United States Government Accountability Office

Report to the Chairman, Committee on Foreign Relations, U.S. Senate

December 2022

PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF

State Has Taken Actions to Address Coordination Challenges, but Staffing Challenges Persist

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Why GAO Did This Study

Since its inception in 2003, PEPFAR has provided more than $100 billion to address HIV/AIDS in over 50 countries, according to the U.S. government. S/GAC oversees and directs about $6 billion annually in support of PEPFAR programs implemented primarily by USAID, the Department of Health and Human Services, and the Department of Defense.

GAO was asked to review the operation of the PEPFAR program. This report examines (1) coordination between S/GAC and U.S. implementing agencies overseas, (2) staffing vacancies, and (3) any delays in funding distributions. GAO analyzed PEPFAR documents and data and interviewed agency officials in Washington, D.C. GAO also conducted 12 focus groups with officials implementing PEPFAR programs in six countries. GAO selected these countries because their programs collectively represent 41 percent of total PEPFAR funding in fiscal year 2022 and include countries with both relatively small and large PEPFAR programs.

What GAO Recommends

GAO is making three recommendations, that State should develop a strategic workforce planning process, and that State and USAID should ensure their funding pipeline policies are compatible. State and USAID agreed with the recommendations.

View GAO-23-105347. For more information, contact Chelsa Kenney at (202) 512-2964 or kenneyc@gao.gov.

What GAO Found

For a number of years, persistent challenges have affected coordination between the Department of State and overseas federal agency officials implementing the U.S. President's Emergency Plan for AIDS Relief (PEPFAR). Overseas officials identified such challenges that hinder implementation. These include complex country operational planning (COP) tools that overseas officials are required to use and the "top-down" culture of State's Office of the U.S. Global AIDS Coordinator and Health Diplomacy (S/GAC). GAO reported on similar issues in 2004. S/GAC recently took actions to improve coordination by, for example, involving overseas officials more in the COP process. Since 2020, S/GAC has taken further actions by collecting feedback from overseas officials and convening a COP reform task force in summer 2022. These efforts resulted in S/GAC announcing significant changes in August 2022 to its COP processes to address coordination concerns.

Positive and Challenging Aspects of Coordination, Funding, and Staffing Most Commonly Discussed in Focus Groups of U.S. President's Emergency Plan for AIDS Relief (PEPFAR) Agency Officials Overseas

Source: GAO analysis of focus group interviews. | GAO-23-105347

Persistent PEPFAR staffing vacancies have led to heavy workload and retention issues, but S/GAC has not identified or addressed their underlying causes. Seventy percent of S/GAC's headquarters positions are vacant and 89 percent of key overseas positions are filled on an "acting" basis. Key principles for effective workforce planning include developing strategies to address human capital gaps. S/GAC uses its annual COP documents for workforce planning, but these documents do not address program-wide staffing gaps and their causes. Without a strategic workforce planning process, PEPFAR officials may continue to face heavy workloads hindering effective implementation.

S/GAC generally transfers PEPFAR assistance funds to agencies before the start of the COP implementation period, but implementing agencies' processes and varying policies have created funding challenges. In addition, while implementing agencies overseas rely on funding pipelines to keep programs operating while awaiting funding or to address HIV hotspots, agency officials said that S/GAC's pipeline policy could result in insufficient funds for implementing partners to conduct activities. Further, S/GAC's and the U.S. Agency for International Development's (USAID) policies on pipeline funds vary, which could also result in insufficient funds to support implementing partners' activities.

_____ **United States Government Accountability Office**

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December 12, 2022

The Honorable Robert Menendez
Chairman
Committee on Foreign Relations
United States Senate

Dear Mr. Chairman:

Since its inception in 2003, the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) has provided more than $100 billion toward combating HIV infections and AIDS programs. The U.S. government has reported that PEPFAR programs, among other things, have helped save more than 20 million lives, slow the rate of new deaths, decrease mother-to-child transmission, and provide treatment and care for millions of people affected by the virus. Nevertheless, about 1.5 million people—many in eastern and southern Africa—were newly infected with HIV in 2021, according to the Joint United Nations (UN) Programme on HIV/AIDS (UNAIDS).

To address the HIV/AIDS epidemic worldwide, the Department of State's Office of the U.S. Global AIDS Coordinator and Health Diplomacy (S/GAC) oversees and directs about $6 billion annually in support of PEPFAR programs conducted in over 50 countries. Several U.S. agencies implement these programs, including the U.S. Agency for International Development (USAID), the Department of Health and Human Services (HHS), and the Department of Defense (DOD).[1]

In February 2020, a State Inspector General (IG) report described challenges related to effective coordination between S/GAC officials at PEPFAR headquarters in Washington, D.C. (HQ) and PEPFAR officials overseas from various U.S. implementing agencies.[2] For example, PEPFAR overseas officials expressed concerns that S/GAC did not consider their input, prescribed unrealistic performance targets, and required complex and time-consuming tools, according to the State IG

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[1]In addition to S/GAC officials overseas, these officials constitute PEPFAR country teams. Additional U.S. agencies implement PEPFAR programs, including the Peace Corps and the Departments of Labor, Commerce, and the Treasury.

[2]Department of State, Office of the Inspector General, *Audit of the Department of State's Coordination and Oversight of the U.S. President's Emergency Plan for AIDS Relief*, AUD-SI-20-17 (Washington, D.C.: February 2020).

report. The State IG report also described staffing challenges, including some long-term vacancies in PEPFAR positions overseas. The State IG reported that such coordination and staffing-related challenges might affect PEPFAR program implementation efforts and outlined recommendations to address these issues. Some of these challenges have persisted for a number of years, and we found similar coordination challenges in 2004 and similar staffing challenges in 2021.[3]

In the last few years, PEPFAR has helped address challenges related to the COVID-19 pandemic and experienced S/GAC leadership changes, including about a year and a half when S/GAC's top leadership position was filled in an acting capacity. The U.S. government has reported that PEPFAR continued to make achievements in reducing new HIV infections and AIDS-related deaths during this time. PEPFAR also helped U.S. agencies and their partners respond to COVID-19 by making use of PEPFAR infrastructure, clinics, resources, stakeholder networks, and supply chains.

You asked us to review the PEPFAR program, focusing on coordination between S/GAC and country teams, staffing issues, and funding flows.[4] This report examines the extent to which (1) S/GAC headquarters coordinates effectively with U.S. agencies' country teams to implement PEPFAR activities, (2) U.S. agencies have taken steps to address any PEPFAR staffing vacancies, and (3) S/GAC and other U.S. agencies experienced delays in distributing PEPFAR assistance funds.

To address these objectives, we conducted 12 virtual focus groups composed of U.S. agency officials in six countries—Tanzania, South Africa, Nigeria, Mozambique, Vietnam, and the Dominican Republic. In each country, we held two focus groups composed of U.S. agency officials who were part of PEPFAR country teams: senior management officials constituted one group, and technical officials, the other. We selected these six countries, whose PEPFAR programs collectively represent 41 percent of total PEPFAR funding in fiscal year 2022, in part

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[3]GAO, *Global Health: U.S. AIDS Coordinator Addressing Some Key Challenges to Expanding Treatment, but Others Remain*, GAO-04-784 *(*Washington, D.C.: July 12, 2004) and *President's Emergency Plan for AIDS Relief: State Should Improve Data Quality and Assess Long-term Resource Needs*, GAO-21-374 (Washington, D.C.: May 20, 2021).

[4]For the purposes of this report, unless stated otherwise, the term S/GAC means S/GAC headquarters officials.

because they include countries with both relatively small and large PEPFAR programs.[5] Officials representing State, USAID, and HHS participated in the focus groups in all six countries, while DOD officials were included only in Tanzania and Nigeria, where DOD has a relatively large presence.[6] In the focus groups, we asked participants about topics related to their coordination with S/GAC headquarters, staffing vacancies, and funding distributions. We followed up with participants to collect more details and documentation of topics discussed, including positive aspects or challenges related to coordination, staffing vacancies, and funding distributions. We also requested that S/GAC officials provide responses and documentation relating to their perspectives on the positive aspects and challenges that focus group participants discussed. In addition, we reviewed documents and interviewed officials from State, USAID, HHS, and DOD in Washington, D.C.[7] We focused our review primarily on fiscal years 2019 through 2022 but narrowed our focus group questions to cover country operational planning from calendar year 2020 through 2022.

To examine coordination between S/GAC and country teams, we assessed positive experiences and challenges to coordination that focus group participants identified against relevant leading collaboration practices from our prior work.[8] To assess agency steps to address any PEPFAR staffing vacancies, we asked focus groups to identify any chronic or long-term vacancies at S/GAC or within their country team. In addition, we assessed S/GAC's workforce planning documents against

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[5]This funding refers to PEPFAR funding to implement annual country operational plans (COP).

[6]While DOD also has an active role in implementing projects in Mozambique, the Dominican Republic, and Vietnam, we did not include DOD in the focus groups for those countries because DOD's PEPFAR country team presence there was relatively small. According to staffing data that U.S. PEPFAR implementing agencies provided, DOD had one to four staff assigned to PEPFAR in each of the three countries—Mozambique, the Dominican Republic, and Vietnam. By comparison, HHS and USAID each had about 20 to 90 staff assigned to PEPFAR in each of those countries.

[7]We selected these agencies because they receive the vast majority of PEPFAR funding, compared with other PEPFAR U.S. implementing agencies. Although the Peace Corps is also considered a primary implementing partner for PEPFAR, it has limited its field operations since the start of the COVID-19 pandemic and has recalled field volunteers, according to a senior Peace Corps official. Therefore, we did not include the Peace Corps in the scope of this engagement.

[8]See GAO, *Managing for Results: Key Considerations for Implementing Interagency Collaborative Mechanisms*, GAO-12-1022 (Washington, D.C.: Sept. 27, 2012).

leading practices for strategic workforce planning from our prior work.[9] We also reviewed PEPFAR staffing and vacancy data for State, USAID, HHS, and DOD in Washington, D.C., and across country teams from fiscal years 2019 through 2021. To assess delays in distributing PEPFAR funds, we asked focus groups to identify whether delays occurred in the funding process and reviewed State data on PEPFAR funding distributions from fiscal years 2020 through 2022. See appendix I for more information about our objectives, scope, and methodology.

We conducted this performance audit from July 2021 to December 2022 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.

Background

PEPFAR Program Overview

The U.S. Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 established PEPFAR with the goal of achieving HIV/AIDS epidemic control through prevention, treatment, and care programs.[10] As shown in figure 1, during fiscal year 2022 PEPFAR operated in and provided funding for programs in over 50 countries, many of which are in sub-Saharan Africa, where HIV/AIDS remains highly prevalent in the general population.
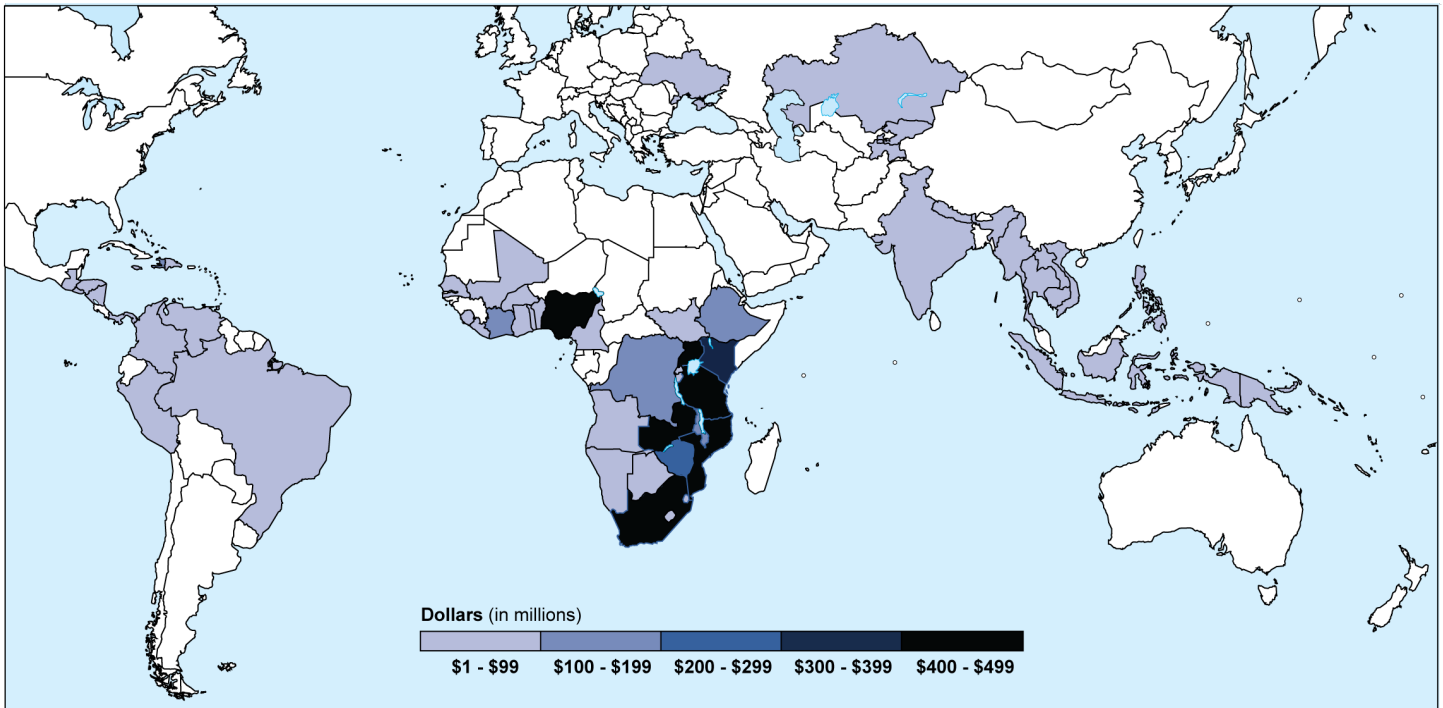
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[9]GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, GAO-04-39 (Washington, D.C.: Dec. 11, 2003).

[10]Pub. L. No. 108-25, § 102, 117 Stat. 721 codified at 22 U.S.C. § 2651a(f).

Figure 1: Countries Where PEPFAR Funded Activities to Combat HIV/AIDS in Fiscal Year 2022

Legend: PEPFAR = President's Emergency Plan for AIDS Relief.

Sources: Department of State (data); Map Resources (map). | GAO-23-105347

PEPFAR uses UNAIDS' definition of "epidemic control" to measure its goals. In 2014, UNAIDS defined these goals as "90-90-90" by 2020 and 95-95-95" by 2030—i.e., 90 or 95 percent of people living with HIV worldwide know their status, 90 or 95 percent of people who know their status are accessing treatment, and 90 or 95 percent of people on treatment have suppressed HIV viral loads. As of December 2021, at least 20 PEPFAR-supported countries among all countries worldwide had met the 90-90-90 goals. PEPFAR's strategy also emphasizes long-term sustainability through country ownership of PEPFAR programs and health system strengthening.

PEPFAR Agencies' Roles and Responsibilities

S/GAC: Based Primarily in HQ

As outlined in legislation, S/GAC is the lead agency for the PEPFAR program and directly approves all U.S. activities and funding related to combatting HIV/AIDS in countries in which the United States implements

specified HIV/AIDS programs.[11] Relevant executive branch agencies and nongovernmental organizations implement PEPFAR activities. The U.S. Global Aids Coordinator leads S/GAC and oversees the daily coordination, management, and implementation of PEPFAR. S/GAC officials provide oversight for and facilitate coordination among the various entities involved in implementing PEPFAR. These include U.S. implementing agencies in Washington, D.C.; PEPFAR country teams overseas; implementing partners; and host country governments. S/GAC's oversight and coordination responsibilities include resolving policy, program, and funding disputes among U.S. agencies in HQ and country teams, according to S/GAC officials. While most of S/GAC's presence is in HQ, some S/GAC officials work overseas.

Implementing Agencies: Based in HQ and Overseas

Several U.S. government agencies, such as USAID, HHS's Centers for Disease Control and Prevention (CDC), and DOD, implement PEPFAR activities, which include the provision of training, prevention tools, care, and treatment. USAID collaborates with host country governments, implementing partners, and other organizations to provide HIV-related services and other support to treat HIV and prevent its transmission and to strengthen health systems. Such support includes training, technical assistance, and commodities (e.g., pharmaceuticals and equipment). CDC works with host countries' Ministries of Health to deliver prevention tools, care, and treatment to areas affected by HIV/AIDS. DOD implements activities similar to those of USAID and CDC in host country government militaries and civilian communities.

Country Teams: Based Overseas

PEPFAR country teams in a given country comprise overseas S/GAC officials, overseas PEPFAR implementing agency officials, and the U.S. Chief of Mission or Deputy Chief of Mission for each country, who has primary country-level oversight of the PEPFAR program. PEPFAR country teams work with S/GAC and with their agency points of contacts in Washington, D.C., to manage and implement PEPFAR activities. These teams also work with and oversee implementing partners that conduct PEPFAR activities. Implementing partners include host country government agencies, private contractors, universities, nongovernmental organizations and faith-based organizations, which receive their funding primarily through cooperative agreements, grants, and contracts.
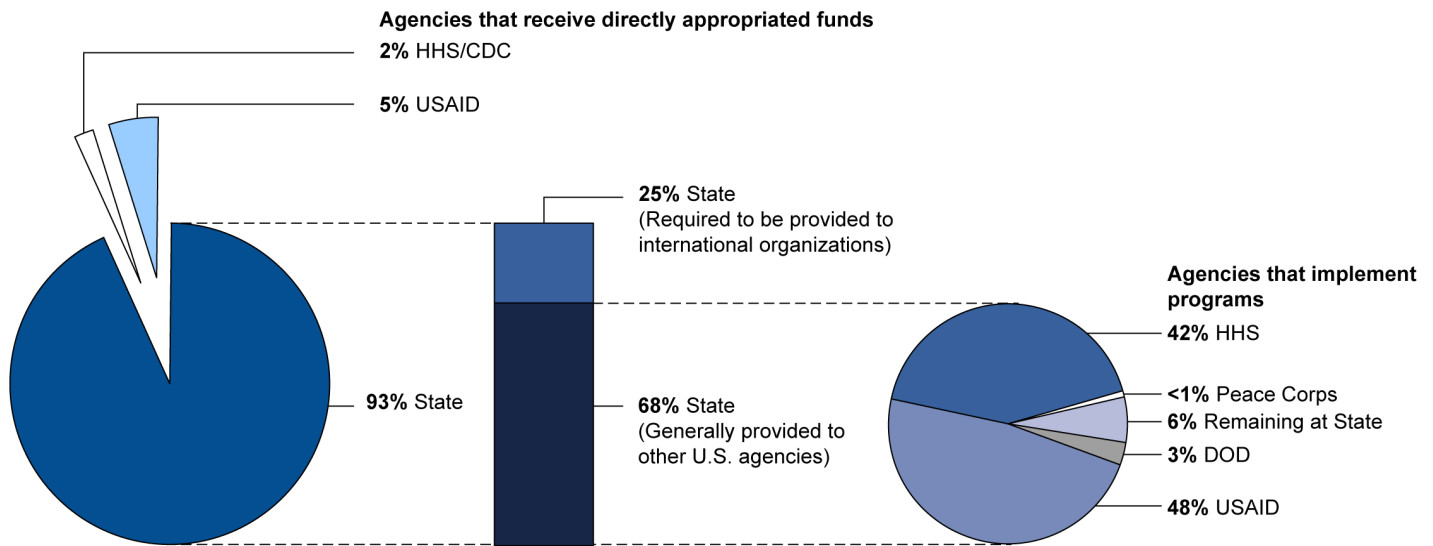
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[11]22 U.S.C. § 2651a(f)(2)(B)(ii)(IX).

PEPFAR Funding for U.S. Agencies

PEPFAR funding has remained stable in recent years with PEPFAR receiving about $6 billion annually from fiscal years 2019 through 2022. There are three primary sources of funding for PEPFAR activities:

- **Global Health Programs-State**, which consists of 5-year funds directed to be apportioned to State—that is, funds that remain available for initial obligation for up to 5 years from the time of appropriation. It has been the largest source of funding of the three appropriations, about $5.9 billion a year provided directly to State. State transfers most of this funding to other agencies, primarily HHS and USAID.

- **Global Health Programs-USAID**, which consists of 2-year funds directed to be apportioned to USAID, about $330 million a year.

- **Global Health-HHS/CDC**, which consists of 2-year funds, about $128 million a year provided directly to HHS.

State receives almost all PEPFAR funding but transfers almost all of it to other U.S. agencies, such as USAID, HHS, and DOD, and to international organizations. According to S/GAC officials, after S/GAC transfers funds to U.S. agencies, agency officials can obligate the funds to implementing partners. Figure 2 shows the amount of funding Congress provided to State, CDC, and USAID and the amount of funding State transferred to U.S. implementing agencies in fiscal year 2021.

Figure 2: Appropriated and Transferred PEPFAR Funding, by Agency, Fiscal Year 2021

Agencies that receive directly appropriated funds

2% HHS/CDC

5% USAID

93% State

25% State
(Required to be provided to international organizations)

68% State
(Generally provided to other U.S. agencies)

Agencies that implement programs

42% HHS

<1% Peace Corps
6% Remaining at State
3% DOD

48% USAID

Legend: PEPFAR = President's Emergency Plan for AIDS Relief; CDC = Centers for Disease Control and Prevention; DOD = Department of Defense; USAID = U.S. Agency for International Development; State = Department of State, HHS = Department of Health and Human Services.

Source: GAO analysis of State data. | GAO-23-105347

Annual Country Operational Planning Process, as of August 2022

Each year, S/GAC works closely with PEPFAR country teams to develop country operational plans (COP), using guidance and tools that S/GAC developed.[12] Through this 3- to 4-month process, which usually runs from January to April, country teams develop a COP, and S/GAC reviews and approves it. The approved COP outlines country-specific PEPFAR performance targets and determines agencies' PEPFAR activities and funding for the upcoming year.

Before the start of the COP planning process in January, country teams review program progress to inform the upcoming COP process.[13] S/GAC provides COP guidelines to country teams that specify timelines, program requirements, planning steps, and budget guidance. S/GAC also issues a planning letter to each PEPFAR country team that mentions country-specific preliminary funding levels as well as expectations and priorities based on prior performance. Upon receiving the letter, the country teams

[12]Annual planning for some countries' PEPFAR programs is documented in regional operational plans rather than in COPs. In this report, COP is used to refer to the COP process, not the regional operational planning process.

[13]The implementation period for an approved COP is October 1 to September 30.
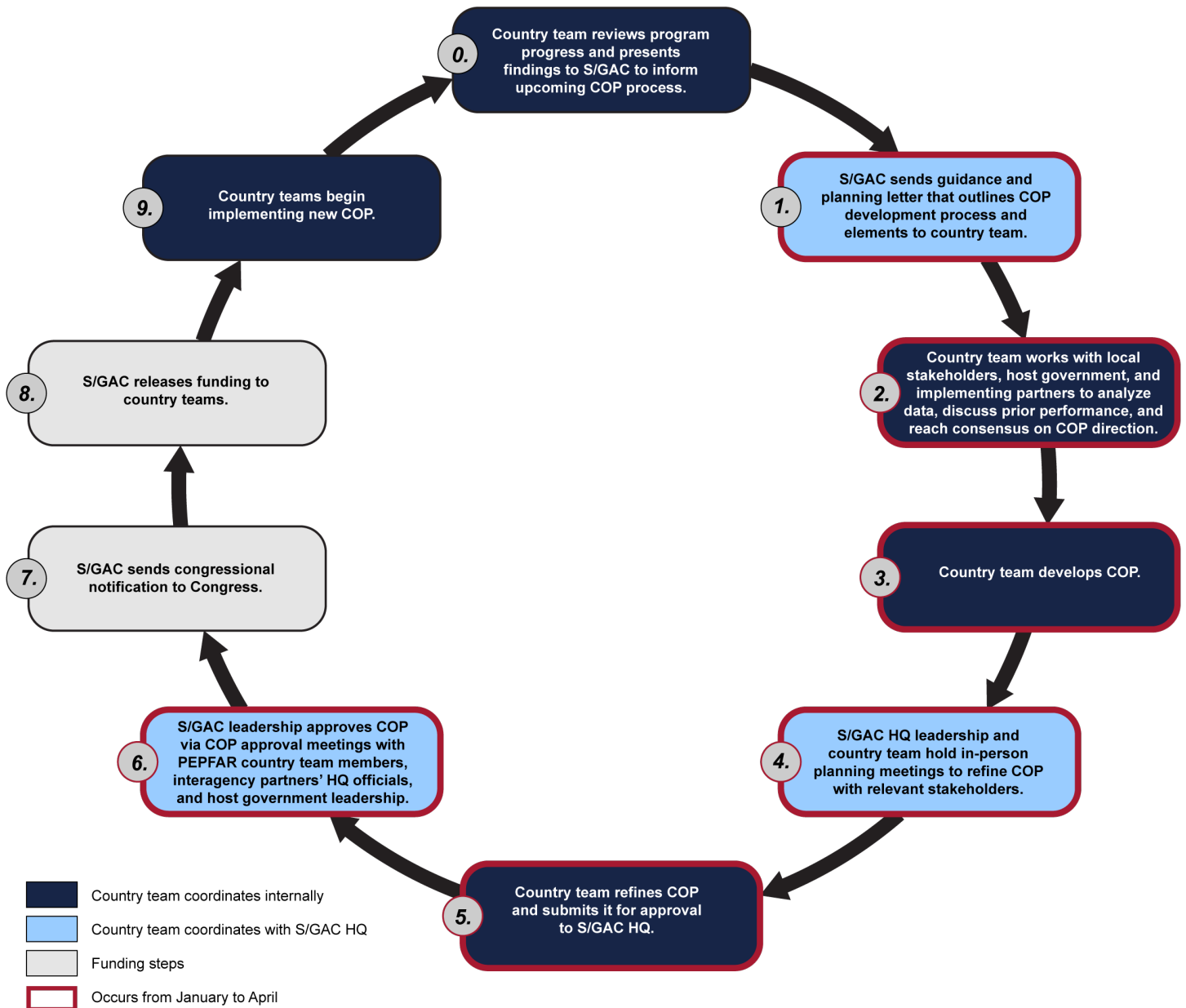
collaborate with relevant host country governments, implementing partners, and other local stakeholders to reach consensus on the funding levels, program areas, and geographic regions that will be outlined in the COP. Throughout COP development, S/GAC works closely with and provides feedback to country teams on the areas outlined in the COP. Once the country teams submit the COP and S/GAC approves it, S/GAC sends out congressional notifications to Congress and then releases funding to implementing agencies.[14] After agencies receive their funding allocations, U.S. agencies and their implementing partners can begin conducting new PEPFAR activities in the new COP implementation year.[15] Figure 3 shows details of the COP process as of August 2022, including the steps in the process where country teams coordinate internally and with S/GAC.

[14]The Foreign Assistance Act restricts obligation of certain funds unless the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committee on Appropriations of each House of the Congress are notified 15 days in advance of such obligation. See 22 U.S.C. § 2394-1.

[15]According to State officials, if activities are not completed in the COP implementation period for which funding was approved, agencies must obtain new funding approvals for those activities.

Figure 3: Annual PEPFAR Country Operational Planning Process, as of August 2022

0. Country team reviews program progress and presents findings to S/GAC to inform upcoming COP process.

1. S/GAC sends guidance and planning letter that outlines COP development process and elements to country team.

2. Country team works with local stakeholders, host government, and implementing partners to analyze data, discuss prior performance, and reach consensus on COP direction.

3. Country team develops COP.

4. S/GAC HQ leadership and country team hold in-person planning meetings to refine COP with relevant stakeholders.

5. Country team refines COP and submits it for approval to S/GAC HQ.

6. S/GAC leadership approves COP via COP approval meetings with PEPFAR country team members, interagency partners' HQ officials, and host government leadership.

7. S/GAC sends congressional notification to Congress.

8. S/GAC releases funding to country teams.

9. Country teams begin implementing new COP.

Legend:
- Country team coordinates internally
- Country team coordinates with S/GAC HQ
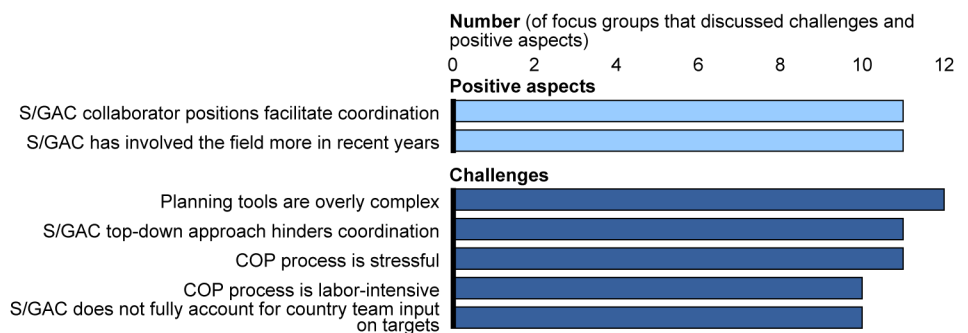- Funding steps
- Occurs from January to April

Legend: COP = country operational plan, S/GAC = Department of State's Office of the U.S. Global AIDS Coordinator and Health Diplomacy, HQ = headquarters, Q4 = Quarter 4.
Source: GAO analysis of State information. | GAO-23-105347

State Has Started to Address Persistent Coordination Challenges That Hinder Implementation

State's S/GAC coordinates effectively with PEPFAR country teams in some ways and has started taking actions to address persistent coordination challenges that hinder implementation. The 12 focus groups we convened in early 2022 discussed positive aspects of and improvements in coordination between S/GAC and country teams as well as ongoing challenges since early 2020.[16] Some of the coordination challenges that the focus group participants discussed have persisted for a number of years; the State IG reported on them in 2020 and GAO in 2004, as mentioned earlier.[17] Since 2020, S/GAC has started taking actions to address these coordination challenges, such as collecting feedback from country teams and in summer 2022 convening a COP reform task force. Figure 4 below highlights the positive and challenging aspects to coordinating with S/GAC that were most commonly discussed in our focus groups of PEPFAR country team officials.[18]

Figure 4: Positive and Challenging Aspects to Coordinating with S/GAC Most Commonly Discussed in PEPFAR Country Team Focus Groups

Number (of focus groups that discussed challenges and positive aspects)

Positive aspects
- S/GAC collaborator positions facilitate coordination
- S/GAC has involved the field more in recent years

Challenges
- Planning tools are overly complex
- S/GAC top-down approach hinders coordination
- COP process is stressful
- COP process is labor-intensive
- S/GAC does not fully account for country team input on targets

Legend: COP = country operational plan, S/GAC = Department of State's Office of the U.S. Global AIDS Coordinator and Health Diplomacy.

Source: GAO analysis of focus group interviews. | GAO-23-105347

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[16]We convened 12 focus groups—two for each of the six selected countries. Specifically, for each country, we held a focus group that included only senior officials in that country and a second focus group that included only technical officials in that country. For more information on our focus groups, see appendix I.

[17]Department of State, Office of the Inspector General, AUD-SI-20-17. GAO-04-784.

[18]Our unit of analysis is the focus group, meaning that if one participant in a focus group discussed the topic, we attributed it to the focus group as a whole.

S/GAC Coordinates Effectively with PEPFAR Country Teams in Some Ways and Has Made Related Improvements

Collaborator Positions Communicate Country Teams' Input to S/GAC

Department of State's Office of the U.S. Global AIDS Coordinator and Health Diplomacy (S/GAC) Collaborator Positions

Washington, D.C. headquarters-based:

- **PEPFAR country chairs** serve as the most senior S/GAC representatives for an assigned country team and report directly to the U.S. Global AIDS Coordinator.

- **PEPFAR program managers** work alongside each of the chairs on the programmatic strategy and also serve as the day-to-day points of contact for PEPFAR officials working in an assigned country.

- **Country accountability and support teams** comprise the country chair, program manager, and agency points of contact for respective implementing agencies.

Overseas-based:

- **PEPFAR country coordinators** serve as a liaison among U.S. implementing agency staff. The coordinator also communicates directly with the PEPFAR program manager and PEPFAR chair and facilitates interagency planning, reporting, and other external engagement. While country coordinators are typically part of S/GAC, officials from other agencies can fill the coordinator role.

Source: GAO analysis of State documents. | GAO-23-105347

When we asked participants in the 12 focus groups about positive aspects of coordinating with S/GAC in the last 2 years, participants in 11 groups stated that specific S/GAC collaborator positions in HQ facilitated effective coordination and communication between S/GAC HQ and interagency country teams.[19] Participants in seven of the 12 groups said that collaborator positions in PEPFAR country teams were helpful in this regard. See sidebar for a description of these positions.

Participants in four focus groups stated that overseas-based PEPFAR country coordinators communicated their input and concerns to S/GAC via the HQ-based PEPFAR country chairs and PEPFAR program managers. Some focus group participants added that the chair or program managers would often advocate to other S/GAC officials on behalf of the country team on areas related to the country's strategies and programs. For example, participants in one focus group described how their program manager and chair responded promptly to the request of their country team and the host country government for an emergency supply of anti-retroviral drugs to address procurement delays related to COVID-19.

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[19]In this report, we use the term "collaborator" to describe a number of S/GAC positions that focus groups said facilitated country teams' coordination with S/GAC. These positions are the PEPFAR country chairs, PEPFAR program managers, and PEPFAR country coordinators.

S/GAC officials also noted that the collaborator positions help interagency officials in HQ and country teams coordinate with each other. For example, S/GAC officials noted that program managers and chairs facilitate interagency coordination routinely through quarterly monitoring of the program and annually through the COP process. They also said that the Country Accountability and Support Team supports country teams by analyzing data, recommending guidance, and identifying promising best practices, among other things.

S/GAC's Increased Engagement with Country Teams in Recent Years Has Provided Them More Autonomy

While the State IG reported in early 2020 that country teams felt their input was not considered, participants in 11 of the 12 focus groups stated that S/GAC had made some progress in this area by allowing for more engagement from country teams in the last 2 years.[20] For example, officials in one focus group said that S/GAC had recently approved their country team's request to use host-country government data to help determine program performance. These officials said that the host-country government data are more accurate for the country team's purposes than the data used in the past. Participants in another focus group said that in recent years, S/GAC had become more transparent, more approachable, and more open to dialogue with country teams regarding their concerns and the host country's perspectives. S/GAC officials also outlined their efforts in recent years to allow country teams more flexibility during the COP process.

S/GAC's Clear Guidance Facilitates the COP Process for Country Teams

Participants in nine of the 12 focus groups stated that S/GAC issues clear and thorough written guidance, which they said is helpful for coordinating during the COP process. For example, some participants discussed how S/GAC shared COP guidance across country teams and shared with them best practices from country teams. Officials in some senior and technical focus groups appreciated S/GAC-developed web-based seminars (webinars), including those that outlined changes to COP tools. S/GAC officials also cited updated guidance and webinars as important efforts they had implemented to improve coordination.

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[20]Department of State, Office of the Inspector General, AUD-SI-20-17.

S/GAC's Top-Down Approach and Labor-Intensive COP Process Are Persistent Coordination Challenges That Hinder Implementation

S/GAC's Top-Down Approach with Country Teams Hampers Coordination

Technical official:

"While we have more input in recent years, we get more questions. And the questions end up becoming instructions, not negotiations on what's realistic in the country."

Source: PEPFAR focus group participant. | GAO-23-105347

When asked what was not working well when coordinating with S/GAC, participants in 11 of the 12 focus groups characterized S/GAC culture as "top-down" and identified this as a coordination challenge that has persisted over a number of years, though participants also noted improvements in including country teams more recently. Focus group participants representing all included countries and agencies and including both senior and technical officials raised this concern.[21] Officials in some focus groups stated that S/GAC officials in HQ make final programming decisions even though country teams help implement programs and are more familiar with conditions on the ground. Additionally, participants in seven groups stated that an HQ-based approach hurt diplomacy with host country governments, which some participants said could hinder S/GAC's ability to shift PEPFAR to a host-country-government-sustained program in the long run. DOD HQ officials also told us that S/GAC took a similar top-down approach with senior-level directors from DOD and other HQ implementing agencies. They noted that S/GAC engagement with senior-level directors had not been collaborative over the last several years and typically consisted of meetings in which S/GAC informed these directors of policy and strategy decisions.

S/GAC Does Not Fully Account for Country Teams' Input on Targets

Participants in 10 of the 12 focus groups indicated that S/GAC does not fully account for country teams' input on their country's targets, with some participants stating that S/GAC set targets that were unrealistically high, given the country context. For example, participants in one focus group stated that in 2019, S/GAC set a target that was higher than the number of people living with HIV in that country. Officials from that country also provided documentation showing that S/GAC's data tools set the country's 2022 pediatric treatment targets higher than the youth population living with HIV in that country. Although country team officials

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[21]CDC officials mentioned such challenges in 11 of the 12 focus groups, USAID officials in 10 of the 12, and State officials in eight of the 12. DOD officials mentioned such challenges in three of the four focus groups in which DOD officials were participants.

noted that this pediatric treatment target was too high and that the country had only met 79 percent of the prior year's lower target, S/GAC required that the country keep the target set by the tool.

Starting in 2020, S/GAC revised its policy to allow country teams more autonomy to set targets. However, the most recent COP guidance for our focus group countries states that treatment targets must be at least as high as the prior year's targets. We reviewed the COP 2020 treatment targets for our six focus group countries and found that 69 percent of these targets were not met.

> **Senior official:**
>
> "S/GAC's expectations are too high. S/GAC believes that PEPFAR has super powers. There is a disconnect with the local priorities. The targets are set to meet PEPFAR objectives and not country objectives."
>
> **Senior official:**
>
> "PEPFAR has the standard 90/95 targets. S/GAC said all countries had to meet those goals, regardless of individual country gaps. Some countries were close to the target, but others were far from that. When we go to the host country or implementing partners with these astronomical targets, they feel like we are never going to meet them and in turn feel set up for failure."
>
> **Senior official:**
>
> "The entire target setting process feels very Orwellian. The treatment targets are not even close to what we can achieve."
>
> Source: PEPFAR focus group participants. | GAO-23-105347

Labor-Intensive COP Process and Complex COP Tools Limit Country Teams' Time to Implement Activities

Participants in 10 of the 12 focus groups noted that the COP process was labor-intensive and participants in all 12 focus groups said the COP tools were complex. Participants in 11 focus groups also noted that the resulting heavy workload led to stress and low morale during the COP process. Participants in five focus groups discussed how the COP process involves numerous deliverables with tight deadlines and complex data analyses. One focus group participant noted that during the COP season, the country team might have overlapping meetings with S/GAC and implementing partners.

> **Senior official:**
>
> "I can affirm that at least 76% of our team is nearly 100% involved in country operational planning and related processes."
>
> Source: PEPFAR focus group participant. | GAO-23-105347

Because of all of their COP responsibilities, some participants said that they did not have time to implement PEPFAR activities, conduct site visits, or work with implementing partners and host countries during the COP process. For example, officials from one country team noted that they could not conduct any site monitoring visits for 5 months, as their staff were fully involved in the COP planning process. The country coordinator of another country team said that the team delayed starting up a technical assistance grant because it was busy preparing COP tools. Five of the six country coordinators in our focus groups estimated that their interagency PEPFAR country team spent 50 to 100 percent of its

time on the COP process in the first 3 to 4 months of the year. The country coordinators of three of the four larger country teams estimated that they spent an average of at least 50 to 75 percent of their time on the COP process in the first 3 to 4 months of the year, with the country coordinators of the two smaller country teams estimating an average of 75 to 100 percent.[22]

Two country teams from our focus groups provided us with details showing significant staff overtime during the COP season from January 2022 to April 2022. In one country team, USAID, CDC, and DOD logged 1,047 overtime hours during this period, according to that team's country coordinator.[23] The country coordinator stated that these numbers do not include any overtime for senior staff, and overtime affects a small subset of PEPFAR staff who work on COP tools or are in the PEPFAR Coordination Office. For example, of the 1,047 overtime hours noted above, four staff alone accounted for 454 of those hours.

Participants in all 12 focus groups discussed challenges related to tools that S/GAC requires throughout the COP process, such as tools for developing COP budgets and for setting COP performance targets. They characterized the tools as overly complex, time-consuming, and burdensome. Participants in seven focus groups expressed concerns about the "data pack" spreadsheet tool that teams use to develop their countries' annual COP performance targets. For example, some focus group participants described staff working nights and weekends on the data pack—in one case, a technical official working 3 weeks of overtime. In another case, a focus group participant said it took four to six people working 6 weeks, 40 hours per week, to complete the data pack tool. In addition, USAID HQ officials noted that some COP tools are cumbersome, inefficient, and susceptible to error.

Process to Amend COPs Is Also Complex, Lengthy, and Labor-Intensive

Participants in seven of the 12 focus groups stated that the process for obtaining S/GAC approval for changes to COPs—known as an "Operational Planning Update"—is complex and lengthy and involves multiple steps. S/GAC guidance for this process outlines six separate

<div style="float:left">

Technical official:

"From the beginning of January to mid-March or April, depends on the year, we're not allowed to do site visits. We have to work on country operational planning tasks exclusively."

Source: PEPFAR focus group participant. | GAO-23-105347

Technical official:

"The data pack has some technical glitches that make it hard for us. Because of glitches, such as rounding errors, we have over 800,000 rows of data and we literally have to go through line by line."

Source: PEPFAR focus group participant. | GAO-23-105347

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[22]The country coordinator of the sixth country team estimated that its country team spent 20 percent of its time on the COP process. After participating in our focus groups, the country coordinators of each of the six country teams provided these estimates based on the amount of time that their country teams spent on COP processes for the most recent COP. This period encompasses the first 3 to 4 months of 2022.

[23]The breakdown of the 1,047 hours by agency was 323 for DOD, 130 for CDC, and 594 for USAID, according to that team's country coordinator.

steps for standard submission and approval, with most of these steps comprising multiple steps involving country teams, S/GAC, or U.S. implementing agency officials.

Participants in two focus groups stated that the operational planning update process was required for minor changes, such as adding the name of an implementing partner to an approved project or moving small amounts of money from one implementing partner to another. Some participants said that changes took months, which hindered country teams' ability to adjust programming in time to respond to shifting needs on the ground. For example, documentation from one focus group country showed that a budget-related change took 4 months from submission to approval.

S/GAC officials acknowledged that improvements to the operational planning update process are needed and have been taking steps since 2020 to expedite the process and clarify the related guidance. S/GAC officials also noted that they are constrained by statutory requirements for the allocation of PEPFAR funding and limitations with their data systems.[24] In 2020, S/GAC developed a simpler version of the process for changes not related to budgets and targets. However, even after these changes, participants in six focus groups said that operational planning update processes took too much work and time.

S/GAC Has Started Obtaining Country Team Feedback to Address Persistent Coordination Challenges

In 2020, S/GAC started taking actions to address persistent coordination challenges. State IG and GAO reports issued in 2020 and 2004, respectively, noted the persistence of some of these challenges over the years.[25] As part of its efforts to address the State IG report's findings on coordination challenges, S/GAC updated some COP tools on the basis of country teams' input and allowed teams more autonomy to set targets. However, our focus group countries must set treatment targets at least as high as the prior year's targets, even if they failed to meet those targets, according to the most recent COP guidance for those countries. S/GAC officials have also acknowledged the heavy workload on country teams during the COP process and said they will continue to streamline processes and provide resources, for example, by developing more

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[24]See 22 U.S.C. § 7673. These include requirements to provide assistance for orphans and vulnerable children and for specified mechanisms for the prevention, care, and treatment of HIV/AIDS.

[25]Department of State, Office of the Inspector General, AUD-SI-20-17. GAO-04-784.

flexible deliverable timelines and an expanded pool of S/GAC officials who can support country teams.

In the spring or summer of 2020, 2021, and 2022, S/GAC sent surveys to PEPFAR stakeholders, including PEPFAR country teams and U.S. implementing agencies' HQ officials, to obtain their feedback on the COP process.[26] In June 2022—a few months after we conducted our focus groups—S/GAC sent out its most recent survey and then took further action by convening a COP reform task force to analyze the survey results. In July 2022, the task force recommended improvements to the COP process.[27] In addition, S/GAC held listening sessions that, among other things, asked for agency officials' input on how to reform the COP process.

On the basis of its analysis of the 2022 survey and listening sessions, the task force issued five recommendations intended to empower country teams to lead the development of their PEPFAR strategies, promote healthy collaboration across the PEPFAR program, and greatly reduce workload by overhauling COP tools and guidance. These recommendations resulted in S/GAC announcing significant changes to the COP process in August 2022. The proposed changes included modifying the COP process to occur biannually (every other year) instead of annually, shortening the COP process to 8 to 10 weeks, inviting country teams to present their strategic priorities to S/GAC before the start of the COP planning period, overhauling COP tools for targeting and budgeting, and reducing the COP data collection burden on country teams.

Convening the task force and collecting country team feedback on areas of concern are positive steps toward addressing persistent coordination challenges, including country teams' concerns that S/GAC manages PEPFAR with a "top-down" rather than a collaborative approach. According to S/GAC officials, S/GAC plans to continue collecting and

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[26]According to S/GAC officials, S/GAC sent the 2022 survey to all stakeholders who participated in the COP/regional operational planning process and anyone that was a part of the country or regional delegations. These stakeholders included U.S. government PEPFAR staff, global civil society organizations, local civil society organizations, multilateral organizations (e.g., the Global Fund to Fight AIDS, Tuberculosis, and Malaria, UNAIDS, the World Health Organization), in-country governments and ministry officials, subject matter experts, and the private sector.

[27]According to S/GAC, this task force includes HQ and overseas field staff representing all PEPFAR implementing agencies.

analyzing country team feedback after every COP planning period. If S/GAC continues to collect such feedback on a routine basis, it will be better equipped and informed to address country teams' coordination concerns and improve COP processes as needed in the future.

Persistent Vacancies at State Hinder PEPFAR Implementation Because State Lacks a Strategic Workforce Planning Process to Identify Causes

Persistent S/GAC Headquarters and Country Team Vacancies Have Increased Workload and Affected Retention

Vacancies persist in S/GAC's HQ office and in PEPFAR country teams, with participants in our focus groups noting that these vacancies have led to heavy workload and affected retention. In particular, vacancies in country chair and program manager positions at HQ and in country coordinator positions overseas have hindered coordination and led to resignations because of overwork. Furthermore, these staffing vacancies have persisted over the years, as both we and the State IG have previously reported.[28] Figure 5 displays vacancies at S/GAC HQ and in country coordinator positions overseas, as of fiscal year 2022.

[28]Department of State, Office of Inspector General, AUD-SI-20-17. GAO-21-374.

Figure 5: PEPFAR Vacancies in S/GAC Headquarters and PEPFAR Country Coordinator Positions, as of Fiscal Year 2022
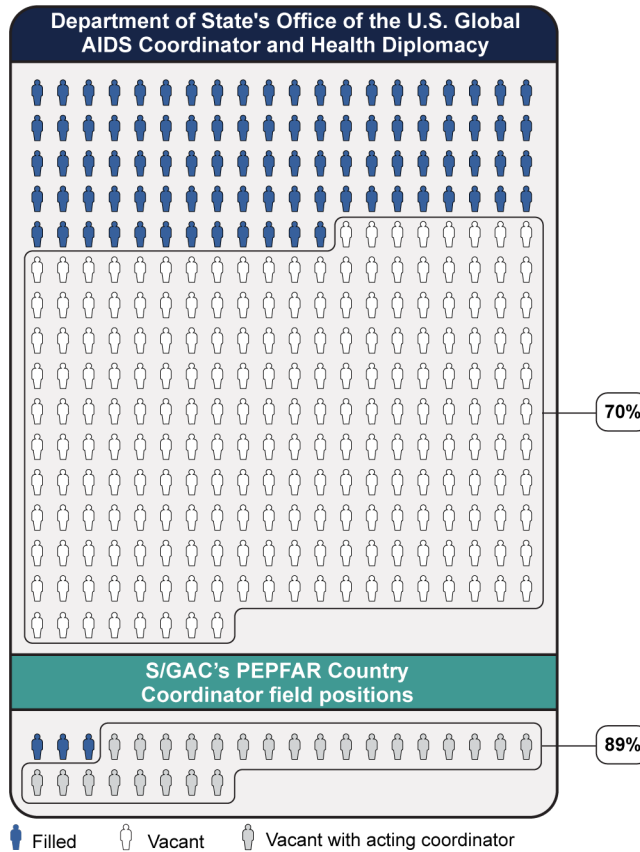
Source: GAO analysis of State data. | GAO-23-105347

S/GAC Headquarters Vacancies

Senior official:

"There has been a lot of turnover in headquarters and that has been hard for us. For example, the program manager is a very vital role, and we've had three or four program managers over the last 18 months. We need continuity with the country programs, and it's a lot of work to deal with a new program manager, especially during country operational planning season."

Source: PEPFAR focus group participant. | GAO-23-105347

As of September 2022, 216 of 308 positions in S/GAC's HQ office were vacant (70 percent). These vacancies exist in multiple S/GAC offices in HQ and range from senior positions to technical experts. The focus groups we convened discussed the adverse effect these vacancies have had on country teams, with participants in six focus groups stating that chronic turnover and vacancies at S/GAC HQ had hindered coordination with the country teams. In particular, they noted the effects of vacancies in the country chair and program manager positions at HQ. Specifically, participants described instances when some country chairs and program managers performed their duties inconsistently because they were overstretched and covering multiple countries with chair or program manager vacancies. These participants observed that this heavy

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workload for program managers and chairs had resulted in some leaving their roles, leading to overall high turnover in the positions. For example, as of August 2022, seven of 32 program manager positions (22 percent) were vacant. Participants in one focus group said they had experienced challenges when their country team needed assistance from S/GAC but were told that their chair or program manager had to focus on assisting another country team.

As we reported in 2021, S/GAC officials told us that staffing shortages and staff turnover at S/GAC HQ have been a challenge since at least 2017, with S/GAC's management and budget team operating at about half capacity for periods of time.[29] According to S/GAC HQ officials, State has tried to decrease S/GAC's work burden in HQ, specifically on country chairs, by assigning chairs to only one or two country teams. However, this change is still in progress, and S/GAC vacancies persist.

Country Team Vacancies

As of August 2022, 25 of the 28 PEPFAR country coordinator positions (89 percent) were filled by an acting coordinator. Participants in nine focus groups discussed how PEPFAR country coordinator vacancies led to heavy workload for acting country coordinators, who are expected to perform multiple jobs. For example, a deputy country coordinator in our focus groups had served in that position for 10 years and during that period had also served as acting country coordinator on four separate occasions, with each term ranging from 7 to 13 months.

A deputy country coordinator in a different country told us that the coordinator position had been vacant for over a year and the deputy coordinator position had been vacant for months. This official noted that this staffing gap occurred during a 2-year period when funding was doubled and programming increased. This deputy coordinator told us that he served as both deputy coordinator and coordinator for a year while the coordinator role was vacant.

Further, S/GAC officials told us they do not consider the PEPFAR country coordinator position vacant if it is filled by an official serving in an acting or temporary role. However, as multiple acting coordinators explained,

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[29]GAO-21-374.

they often have double the workload while serving as an acting coordinator, since they still have to fulfill the duties of their original position—typically that of the deputy coordinator.

Participants in ten focus groups also said that heavy workload adversely affected retention and discussed how some country team officials quit because they were overworked. For example, in one country team, according to the country coordinator, a senior official quit immediately after the end of the COP process because of heavy workload. Officials from another country team provided data demonstrating their heavy workload, with their staff logging 26 weeks' worth of overtime or comp time during the COP process from January to April.

The State IG reported on vacancies in PEPFAR country coordinator positions as a continuing staffing challenge in both 2009 and 2020.[30] To address the State IG's 2020 findings on persistent PEPFAR country coordinator vacancies, S/GAC opened the position to civil service employees to increase the applicant pool. Although S/GAC issued multiple application announcements to fill the positions, as of September 2022, it had hired only one coordinator through this expanded hiring process.[31] According to S/GAC officials, the highly technical nature of the country coordinator position and the lengthy hiring and clearance process for overseas positions have contributed to these extended vacancies.

Technical official:

"The impact of the vacancies is that it takes a long time to recruit and also puts pressure on people who are available to cover for the vacancies. A lot of people work at home, midnight, all hours to cover and people have had breakdowns in the office due to the stress. People feel a lot of pressure. The truth is when people leave, the multilateral organizations offer something better. Sometimes when we try to recruit, we might not get the best people and it puts more pressure on the rest of the staff."

Source: PEPFAR focus group participant. | GAO-23-105347

S/GAC Has Not Identified or Addressed Causes of Persistent Vacancies Because It Lacks a Strategic Workforce Planning Process

Persistent S/GAC HQ and country team vacancies have led to heavy workload and staff retention issues, but S/GAC has not addressed this challenge and its underlying causes. GAO's prior work has identified key principles for effective strategic workforce planning, including developing strategies to address gaps in number, deployment, and alignment of human capital approaches for enabling and sustaining the contributions of all critical skills and competencies.[32] Although PEPFAR comprises an interagency workforce of nearly 4,000 employees with an annual operating budget exceeding $6 billion, S/GAC does not have a strategic workforce planning process for the program. Instead, according to S/GAC officials, S/GAC carries out its workforce planning through its annual

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[30]Department of State, AUD-SI-20-17 and ISP-I-10-01: *The Exercise of Chief of Mission Authority in Managing the President's Emergency Plan for AIDS Relief Overseas* (November 2009).

[31]S/GAC took this action in response to the State IG's report. Beforehand, the position was typically staffed by contractors hired under USAID hiring mechanisms.

[32]GAO-04-39.

operational plan process, including COPs and headquarters operational plans. Such workforce planning does not align with GAO leading practices. Specifically, it does not address long-term human capital gaps program-wide by, for example, developing long-term strategies for acquiring, developing, and retaining staff to achieve program goals. S/GAC's annual operational planning documents do not include such strategies, nor do they outline a plan to identify the underlying causes of persistent, long-term vacancies in key HQ and country team positions. For example, the COP documents we reviewed outline the number of vacancies in each country and the status of the hiring process but do not provide higher-level analysis on the root causes of the vacancies or recommendations to address them. Without a strategic workforce planning process that identifies and addresses the underlying causes of persistent PEPFAR staffing vacancies, S/GAC HQ and country team officials will continue to face heavy workload, which hinders effective program implementation and contributes to high turnover.

State Transfers PEPFAR Funds to Agencies before the COP Implementation Period, but Agencies' Varying Funding Policies Create Challenges

S/GAC Generally Transfers PEPFAR Funds to Agencies before the Start of the COP Implementation Period

S/GAC generally transfers PEPFAR assistance funds to implementing agencies before the start of the COP implementation period,[33] with participants in 10 of the 12 focus groups characterizing S/GAC's transfer of funds to their agencies as "smooth" and "working well" in the last 2 years. Focus group participants across all agencies and in all but one country noted that S/GAC funding provides U.S. implementing agencies reliable and stable funding to carry out PEPFAR's mission. According to data we reviewed, S/GAC transferred nearly all funding for COP 2020

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[33]The implementation period for an approved COP is October 1 to September 30.

and COP 2021 by October 1, the beginning of the COP implementation period.[34]

Implementing Agencies' Processes Can Create Challenges and S/GAC Has Made Changes to Transfer Funds Earlier

While over 95 percent of S/GAC's funding transfers occurred a month prior to the COP 2020 and COP 2021 implementation periods, some of our focus group participants noted that implementing agencies' processes can create challenges in providing funding as planned to implementing partners to carry out PEPFAR activities. For example, participants in five focus groups said that implementing agencies' processes for internal review and clearance of PEPFAR assistance funds can delay when country teams receive funding. This, in turn, may affect these teams' ability to fund implementing partners' activities as planned, according to some focus group participants. For example, DOD HQ officials described a cumbersome and lengthy DOD approval process for releasing funds to country teams that resulted in unnecessary delays to implementation of activities. Specifically, officials noted that DOD's approval process takes 2 to 4 months and entails a full department clearance involving multiple DOD components. According to DOD PEPFAR officials, senior agency management is aware of these challenges but has not been able to streamline the approval process.

Senior official:

"One year we received funding the day before we were due to have the grants out. We got the money on September 31, and it takes a while to get payments processed and deposited by the implementers. So instead of starting on October 1, they were starting in November or December."

Source: PEPFAR focus group participant. | GAO-23-105347

Even though S/GAC transfers almost all of its funding before the COP implementation period (Oct. 1), S/GAC has made changes to transfer funds even earlier by completing congressional notifications earlier. Some focus group participants and implementing agency HQ officials noted that the timing of S/GAC's transfers can make it difficult to provide funding as planned to implementing partners. According to S/GAC officials, S/GAC typically approves the COPs in April or May, then completes its congressional notifications of COP funding before transferring funds in advance of the upcoming COP implementation period, which begins on October 1.[35] However, S/GAC officials stated that implementing agencies prefer to receive funding a few months earlier so they can provide those

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[34]According to State, in 2020 it transferred 99 percent of its Global Health Program funds to U.S. implementing agencies prior to the start of the implementation period (Oct. 1, 2020) and transferred 97 percent of those funds prior to September 1, 2020. In 2021, State transferred 97 percent of its Global Health Program funds prior to the start of the implementation period and transferred 95 percent of those funds prior to September 9, 2021. As of September 1, 2022, State had transferred 91 percent of its Global Health Program funds.

[35]The Foreign Assistance Act restricts obligation of certain funds unless the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committee on Appropriations of each House of the Congress are notified 15 days in advance of such obligation. See 22 U.S.C. § 2394-1.

funds to implementing partners in time to conduct planned PEPFAR activities at the start of the COP implementation period. According to USAID officials, when USAID receives its transferred funds, the money must go through either its Global Health Bureau or the relevant regional bureau before it is available to the country teams to obligate to their implementing partners. USAID officials explained that this process can take up to 3 months and results in limited funds to cover implementing partners' activities during the first quarter of the implementation period.

To transfer funds to agencies earlier, S/GAC has started completing congressional notifications earlier, according to S/GAC officials. S/GAC's policy is to complete congressional notifications before funds are transferred, but these notifications can take months to compile and approve because they are hundreds of pages long, according to the officials. In 2021, S/GAC began completing these notifications for 35 percent of anticipated funding for the upcoming COP before the first quarter of the prior COP implementation period, the officials said. For example, for the COP implementation period beginning October 1, 2022, S/GAC would notify approximately 35 percent of funding by December 2021. The officials stated that this change would help ensure that more funding is available for country teams at the start of the implementation period. Participants in three focus groups said that S/GAC's efforts had improved the process of providing funds to implementing partners.

Country Teams Rely on Funding Pipelines, but S/GAC's Funding Pipeline Policy Can Hinder Implementation

Country teams rely on funding pipelines (i.e., funds appropriated in prior fiscal years' appropriations acts) to keep programs operating while awaiting new fiscal year annual funding. However, participants in seven focus groups noted that S/GAC's funding pipeline policy could result in insufficient funds to cover expenses for program activities, especially in the first quarter of the fiscal year. Focus group participants said that an "applied pipeline" of prior fiscal year funding such as S/GAC's helps ensure that country teams can fund program activities while they wait for additional funding and when they need to increase programming to address HIV hotspots. Applied pipeline funds are defined by S/GAC as obligated but undisbursed prior fiscal year funds that can be expended in subsequent fiscal years, and S/GAC's policy states that country teams

cannot carry over more funding than is needed to cover 90 days of implementation.[36]

Officials from multiple agencies said that S/GAC's funding pipeline policy created challenges because sometimes their agencies needed more than 90 days to cover program activity expenses while awaiting funding. For example, DOD HQ officials noted that they rely on pipeline funding to cover new program activities at the beginning of the new fiscal year, when the funds they expect to receive from S/GAC are delayed by DOD's internal review and clearance processes. Because of these delays, even if S/GAC transfers funds prior to October 1st—the start of the new implementation period—DOD officials said they must rely on the funding pipeline to cover the start of new activities during the 2 to 4 months its transferred funds are undergoing department review and clearance. Focus group participants also discussed a common practice through which implementing partners slowed down planned activities during the first quarter of each new fiscal year to help ensure their pipelines would not be depleted while awaiting funding. In addition, participants described instances where implementing partners postponed hiring staff or carrying out planned, large expenditures because of limited pipeline funding to cover activities when funds were delayed. Participants noted that using the allowed 90 days of pipeline funds to cover activities in the first quarter could result in not having those pipeline funds available later in the fiscal year to cover programming surges needed to address HIV hotspots when they arise.

S/GAC and USAID Policies on Pipeline Funds Vary, Which Can Also Hinder Implementation

S/GAC's and USAID's pipeline management policies vary, which increases the risk of not having sufficient funds available to cover PEPFAR activities. As noted earlier, S/GAC's policy states that, with limited exceptions, a country team cannot carry over more than 90 days of funding from the prior fiscal year into the next. According to S/GAC officials, in the past, country teams routinely carried over large pipelines of up to billions of dollars, and S/GAC developed its current pipeline policy to limit these large amounts of undisbursed obligations. In contrast, USAID policy establishes an expected minimum pipeline standard of 6

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[36]According to agency officials, if activities are not completed in the year for which they were approved, agencies must obtain new funding approvals to continue them in the next year. S/GAC allows up to 120 days of applied pipeline for a limited number of PEPFAR COPs and regional operational plans—the Asia Regional Program, the Western Hemisphere Regional Program, the Dominican Republic, Ethiopia, Haiti, South Sudan, and Zimbabwe.

months and calls for budget requests to include at least 6 months of estimated pipeline funding.[37] In addition, USAID policy states that if the projected pipeline falls below 6 months at the end of the fiscal year, country teams are encouraged to reduce or eliminate activities, or request additional funds. USAID HQ officials said that S/GAC's 90-day pipeline policy poses a risk, specifically for local implementing partners whose relatively small operating budgets and limited cash on hand is often insufficient to cover expenses while awaiting PEPFAR funds.

Our prior work has found that agencies should address the compatibility of standards, policies, and procedures, among other things, that will be used in their collaborative efforts. Compatible policies and procedures can help agencies enable cohesive working relationships and create mutual trust to sustain their collaborative efforts.[38] By harmonizing their funding pipeline policies or developing agreed-upon practices, S/GAC and USAID can enhance their ability to coordinate effectively. If they do not do so, country teams might not have sufficient funds available to obligate to implementing partners for their activities, potentially adversely affecting PEPFAR implementation.

Conclusions

Over the past 2 decades, PEPFAR has reported remarkable successes in preventing millions of new HIV infections, decreasing mother-to-child transmission, and saving lives. As an interagency initiative, PEPFAR officials across multiple agencies in Washington, D.C., and overseas have worked together to contribute to these successes. However, PEPFAR country team officials have identified challenges to coordinating with S/GAC that have persisted since at least 2004, as we have previously reported. These coordination challenges can hamper implementation of PEPFAR's life-saving programs and have led to heavy workload and low morale. S/GAC's recent actions to routinely collect country teams' perspectives are a positive step and will help guide its efforts to address coordination challenges. However, it might take time for such efforts to result in sustained improvements to PEPFAR's processes and culture. Engaging country teams and their stakeholders, such as host country governments, can facilitate the effective implementation of

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[37]U.S. Agency for International Development, *Automated Directives System* (ADS), Chapter 602. This policy also establishes a maximum pipeline allowance of up to 18 months at any point in the fiscal year.

[38]GAO-12-1022 and GAO, *Results-Oriented Government: Practices That Can Help Enhance and Sustain Collaboration among Federal Agencies*, GAO-06-15 (Washington, D.C.: Oct. 21, 2005).

PEPFAR activities and help prepare PEPFAR to shift to a host-country-government-sustained program in the future.

Because of persistent S/GAC HQ and country team vacancies, at times S/GAC HQ does not have enough staff to provide valuable support and guidance to country teams. Further, short-staffed country teams feel overworked and find it difficult to effectively implement critical HIV/AIDS activities that millions depend on for their health and well-being. Developing a strategic workforce planning process to identify and address the underlying causes of persistent S/GAC HQ and country team vacancies is crucial for PEPFAR's effectiveness.

Further, S/GAC's and USAID's varying policies on pipeline funding can create risks to funding PEPFAR activities, especially for PEPFAR's local implementing partners. If they do not work together to make their funding pipeline policies consistent, S/GAC and USAID could leave these partners with insufficient funding at the start of the year to conduct their vital work as planned when funding delays occur. Such risks to implementing partners could jeopardize PEPFAR's ability to reliably and consistently deliver its important work.

Recommendations for Executive Action

We are making the following three recommendations, the first two to State, and the third to USAID:

The U.S. Global Aids Coordinator should develop a strategic workforce planning process to identify and address the underlying causes for persistent staffing vacancies in S/GAC headquarters and country teams. (Recommendation 1)

The U.S. Global Aids Coordinator should work with USAID to ensure that State's funding pipeline policies are compatible for PEPFAR activities and that adequate pipeline funds are available to implementing agencies so that these activities can continue in case of funding delays. (Recommendation 2)

USAID should work with the U.S. Global Aids Coordinator to ensure that USAID's funding pipeline policies are compatible for PEPFAR activities and that adequate pipeline funds are available to implementing agencies so that these activities can continue in case of funding delays. (Recommendation 3)

Agency Comments and Our Evaluation

We provided a draft of this report to State, DOD, HHS, and USAID for review and comment. We received written comments from State and USAID that are reprinted in appendixes II and III and summarized below. State also provided technical comments, which we incorporated as appropriate. DOD and HHS told us that they had no comments on the draft report.

In their comments, State and USAID agreed with our recommendations. With regard to recommendation 1, State noted that it would work with the appropriate entities within the department to develop and implement a strategic workforce process that identifies and addresses the persistent staffing vacancies in S/GAC headquarters and in country teams. The actions that State described, if implemented effectively, would address our recommendation.

With regard to recommendation 2, State noted that it had been working with USAID and other PEPFAR implementing agencies to notify a portion of planned COP funding early to ensure that agencies have funding on hand if COP processes are delayed, in order to prevent disruptions to activities. With regard to recommendation 3, USAID stated that it looks forward to coordinating with S/GAC on funding pipeline policies to ensure that sufficient funds are available, especially as USAID continues to shift programming to local partners that often have smaller operating budgets than larger organizations. The actions that State and USAID described, if implemented effectively, would address our recommendation.
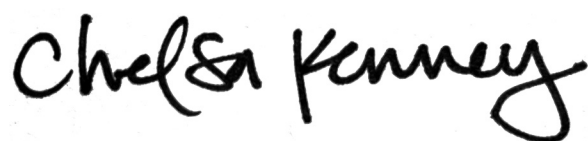
We are sending copies of this report to the appropriate congressional committees; the Secretaries of State, Defense, and HHS, and the Administrator of USAID. In addition, the report is available at no charge on the GAO website at https://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-2964 or kenneyc@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix IV.

Sincerely yours,

Chelsa Kenney
Director, International Affairs and Trade

Appendix I: Objectives, Scope, and Methodology

This report examines the extent to which (1) the Department of State's Office of the U.S. Global AIDS Coordinator (S/GAC) headquarters (HQ) coordinates effectively with U.S. agencies' country teams to implement the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) activities, (2) U.S. agencies have taken steps to address any PEPFAR staffing vacancies, and (3) S/GAC and other U.S. agencies experienced delays in distributing PEPFAR assistance funds.

To address these objectives, we conducted 12 virtual focus groups composed of U.S. agency officials in six countries with PEPFAR programs that represent at least 40 percent of the total country operational plan (COP) funding in fiscal year 2022.[1] In each of the six countries, we held two focus groups—one composed of PEPFAR technical country team officials and one composed of PEPFAR senior country team officials.[2] Each focus group included four to eight participants, and we met with 73 participants across all 12 focus groups from January 2022 to February 2022. We selected the six countries and four agencies for the focus groups as follows:

- We selected the six countries—Tanzania, South Africa, Nigeria, Mozambique, Vietnam, and the Dominican Republic—to represent countries with both relatively small and large PEPFAR programs. Specifically, we selected the four countries with the highest amount of COP funding and two countries with smaller amounts of COP funding. Since the four highest-funded countries are all in Africa (Tanzania, South Africa, Nigeria, Mozambique), we chose a PEPFAR country from Asia (Vietnam) and a PEPFAR country from Latin America (the Dominican Republic) to ensure a range of geographic regions.

- We selected four agencies—the Departments of State (State) and Defense (DOD), the U.S. Agency for International Development (USAID), and the Department of Health and Human Services (HHS)—to participate in our focus groups because they receive the vast majority of PEPFAR funding, compared with other U.S. agencies that

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[1]We conducted these 12 focus groups virtually, using the Microsoft Teams platform.

[2]Focus group participants included U.S. government employees as well as locally employed staff.

implement PEPFAR.[3] State, USAID, and HHS officials in all six countries participated in the focus groups. DOD officials participated in the focus groups for Tanzania and Nigeria, where it has a relatively large PEPFAR presence, but did not participate in the other four countries' focus groups because DOD has a relatively small presence in those four countries.[4] For each of the six countries, we asked the PEPFAR country coordinator to invite one or two officials from each agency to participate in each of the technical and senior focus groups. We asked the PEPFAR country coordinator in each country to invite officials who had been part of the PEPFAR country team in that country for at least one COP period.

We focused all aspects of our review on fiscal years 2019 through 2022 to capture at least 3 years of staffing and funding data and because PEPFAR officials said they had experienced organizational changes as well as changes related to the COVID-19 pandemic during the past 2 years.

In addition to the focus groups, for all three objectives we reviewed documents from and conducted oral and written interviews with officials from State, USAID, HHS, and DOD in Washington, D.C. In particular, we reviewed State and country team documents related to the COP process from fiscal years 2019 through 2022. We followed up with agency officials from all of our focus group countries to collect more details and documentation on a variety of topics that focus group participants discussed, including positive aspects or challenges related to coordination, staffing vacancies, and funding distributions.[5] We also requested that S/GAC HQ officials provide responses and documentation

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[3]Although the Peace Corps is also considered a primary implementing partner for PEPFAR, it has limited its field operations since the start of the COVID-19 pandemic and has recalled field volunteers, according to a senior Peace Corps official. Therefore, we did not include the Peace Corps in the scope of this engagement.

[4]While DOD also has an active role in implementing projects in Mozambique, the Dominican Republic, and Vietnam, we did not include DOD in the focus group for those countries because DOD's PEPFAR country team staff presence there was relatively small. According to staffing data that U.S. PEPFAR implementing agencies provided, DOD had one to four staff assigned to PEPFAR in each of the three countries—Mozambique, the Dominican Republic, and Vietnam. By comparison, HHS and USAID each had about 20 to 90 staff assigned to PEPFAR in each of those countries.

[5]We asked each of the focus group countries a different set of questions depending on what participants from each country shared during the focus groups.

relating to their perspectives on the positive aspects and challenges that focus group participants discussed.

We asked participants in our focus groups a standard set of questions across groups about (1) both their positive experiences and challenges they faced in coordinating with S/GAC HQ, in particular during the annual COP process; (2) staffing vacancies in HQ and in country teams; and (3) the distribution of PEPFAR funds. We narrowed our focus group questions to cover country operational planning from calendar year 2020 through 2022. We phrased these topics as open-ended questions to allow participants to discuss any issues that came to mind without limiting their options. A trained moderator facilitated all the focus group discussions, and multiple analysts took notes for each of these discussions.

Next, we conducted a content analysis on participants' responses and grouped responses into broad categories and specific codes that fall under those categories. Specifically, we grouped each of the codes under one of three categories: coordination, staffing, and funding distribution. We developed a classification scheme to analyze responses through an iterative process. Two analysts developed an initial classification scheme by reviewing the focus group transcripts and making an initial list of categories based on categories that focus group participants raised frequently across all focus groups. We then iteratively pretested and refined our classification scheme. To pretest the classification scheme, we selected segments of the focus group discussions from all six focus group countries and from both technical and senior official focus groups. Three analysts independently coded the same subset of transcripts and then compared their coding to identify disagreements. We used these disagreements to make further refinements to our classification scheme. We assessed the reliability of our coding by calculating intercoder agreement rates (number of times coders agreed/number of times coders could have agreed) and determined it was sufficiently reliable for the purposes of our analysis.

After conducting the pretest of our content analysis approach, we finalized our classification scheme and documented it in a codebook. Using this codebook, one analyst reviewed the transcripts of our focus groups' discussions and assigned codes to each statement made in the focus groups. To ensure that this content analysis was objective, accurate, and consistent, a second analyst then reviewed the original analyst's coding and verified the results through an iterative process. If the two analysts did not agree on the coding, they met to discuss and

resolve the disagreements.[6] Using those results, we quantified the
number of focus groups that mentioned each code. For example, if a
focus group mentioned a code at least once, then that code would be
counted for that focus group (i.e., focus groups were the unit of analysis).
The codes that were mentioned in the most focus groups were
determined to be the most common codes. Although the data we
collected from the focus groups provided rich insights into the
perspectives and experiences of the PEPFAR staff participating in our
groups, our findings are not generalizable, and as such, do not represent
the views of other PEPFAR staff that did not participate in our groups.

To examine the extent to which S/GAC HQ coordinates effectively with
U.S. agencies' country teams to implement PEPFAR activities, we
assessed positive experiences and challenges to coordination that focus
groups identified against relevant GAO key features for implementing
interagency collaborative mechanisms.[7] In particular, we focused on the
most common coordination codes mentioned by the focus groups and
assessed them against related key collaboration features.

To examine the extent to which U.S. agencies have taken steps to
address PEPFAR staffing vacancies, we asked the focus groups to
identify any chronic or long-term vacancies at S/GAC or agency
headquarters or within their country team. We analyzed the content of the
focus groups' discussions and reviewed staffing data and documents
provided by focus group participants, their respective agencies'
headquarters, and S/GAC headquarters officials. We also conducted
interviews with headquarters-based agency officials to discuss human
capital approaches and vacancy issues observed in both our focus
groups and State IG's 2020 report. We also reviewed PEPFAR staffing
and vacancy data for State, USAID, HHS, and DOD in Washington, D.C.,
and across country teams from fiscal years 2019 through 2021.
Additionally, we requested that S/GAC provide documentation of its
strategic workforce planning efforts. S/GAC informed us that it does its
workforce planning through the annual operational plan process. We
reviewed and assessed these annual operational plan documents against

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[6]In all instances of disagreement, the two analysts were able to come to an agreement
after meeting to discuss their coding.

[7]See GAO, *Managing for Results: Key Considerations for Implementing Interagency
Collaborative Mechanisms*, GAO-12-1022 (Washington, D.C.: Sept. 27, 2012). These
leading practices are related to (1) outcomes and accountability, (2) bridging
organizational cultures, (3) leadership, (4) clarity of roles and responsibilities, (5)
participants, (6) resources, and (7) written guidance and agreements.

GAO leading practices and key principles of effective strategic workforce planning.[8]

To examine the extent to which S/GAC and other U.S. agencies experienced delays in distributing PEPFAR assistance funds, we asked the focus groups whether they had experienced delays related to funding in the last 2 years or whether funding had flowed smoothly. If participants said they had experienced delays, we asked them to identify any delays they had experienced in the last 2 years, either in receiving funds from S/GAC or in obligating funds to implementing partners. We analyzed the content of the focus groups' discussions, received corroborating documents from agency officials in focus group countries, and conducted interviews with headquarters-based officials from State, USAID, HHS, and DOD to gain their perspective. We also reviewed State data on PEPFAR funding distributions from fiscal years 2020 to 2022. Additionally, as our focus groups identified conflicting "pipeline" funding policies as a challenge, we reviewed S/GAC's pipeline management policy as outlined in its operational plan guidance, as well as USAID's pipeline management policy as outlined in its *Automated Directives System*. Both DOD and HHS told us they did not have documented pipeline management policies. After reviewing this information and data, we determined that S/GAC and USAID had varying pipeline management policies and assessed these policies against GAO leading practices for implementing interagency collaborative mechanisms.[9]

We conducted this performance audit from July 2021 to December 2022 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.

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[8]GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, GAO-04-39 (Washington, D.C.: Dec. 11, 2003).

[9]GAO-12-1022.

Appendix II: Comments from the Department of State

United States Department of State
Comptroller
Washington, DC 20520

NOV 21 2022

Jason Bair
Managing Director
International Affairs and Trade
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548-0001

Dear Mr. Bair:

We appreciate the opportunity to review your draft report, "PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF: State Has Taken Actions to Address Coordination Challenges, but Staffing Challenges Persist" GAO Job Code 105347.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

Sincerely,

James A. Walsh

Enclosure:
As stated

cc: GAO – Chelsa Kenney
S/SGAC – Angeli Achrekar
OIG - Norman Brown

Department of State Comments on GAO Draft Report

**PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF: State Has Taken
Actions to Address Coordination Challenges, but Staffing Challenges Persist
(GAO-23-105347, GAO Code 105347)**

Thank you for the opportunity to comment on the GAO draft report, *President's
Emergency Plan For Aids Relief: State Has Taken Actions to Address
Coordination Challenges, but Staffing Challenges Persist.*

"Recommendations for Executive Action
The U.S. Global AIDS Coordinator should develop a strategic workforce planning
process to identify and address the underlying causes for persistent staffing
vacancies in S/GAC headquarters and country teams. (**Recommendation 1**)

S/GAC agrees with recommendation and will work with the appropriate entities at
the State Department to develop and implement a strategic workforce process that
identifies and addresses the persistent staffing vacancies in S/GAC headquarters
and in country teams.

The U.S. Global AIDS coordinator and USAID should work together to ensure that
their funding pipeline policies are compatible for PEPFAR activities and that
adequate pipeline funds are available to agencies so that these activities can
continue in case of funding delays. (**Recommendation 2**)"

S/GAC agrees with recommendation and will continue to work with USAID and
other PEPFAR implementing agencies to ensure that pipeline policies regarding
use of prior fiscal year PEPFAR funds are compatible for ongoing PEPFAR
activities and that an adequate amount of current year funds and prior fiscal year
pipeline funds are available to agencies so that these activities can continue in the
case of delays in completion of the COP process. In the past two Country
Operational Plan (COP) cycles, S/GAC has worked with the agencies to provide
earlier congressional notification and subsequent transfer to the agencies of a
portion of planned COP funding to ensure that agencies have sufficient funding on
hand if COP processes are delayed, in order to prevent disruptions to activities.
S/GAC will continue to work with USAID and other PEPFAR implementing
agencies to further refine that process and ensure that the guidelines around use of
prior year pipeline funds for continuing PEPFAR activities are compatible.

Appendix III: Comments from the U.S. Agency for International Development

![USAID logo - From the American People]

Mr. Thomas Melito
Managing Director, International Affairs and Trade
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20226

Re: PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF: State Has Taken Actions to
       Address Coordination Challenges, but Staffing Challenges Persist (GAO-[23-105347])

Dear Mr. Melito:

I am pleased to provide the formal response of the U.S. Agency for International
Development (USAID) to the draft report produced by the U.S. Government Accountability
Office (GAO) titled, PEPFAR: State Has Taken Actions to Address Coordination Challenges, but
Staffing Challenges Persist (GAO-23-105347). The Agency thanks the GAO for the detailed and
comprehensive report and concurs with its recommendations.

USAID is committed to working with the U.S. Global AIDS Coordinator (S/GAC) on
their strategic workforce planning and we appreciate the continual coordination with them to
achieve greater effectiveness and efficiency in implementing PEPFAR programs. In addition,
USAID will continue to review our internal policies on obligations to ensure timely funds
transfers, and we have been successful in developing internal strategies for FY 2023 regarding
funds transfer and incremental obligation to ensure alignment with anticipated funds from
S/GAC.

I am transmitting this letter and the enclosed comments from USAID for inclusion in the
GAO's final report. Thank you for the opportunity to respond to the draft report, and for the
courtesies extended by your staff while conducting this engagement. We appreciate the
opportunity to participate in the complete and thorough evaluation of the PEPFAR program and
implementation effectiveness.

Sincerely,

Rebecca Krzywda

Rebecca Krzywda
Deputy Assistant Administrator
Bureau for Management

Enclosure: a/s

**COMMENTS BY THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT ON
THE DRAFT REPORT PRODUCED BY THE U.S. GOVERNMENT
ACCOUNTABILITY OFFICE (GAO) TITLED, PRESIDENT'S EMERGENCY PLAN
FOR AIDS RELIEF: STATE HAS TAKEN ACTIONS TO ADDRESS COORDINATION
CHALLENGES, BUT STAFFING CHALLENGES PERSIST (GAO-23-105347)**

The U.S. Agency for International Development (USAID) would like to thank the U.S.
Government Accountability Office (GAO) for the opportunity to respond to this draft report. We
appreciate the extensive work of the GAO engagement team, and the specific findings that will
help USAID achieve greater effectiveness and efficiency with implementing PEPFAR
programming.

USAID would like to offer some additional insights, context and suggestions to this report.

Recommendation 1: The U.S. Global AIDS Coordinator (S/GAC) should develop, in
collaboration with PEPFAR Implementing Agencies, a strategic workforce planning process to
identify and address the underlying causes for persistent staffing vacancies in S/GAC
headquarters and country teams.

Response: USAID concurs. Recently, S/GAC has requested implementing agencies (including
USAID) to provide detailees to S/GAC to serve in PEPFAR Chair, PEPFAR Program Manager,
and technical advisor roles. USAID welcomes the opportunity to assist with addressing staffing
vacancies in the short term and looks forward to the collaboration with S/GAC as they move
forward with strategic workforce planning.

Recommendation 2: The U.S. Global AIDS Coordinator and USAID should work together to
ensure that their funding pipeline policies are compatible for PEPFAR activities and that
adequate pipeline funds are available so that these activities can continue in case of funding
delays.

Response: USAID concurs. We look forward to coordinating with S/GAC on funding pipeline
policies to ensure that sufficient funds are available, especially as USAID continues to shift
programming to local partners that often have smaller operating budgets than larger
organizations. Continued timely access to PEPFAR funds is critical for successful
implementation.

In addition to USAID policy regarding Minimum Pipeline Standards (ADS 602.3.5), we
continuously review our internal obligation procedures to ensure that incremental obligation
amounts comply with federal procurement regulation, award close-out requirements, as well as
local labor laws.

Given current S/GAC pipeline policies, USAID needs full access to Country Operational Plans
(COP) funds by June 30, and to Headquarter Operational Plan funds shortly thereafter, in order
to begin implementing approved activities on October 1, the start of the new fiscal year. As

needed, USAID will continue making contingency plans should there be delays in funds transfer.
For FY 2023, USAID is coordinating internally to ensure all deadlines regarding funds transfers
and incremental obligations are consistent with the anticipated access to the funds from S/GAC.
USAID is supportive of the increased S/GAC collaboration for COP 2023 planning and supports
the efforts being proposed to reform and streamline the COP process.

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact	Chelsa Kenney, (202) 512-2964, or kenneyc@gao.gov
Staff Acknowledgments	In addition to the contact named above, James Michels and Christina Werth (Assistant Directors), Teresa Abruzzo Heger (Analyst-in-Charge), Nicholas Jepson (Senior Analyst), Jason Bair, Debbie Chung, Caitlin Cusati, Mark Dowling, Justin Fisher, Christopher Keblitis, Dilnoza Khudoyberganova, Rebecca Sero, and Jina Yu made key contributions to this report.