



Overview of the President's Emergency Plan for AIDS Relief (PEPFAR)

By
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I. Introduction

The President's Emergency Plan for AIDS Relief, also called PEPFAR or the Emergency Plan, is a five-year bilateral commitment by the United States Government to support HIV/AIDS prevention, care and treatment programs in developing countries. Authorized to spend \$15 billion in five years (fiscal years 2004-2008), PEPFAR is the largest-ever global health initiative dedicated to a single disease. PEPFAR employs a unique model of aid delivery that emphasizes concentrating resources in a few countries to rapidly scale-up proven interventions.² This approach seeks to maximize impact and reach pre-determined, program-wide targets, including providing ARV treatment to 2 million people, preventing 7 million new infections, and caring for 10 million of those infected (these are sometimes called the 2-7-10 targets).

This paper provides a general overview of PEPFAR policies and programs. More information can be found on the website of the Office of the Global AIDS Coordinator at www.state.gov/s/gac.

II. History and Political Framework

PEPFAR was first announced by President George W. Bush during his 2003 State of the Union Address. In May 2003, Congress enacted and the president signed the "U.S. Leadership Against AIDS, Tuberculosis and Malaria Act of 2003" (P.L. 108-25). The law authorized spending of up to \$15 billion over 5 years and created the Office of the Global AIDS Coordinator (OGAC) to manage and coordinate U.S. Government-supported HIV/AIDS programs in developing countries. The law also mandated that the executive branch develop a "comprehensive, integrated, five-year strategy to combat HIV/AIDS that strengthens the capacity of the United States to be an effective leader in the international campaign against AIDS."³

Besides providing the general policy framework, the law outlines PEPFAR funding priorities, including:

1. 55 percent of funding for treatment of people with HIV/AIDS;
2. 20 percent of funding for HIV prevention activities, of which 33 percent must be spent on abstinence-until-marriage programs;
3. 15 percent of funding for palliative care of people with HIV/AIDS; and
4. 10 percent of funding for support of orphans and vulnerable children.

These percentages served as a guideline for the first two years of the initiative, 2004-2005. However, for 2006-2008 the law stipulates that "not less than 55 percent" of the appropriation "shall be expended for therapeutic medical care of individuals infected with HIV, of which 75 percent should be expended for the purchase and distribution of anti-retroviral pharmaceuticals."⁴

Congress endorsed the president's proposal of 14 focus countries for concentrated PEPFAR resources: Botswana, Cote d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda and Zambia and later added a fifteenth country: Vietnam.

As outlined by Congress, OGAC performs three distinct roles in the implementation of PEPFAR:

1. Direct oversight and responsibility for programs in 15 focus countries and for achieving the 2-7-10 targets. This includes guidance for and approval of all funding decisions and disbursements, as well as monitoring program performance and process toward targets.

1 The author benefited from the contributions of Celina Schocken and Nandini Oomman, both of the Center for Global Development.

2 Since the advent of PEPFAR, other USG foreign assistance programs, notably the President's Malaria Initiative, have followed a similar model.

3 P.L. 108-25, *The US Leadership against AIDS, Tuberculosis and Malaria Act of 2003*
http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=108_cong_bills&docid=f:h1298enr.txt.pdf The PEPFAR Five-Year Strategy can be found at: <http://www.state.gov/documents/organization/29831.pdf>

4 P.L. 108-25.

2. Provide funding and general oversight to existing bilateral HIV/AIDS programs in more than 100 countries through bilateral missions or regional offices, although the management of these programs largely remains with the technical agencies managing US Government foreign assistance, including the U.S. Agency for International Development (USAID) and the Centers for Disease Control and Prevention (CDC).
3. Manage and disburse USG contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria (www.theglobalfund.org). The President initially requested \$1 billion contribution to the Global Fund over five years, although Congressional appropriation has been above that level.⁵

In all focus countries except Vietnam, and to a lesser extent Guyana, PEPFAR represents a rapid scale-up and expansion of existing bilateral HIV/AIDS program support. US Government agencies have been supporting HIV/AIDS programs in developing countries since 1986, although before the advent of PEPFAR, these resources were relatively limited.

III. Structure of the Organization

PEPFAR is centrally managed by OGAC in conjunction with other United States Government (USG) agencies and is implemented by US Embassies and US Government Agency offices in developing countries.

Headquarters: PEPFAR is managed by a small staff at OGAC with support and collaboration from dedicated staffs at other USG agencies, including principally the Office of HIV/AIDS within the Global Health Bureau at USAID, and the Global AIDS Program at CDC. All central procurements and central project management as well as most oversight of HIV/AIDS programs in non-focus countries are handled by these agencies. OGAC also works closely with other USG institutions, including the Food and Drug Administration, which is working to approve certain generic anti-retroviral drugs, and the National Institutes of Health, which conducts research to advance understanding of the HIV disease and help develop new treatment therapies.⁶

OGAC controls all funding that is disbursed within focus countries and certain non-focus country programs.⁷ The Office also provides all the policy and strategic directions of PEPFAR, supports the focus country teams, manages the strategic information and reporting requirements, and performs outreach to the public, new partners and Capitol Hill.⁸ The Global AIDS Coordinator, appointed by the President and confirmed by the Senate, reports directly to the Secretary of State. The Coordinator position was recently vacated by Ambassador Randall Tobias.

Field: In focus countries, PEPFAR is administered by the US ambassador who reports (on these issues) to the Global AIDS Coordinator and has the responsibility to sign-off on all planning and reporting documents submitted to OGAC. The day-to-day implementation and management of the programs, however, is conducted by the in-country staff of the USG agencies, primarily USAID and the CDC. In some countries, these agencies collaborate with other USG institutions including the Department of Defense, the Department of Labor, the Peace Corps, and the US Embassy who all support programs among their respective constituencies. All USG agencies collaborate to plan programming at the beginning of each fiscal year (called a "Country Operational Plan") and for periodic results report to OGAC. This cross-agency collaboration and unification, meant to capitalize on each institutions' comparative advantages and reduce duplication, is a new model for USG development assistance.

Although not exclusive, the general division of implementation and management responsibilities between the different USG agencies can be described as below. More information can also be found at: <http://www.state.gov/s/gac/agencies/>.

⁵ P.L. 108-25 dictates the United States' contribution to the Global Fund, including language limiting the US contribution to not more than one-third all contributions to the Global Fund from all sources for any given year.

⁶ "Implementing Agencies" OGAC website. <http://www.state.gov/s/gac/agencies/53564.htm>

⁷ These countries include Malawi, Zimbabwe, India, China and Russia. All five programs receive more than \$10 million annually from the USG for HIV/AIDS programs.

⁸ See OGAC Organization Chart, found at: <http://www.state.gov/documents/organization/57731.pdf>

US Agency for International Development: USAID builds upon the agency's experience to support programming that is community-based. Within PEPFAR, this includes supporting the majority of activities that encourage abstinence and faithfulness, as well as condom promotion for prevention. USAID partners also provide the majority of care, including HIV testing in clinical and non-clinical settings and support for community- and faith-based organizations to provide home-based care for people infected with HIV/AIDS, and they conduct outreach to orphans and vulnerable children. In addition, USAID partners work with local organizations or the public sector to scale-up prevention of mother-to-child transmission and anti-retroviral treatment services, often using the "network model" that draws local communities into the provision of services.

Centers for Disease Control and Prevention: In contrast to the community-based nature of USAID programs, CDC activities capitalize on its strength in epidemiology and clinical science to support clinical interventions and infrastructure improvements. In most countries, this includes support to host-country governments to improve injection and blood safety to prevent new infections, as well as assistance with building solid laboratory networks. In many countries, CDC also takes the lead on providing clinical training for health care providers, including the ARV regimens and treatment of opportunistic infections. CDC supports the roll-out of clinical HIV testing, anti-retroviral treatment and prevention of mother-to-child transmission services, at times working with USAID partners to improve community outreach. CDC is primarily responsible for working with the host-country governments and multilateral donors to improve disease surveillance and is launching some new initiatives to examine and improve adherence to anti-retroviral treatment regimens.

Department of Defense: The Department of Defense (DoD) works in several PEPFAR focus countries to improve HIV/AIDS prevention, testing and treatment among militaries and military families. The DoD and their partners often work directly with the host-country ministries of defense to improve policies and implement programs aimed at reducing high-risk sexual behavior, improving access to counseling and testing, and providing anti-retroviral treatment to infected military personnel.

Department of Labor: With PEPFAR resources, the Department of Labor implements and provides technical assistance to workplace prevention and education programs in a number of focus countries. The agency also supports the International HIV/AIDS Workplace Education Program (IWEP) that works with business leaders, government officials and labor leaders to minimize workplace discrimination by increasing knowledge among workers, reform policies and to build capacity to scale-up workplace interventions.

Peace Corps: With resources from PEPFAR, the Peace Corps provides additional volunteers in some focus countries to work with health centers and to work with communities on HIV/AIDS prevention activities.

US Embassy: In some focus-countries, the US Embassies support HIV/AIDS programming by providing small grants to community-based organizations or individuals based on proposals. These additional grants generally fall under the pre-existing "self-help" grant mechanisms housed at US Embassies.

IV. Available Funding:

The Office of the Global AIDS Coordinator receives an annual appropriation from the US Congress for PEPFAR programming. Although divided between two different appropriations bills (Foreign Operations and Health and Human Services) the total appropriation for fiscal year 2006 was \$3.2 billion. This is an increase from \$2.8 billion in fiscal year 2005 and \$2.4 billion in fiscal year 2004.⁹ For fiscal year 2007, President Bush requested a total of approximately \$4 billion for PEPFAR programs.

⁹ *Action Today, A Foundation for Tomorrow: Second Annual Report to Congress on the President's Emergency Plan for AIDS Relief*; p. 9. Accessed at: <http://www.state.gov/s/gac/rl/c16742.htm>

The majority of the PEPFAR resources are dedicated to focus-country programs. Although the size of focus-country programs differs widely based on population, in-country capacity and other factors, all countries receive sizable levels of funding. As shown in Table 1, in fiscal year 2005, Guyana had the smallest total budget at \$19 million; Uganda had the largest budget at \$148 million.¹⁰ Six focus countries (Kenya, Nigeria, South Africa, Tanzania, Uganda and Zambia) had annual budgets of greater than \$100 million.¹¹

Table 1: Annual Appropriations for PEPFAR Focus Countries, FY 2004-2005

Country	FY 2004 Total Funding	FY 2005 Total Funding
Botswana	\$24,343,318	\$51,838,118
Cote D'Ivoire	\$24,359,463	\$44,375,766
Ethiopia	\$48,090,482	\$83,731,420
Guyana	\$12,067,257	\$19,392,318
Haiti	\$28,039,418	\$51,785,021
Kenya	\$92,474,390	\$142,937,153
Mozambique	\$37,469,060	\$60,217,090
Namibia	\$24,497,240	\$42,518,508
Nigeria	\$70,933,175	\$110,250,097
Rwanda	\$39,240,985	\$56,909,487
South Africa	\$89,272,988	\$148,187,427
Tanzania	\$70,745,574	\$108,778,095
Uganda	\$90,774,095	\$148,435,327
Vietnam	\$17,354,885	\$27,575,000
Zambia	\$81,662,410	\$130,088,605

In fiscal year 2005, \$293 million of the total resources were dedicated to non-focus country bilateral programs in 108 countries.¹² Of these resources, five nations (Malawi, Zimbabwe, India, China and Russia) received more than \$10 million each, 13 countries received between \$5 million and \$10 million, and an additional 20 received between \$1 million and \$5 million. The remaining 70 countries received less \$1 million each.¹³ The PEPFAR appropriation also includes the United States' contribution to the Global Fund for AIDS, Tuberculosis and Malaria, worth \$414 million in 2005.¹⁴

Although Congress has granted PEPFAR some flexibility in budgeting by allowing annual funding to remain "available until expended,"¹⁵ the vast majority of the annual allotment is obligated to partner organizations before the end of the fiscal year. However, delays in the Congressional appropriations process as well as the lengthy in-country planning and OGAC approval procedures, fiscal year activities are often not launched until at least April (and run for 12-18 months).

V. What PEPFAR Supports:

In all 15 focus countries, PEPFAR supports a comprehensive program in HIV/AIDS prevention, care and treatment, as well as limited activities in health system strengthening as it relates to HIV/AIDS, monitoring and evaluation and policy reform. Not being an implementing agency itself, the USG provides grants to implementing organizations to perform activities according to the USG comprehensive strategy and

¹⁰ These figures include centrally funded programs (see section V. for explanation). Without centrally-funded programs, Guyana received \$15.7 million and Uganda received \$132 million.

¹¹ *Action Today, A Foundation for Tomorrow*; Annex III "Allocation of Funding to Focus Countries."

¹² In some of these countries, there is no USG presence. HIV/AIDS activities in these contexts are managed through regional programs.

¹³ *Action Today, A Foundation for Tomorrow*; p. 14.

¹⁴ This is the amount actually contributed to the Global Fund, which can be lower than the appropriation for a particular year for several reasons. From "Financing the Global Fund to Fight AIDS, TB and Malaria in 2007," Friends of the Global Fight Fact Sheet, February 2006.

http://www.theglobalfight.org/downloads/Fact_Sheets/FY07_Financing_Global_Fund.pdf

¹⁵ P.L. 108-25

country targets. To date, many of the direct grants have been made to international NGOs and host-country government agencies, with sub-contracts to local organizations, although there is new emphasis placed on building local capacity to the point that local organizations will be able to compete for and receive grants directly from USG agencies. In fiscal year 2005, 53% of all prime partners and 93% of sub-partners were local organizations or governments.¹⁶

In non-focus countries, the US bilateral programs often do not have sufficient resources to support fully comprehensive HIV/AIDS programs. Instead, USG resources are often leveraged with resources from other donors to provide funding for prevention, care and/or treatment.

PEPFAR only supports programs that are directly related to HIV/AIDS prevention, care and treatment, although they will leverage resources from other USG development assistance programs (i.e. P.L. 480 food assistance and USAID development assistance programs) where necessary. In some cases, OGAC has issued specific guidance about how resources may be used. This guidance includes, most notably, the guidance on PEPFAR-supported ABC activities for prevention.

<http://www.state.gov/s/gac/partners/guide/abc/>

VI. How PEPFAR Funds Programs

Although loosely organized around the themes of prevention, care and treatment, OGAC has developed a system of 13 program areas around which focus-country programs are planned and funded. These program areas also form the framework for reporting results to OGAC.

Before each fiscal year (the US fiscal year begins October 1), the USG agencies meet with partners and the host-country government to plan and budget activities. This plan, the USG Country Operational Plan (COP), is approved by the host-country government and then sent to OGAC for approval. OGAC has the authority to approve or reject any PEPFAR-supported activities.

A compilation of all focus-country activities for fiscal year 2005 can be found in the *Emergency Plan for AIDS Relief Fiscal Year 2005 Country Operational Plan* found at:

<http://www.state.gov/documents/organization/44619.pdf>

All PEPFAR-supported programs are implemented through partner organizations, often international NGOs, which receive direct grants from the USG agencies in order to perform specific project activities. Often these grantees will sub-grant funding to smaller, local or community-based organizations that perform a defined set of activities that contribute to the project goal. In selecting partner institutions to implement programs, PEPFAR teams in host countries have three broad options that differ in terms of the management burden as well as local control over design. All focus-country programs are comprised of a mix of all three types of management approaches:

Country Managed, Country Funded Programs: These programs are funded and managed by the USG team in the focus countries. Although many of these grants are direct agreements between the USG and the host-country governments, as PEPFAR matures there are increasing numbers of locally designed and procured contracts for NGOs. These openly competed contract mechanisms are often used when there situations, gaps or needs particular to the host-country, or as a way to engage more local organizations as prime partners.

Centrally Managed, Country Funded: Accounting for the majority of PEPFAR funding, these are mechanisms that in-country teams choose to support. These contracts are either pre-existing (prior to PEPFAR) agreements between USG agencies and international NGOs, or new projects that have been designed centrally to meet the perceived needs of PEPFAR focus-countries. The central agencies provide minimal funding to these projects for management, and all programmatic funding comes from in-country offices. By buying into these pre-existing, multi-country projects, the focus-country teams retain control over the budget and activities conducted by the partners, but without the additional management burden. The new Supply Chain Management System contract is an example of a centrally managed, country funded project.

¹⁶ Website of the Office of the Global AIDS Coordinator, "Partners" section:
<http://www.state.gov/s/gac/progress/other/data/partners/60363.htm>

Centrally Managed, Centrally Funded: Also referred to as “track 1” grants, this mechanism of funding programs was used frequently in fiscal year 2004 to initiate programs and achieve rapid scale-up of prevention, care and treatment programs in focus countries. These programs were designed by OGAC and competed by one of the central USG agencies. Track 1 grants are on-going throughout the life of PEPFAR in countries that opted to welcome them. Since these partners are centrally funded, their work does not count against the budgets of the focus-countries, although they are expected to report to both the in-country and central offices.

VII. How Results Are Measured and Reported:

USG teams in focus countries submit two result reports to OGAC annually: a semi-annual report covering the first six months of the fiscal year is submitted in May, and an annual report covering the entire fiscal year is reported in November. Data for the program level indicators reported in these two results reports are collected from implementing partners and are reported in all 13 program areas. Generally, the indicators provide data on:

- a) the number of service outlets assisted;
- b) the number of clients served;
- c) the number of organizations provided with technical assistance; and
- d) the number of people trained.

In addition, with the annual report in November, USG teams submit data on impact- or outcome-level indicators (such as HIV prevalence, high risk sexual behavior, access to ARV treatment, proportion of deaths attributed to HIV, capacity of health care centers, etc.) when relevant data have been collected. These outcome- and impact-level indicators are measured in conjunction with other international health and HIV/AIDS entities, such as the Global Fund, UNAIDS and the WHO, and are meant to move PEPFAR toward the “three-ones” goal of one unified monitoring and evaluation plan.

More information and definition of all PEPFAR focus-country indicators can be found in the *Indicators, Reporting Requirements and Guidelines for Focus Countries* (revised for FY2006 reporting) at: <http://www.state.gov/documents/organization/58497.pdf>. In addition, OGAC has issued specific guidance on reporting requirements for non-focus countries that receive more than \$10 million annually (<http://www.state.gov/documents/organization/58746.pdf>) and for countries that receive between \$1 million and \$10 million annually (<http://www.state.gov/documents/organization/58747.pdf>). The requirements for these smaller programs include a subset of the required program-, outcome- and impact-level indicators, although there are distinctions made between countries with generalized epidemics and those with concentrated epidemics.

To capture the full reach of programs in terms of the 2-7-10 targets, PEPFAR has defined a system of results reporting that includes people reached by both direct, “downstream” assistance as well as more indirect, or “upstream” assistance, including system strengthening, training etc. More information about downstream and upstream reporting can be found in the PEPFAR Reporting guidance at: <http://www.state.gov/documents/organization/58497.pdf>.

VIII. Analyses that have been written about PEPFAR

To date, there have been few if any comprehensive analyses written about PEPFAR. However, there are numerous assessments and information sources about PEPFAR programming, priorities and implementation from various perspectives.

Advocacy and Research Organizations:

1. The Sexuality Information and Education Council of the United States (SIECUS) has written profiles of each of the 15 PEPFAR focus countries. These reports are intended as a concise guide for policymakers in focus countries and here in the US and include information about the country as well as an overview of PEPFAR programming. <http://www.siecus.org/inter/pepfar/>
2. The Center for Strategic and International Studies (CSIS) has conducted a number of evaluations of key issues within PEPFAR in the context of an examination of strategic issues in the global HIV/AIDS fight going forward. <http://www.csis.org/hivaids/>

3. AVERT, an international HIV/AIDS advocacy organization based in the UK, monitors PEPFAR implementation and progress, as well as that of other donors and keeps up-to-date statistics as well as analysis. www.avert.org
4. The Center for Health and Gender Equity and Health GAP has launched a site, called PEPFAR Watch, to release periodic updates about the progress and issues with the initiative. www.pepfarwatch.org

Formal Evaluations and Internal Audits

1. The Institute of Medicine has been mandated by Congress to conduct a formal evaluation of PEPFAR implementation, including looking at “a variety of measures of program success that can be ascertained at different points across the implementation timeline.” The plan for the evaluation was published in October 2005, and the full evaluation can be expected in mid-2006. <http://www.iom.edu/CMS/3783/24770.aspx>
2. The Inspector General of the USG Agencies have conducted several audits of the implementation of PEPFAR activities in several focus countries, with more to be completed in fiscal year 2006.¹⁷ These include the USAID Inspector General’s reports on audits of the participation of USAID/Rwanda (<http://www.usaid.gov/oig/public/fy05rpts/4-696-05-005-p.pdf>) and USAID/Ethiopia (<http://www.usaid.gov/oig/public/fy05rpts/9-663-05-005-p.pdf>) in the implementation of PEPFAR.

Government Accounting Office (GAO)

At the request of Members of the US Congress, the GAO has conducted several evaluations of specific questions within PEPFAR implementation. This includes:

1. *US AIDS Coordinator Addressing Some Key Challenges in Treatment but Others Remain* July 2004, <http://www.gao.gov/new.items/d04784.pdf>
2. *Selection of Anti-Retroviral Medications Provided Under the US Emergency Plan in Limited* (Jan. 2005, http://pdf.dec.org/pdf_docs/PCAAB266.pdf)
3. On April 4, 2006, the GAO released a new report on prevention programs within PEPFAR entitled, *Spending Requirement Presents Challenges for Allocating Prevention Funding under the President’s Emergency Plan for AIDS Relief* (<http://www.gao.gov/new.items/d06395.pdf>).

IX. Useful links

- Office of the Global AIDS Coordinator Website: www.state.gov/s/gac.
- *Engendering Bold Leadership: The President’s Emergency Plan for AIDS Relief First Annual Report to Congress* <http://www.state.gov/documents/organization/43885.pdf>
- *Action Today, A Foundation for Tomorrow: The President’s Emergency Plan for AIDS Relief Second Annual Report to Congress* <http://www.state.gov/documents/organization/60889.pdf>
- *The President’s Emergency Plan for AIDS Relief: U.S. Five-Year Global AIDS Strategy* <http://www.state.gov/documents/organization/29831.pdf>
- USAID HIV/AIDS Programs http://www.usaid.gov/our_work/global_health/aids/
- CDC Global AIDS Program <http://www.cdc.gov/nchstp/od/gap/default.htm>