HEALTH AID in TRANSITION

A Review of The U.S. President's Emergency Plan for AIDS Relief (PEPFAR)

THE CENTER FOR
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Summary

1. PEPFAR does not have a specific policy to navigate country exits or strict eligibility cutoffs to determine when support to a country must or should end. To date, PEPFAR has never fully exited a country.

2. Programmatic transitions are underway and are aimed at enhancing country ownership and shifting the type of support provided to countries as they progress through the process of achieving, and ultimately sustaining, HIV epidemic control.

3. Countries that have achieved, or are close to achieving, epidemic control will be expected to take on more responsibility for their HIV response. Consequently, PEPFAR's level and focus of support will likely shift in countries approaching epidemic control. These shifts are considered part of a broader transitioning process as countries take on greater responsibility for their epidemic.

Overview

The President's Emergency Fund for AIDS Relief (PEPFAR) is the largest commitment by any nation for a single disease (HIV/AIDS). In total, PEPFAR has provided over $80 billion in support for HIV/AIDS.[1] PEPFAR sits within the Office of the Global AIDS Coordinator (OGAC) at the United States (U.S.) State Department, the agency that represents most of U.S. global health funding (61%).[2] OGAC oversees all U.S. global HIV activities, including PEPFAR's funds and activities.[1] PEPFAR is responsible for both bilateral HIV/AIDS funding and multilateral contributions, such as those to the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund).

PEPFAR's focus has evolved from providing emergency relief to 15 countries to helping 65 countries reach HIV epidemic control.[3] PEPFAR defines HIV epidemic control as *"the point at which new HIV infections have decreased and fall below the number of AIDS-related deaths."*[4] PEPFAR's focus is to help countries expand access to HIV prevention, treatment, and care. This support can be provided bilaterally, regionally, in coun-try pairs (two bilateral programs that are joined due to the cross-border nature of their epidemic), or multilaterally. Bilateral funding is concentrated in 31 countries, which are all required to develop country operational plans (COP).[1] The country pair model is a new partnership mode that will begin in the COP 2019 cycle.[5]

Founded in 2003 during the George W. Bush administration, PEPFAR has benefitted from strong bipartisan support: it has been reauthorized by Congress three times (2008, 2013, and 2018).[1] PEPFAR is now in its third five-year strategy cycle (Box 1). PEPFAR is currently guided by two strategies: PEPFAR 3.0 and the PEPFAR Strategy for Accelerating HIV/AIDS Epidemic Control (2017-2020). PEPFAR 3.0 provides the overall organizational strategy focused on five action agendas: impact, efficiency, sustainability, partnership, and human rights.[4] This third strategy is focused on using data to target core interventions to the people and places where PEPFAR can achieve the most impact for investment.[4] The acceleration strategy is more narrow than the PEPFAR 3.0 strategy; it focuses on a subset of

13 priority countries *"which represent the most vulnerable communities to HIV/AIDS and have the potential to achieve control by 2020."* [6]

Key Policies Related to Transition

In PEPFAR's second strategy (Box 1), covering the period 2008-2012, the organizational focus shifted from emergency relief to country ownership. This second strategy recognized that the time required to make a full transition to country ownership would exceed the five-year strategy cycle, but that steps should be taken *"to create the capacity for sustainability."* [8] PEPFAR's current strategy continues to build on this country ownership focus.

In PEPFAR 3.0, the Sustainability Action Agenda was introduced because *"many countries are now positioned to advance domestic HIV/AIDS investments and assume greater partner country responsibilities for increased financing, management, and implementation,"* as shown in Figure 1. [4] Thus far, PEPFAR 3.0 has created several mechanisms and policies to evaluate countries on their path to epidemic control, support a shift to full country ownership, and guide allocation efforts according to a country's need and progress.

At this time, PEPFAR has no plans to reduce the number of countries supported and recognizes that some countries may require external funding for an indefinite period
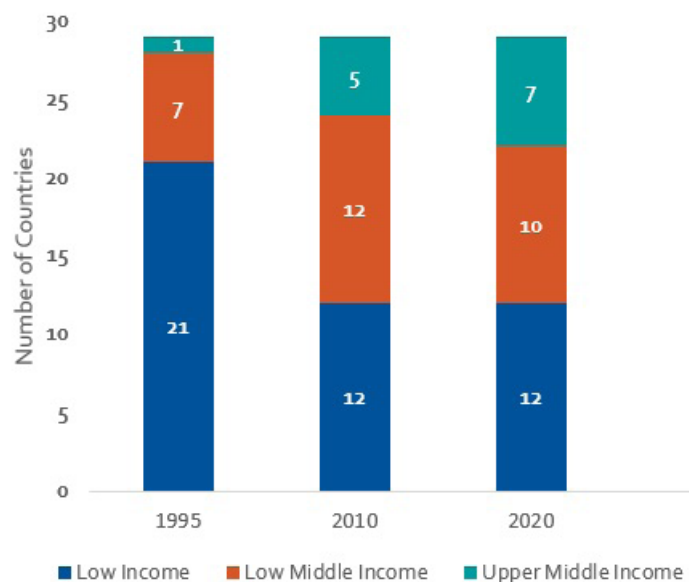
Figure 1. PEPFAR countries by income level over time
Figure adapted from a PEPFAR chart in reference 4

Figure reflects data on 29 PEPFAR countries: Angola, Botswana, Burundi, Cambodia, Cameroon, Cote d'Ivoire, Democratic Republic of the Congo, Dominican Republic, Ethiopia, Ghana, Guyana, Haiti, India, Indonesia, Kenya, Lesotho, Malawi, Mozembique, Namibia, Nigeria, Rwanda, South Africa, Swaziland, Tanzania, Thailand, Uganda, Vietnam, Zambia, and Zimbabwe.

> **Phase I: 2003 – 2007**
> **Key focus:** building a rapid emergency response [7]
>
> **Phase II: 2008 – 2012**
> **Key focus:** transition from emergency response to sustainable country programs [8]
>
> **Phase III: 2013-2019**
> **Key focus:** sustainable control of the epidemic [4]

Box 1: Three phases of PEPFAR

of time. Therefore, PEPFAR does not have a specific policy to navigate country exits or strict eligibility cutoffs to determine when support to a country must or should end. The countries PEPFAR supports and their corresponding funding levels are subject to congressional notification procedures: OGAC does not retain authority to select additional countries to support outside of this process.

Programmatic transitions are underway to enhance country ownership and shift the type of support provided to countries as they progress through the process of achieving, and ultimately sustaining, epidemic control.

Country Engagement

PEPFAR categorizes each country it supports based on the status of the epidemic and the type of support required to help a country or region achieve, or sustain, epidemic control (Box 2). [9] Support may be provided via direct service delivery, targeted at particular populations, or may merely allow for collaboration and scientific exchange with the U.S. Within PEPFAR, transition typically refers to the shift from receiving one type of support to another.

Sustainability Index and Dashboard (SID)

The Sustainability Action Agenda outlined PEPFAR's intention to use a sustainability index to measure progress and help guide PEPFAR investment decisions. [4] The Sustainability Index and Dashboard (SID), as this tool is now known, is completed annually *"with the aim of providing new data to inform annual PEPFAR investments and an opportunity for a dedicated sustainability dialogue with national stakeholders."* [9] Sustainability refers to the ability of a country to domestically fund, manage, and monitor its HIV response.

The SID, recently revised for COP19, assesses indicators across four broad themes: 1) governance, leadership, and accountability; 2) national health system and service delivery; 3) strategic investments, efficiency, and sustainable

financing, and 4) strategic information (Figure 2).[10] PEPFAR measures where a country is situated on the *"sustainability spectrum"* by producing a score, between zero and ten, for each indicator (Figure 3).[10] Higher scores reflect sustainability strengths, likely requiring little or no additional investment, whereas lower scores reflect sustainability vulnerabilities, which require some or significant additional investment.[10] The SID reports are publicly available on PEPFAR's website.

The SID is not only used to understand the sustainability landscape of a country's HIV response, but also to aid PEPFAR's planning and investment decisions. For example, the SID *"was presented as a critical component in the development and finalization of the Kenya COP."*[11] The results were validated through discussions with key stakeholders, led by a third party, the National AIDS Control Council (NACC). These results helped shape the priorities and activities for PEPFAR in Kenya for the upcoming year.[11] However, although there is a scoring scale with suggested investment levels (Figure 3), receiving a particular score does not necessarily translate to a definitive action taken. For example, Kenya scored a nine on the *'policies and governance'* indicator, which according to the scale requires no additional investment. Nevertheless, the group validation process that NACC led illuminated that although the creation of the policies was a success, additional investment was indeed needed to implement these new policies.[11]

Responsibility Matrix

PEPFAR recently solicited feedback from the Global Fund, another major funder of HIV/AIDS programs in low-and-middle-income countries, on a new instrument called the responsibility matrix. This matrix launched in time for the COP19 planning cycle. The matrix outlines the various activities required of an effective HIV response and will serve as a platform for the primary HIV funders (PEPFAR, the Global Fund, and country governments) to facilitate discussions on how best to transfer responsibilities currently managed and/or funded by donors to the government. Responsibility in this sense does not simply refer to funding – it includes all programmatic areas required for a sustainable response. The matrix is used in tandem with the SID.

Local Partner Funding Targets

In 2018, Ambassador Deborah Birx, the U.S. Global AIDS Coordinator, committed to directing most of PEPFAR's funds to local organizations, rather than international organizations, with intermediate goals of directing 25% to local organizations by the end of FY18, 40% by the end of

1. **Long-term strategy countries**: have a generalized epidemic and receive extensive direct service delivery. These countries will likely continue to receive significant support for the foreseeable future.

2. **Targeted assistance (TA) countries**: have a concentrated epidemic among key populations and receive primarily technical assistance.

3. **Technical collaboration (TC) countries**: have a country-owned HIV response, tend to be middle-income countries, and engage in mutual exchange of scientific and technical knowledge with the U.S.

Box 2: PEPFAR country engagement types [9]

FY19, and 70% by then end of FY20.[12] To have a sustained program, PEPFAR believes the response must eventually be *"completely indigenous."*[13] These FY18-FY20 funding targets are for all PEPFAR-supported countries regardless of their antiretroviral (ARV) coverage levels.

As of July 2018, 65% of the Centers for Disease Control's PEPFAR funding and less than 20% of USAID's PEPFAR funding supported local organizations.[13] Across all U.S. government agencies, in COP18 50% of PEPFAR funds went to international partners whereas only 34% went to local organizations.[12]

Tailoring Program Support to Country Progress

In a recent review of its portfolio, PEPFAR assessed each country to identify how its approach may shift based on a country's progress towards stated goals. As part of this assessment, PEPFAR grouped country programs into three broad categories: reboot, scale, and evolve (Figure 4):

- Countries in the *'reboot'* category were considered to be off track and require programmatic shifts to achieve targets;

- Countries in the *'scale'* category had suitable programming and need to continue on their existing trajectory to reach stated goals; and

- Countries in the *'evolve'* category have either achieved or will achieve their targets in one to two COP cycles.

The *'evolve'* countries, comprising around a quarter of the countries in PEPFAR's portfolio, are the countries where PEPFAR is beginning to explore how its support might change as goals are achieved. As a result, PEPFAR will shift the manner in which it provides support correspond-
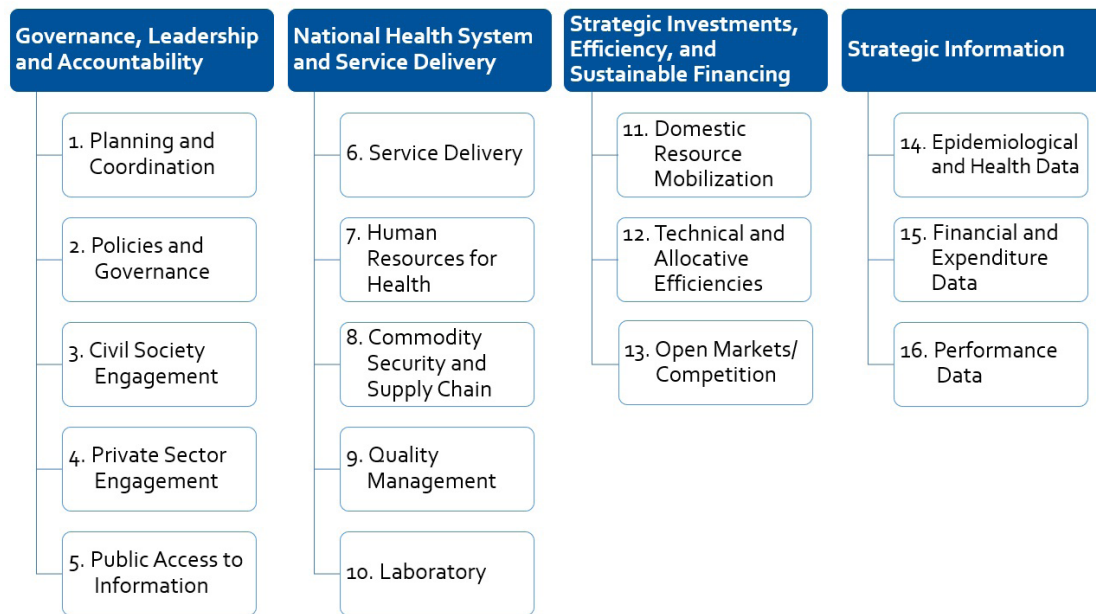
Governance, Leadership and Accountability	National Health System and Service Delivery	Strategic Investments, Efficiency, and Sustainable Financing	Strategic Information
1. Planning and Coordination	6. Service Delivery	11. Domestic Resource Mobilization	14. Epidemiological and Health Data
2. Policies and Governance	7. Human Resources for Health	12. Technical and Allocative Efficiencies	15. Financial and Expenditure Data
3. Civil Society Engagement	8. Commodity Security and Supply Chain	13. Open Markets/ Competition	16. Performance Data
4. Private Sector Engagement	9. Quality Management		
5. Public Access to Information	10. Laboratory		

Figure 2: SID indicators
Figure adapted from a figure in reference 10.

ingly: as countries achieve epidemic control, PEPFAR will shift money to the places where disease burden is highest. Countries that are meeting goals and show improved efficiency may no longer require existing funding levels, and therefore some funding could be redistributed to other countries with greater needs. This does not mean PEPFAR will exit 'evolve' countries; PEPFAR intends to maintain a presence of some type to ensure there is sufficient capacity in place to reduce the chances of backsliding.

The results of this exercise, although not publicly available, are reflected in the tone of the planning level letters for COP19. For example, in the COP19 Planning Level Letter for Kenya, PEPFAR notes that COP19 should "*reorient away from a scale up response to a sustain the gains response.*"[15] Under Kenya's COP19 technical priorities, there is a clear intention to shift greater responsibility to the Kenyan government: "*As Kenya gets closer to epidemic control, there needs to be a shift towards a more sustainable HIV/AIDS program with increase[d] investments and responsibilities for the Government of Kenya (GoK) and other donors.*"[15]

For COP19, all countries must prioritize "*reaching the steady state.*"[5] COP19 guidance suggests that the steady state "*is when the host country health systems function effectively and efficiently with minimal donor support.*"[5] Countries are required to identify yearly benchmarks to monitor progress towards achieving the "*steady state*" and to design their activities around these goals.[5]

Funding Shifts

In 2017, PEPFAR selected 13 countries for acceleration efforts under the more targeted 2017-2020 epidemic control strategy.[6] The 13 "acceleration" countries were selected due to their high disease burden and likelihood of achieving epidemic control by 2020.[16] Ambassador Birx said in an interview after the launch of the new strategy that selecting a subset of countries near epidemic control could help PEPFAR identify a pathway to approach epidemic control in other countries in the future.[16] This selection approach could also help to identify how PEPFAR's support may change after a country reaches epidemic control.[16]

Although funding plans were notably absent from the strategy itself, PEPFAR has begun to reduce funds to some countries and shift more funds towards others. In a recent commentary, the Center for Global Development (CGD) observed the actual funding changes between FY17 to FY18, and the change between these years and the proposed FY2020 funding request.[17] These findings show that the latest budget request has grown for most of the 13 "acceleration" countries since the launch of the new strategy while countries that are not on the accelerated track (i.e. the "non-acceleration" countries) generally see declines in the FY2020 request from their FY2017 and FY2018 funding levels. However, aggregate level assessments and analysis of budgets rather than expenditures may mask some context-specific reasons for funding shifts.

DARK GREEN SCORE: [8.50-10.00 PTS]
Sustainable and requires no additional investment at this time

LIGHT GREEN SCORE: [7.00-8.49 PTS]
Approaching sustainability and requires little or no investment

YELLOW SCORE: [3.50-6.99 PTS]
Emerging sustainability and needs some investment

RED SCORE: [<3.50 PTS]
Unsustainable and requires significant investment

Figure 3: SID scoring scale
Figure adapted from a figure in reference 10.

While being an "acceleration" or a "non-acceleration" country may affect funding levels to some degree, proposed funding levels may also be tied to how well a country is performing. Kenya's positive performance may explain why, despite being an "acceleration" country, it saw an 11% decline in funding between FY17 and FY18, and is anticipated to see greater declines if the FY2020 budget request is approved.[17] If Kenya is approaching epidemic control, then some funding will likely be reallocated to other countries with greater need.

Negative performance, regardless of need, can also affect funding levels. For example, Nigeria and South Africa were notably absent from the list of "accelerated" countries, despite their large HIV burdens. As reported by Devex, Ambassador Birx has said that excluding some countries from the acceleration list may provide a "wake-up call" since they were excluded for specific reasons.[16] In South Africa's COP19 planning level letter (a draft document in advance of the COP that outlines PEPFAR's intended priorities and budget for a country for the upcoming year), PEPFAR highlighted that progress has been sub-optimal.[14] PEPFAR noted that if performance improves then additional funds could be *unlocked"* for the next implementation year.[14]

PEPFAR is not only reallocating funding *between* countries, it is reallocating funding for activities *within* countries to accelerate epidemic control. In preparation for the launch of COP19, PEPFAR provided different guidance for countries based on the level of HIV epidemic control.[5] Countries with low ARV coverage are recommended to spend most PEPFAR resources to support HIV prevention (25%) and direct service delivery (i.e. where activities involve direct interaction with beneficiaries) (75%).[5] PEPFAR programs

in countries that have achieved higher ARV coverage rates and epidemic control at the national level should transition their response from direct service delivery to intense case finding and non-direct service delivery (i.e. programs that support a facility, provider, or sub/national system), with the ultimate goal to transfer this duty to local partners, governments, and/or institutions.[5] PEPFAR funding in countries that have sustained epidemic control should be used to support a strong public health response while PEPFAR shifts prevention and treatment services to local implementing partners.[5]

Transition Status

To date, PEPFAR has never fully exited a country. PEPFAR states that it does not intend to withdraw from any of its currently supported countries at this time. However, countries that have achieved, or are close to achieving, epidemic control, will be expected to take on more responsibility for their HIV response. Consequently, PEPFAR's level of support (e.g., long-term strategy) and focus of support (e.g., direct service delivery) will likely shift in countries approaching epidemic control. These shifts are considered part of a broader transitioning process as countries take on greater responsibility for their epidemic.

Transition Learning

PEPFAR updates its approach on an annual basis through the COP process. Prior to each new COP cycle, PEPFAR issues a guidance document for all PEPFAR countries, which outlines the overarching strategy across all countries in the coming year. This guidance document highlights any modifications made based on the experiences of the past year. For example, the COP19 guidance implemented minimum program requirements for all PEPFAR programs that wish to be eligible for funding beyond maintenance

Reboot

Programming is off track and requires programmatic shift to achieve targets

Scale

Programming is suitable and should continue on existing trajectory

Evolve
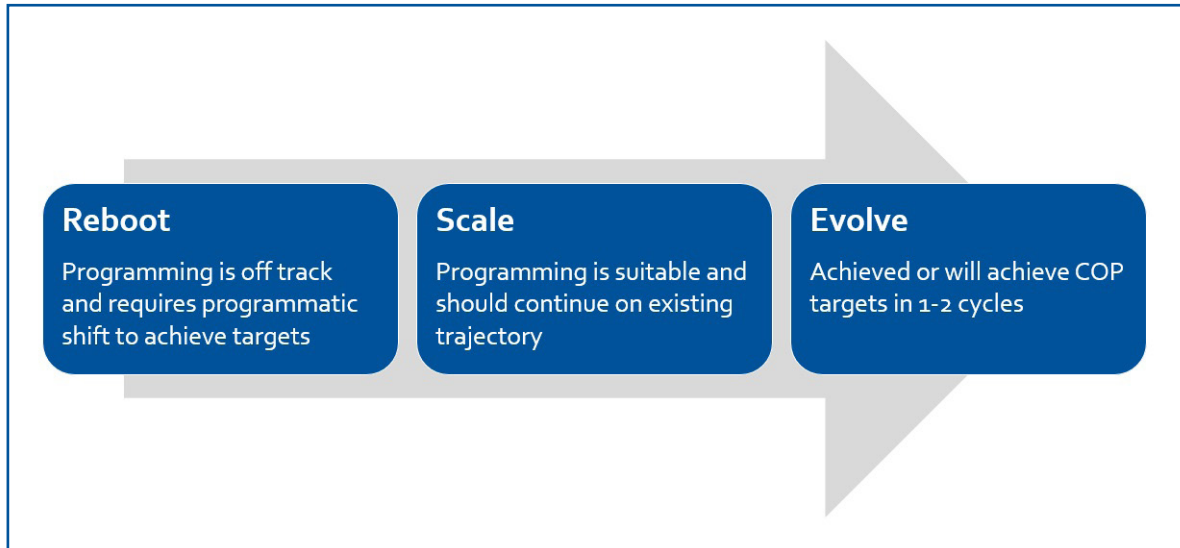
Achieved or will achieve COP targets in 1-2 cycles

Figure 4: Country program classification exercise

levels, highlighted the transition from international to indigenous partners, and laid out guidelines for supporting countries transitioning to sustained epidemic control.[18]

Since the establishment of the SID, PEPFAR has compiled a sustainability report that provides a cumulative snapshot of SID scores across participating countries. This report highlights where there is sustainability progress and where there might be sustainability roadblocks. For example, in the report on the 2016 SID, most countries reported that planning and coordination was either sustainable or approaching sustainability whereas nearly all countries reported that private sector engagement was either unsustainable or showing emerging sustainability.[9]

Transition Impact: Country Experiences

Although PEPFAR is not planning to exit any of its currently supported countries, some countries have experienced changes in their funding levels and/or type of support. There are several studies on the experiences of countries that underwent PEPFAR programmatic transitions and/or funding reductions.

Several studies found that key populations are particularly vulnerable when PEPFAR shifts its programmatic support towards greater country ownership and away from direct service delivery.[19,20,21,22] These studies highlight that civil society organizations, which typically provide services for key populations, tend to be vulnerable during transitions to country ownership due to reduced funding, exclusion from the transition planning process, and lack of absorption into a government owned response.

Outlook

In the immediate future, congressional approval of the FY20 budget is a key inflection point; the Trump administration proposed a $1.35 billion budget cut to PEPFAR.[23] If such a huge cut is approved, PEPFAR would either need to provide fewer funds across all countries or prioritize some countries over others. PEPFAR enjoys significant bipartisan support: Congress has twice previously rejected proposed cuts to global health and development financing and has actually increased financing for HIV/AIDS and PEPFAR in recent years. However, there is some concern that funds could be cut to align with the Trump administration's proposal.

PEPFAR will launch COP19 on October 1, 2019. This COP cycle will be the first guided by the recent internal assessment of countries as either 'scale', 'reboot', or 'evolve.' This cycle is the first to use the responsibility matrix as a tool to guide discussions around clarifying responsibilities for a country's HIV response. By the end of this implementation cycle, PEPFAR programs must meet the target of channeling 40% of the program budget through indigenous partners.

There are several critical milestones for 2020. This is the promised timeframe by which 70% of PEPFAR's budget will be channeled through indigenous organizations. 2020 is also the end of the accelerated strategy for epidemic control in the 13 focus countries. The experience of these 13 countries will shape PEPFAR's future engagement with countries who have achieved epidemic control.[16]

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The 4Ds is a project led by the Center for Policy Impact in Global Health that focuses on integrated research across four major global health transitions: disease, demography, development assistance for health, and domestic resources for health.