



MEMORANDUM

DATE: May 24, 2018

TO: Senior Deputy Assistant Administrator, Bureau for Global Health, Irene Koek
Senior Deputy Assistant Administrator, Bureau for Latin America and the Caribbean, Sarah-Ann Lynch

FROM: Assistant Inspector General for Audit, Thomas Yatsco /s/

SUBJECT: USAID's Zika Response Efforts in the Western Hemisphere

To address the Zika Response and Preparedness Act,¹ the Office of Inspector General (OIG) assessed USAID's Zika response efforts. Specifically, OIG sought to determine what initial steps USAID took to respond to the Zika outbreak in the Western Hemisphere. We also looked at challenges the Agency faces in using Zika funds for ongoing activities.

We are sharing the results of our work with you and congressional and key external stakeholders. At the time our work began, Zika was considered a public health emergency of international concern; however, the World Health Organization (WHO) has since redesignated the disease an enduring public health challenge. With the change in designation and decline in cases, we decided to provide the results of our work to date. We will determine what additional Zika work we might conduct during our risk-based audit planning process later this year, including potential coverage in our annual audits of USAID's financial statements and compliance with the Improper Payments Elimination and Recovery Act.

To conduct our work, we interviewed USAID officials in the Bureaus for Global Health and for Latin America and the Caribbean both in Washington and at field locations; officials with the U.S. Centers for Disease Control and Prevention (CDC) and the Pan American Health Organization; and implementing partner staff and host government officials. We met with USAID staff in El Salvador, Haiti, and Honduras. We obtained survey responses from USAID field staff based in the Dominican Republic, Guatemala, Jamaica, Nicaragua, and Peru and reviewed program documents including awards, strategy documents, financial information, and

¹ Public Law 114-223.

activity work plans. Additionally, we obtained technical comments on this correspondence from USAID and incorporated them where appropriate.

BACKGROUND

The outbreak of Zika, primarily transmitted by the *Aedes* species of mosquito, began in 2015.² Brazil reported a high incidence of Zika virus transmission in its northeastern states. Subsequently, many other countries in Latin America and the Caribbean also reported cases. The map below shows the spread of the virus. Officials in Brazil were warning of thousands of cases of suspected microcephaly, a condition that results in a smaller head size in babies and limited brain development. Links with other neurological conditions, like Guillain-Barré syndrome in adults, were also suspected. The figure below depicts the spread and active transmission of Zika in Latin America and the Caribbean in 2016.

Latin American and Caribbean Countries and Territories With Zika Cases, May 2016



Source: U.S. Centers for Disease Control and Prevention.

² Scientists identified the Zika virus in Uganda in 1947. In the following decades, known transmission was limited to parts of Africa and Asia. The disease was rare in people, and symptoms were generally mild.

Having just faced the Ebola outbreak in West Africa—in fact, it was in January 2016 that WHO declared the end of the most recent Ebola outbreak—public health workers recognized the need to mobilize quickly to respond to Zika. In February 2016, WHO declared Zika a public health emergency of international concern. USAID, which had played a major role in the U.S. effort to combat Ebola, started efforts that would eventually lead to \$356.5 million being approved for countering Zika.

The table below shows the magnitude of the outbreak. Cases numbered more than 225,000, with nearly all those in the United States imported from elsewhere. Instances of congenital Zika syndrome, a series of birth defects including microcephaly, were in the thousands.

Cumulative Zika Case Data, 2015 to 2017

Region	Indigenous, Confirmed	Imported, Confirmed	Total	Deaths	Confirmed Congenital Zika Syndrome
Latin America and the Caribbean	220,241	443	220,684	20	3,450
United States	224	5,162	5,386	0	95
Total	220,465	5,605	226,070	20	3,545

Source: Pan American Health Organization/WHO, cumulative case data as of August 31, 2017.

DESPITE MEDICAL AND FUNDING UNCERTAINTIES, USAID MOUNTED A STRATEGIC ZIKA RESPONSE

USAID worked within the Federal budget process to obtain funding for its Zika response. After defining a goal—to “support and strengthen systems for priority countries in their Zika response efforts in order to minimize negative pregnancy outcomes”—and mapping out a strategy to achieve it, USAID made awards to implement activities. It did so before the medical community fully understood the disease and before all funding decisions were made.

Reprogramming Ebola Funds While Awaiting Legislative Action on Emergency Funding Requests

Shortly after WHO’s February 2016 declaration, the White House submitted to Congress the President’s request for Zika emergency response funding, which included \$335 million for USAID activities. While Congress was considering the request, the urgency to respond to the Zika virus outbreak increased, and USAID sought and received approval to use \$211 million in unobligated Ebola funds for Zika activities.

Senior USAID officials involved in designing the response said they were initially limited in programming Zika activities by not knowing the extent to which more funding would be available. That meant planning initial activities without a guarantee of additional resources.

Planning Activities Without Knowing the Extent of Available Resources

With the receipt of Ebola funding and the prospect of getting more, USAID took steps to put its strategy into effect. It planned and started its initial Zika activities with awards that began in September 2016. The same month, Congress appropriated \$145.5 million in continuing resolution funds for USAID's Zika activities, bringing the total authorized to \$356.5 million. The continuing resolution funds allowed USAID to expand Zika activities begun with reprogrammed Ebola funds. USAID designed activities in four areas: innovation, vector control, social and behavioral change, and maternal and child health.

Thirty-two Grand Challenge awards provide opportunities for innovation.³ These grant activities take place in numerous countries, including Brazil and Colombia. Examples of activities include:

- Research to infect mosquito populations with bacteria that will reduce the insects' ability to transmit Zika.
- The development of easy-to-use Zika field testing kits.
- The development of a cell phone application that records the sounds a mosquito makes, allowing users to identify the species of mosquito.

USAID's vector control, social and behavioral change, and maternal and child health activities in locations throughout Latin America and the Caribbean include:

- Applying agents for killing larvae (larvicides) and conducting cleanup in households and neighborhoods to control mosquito populations.
- Training healthcare workers to provide patients accurate information on Zika and refer pregnant women with suspected Zika cases to additional care and support services.
- Conducting home visits and informational campaigns using radio, social media, and public events promoting Zika prevention techniques such as household cleaning and removing standing water.

USAID launched these activities when little was known about the virus, and the knowledge gap affected some components of activity planning. For example, according to a USAID official, the Agency was not aware when planning the response that Zika could be sexually transmitted. Once this became known, USAID had to design efforts to target both pregnant women and their partners.

³ To stop the spread of Zika, USAID launched "Combating Zika and Future Threats: A Grand Challenge for Development." This \$30 million initiative called on the global innovator community "to generate cutting-edge technologies and approaches to fight Zika in the near term and to help strengthen the world's response to infectious diseases in the future." The Grand Challenge seeks innovations in vector control, personal and household protection, surveillance, sample transport, and community engagement. USAID made grants and other awards for the development and testing of proposed solutions.

PROVIDING SUSTAINED OVERSIGHT TO ZIKA ACTIVITIES, ASSESSING IMPACT OF SOME INVESTMENTS, AND DEALING WITH LEGISLATIVELY MANDATED FUNDING TIMEFRAME POSE KEY CHALLENGES

We identified three main implementing challenges that USAID is aware of but warrant continued management attention: providing sustained oversight of partners throughout Latin America and the Caribbean, assessing the impact of Grand Challenge innovations, and reconciling emergency and development priorities—given the short-term nature of the Zika appropriations—to better ensure that funds are used sustainably.

Overseeing USAID-Funded Activities Implemented by a Host of Partners in Many Locations

Oversight and coordination of activities have been inherently difficult due to the large number of stakeholders involved and the complex nature of the response. Adding to these challenges have been limited USAID staff and health program infrastructure, as well as questions about roles and responsibilities.

As of March 2017, USAID was implementing 26 main Zika awards in numerous countries across Latin America and the Caribbean. The majority of these awards are managed by Washington-based agreement officer's representatives (AOR). Since a number of these employees were already overseeing worldwide Global Health activities, USAID established Zika field positions to supplement the management of activities in the Dominican Republic, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Nicaragua, and Peru. Still, some Zika field staff report being responsible for overseeing as many as 10 implementing partners in a given country. This management structure, combined with the large number of implementing partner activities, will continue to challenge the ability of Zika field staff to do their oversight work effectively.

Additionally, some Zika activities take place where USAID phased out most health programs in recent years. In some cases, field staff had to initiate or reestablish relationships with host-government ministries of health to coordinate and receive approval to implement Zika activities. Similarly, many implementing partners lacked an in-country presence and had to open offices and receive government approval to proceed with activities before implementation could begin.

Personnel issues were also challenging. USAID did not have a dedicated Zika team lead to streamline the technical and strategic management of activities. Initially, USAID was unable to hire a personal services contractor to fill the position. The Federal executive branch hiring freeze initiated in January 2017 hindered this effort. USAID attempted to fill this position internally, but was hampered by the rotations of available staff. USAID was eventually able to assign an employee to this position on an interim basis, and then assigned a replacement to fill the role in October 2017.

As for field staff, while those in El Salvador and Honduras reported having clearly defined positions, USAID staff in other Zika priority countries did not. Zika staff we surveyed reported

that projects they were expected to oversee were not clearly delegated to them in writing, nor were their levels of authority to provide program management instructions to implementing partners made explicit. Various authorizations and directives are needed from Washington-based AORs, adding to the collective management burden of implementing a range of activities in widely dispersed locations. This could leave Zika activities vulnerable to gaps in program management—e.g., not getting approvals for strategic decisions and not having designated authority to provide technical directives to implementing partners. While USAID has since taken steps to clarify various program roles and responsibilities, providing oversight to Zika activities in many locations throughout Latin America and the Caribbean will remain a challenge.

Assessing the Impact of Grand Challenge Innovations

USAID is implementing 32 awards under the \$30 million Grand Challenge. The Grand Challenge is designed to stop the spread of Zika by generating innovations in areas such as vector control, surveillance, and community engagement. While the agency developed some performance indicators to measure the progress of innovations, the initiative lacks targets for indicators that measure significant and relevant expected outcomes, as described by Agency guidance.⁴ Most Grand Challenge awards have project milestones—target dates for finalizing work plans, producing progress reports, and obtaining host-country government approval to proceed with activities—and most of these condition payment on achieving milestones. However, while USAID reports prioritizing the sustainability and long-term use of innovations by various stakeholders, the Grand Challenge strategy does not set a target number of USAID-funded innovations to be incorporated into other Agency activities or adapted for wider use by the private sector, nor does it specify a timeline for doing so.

Although USAID acknowledges that some innovation efforts may not be adapted for widespread use, not having a target number or a timeline increases the challenge of assessing what USAID will get for its investment. The risk of not getting an adequate return is heightened because USAID implements most Grand Challenge activities as fixed-amount grants, which require less monitoring and oversight by USAID than other types of awards. Recent U.S. Government guidance emphasizes monitoring the impact of funded activities. An August 2017 White House memo regarding budget planning for comparable research and design initiatives states that to increase Government accountability and efficiency, “[t]o the extent possible, quantitative metrics to evaluate R&D [research and development] outcomes should be developed and utilized for all Federal R&D programs.”⁵

Reconciling Emergency and Development Priorities Given Short-Term Funding

In November 2016 WHO changed Zika’s designation. No longer a public health emergency of international concern, it became an enduring public health challenge. With the link between Zika and microcephaly confirmed, WHO called for a more sustained, long-term focus.

The change in designation is challenging from a development programming perspective, as

⁴ Automated Directives System (ADS) 201.3.5.7.

⁵ Office of Management and Budget, “FY 2019 Administration Research and Development Budget Priorities,” Memorandum M-17-30, August 17, 2017.

USAID is faced with ensuring that its investments are used sustainably to the extent possible. USAID's activities were designed on a 3-year timeline based on legislative requirements premised on responding to an emergency, not on a long-term health intervention. USAID emphasizes sustainability in the design of activities; however, challenges remain. While improving Zika guidelines and processes in host-country health systems may readily achieve a lasting impact, behavior-change efforts (such as encouraging the use of mosquito repellents and making people aware of the hazards of standing water) may not. Behavior-change activities in health programs generally require long-term, repeated interventions and considerable resources to achieve results. Host-country officials said that without donor support, these types of activities likely would not have occurred. The implication that USAID is faced with reconciling is that without continued support they would cease, potentially impeding long-term gains against mosquito-borne diseases and advances in health service delivery.

CONCLUDING OBSERVATIONS

As USAID continues to spend its Zika funds and moves forward with related programs in the region, its key challenges are providing oversight to Zika interventions and partners, ensuring that roles and responsibilities are clear, and monitoring the impact of Grand Challenge innovations. Additionally, USAID will continue to be challenged in promoting sustainable outcomes—a core principle of its development policy—with funding that is scheduled to end in September 2019. These issues align with two major focus areas cited in our fiscal year 2018 Top Management Challenges report: program planning and monitoring, and the sustainability of U.S.-funded development.⁶

We hope this information is useful to you and key external stakeholders in promoting the efficient and effective use of funds allocated to date and in making decisions about any future Zika activities in the Western Hemisphere. If you have any questions, please feel free to reach me at 202-712-1150.

⁶ [Fiscal Year 2018 Statement on Top Management Challenges for USAID and MCC.](#)