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Clear Direction for a New Decade

Priorities for PEPFAR and the Next US Global AIDS Coordinator

A Report of CGD's Rethinking US Development Policy Initiative

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Preface

When major global institutions undergo leadership change, the Center for Global Development (CGD) takes the opportunity to ask questions about these organizations' mandates, resources, and governance and to propose changes and reforms. While the US President's Emergency Plan for AIDS Relief (PEPFAR) is not an international institution, we believe that the program can benefit from the type of review that CGD has offered to global agencies. Accounting for the single largest source of funding to international HIV efforts in the world, PEPFAR's leader — the US Global AIDS Coordinator— is uniquely positioned to influence the trajectory of the worldwide AIDS epidemic and guide the success of the United States' most prominent health and development program.

A change in leadership at PEPFAR is a time to reflect on the organization's past performance and more generally on the US response to the global AIDS epidemic. This transition in management at PEPFAR comes as the institution celebrates its 10-year anniversary against a backdrop of rapidly changing science, economics, and politics, both in the United States and around the world. This state of flux has prompted conversations about what is next for the landmark AIDS program.

What's next for PEPFAR? CGD convened a group of stakeholders to discuss this question, highlight compelling opportunities for progress and reform, identify priorities, and make actionable recommendations for the next US Global AIDS Coordinator.

We are hopeful that the recommendations in this report will help PEPFAR consolidate the successes of the past decade and focus squarely on areas in which it can make unique contributions in the future.

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CGD Leadership Transition Reports

CGD has offered independent policy recommendations to major international organizations as they experienced leadership changes. These include the World Bank (2006); Global Fund to Fight AIDS, Tuberculosis and Malaria (2006 and 2013); African Development Bank (2006); UNAIDS (2009); and the UN Population Fund (2011).

Executive Summary

PEPFAR is at a critical turning point in its decade-long existence. The next US Global AIDS Coordinator is uniquely positioned to set the course for the program's future. A change in leadership at the President's Emergency Plan for AIDS Relief creates an opportunity to ask questions about the organization and reflect in more general terms on the US response to the global AIDS epidemic.

Former US Global AIDS Coordinator Ambassador Eric Goosby and his team helped establish the ambitious goal of an "AIDS-free generation" and spurred the creation of a better evidence base to guide PEPFAR's programmatic decisions. The program has also benefited from a number of recent high-level external reviews conducted by the US Institute of Medicine (IOM) and the US Government Accountability Office (GAO), all of which lay out detailed priority areas for improvement in the program.

The challenge for the next US Global AIDS Coordinator will be to prioritize and implement the recommendations that have emerged from these analyses and reviews, building on new and existing science to make the most progress possible toward an AIDS-Free Generation.

This paper focuses on how to do this rather than on what should be done. Here we lay out four priority *hows* each with actionable recommendations, to help incoming leadership at PEPFAR realize the potential of PEPFAR's current strategy and enable the next US Global AIDS coordinator to demonstrate clear gains.

PRIORITY 1

Align the Vision, Strategy, and Budget

Consistent and clear alignment between vision, strategy, funding, and capacity is increasingly important as PEPFAR shifts to a country-led approach. It will help set realistic and predictable expectations for PEPFAR's role in partner counties, and it will allow the US Congress to better understand the timeline and justification for the program as it transitions from an emergency to a sustainable response. Particular focus should be concentrated on clarifying PEPFAR's strategy and related budget scenarios, and linking programmatic decisions regarding health systems strengthening and integration back to PEPFAR's budget and strategy.

PRIORITY 2

Strengthen Key Management and Accountability Relationships

PEPFAR's success depends on its ability to mobilize and hold accountable multiple agencies, countries, and recipients in support of common health goals. But the tools to facilitate these accountability relationships are sometimes missing or incomplete. The next US Global AIDS Coordinator should restructure or sharpen key accountability relationships with five key constituencies in particular, including OGAC and the US Congress; OGAC and US government implementing agencies; US government implementing agencies, contractees, and grantees; OGAC and the Global Fund; and OGAC and country interagency teams. In addition, PEPFAR could fund and deploy an independent performance measurement initiative, build and enhance accountability tools and arrangements, and make country operational plans publically available.

PRIORITY 3

Contextualize and Catalyze Country Ownership

Country ownership is a fundamental parts of PEPFAR's vision of sustaining the global response to AIDS. But the term is defined and understood in different ways by different constituencies. The next US Global AIDS Coordinator should clearly and publicly define PEPFAR's role in transition versus non-transition countries, and use this understanding to structure assistance differently to achieve program aims. In all of these settings, PEPFAR should put a greater focus on shared governance and take steps to determine the trajectory of the epidemic and establish more clearly articulated priorities, goals, and benchmarks for progress on a conduct a country-by-country basis. In many countries, it should be made much clearer that PEPFAR is likely to be a direct purchaser of prevention and treatment services for the foreseeable future.

To spur transition, PEPFAR could also improve coordination and joint planning with the Global Fund, concentrate efforts in particularly challenging countries, and strengthen and expand management, economics and financing expertise to complement existing clinical and medical know-how. In countries closer to transition, the US Global AIDS Coordinator should explore and test innovative ways to build incentives and accountability for better outcomes, and motivate more in-country financing of key services. These methods could include cash on delivery aid, fixed amount reimbursement agreements, traditional lending, and employing features of the Millennium Challenge Corporation model.

PRIORITY 4

Establish more Visible Leadership

Active leadership and visibility is a hallmark of all US Global AIDS Coordinators. But given the unique challenges facing PEPFAR in the coming years, it is particularly important for the next US Global AIDS Coordinator to embrace the role of "diplomat in chief" and forge new and strengthened relations both inside and outside the US government. In particular, they must take action to improve transparency immediately upon taking office. Failing to make transparency a real priority in the coming years will risk losing credibility with advocates, partners, and funders. In addition, the US Global AIDS Coordinator should continue to make a strong budget request during each budget cycle, consulting early and often with the secretary of state and White House. But the request can be justified more strongly within the context of the broader US global health portfolio and funding from other donors like the Global Fund.

Introduction

The US President's Emergency Plan for AIDS Relief (PEPFAR) has transformed US global AIDS efforts, altering both their ambition and impact. Started in 2003 as an emergency relief program to address the global AIDS crisis, the program has mobilized funding and expertise that has transformed AIDS from a death sentence to a manageable disease.

Today, more ambitious goals are on the table. In 2011, Secretary of State Hillary Clinton declared that an "AIDS-free generation" would become a policy imperative for the United States, and in 2013 the director of the National Institute of Allergy and Infectious Diseases, Tony Fauci, stated that this target could be within reach "by implementing existing HIV/AIDS treatment and prevention tools much more broadly worldwide."[1]

These objectives are motivated by 10 years of experience and evolving science and medical technologies with the potential to accelerate progress in the fight against AIDS. However, they are accompanied by a changing socioeconomic and political landscape that is affecting the United States, PEPFAR partner countries, and other donor countries and agencies in their current operations. This shifting landscape also promises to change the way PEPFAR operates in the decades to come.

PEPFAR is at a critical turning point in its decade-long existence. The first 10 years were marked by rapid scale – both financially and programmatically. The next 10 will be judged by how well these gains are sustained, and by our ability to not just slow but reverse the trajectory of the epidemic. The next US Global AIDS Coordinator has the important and significant task of ushering PEPFAR into a new phase.

The US Global AIDS Coordinator

The US Global AIDS Coordinator is a presidential appointee position requiring Senate confirmation. The appointee holds the rank of ambassador and reports directly to the secretary of state. The Office of the Global AIDS Coordinator (OGAC) is housed at the State Department.

1. Fauci 2013.

Much of PEPFAR's growth and success can be attributed to two things: good programmatic strategy and good politics. Neither has been perfect, but many aspects of the program and its underlying politics have evolved over time to adapt and respond to evidence. In many ways, the politics underlying PEPFAR have informed the program, and in turn the program has informed the politics. PEPFAR must sustain gains and spur progress on both programmatic and political fronts to protect its achievements and continue its positive impact on global health.

Programs

PEPFAR's most significant contribution to stemming the AIDS epidemic has been the massive scale-up of HIV treatment and prevention interventions. In its first 10 years PEPFAR has directly supported antiretroviral treatment for more than 5.1 million people, more than half of all individuals enrolled in treatment in low- and middle-income countries.[2] While the program has not measured its attributable impact on HIV incidence and mortality, overall trends in most PEPFAR-supported countries are moving in the right direction.[3] Further, a well-designed study finds that between 2004 and 2008 adult mortality from any cause declined more in PEPFAR focus countries than in others.[4]

PEPFAR has also spurred advances in medicine and implementation science. For example, a PEPFAR-supported study found that use of vaginal microbicide by women in South Africa lowered their risk of HIV infection by 39 percent.[5] PEPFAR also gave $21 million for eight country studies under the "Implementation Science Research to Support Programs under PEPFAR" award in 2011. The grants funded a number of international health and development organizations and universities to address and evaluate innovations to improve access to care, program effectiveness, and health-service utilization and to reduce and barriers to program implementation.[6]

Politics

PEPFAR is one of a very few bipartisan national priorities, with executive and congressional leaders in both political parties mostly agreeing on the program's objectives and strategy. Since President George W. Bush's announcement of the program in his 2003 State of the Union address, the program has resonated with

2. GAO 2013a.

3. UNAIDS 2013.

4. Bendavid et al. 2012.

5. IOM 2013, p. 219.

6. USAID 2013.

> ***In its next phase, we encourage the next US Global AIDS Coordinator to take steps to capture learning from these experiences more systematically, demonstrating clearly how PEPFAR has obtained more health for the money, and using the resulting insights to expand PEPFAR's successes for greater impact in the field and sustained bipartisan support from the US Congress."***
>
> *—Jeffrey L. Sturchio, Senior Partner, Rabin Martin, and Kate Schachern, Senior Vice President, Rabin Martin*

leadership from both parties. This political consensus has created and sustained funding for the program, and it has leveraged significant support to provide funding through multilateral channels such as the Global Fund to Fight AIDS, Tuberculosis and Malaria. The program is the largest US foreign assistance program in history that addresses a single health issue, and has spent a total of $51 billion from its launch in 2004 through the end of 2013.[7]

PEPFAR is led by the US Global AIDS Coordinator, the official charged with coordinating and overseeing the US response to HIV/AIDS that spans seven US departments and agencies working on five continents. The coordinator is appointed by the president, confirmed by the Senate, and reports directly to the secretary of state—a status not shared by the leader of any other US development program.

The How, Not the What

During the first Obama administration, Ambassador Eric Goosby and his team helped establish the ambitious "AIDS-free generation" goal. Goosby also spurred the creation of a better evidence base to guide PEPFAR's programmatic decisions by establishing a Scientific Advisory Board, rigorous review of HIV technical findings and program impact studies, and new data-driven program cost exercises such as the expenditure analysis. PEPFAR has also benefited from a number of recent high-level external reviews conducted by the US Institute of Medicine (IOM) and the US Government Accountability Office (GAO),[8] all of which lay out detailed priority areas for improvement in the program. (See box 1.)

The challenge for the next US Global AIDS Coordinator will be to prioritize and implement the recommendations that have emerged from these analyses and reviews, building on new and existing science in order to make the most progress

7. Kaiser Family Foundation, 2013.

8. IOM 2013; GAO 2013.

possible toward the AIDS-free generation within the available budget. Therefore, this paper focuses on the how rather than the what. That is, it concentrates on how to do things and not on what should be done, which has already been covered extensively in previous work.

Key Priorities

Here we lay out four priority *hows* each with actionable recommendations, to help incoming leadership at PEPFAR realize the potential of PEPFAR's current strategy and enable the next US Global AIDS coordinator to demonstrate clear gains.[9]

PRIORITY 1
Align the Vision, Strategy, and Budget

Since its inception, PEPFAR has expressed a clear vision: to turn the tide against the global HIV/AIDS pandemic.[10] In 2009, PEPFAR's five-year strategy refined its vision to focus on sustainability, adding that "PEPFAR will work through partner governments to support a sustainable, integrated, and country-led response to HIV/AIDS."[11] In 2011, Secretary Clinton further honed this vision when she declared that the world could achieve an "AIDS-free generation" and this would be a new policy imperative for the United States.[12] Program documents, such as the "The U.S. President's Emergency Plan for AIDS Relief Five Year Strategy for 2009–2014"[13] and the "PEPFAR Blueprint for an AIDS-free Generation,"[14] lay out high-level strategies and intermediate goals to achieve this vision.

But the program has not clearly conveyed the connection between its vision and high-level strategy and the available funding and implementation capacity. Consistent and clear alignment in these areas—vision, strategy, funding, and capacity—is increasingly important as the program shifts to a country-led approach. It will help set realistic and predictable expectations for PEPFAR's role in partner counties, and it will allow the US Congress to better understand the timeline and

9. These recommendations draw on the experience and ideas of US-based experts working on HIV/AIDS programs and policies – many of whom have worked closely with PEPFAR since its inception. CGD convened the group in July 2013 to discussed priorities for the next US Global AIDS Coordinator, and consulted with them throughout the development of this report.

10. Office of the Global AIDS Coordinator 2005.

11. Office of the Global AIDS Coordinator 2009.

12. Clinton 2011.

13. Office of the Global AIDS Coordinator 2009.

14. Office of the Global AIDS Coordinator 2012a.

Box 1. The "What": Key Recommendations for PEPFAR from recent High-level Reports

PEPFAR benefited from a number of evaluations of its programs in 2013. The IOM released its congressionally mandated evaluation of the program.[*] The GAO released three reports on PEPFAR treatment programs that covered treatment costing, treatment program quality, and supply chains.[†] The reports emphasize a need to go to scale with what works and to better address key populations. These reviews also identify a number of common areas for growth in PEPFAR's programs and thoroughly outline a few key programmatic areas in which PEPFAR can improve in the coming years.

Improve Data Management and Disclosure: Data management and disclosure has been identified by the IOM, GAO, and other stakeholders, including the US Congress,[‡] as critically important for informing program decisions and is thus a core area for improvement. While PEPFAR has an extensive data collection system to track activities and program results, limitations exist in the completeness, timeliness, and consistency of key program data. The GAO and IOM reports provide detailed recommendations in this area, urging PEPFAR to strengthen and streamline key program indicators, expand the use of expenditure analysis to capture spending among different donors, and develop systems for routine transfer and dissemination of knowledge both within PEPFAR and externally. These and other recommendations in this area should be a top priority for the next US Global AIDS Coordinator.

Strengthen and Scale Up HIV Programs: As the IOM evaluation highlights, PEPFAR has provided "proof of principle" that HIV services can be successfully delivered on a large scale in low-income countries. Working within the new WHO guidelines, PEPFAR will now need to determine the best way to allocate resources, given remaining coverage gaps related to access and availability of services as well as expanding eligibility for treatment. As PEPFAR continues its ambitious scale-up of AIDS programs, it should increase its concern in the quality of care and balance care with prevention activities. Specific recommendations include improving retention and adherence among patients in care and treatment and zeroing in on costs and efficiency to create incentives for greater effectiveness. These

and other recommendations in this area should be implemented with an eye toward equity, particularly as countries take on greater responsibility for the management of PEPFAR programs.

Focus on Key Populations: Ending the AIDS epidemic will not be possible without increased effort to reduce new infections among key populations at highest risk for becoming infected with and transmitting HIV. Throughout the world, HIV prevalence among three key populations is substantially higher compared to the general public: sex workers, men who have sex with men, and injecting drug users.§ PEPFAR and other donors have taken steps to better reach these populations, but they continue to be marginalized or underrepresented by national programs and governments. At the 2012 International AIDS Conference, OGAC announced a new $15 million investment for implementation research to identify specific interventions that are most effective for reaching key populations, and $20 million to launch a challenge fund to support country-led plans to expand key services to these groups. While results from these investments are yet to be seen, these are good steps. Still, PEPFAR's vision will not be achieved unless much greater attention and resources are directed toward these populations.

Transition to a Sustainable Response: As PEPFAR transitions from an emergency response to a sustainable response, it is critical that the program balance shared responsibility with rapid scale up of life-saving prevention and treatment activities. To do so, the program needs to incentivize greater partner-country responsibility—political, financial and programmatic—to safeguard current gains and identify ways to increase the impact and speed of scaling up programs. Specific recommendations include identifying gaps and unmet need in the current response, developing plans to increase and diversify funding that includes new country-led resources, and participating in country-led stakeholder coordination efforts related to funding activities and data collection.

* IOM 2013.

† GAO 2013d; GAO 2013b; GAO 2013a.

‡ PEPFAR Stewardship and Oversight Act of 2013.

§ amFAR 2013.

justification for the program as it transitions from an emergency to a sustainable response. Particular focus should be concentrated on the following:

- *Make the strategy and related budget scenarios clearer*

  Scenarios of financial contributions from other funders, including recipient governments and other donors, should be incorporated into PEPFAR's vision and strategy. This will allow PEPFAR to assess the feasibility and expected time frame for the achievement of an AIDS-free generation in each country. It will also enable greater focus in its own efforts and greater leverage of financial and technical contributions from other funders and partners.

- *Link programmatic and budgetary decisions back to PEPFAR's vision and strategy*

  The US Global AIDS Coordinator should ensure programmatic and budgetary decisions link back to PEPFAR's vision and strategy in a consistent and systematic way. If an activity doesn't align directly with the vision, OGAC should reconsider either the strategy or budget. This is particularly important when considering PEPFAR's strategy around health systems strengthening and integration of other health services. Strategies in these two areas should be tied closely to the achievement of PEPFAR's stated health goals.

  Health systems strengthening: PEPFAR's current strategic plan calls for a shift from direct service provision to health system strengthening in support of greater country ownership, which is a key strategy for program sustainability. PEPFAR has supported the development of and capacitation of health systems—such as supply chain management systems and service delivery mechanisms—which has allowed increasing numbers of people to be reached with HIV treatment and prevention services. The next US Global AIDS Coordinator should continue to ensure that the program is implementing health systems strengthening efforts in a way that will allow countries to learn over time which strategies are best aligned with PEPFAR's vision.

  Integration with other health services: Increasingly, PEPFAR is working with country leadership, donors, and partners to provide additional primary care services on the health service delivery platform supported by PEPFAR. In some cases, integrating services has been shown to be cost-effective and critical in meeting core PEPFAR goals. For instance, integration of family planning into core PEPFAR services has helped spur progress toward eliminating mother-to-child transmission of HIV. As the US budget tightens, pressure mounts to leverage HIV funding for other health services. Any expanded service or disease focus will need to be carefully balanced with the need to continue and scale direct service provision for HIV/AIDS and

> ***"The next U.S. Global AIDS Coordinator must continue to scale up integrated HIV/AIDS and family planning services, increase civil society engagement, and ensure that services effectively reach key populations, including women and young people."***
>
> *—Caitlin Horrigan, Associate Director of Global Advocacy, Planned Parenthood Federation of America*

HIV/TB in order to not diffuse focus from PEPFAR's primary mission or create inefficiencies in service delivery.

PRIORITY 2

Strengthen Key Management and Accountability Relationships

PEPFAR's success depends on its ability to mobilize and hold accountable multiple agencies, countries, and recipients in support of common health goals. While almost all PEPFAR annual funding is under the authority of OGAC in the Department of State, only 2.5 percent of those funds are retained. Most are redistributed to implementing agencies and recipient country governments.[15] Juggling these accountability relationships is intrinsically challenging, as each agency has its own mandate, reporting structure, and funding streams. The tools to facilitate accountability between OGAC and the agencies are sometimes missing or incomplete. The next US Global AIDS Coordinator should take the following steps to clarify and strengthen these relationships:

- *Fund and deploy an independent performance measurement initiative.*

  This initiative should be undertaken in coordination with the Global Fund and partner government HIV/AIDS programs. PEPFAR undertook multiple monitoring and evaluation initiatives, such as the Demographic and Health Surveys and AIDS Indicator Surveys, in 14 countries during the mid-2000s. PEPFAR has also provided support for routine program monitoring and for periodic program evaluations.

  However, these surveys have not been regularly conducted, and facility-based information is not regularly and consistently available to inform programmatic decision-making or disbursement decisions. Further, the Global Fund

15. Fan et al. 2013.

continues to rely on non-representative self-reported data from facilities. Both governments and donors could benefit from a new approach—funded by PEPFAR—to provide annual or biannual rolling representative measurements at facility and household levels of key program outputs and outcomes, at least in the largest PEPFAR countries. While PEPFAR has supported the strengthening of health management information systems (HMIS), rolling representative samples of both facilities and beneficiaries can complement and strengthen these HMIS investments. The measurement approach could also innovate by deploying new, potentially cost-saving technologies for real-time data collection. These could include patient-owned electronic medical records that would allow for tracking of patients in multiple clinics, or computer-assisted personal interviewing using tablet personal computers and wireless technologies that can improve data quality and availability while reducing the time needed to collect data.[16]

- *Make Country Operational Plans (COPs) publicly available*

  These plans should be made available as soon as they are approved for use by the country teams. National governments and civil society are often in the dark about exactly what PEPFAR is supporting in a country. PEPFAR should make its plans public in a timely and user-friendly format and use them to prompt dialogue with all stakeholders about the most effective role for PEPFAR funding in a given context. If the reports were available before they were implemented, national planners could take them into account, and affected communities would know what to expect and who to hold accountable. Placing COPs online years after they have been implemented, with most of the useful information redacted, serves PEPFAR poorly.

- *Build and enhance accountability tools and arrangements*

  Tools exist that could improve how accountability relationships are managed. These include the following:

  Explicit contracts and agreements with built-in accountability arrangements. For example, contractual mechanisms that specify independent measurement of efficiency and performance at a standard of rigor and representation. This data can then be used routinely to provide feedback to managers and implementers.

  A small number of standardized, comparable performance, efficiency, and results indicators across partners. These could include measures of

16. Paudel et al. 2013.

treatment retention and of partner-country progress in measuring antiretroviral (ARV) drug consumption, waste, and loss.[17]

Staff and funding to support feedback loops and accountability tools. For example, a window of funding to support civil society and advocacy groups to monitor budget and service delivery activities in key settings.

Using these tools as an organizing framework may simplify what currently is an extraordinarily complex and heterogeneous program.

- *Restructure or sharpen key accountability relationships.*

  PEPFAR's success relies largely on the effective functioning of a number of relationships with key stakeholders. These include policymakers and implementing partners – both inside and outside the US government, other donors and funders fighting HIV/AIDS, and partner countries. Here we highlight five key accountability relationships that could be refined or restructured, and should be prioritized by the next US AIDS Coordinator.

  OGAC and Congress: PEPFAR is one of the only US development programs that still benefits from perennial bipartisan support and authorized legislation from Congress. In November 2013, Congress successfully passed the PEPFAR Stewardship and Oversight Act of 2013 to extend the program's recently expired authorization for another five years. This relationship with Congress has proven vital to the program's funding and success, and the program has been lauded as a model of effective Congressional engagement and oversight.[18] While authorization is not necessary for the program to receive funding or continue operating, its process helps garnering garner champions and educating Congress about the program's impact against AIDS, TB, and malaria. But a dramatic shift in the makeup of the House and Senate in recent years has tempered knowledge and ownership of the program, and threatens to weaken future support. Even with its recent passage, the current effort likely didn't generate the same level of congressional commitment that a full reauthorization process might. The next US Global AIDS Coordinator should continue to provide outreach and improve reporting to Congress to maintain support.

  A good first step would be to improve the scope and quality of PEPFAR's annual report to Congress. Calls for a more complete and informative annual report have increased over the past several years. A 2011 GAO report recom-

17. GAO 2013b, pp 15-16; GAO 2013c.

18. GAO 2012b.

> ***"PEPFAR's leadership must place greater emphasis on the political relationships that will help make sustainability a reality. In particular, this means working in greater partnership with affected governments—treating them as true partners and co-investors, rather than as passive recipients—and with other technical partners, including the Global Fund, in a more integrated, cohesive way."***
>
> *—Erin Hohlfelder, Policy Director, Global Health, ONE Campaign*

mended PEPFAR include comparisons of annual results with previously established annual targets, and information on efforts to verify and validate PEPFAR performance data. Both of these recommendations remain open.[19] In addition, the PEPFAR Stewardship and Oversight Act sets out clear reporting requirements to guide these efforts, with a focus on specific indicators and analysis necessary to understand the scope, efficiency, and impact of the program. The first annual report under the new US Global AIDS Coordinator should reflect these reporting requirements and go beyond anecdotal measures of the program's success.

OGAC and USG implementing agencies: The design architecture of PEPFAR places OGAC in the coordination and oversight role with the US agencies as principle implementers of core programmatic activities. From 2004 to 2011, $27.9 billion of PEPFAR funding was obligated by six different US agencies, the largest being USAID and the US Centers for Disease Control (CDC). While funding is appropriated to each agency through OGAC in the annual budget process, it is unclear whether OGAC has sufficient leverage after allocation has been made to sharpen the focus of programs or obtain high-level feedback. Further, the division of responsibilities between these agencies, including their respective roles and rationale, can be unclear.[20] The next US Global AIDS Coordinator could institute explicit inter-agency agreements, to be updated annually. Specific program-wide accountability, evaluation, and reporting requirements should be made clear, tracked, and published in the public domain.

USG implementing agencies, contractors, and grantees: The relationship between US implementing agencies, such as USAID and the CDC, and its contractors and grantees are among the most straightforward because they

19. GAO 2011.

20. IOM 2013

are embodied in formal legal agreements. But as the program's needs for reporting, accountability, and feedback evolve over time there is a need to revisit this contractual language. Periodic updates will assure consistency and provide the tools needed for frequently rotating USG staff to obtain critical management and performance data from contractors and grantees.

Currently, contracts include standard clauses related to minimum core data for the set of primary activities funded by PEPFAR. This allows for comparisons across contractors and grantees and a better assessment of costs per unit. Where these data exist, they should be better managed in a standardized and machine-readable format, ideally in the public domain. These data should be analyzed to make management adjustments, guided in part by feedback from USAID and CDC staff. Further, PEPFAR should strengthen guidance for the preparation of performance monitoring plans or similar documents from sub-contractors and grantees. Likewise, OGAC could consider independent, representative, and robust performance verification for activities conducted by contractors and grantees to strengthen accountability.[21] These can also be mobilized in support of host government and Global Fund investments.

OGAC and the Global Fund: As the two largest global AIDS donors in the world, PEPFAR and the Global Fund are close partners. The United States is also the largest donor to the Global Fund, and is poised to raise its annual contribution over the next three years. As PEPFAR works to shift the management and operation of bilateral programs to country governments, more and more financial support will likely be channeled through the Global Fund. To facilitate this shift, OGAC and the Global Fund should agree on a shared policy agenda in support of the Global Fund's ongoing New Funding Model and value-for-money reforms. For instance, a portion of US funding could be made contingent on results or go to support more rigorous verification of outcomes. These would provide a set of policy and implementation benchmarks and allow PEPFAR to assess the Global Fund's technical and financial readiness to take on a greater share of global funding, particularly for treatment programs.[22]

As PEPFAR and the Global Fund become increasingly linked, OGAC should formalize a gold standard by which the two agencies take direct or indirect credit for results on the ground. To the extent possible, this standard should be shared by the Global Fund to better clarify measurement and communication of inputs and results. OGAC should also continue to scale up joint

21. Glassman et al. 2013.

22. GAO. 2013a.

programming that has been shown to be successful (commodity purchasing and expenditure analysis) and joint planning and evaluation around the COPs and Global Fund country dialogues to strengthen their partnership in country.

OGAC and country interagency teams: As discussed above, PEPFAR programs are implemented through a "whole-of-government" approach that pools the core competencies of several US agencies in each country. In many cases, the country response could be strengthened by increased accountability to OGAC headquarters and better clarity in decision-making status. In the most successful PEPFAR countries, the US ambassador or chief of mission has played a lead role in ensuring interagency coordination on PEPFAR activities and building strong relationships between PEPFAR and the partner government. But to truly become a sustainable program PEPFAR must become a more integrated part of the State Department bureaucracy. While much work has been done within State and the recently established Office of Global Health Diplomacy, OGAC can continue to engage ambassadors in a more consistent and coordinated way, and ensure that PEPFAR remains a priority with ambassadors and chiefs of mission. The next US Global AIDS Coordinator should also hold country teams more accountable for smart COPs —in recent years doing so has resulted in substantial progress in a few countries.[23] Closer attention from OGAC may help ensure that multiple, and often competing, mandates across agencies do not distract from PEPFAR's core goals.

PRIORITY 3

Contextualize and Catalyze Country Ownership

Country ownership and sustaining the global response to AIDS is a fundamental part of PEPFAR's vision. But the term is defined and understood in different ways by different constituencies, some as "shared responsibility" and others as a complete handoff of the program to country governments in the near term.

Recent health partnerships with Namibia, Rwanda, and South Africa demonstrate a promising step toward "shared responsibility" on OGACs part.[24] Development and execution of these partnerships will be a critical test of PEPFAR's ability to transition responsibly. The US Global AIDS Coordinator and OGAC's implementing partners should learn from the early stages of these partnerships and build on these efforts to understand whether and how PEPFAR's transition policy

23. IOM 2013, pp. 146-47.

24. Goosby, 2013.

> ***"This is the director who will bend the curves of incidence and mortality down at an accelerated pace if s/he puts science to work and uses a rationalized implementation science system to learn while doing."***
>
> *—Chris Collins, Vice President and Director of Public Policy, AmfAr*

is consistent with its strategy and budget. Tasks to undertake include the following.

- *Set more realistic and transparent expectations for what "country ownership" means and how long it will take to achieve*

  The US Global AIDS Coordinator should clearly and publicly define PEPFAR's role in transition versus non-transition countries, and use this understanding to structure assistance differently to achieve program aims. This would enable OGAC, partner countries, and other stakeholders to understand whether and where transition is feasible and at what pace. Projections for transition should be articulated by magnitude of decades, and on a country-by-country basis.

  Internally, efforts appear to be underway to understand whether transition is feasible in a given country and at what pace. The document "PEPFAR FY2013 Country Operational Plan (COP) Guidance" requests country teams to provide an update on dialogue and actions for transition. The same document uses a "country categorization" process to group countries by their transition readiness.[25] Categories include the following:

  Long-Term Strategy: countries in need of external support for the long term.

  Targeted Assistance: countries receiving specific support for key populations or priority areas

  Technical Collaboration: countries in which US government engagement is with more developed nations and is a peer-to-peer relationship in health.

  In all of these settings, the next US Global AIDS Coordinator should put a greater focus on shared governance. Models exist that could be implemented throughout the program, such as the practice in South Africa where a management committee of US and South African officials now reviews all requests for

25. Office of the Global AIDS Coordinator, 2013, p. 28.

proposals and is empowered to guide the program. In addition, work should continue with country teams and partners to seek a better and more transparent understanding of future scenarios concerning country ownership. The US Global AIDS Coordinator should commission a comprehensive, country-by-country analysis to determine the trajectory of the epidemic, clarify top-line priorities in the current response, and establish more clearly articulated priorities, goals, and benchmarks for progress.[26]

In "Long-Term Strategy" and some "Targeted Assistance" countries in particular, it should be made much clearer that PEPFAR is likely to be a direct purchaser of prevention and treatment services for the foreseeable future. Implementation may occur via government or non-governmental entities and may see increasing use of local implementing partners, but PEPFAR should view its role in these settings as a direct purchaser of services on behalf of a population rather than traditional foreign aid. In these settings, PEPFAR is also directly responsible for assuring that programming aspirations are consistent with financial realities, and for assuring evidence-based and ethical decision-making if hard choices are to be made (for example, the purchase of second- and third-line drugs, or palliative care if necessary).

- *Improve Coordination with the Global Fund*

  The Global Fund is a major funder of AIDS programming in many PEPFAR-focus countries, and thus has a substantial influence on defining and catalyzing country ownership in these settings. But Global Fund disbursements have been volatile in recent years, creating uncertainty around resource availability and making it exceedingly difficult to clarify expectations between countries and PEPFAR. While the Global Fund is working to address this issue, it is imperative for the next US Global AIDS Coordinator to catalyze better joint planning in countries where PEPFAR and the Global Fund are both key actors. This is critical for appropriate allocation of resources and progress on country ownership in all settings.

- *Spur transition to country ownership with innovation*

  In "Technical Collaboration" countries, PEPFAR's objective should be to support and motivate countries' own efforts to provide certain services. Here, PEPFAR should build incentives and accountability for better outcomes, especially among the most at-risk populations, and motivate more in-country financing of key services. Over time, this will enable PEPFAR to scale back the direct provisions of services in a responsible way. The US Global AIDS

26. IOM 2013, p. 597.

> ***"Developing tools to fight HIV and AIDS is not a zero-sum game: we can't focus on one intervention at the expense of another. We will require many tools in our arsenal to reach the finish line, which is the end of AIDS."***
>
> *—Margaret Lidstone, Senior Director, Global Public Giving, International AIDS Vaccine Initiative*

Coordinator should explore and test innovative ways such as those below to structure this kind of assistance.

Cash on Delivery: Working with the Global Fund and other partners, PEPFAR could support payments to recipients for measurable and verifiable progress on specific outcomes, such as $100 dollars for every HIV infection averted.[27] By linking payments directly to a single specific outcome, recipients are empowered to reach the outcome however they see fit, and progress becomes more transparent and visible to the recipient's own citizens. These features rebalance accountability, reduce transaction costs, build local service capacity, and encourage innovation. Like any aid approach, OGAC must discern if a country's governance structures are sufficient to support this kind of engagement without imposing human rights challenges. To mitigate this risk, certain checks and balances can be overtly included in cash-on-delivery contracts, such as the requirement of oversight from a supervisory body or civil-society watchdog, or a provision to annul the contract should discriminatory or stigmatizing behavior toward HIV-infective individuals be detected.

Fixed Amount Reimbursement Agreement (FARA): PEPFAR could pay for well-defined activities or outputs with previously agreed-upon specifications or standards. FARAs are mainly used to finance outputs that are physical in nature and for which cost structures are well known. USAID used this type of agreement with Liberia's Ministry of Health and Social Welfare for implementing specific activities from the National Health Plan, namely performance-based contracting of NGOs for health service delivery and monitoring and evaluation of service delivery.[28]

Millennium Challenge Corporation (MCC) model: The MCC model includes three features that could be extremely useful in moving PEPFAR toward a country-owned approach. First, MCC creates incentives for government commitment as expressed through policy and programmatic per-

27. Hallett and Over 2010.

28. Hughes et al. 2012.

formance, where only poor countries that have passed a threshold are eligible for assistance. Similar indicators and thresholds related to HIV/AIDS performance could be established to determine eligible partners. Second, MCC sets up a compact and account in-country, usually with a government-owned project implementation unit that can compete, contract, and supervise programs directly. Such a facility could serve as PEPFAR's country counterpart, channel Global Fund and other donor funding, and evolve toward a single payer or fund as modeled in countries like Rwanda and Liberia. Finally, MCC posts all of its procurement activity and reporting online in aggregated and country-based sites that are easy to access and understand, thereby facilitating other donor and civil-society understanding and oversight of programs.

Lending: Countries that are further along in their transition could be encouraged to use lending instruments from other donors, like the World Bank or the African Development Bank. For instance, new experience with the World Bank's Health Results Innovation Trust Fund suggests that this model could be successful in some settings. This would shift financing of core HIV/AIDS services from PEPFAR to the government, building the government's capacity to absorb and manage these funds and to purchase services on behalf of the at-risk population.

Local service delivery: To the extent possible, PEPFAR's budget should be transferred into local implementation structures, including by putting local NGO staff and resources supported by PEPFAR into government health settings. This has become common in some treatment programs, but is lacking when it comes to care and prevention program strategies.

A barrier to the implementation of all of these models is that budgets are wrapped up in existing contracts and agreements at global and country levels, and cannot simply be reallocated from one moment to the next. In these scenarios, a phased introduction of a new model at the country level, or a bundling and transition of existing contracts to a new contracting or management modality, should be considered.

- *Concentrate effort for challenging countries*

In a small number of key countries, such as Nigeria and South Sudan, progress against the epidemic has been slowed, and at times reversed, due to conflict, corruption, or instability. The US Global AIDS Coordinator should establish internal "crisis task forces" that provide dedicated attention to these key countries, and others as needed, to prevent a lapse in progress. This could help make the most of the interagency operational structure to access some broader State Department resources, including knowledge and experience in

handling crises and understanding of their impact on foreign relations and foreign assistance.

- *Strengthen and expand management, economics, and financing expertise to complement existing clinical and medical know-how*

  Expertise in these areas should be distinguished from auditing and accounting expertise. As the program transitions, these new areas of proficiency will be increasingly important to support agreements with incentives that provide for sustainability goals and health services.

PRIORITY 4

Establish More Visible Leadership

Active leadership and visibility is a hallmark of all US Global AIDS Coordinators. But given the unique challenges facing PEPFAR in the coming years, it is particularly important for the next US Global AIDS Coordinator to embrace the role of "diplomat in chief" and forge new and strengthened relations both inside and outside the US government. The following areas in particular would benefit from stronger, more visible leadership.

- *Make transparency a priority*

  The 2013 Aid Transparency Index ranked PEPFAR as "Very Poor" for the amount, accessibility, and usability of information on how its money is being spent.[29] This rank places PEPFAR behind every other US agency on the list including the MCC, USAID, US Treasury, US Department of Defense, and US State Department.[30] Most notably, PEPFAR is not currently publishing information directly to the US Foreign Assistance Dashboard, and any information that is disclosed is done so on PEPFAR's website in PDF form, not a machine-readable and open format consistent with the US Open Data Policy.[31] While calls for greater transparency are not new, the lack of progress from OGAC is striking, particularly as the international aid transparency movement gains momentum and other US agencies make marked improvements. The next US Global AIDS Coordinator must take action to improve transparency immediately upon taking office. To start, OGAC should publish its budget data and information on activities that it is currently funding, including any funding provided to other agencies in 2014. Failing to make

29. Publish What You Fund 2013.

30. Due to the magnitude of its funding, PEPFAR was treated as an independent agency in the 2013 Aid Transparency Index. The Department of State and other PEPFAR implementing agencies were included separately in the analysis.

31. GAO 2012a.

transparency a real priority in the coming years will risk losing credibility with advocates, partners, and funders.

- *Go to bat for funding, and justify it*

  PEPFAR has enjoyed robust and consistent funding. After its inception in 2003, funding for AIDS quickly grew to become the majority of US global health funding and peaked with a budget of $6.9 billion in 2010.[32] Since then, budget levels have stagnated because of the increasingly austere budget environment. While PEPFAR's budget has remained largely intact, funding is fragile, as policymakers are increasingly forced to make hard decisions between competing foreign assistance priorities. The next US Global AIDS Coordinator must balance this budget environment, taking into account the tension between PEPFAR's status as the largest US global health account and the real need to maintain investments over the coming decades. Thus, funding requests should increasingly be considered a two-way street. The US Global AIDS Coordinator should continue to make a strong budget request during each budget cycle, consulting early and often with the secretary of state and White House. But the request can be justified more strongly within the context of the broader US global health portfolio and funding from other donors like the Global Fund. The request should also explicitly highlight how and where PEPFAR programs will absorb funding and describe how funds will be spent efficiently.

The Path Ahead

The next US Global AIDS Coordinator is uniquely positioned to set the course for PEPFAR's future. But to do so, they will have to seize on rapidly changing science and navigate a shifting political landscape to maintain the support that has served the program well for so long.

Despite the challenges ahead, the next US Global AIDS Coordinator inherits great potential. In the past few years alone, PEPFAR has charted the course for an AIDS-free generation, created space for new science, proven responsive to changing evidence, and redefined country partnerships in a way that may usher in greater shared responsibility in the future. Thanks to a decade of strong leadership, PEPFAR is well positioned to thrive in the future. Now is the time to build on that foundation with concrete enhancements and reforms that will position the historic program to succeed for decades to come.

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32. Fan et al. 2013.

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