed indicators to help quantify the progress made in implementing innovations and their outcomes. In terms of progress in implementing innovations, a

⁵ The World Health Organization notes that replication is defined as "deliberate efforts to increase the impact of health service innovations successfully tested in pilot or experimental projects so as to benefit more people and to foster policy and programme development on a lasting basis." The Flagship agreement officer's representative further noted that an innovation is replicable if it achieves a set of objectives and can be implemented with available resources—human, financial, and material.

mission official stated that the innovations were the means by which expected outcomes were achieved, rather than actual program outcomes themselves. However, the original project design considered the technical innovations themselves as a “centerpiece” to USAID/Cambodia’s HIV/AIDS program, supporting the need for a mechanism to measure their implementation, in addition to evaluating the innovations themselves. Further, as early as the second year, mission officials communicated concerns internally that the progress in piloting innovations was not meeting expectations.

Moreover, contrary to USAID guidance stressing the importance of data that can be used to improve effectiveness and inform decisions, the project lacked indicators to gather data on the extent to which specific innovations contributed to project goals, and had limited outcome indicators to measure the extent to which Flagship activities built local organizations’ implementation capacity.⁶ For example, while indicators were designed to measure the number of individuals in key populations reached through interventions, they did not allow results to be traced back or attributed to a specific innovation, making it difficult to use the indicators to measure the impact of individual innovations piloted through the project. Similarly, while the mission identified nine performance indicators to measure local organizational capacity, only two were outcome indicators—that is, indicators that are designed to measure end results.

Further, our testing concluded that multiple indicators related to capacity building—including the two outcome indicators—did not meet USAID’s data quality standards: they were unreliable because data was collected using methods other than those laid out in the project’s approved monitoring and evaluation plan.⁷ Further, while the project used an organization assessment to determine local organizations’ capacity and set baselines for those organizations, it did not use those baselines to set targets for improvement and had not followed up to determine progress toward targets. Flagship was supposed to conduct new organizational assessments after 2 years to measure organizations’ changes, but because of other ongoing activities, these assessments were delayed until the final year of the project. As a result, limited information was available on the impact of the project’s efforts to improve local organizations’ capacity.

⁶ USAID’s Automated Directives System (ADS) 201, “Program Cycle Operational Policy.”

⁷ The audit team tested 5 of 10 indicators related to organizational capacity building and found issues with 4. These indicators measured information such as the number of local organizations with improved governance systems and tools and the number of local organizations with updated strategic plan and policies in place. ADS 201, “Program Cycle Operational Policy,” states that reliable data reflect stable and consistent data collection processes and analysis methods.

SOONER-THAN-EXPECTED DROP IN OTHER DONOR FUNDING MAY THREATEN THE SUSTAINABILITY OF INNOVATIONS

The sustainability of the innovations developed during the project was based on the premise that local organizations serving high-risk populations would be able to implement high impact, low-cost innovations. The original plan was to train 22 high-capacity local organizations, eventually turning some of them into technical hubs that would primarily provide technical assistance to other local organizations. After the project, these hubs were expected to continue to scale up innovations. While this plan was designed to ensure local ownership given the funding uncertainty, it was dependent on continued support to local organizations from the Global Fund during and after the project.

However, the project did not create the technical hubs as planned because of an unexpected cut in funding from the Global Fund early in the project. The Global Fund had initially granted \$71.1 million for HIV/AIDS activities in Cambodia for 2014-2015, with the expectation of additional funds for 2016-2017—the final 2 years of the project. However, in the project's second year, the Global Fund notified USAID/Cambodia that the original grant for 2014-2015 would have to last through 2017, effectively cutting the amount per year in half. The Global Fund stated that under a new funding model based on factors such as disease burden and income level, Cambodia's HIV funding was "significantly over-allocated."

According to a mission official, without the Global Fund's support, some local organizations would not survive. Given that, the goal of sustaining and expanding project-developed innovations through these organizations no longer made sense. In its third year, the project substantially reduced the number of new local organizations targeted to be centers of excellence, from the planned 22 to 12. According to KHANA, at the same time, the project moved away from transforming centers of excellence into technical hubs. In contrast, mission officials stated that the project did not abandon or deprioritize the technical hubs; rather, it adjusted its process by creating "technical support providers." However, mission officials and project documents were unclear on what exactly the technical support providers were, how they differed from the planned hubs, whether KHANA would manage them after the project ends, and how the technical support providers would interact with the Government of Cambodia.

Given the shifts in project implementation, it is important for the mission and KHANA to clearly delineate the role of technical support providers and document how these providers will sustain the innovations. According to mission and KHANA officials, as the project winds down, an exit plan will be developed. A review of lessons learned from

the creation of technical support providers during the process of wrapping up the project could be useful to help KHANA and local organizations plan for the future.⁸

CONCLUSION

Cambodia's progress in containing its HIV/AIDS epidemic has been impressive, due in no small part to USAID's support. However, the challenge Cambodia faces in maintaining low HIV infection rates with less international funding remains. While Flagship was designed to address the problem, the lack of comprehensive evaluations and adequate performance indicators, along with a sooner-than-anticipated funding decrease, may affect its outcomes. Given the project's approaching end date—originally scheduled for November 2017, but extended to May 31, 2018—further adjustments to performance indicators would not be worthwhile. Instead, additional steps are needed to ensure that benefits from Flagship are maximized and lessons learned from the project are considered in determining any future efforts to combat HIV/AIDS in Cambodia.

RECOMMENDATION

We recommend that USAID/Cambodia take the following action:

- I. Require Khmer HIV/AIDS NGO Alliance to describe in the HIV/AIDS Flagship Project's exit plan the roles technical support providers would play and how implementation of technical innovations would continue after the project ends.

OIG RESPONSE TO AGENCY COMMENTS

We provided our draft report to USAID on February 9, 2018, and on March 9, 2018, received its response, which is included as appendix C. We incorporated technical comments where appropriate, including modifying the first heading to clarify our point that an aim of the program was to build capacity to scale up innovations to reach wider population.

The report included one recommendation. We acknowledge the management decision and consider the recommendation resolved but open pending completion of the planned action. Per the mission via an email, the anticipated date of final action is April 30, 2018.

⁸ The mission completed a program evaluation of the project in November 2016, but it only noted that the plan for the original technical hub model was not implemented. While technical support providers were mentioned, they were not yet operational.

APPENDIX A. SCOPE AND METHODOLOGY

We conducted our work from May 10, 2016, through February 9, 2018, 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The purpose of this audit was to determine whether USAID/Cambodia's HIV/AIDS Flagship Project was achieving its planned results and whether the results were sustainable.

The audit covered selected activities carried out under the project objectives related to developing technical innovations and building local capacity. The audit team also did a limited review of indicators for the project objectives related to improving the quality of HIV care and treatment services and use of strategic information in resource allocation. The team audited the period from the project's start-up in November 2012 through September 30, 2015. As of September 30, 2015, USAID/Cambodia had obligated about \$13.3 million and spent \$10.3 million on the project. Audit fieldwork included audit procedures in support of OIG's audit of USAID's local solutions initiative, which was ongoing at the time this report was issued.⁹

In planning and performing the audit, the audit team assessed significant controls that USAID/Cambodia used to monitor project activities: site visit reports, portfolio reviews, limited financial review reports, the cooperative agreement and modifications, and the performance monitoring and evaluation plan. In addition to the significant controls, the audit team reviewed KHANA's quarterly and annual progress reports, as well as the annual work plans and financial data.

The audit team conducted interviews and analysis at USAID/Cambodia as well as at KHANA's office in Phnom Penh. The team performed site visits to KHANA's local organization partners in Phnom Penh and Siem Reap to validate project achievements, and met with a government official in Phnom Penh to gain his perspective on the project. In addition, the audit team examined the mission's fiscal year 2015 annual self-assessment of management controls—which the mission is required to perform to comply with the Federal Managers' Financial Integrity Act—to determine if the assessment cited any relevant weaknesses.

⁹ The objectives of the audit of USAID's local solutions initiative are to determine whether (1) USAID's local solutions initiative is achieving its main goals of strengthening local capacity, enhancing and promoting country ownership, and increasing sustainability, and (2) USAID is implementing risk mitigation procedures for vetting and selecting government ministries, local NGOs, and local for-profit firms to implement USAID-funded programs.

Through interviews, site visits, documentation reviews, and data analysis, the audit team learned (1) what the project's main goals were, (2) how the mission and KHANA monitored the project, (3) how the mission checked the quality of the data reported, and (4) whether the mission, KHANA and its consortium partners, and local organizations were aware of any allegations of fraud or other potential illegal acts or noncompliance with laws and regulations.

To conduct site visits, the audit team judgmentally selected 6 of 16 implementing partners in Phnom Penh and Siem Reap Provinces in Cambodia. The sample selection was based on the sites' locations, the diversity of targeted populations, the significance of activities to the overall project objectives, and input from the mission. During the site visits, the audit team interviewed employees at KHANA, its partners, and local organizations to solicit feedback on the project's activities, accomplishments, and challenges and to assess the impact of the technical assistance.

The audit team judgmentally selected 12 of 56 performance indicators for testing. The sample selection was based on input from the mission on key indicators and the audit team's identification of indicators most likely to capture local capacity improvement. The audit team traced reported results to documentation maintained by KHANA and the local organizations it worked with; in doing so, the team relied on computer-processed data in Excel spreadsheets and databases maintained by KHANA and the local organization partners. The results of data tests showed that 5 of 12 indicators were collected using methodologies inconsistent with those prescribed in the approved monitoring and evaluation plan, casting doubt on their reliability. However, because these data were reviewed along with other available evidence, the audit team believes the opinions, conclusions, and recommendations in the report are valid.

Since the audit team judgmentally selected the sites and the indicators, the results and conclusions related to the analysis were limited to the items and areas tested and cannot be projected to all the sites and indicators. However, the team believes the substantive testing was sufficient to support the audit's findings.

APPENDIX B. STATUS OF PROJECT INNOVATIONS AS OF JUNE 2016

Innovation	Description of Innovation	Evaluation Status			Scaling Status		
		Completed evaluation	Partially completed evaluation	No evaluation	Scaled up	Scaled up despite minimal impact	Scaled up without completed evaluation
1. Branded communication and outreach programs (SMARTgirl, MStyle, and Srey Sros)	Provides tailored HIV information and services for each of the three high-risk groups (entertainment workers, men who have sex with men, and transgender people) to promote positive behavior and accessible HIV services		✓ ^a		✓	✓	
2. mHealth	Provides HIV information and services through online media— websites, Facebook pages—and interactive voice response system	✓					
3. Technology-based risk screening	Identifies high-risk individuals through a tablet-based questionnaire to channel them to appropriate services			✓	✓		✓
4. Peer-led testing (finger-prick)	Uses members of the community to conduct HIV testing (through finger prick) in their communities			✓	✓		✓
5. Risk-tracing snowball	Involves engaging individuals who get tested at clinics to recruit others in their communities to also get tested			✓			
6. Condom sales and distribution channels	Involves distribution and promotion of condoms using different channels in high-risk venues			✓			
7. Integration of family planning and HIV services within SMARTgirl	Expands SMARTgirl program to address family planning and HIV services needs of entertainment workers	✓			✓	✓	

Innovation	Description of Innovation	Evaluation Status			Scaling Status		
		Completed evaluation	Partially completed evaluation	No evaluation	Scaled up	Scaled up despite minimal impact	Scaled up without completed evaluation
8. Case management	Provides a model to improve retention in care and treatment, and followup of HIV-positive pregnant women and their HIV-exposed children			✓			
9. Community-based livelihoods	Involves livelihood support activities for people living with HIV and high-risk groups			✓ ^b			
10. Community-based prevention, care, and support service model	Strengthens HIV case management and facilitates active followup of HIV cases to ensure adherence to treatment and maintain the quality of treatment services			✓	✓		✓
11. Geographical Information System mapping	Uses Global Positioning System devices to track high-risk venues and collect data for estimating HIV population size	✓					
12. Unique identifier system	Provides unique identification for individuals to track utilization of HIV services			✓	✓		✓
Total		3	1	8	6	2	4

^a MStyle and Srey Sros were fully evaluated, while SMARTgirl's evaluation was not completed at the time of the audit.

^b No evaluation was required; the activity was phased out because of a shift in priorities.

APPENDIX C. AGENCY COMMENTS



USAID | CAMBODIA

FROM THE AMERICAN PEOPLE

March 7, 2018

MEMORANDUM

TO: Matthew Rathgeber
Regional Inspector General/Manila

FROM: Veena Reddy /s/
Acting Mission Director, USAID/Cambodia

SUBJECT: Audit of USAID/Cambodia's HIV/AIDS Flagship Project, Audit Report No. 5-442-17-XXX-P

REFERENCE: 1) Draft Audit Report No. 5-442-17-XXX-P of February 9, 2018

The Mission would like to thank the Regional Inspector General (RIG)/Manila for its support and assistance during the performance audit of USAID/Cambodia's HIV/AIDS Flagship Project. In response to the referenced draft audit report No. 5-442-17-XXX-P, we are hereby providing our response to the report findings and the audit recommendation issued by the RIG under the subject audit report.

USAID/Cambodia has the following general comments on the report findings:

1. The audit report summary of the project purpose and objectives appear to give undue emphasis to the scale-up of innovations. This could be a result of inaccurately stating the project objectives on page 3 of the report. The objectives of the HIV/AIDS Flagship Project focus on building local capacity in preparation for scaling up of innovations, but scale-up of innovations is beyond the scope of this project and is at the discretion of the Royal Government of Cambodia or other donors, such as the Global Fund for AIDS, TB and Malaria. USAID/Cambodia suggests that the audit report use the original language from the Cooperative Agreement to describe the purpose and objectives of the award (listed below).

The Flagship HIV Project's ('Flagship') overarching goal is to *enhance the impact, reduce costs and improve effectiveness of the national response through technical innovation and improvements in quality and capacity to deliver sustainable HIV services.*

This will be achieved through the following objectives:

- Foster local capacity to design and showcase innovative, evidence-based, state-of-the-art, replicable, and cost-effective technical HIV innovations to enhance the impacts and reduce the costs of quality targeted HIV prevention for MARP.
- Foster local capacity to improve the quality and integration of HIV care and treatment services (building on Cambodia’s successful CoPCT model) for MARP, PLHIV and their partners.
 - Foster local capacity to strengthen the use of strategic information including surveillance, monitoring, evaluation, and data utilization, to inform program improvement and the efficient placement and utilization of resources.
 - Strengthen local organizational capacity to ensure that local partners can lead in scale-up of Flagship innovations.

Per these objectives, we request that the headline on page 4 which has the following statement in parentheses “(AND ON CAPACITY TO DISSEMINATE THEM COUNTRY-WIDE), be reviewed. The project was not intended either to disseminate innovations nationwide or to evaluate the capacity for nationwide dissemination of innovations.

2. Many of the innovations introduced by Flagship project are directed specifically toward key populations at risk of HIV rather than at the general population. This distinction is important because it puts both the activities and their results in the context of the small, but vulnerable and hard to reach, populations they were designed to target. To ensure that the report accurately reflect the nature of these innovations, we request that you consider the following changes:

Page 5, bullet 1, line 6: Substitute “members of high-risk key populations” for “people in communities”

Page 6, bullet 1, line 2: Substitute “partners, peers and contacts” for “neighbors”

Page 6, bullet 2: Replace bullet text with the following:

- Peer-initiated finger-prick testing for key populations. By using outreach workers to do finger-prick testing at hotspots such as entertainment venues, the project was able to provide immediate test results and high-risk individuals were saved the time, expense and inconvenience of going to a hospital for testing.
3. Please note that the Flagship project developed the tools for introduction of mHealth and set up mHealth interventions such as hotline, website and face book page .This does not constitute scale up; therefore we recommend that you consider deleting lines 6-9 reference to its scale up. (Page 7, PP2, line 6) and amend the table on page 13 of Appendix B.

Recommendation 1: Require KHANA to describe in the HIV/AIDS Flagship Project’s exit plan the roles technical support would play and how implementation of technical support innovations would continue after the project ends.

USAID/Cambodia’s Action Plan

USAID/Cambodia concurs with this recommendation. On February 15, 2018, USAID/Cambodia requested that KHANA submit an exit plan showing how their activities, including innovations

developed under the project, will be sustained after the project ends. USAID/Cambodia is working with KHANA to incorporate this information into their exit plan. It is anticipated the revised exit plan will be completed by March 23, 2018.

Based on above, the Mission believes that a management decision has been reached for the audit recommendation no. 1 and therefore requests for RIG/Manila's concurrence.

cc: Bunna Sok, USAID/Cambodia/OPHE/AOR
Christina Lau, USAID/Cambodia/OPHE
Stephen Ike, USAID/Cambodia/OFM
Carlos Lamadrid, USAID/Cambodia/PROG
Brandon Miller, USAID/RDMA/RLO

Public Disclosure: None of the information contained in this report requires protection from public disclosure.

APPENDIX D. MAJOR CONTRIBUTORS TO THIS REPORT

The following people were major contributors to this report: Matthew Rathgeber, regional inspector general; Emily Gardiner, audit manager; Lorenzo Perdiguerra, auditor; Ming Liu, auditor; and Sally Pabello, auditor.