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January 14, 2020

**INFORMATION MEMO FOR AMBASSADOR HEARNE, Mozambique**

**FROM: S/GAC – Ambassador Deborah L. Birx, MD**

**SUBJECT: FY 2020 PEPFAR Planned Country Allocation and Strategic Direction**

Dear Ambassador Hearne:

First, I wanted to personally thank you and your Deputy Chief of Mission for your dedication to PEPFAR and working every day to achieve the most possible with the United States taxpayers' dollars. The ability to translate these resources into effective and impactful programming has and continues to be core to our collective progress. Your PEPFAR team in country is working very hard to make and sustain gains. We are fortunate to witness their passion and compassion. We are very excited about your progress in:

- HIV/AIDS prevention, performing a record high 390,498 VMMC's during the past year.
- Targeted testing programs to identify PLHIV, increasing testing yields in index cases and key populations.
- Rapid scale-up of the cervical cancer program, screening over 7-fold more HIV-positive women for cervical cancer in the past year compared to the previous year.

Together with the Government of Mozambique and civil society leadership we have made tremendous progress together but much remains to be done. We are deeply grateful for the ongoing deep coordination with the Global Fund and UNAIDS.

We did want to highlight both overarching issues we see across PEPFAR and a few specific to Mozambique. Full details will follow in a more comprehensive letter from your S/GAC Chair and PPM.

Throughout the PEPFAR family of supported countries and communities, five gaps are shared across the globe holding us collectively back from achieving Sustainable Development Goal 3 related to controlling the HIV AIDS epidemic:

1. Continued new HIV infections in adolescents and young women
2. Supporting key populations with prevention and treatment services
3. Ensuring men are diagnosed and treated early (testing positive and new on treatment (linkage surrogate))
4. Ensuring 15-35-year-old asymptomatic clients are maintained on treatment and virally suppressed (net new on treatment and treatment current growth, (retention surrogate))
5. Ensuring all children are diagnosed and are on the best treatment regimens and virally suppressed

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Moreover, we note the following challenges in the PEPFAR Mozambique program:

- Mozambique's PEPFAR program has been challenged in accomplishing increased identification of HIV-positive men and children to initiate treatment.
- As in previous years, Mozambique continues to struggle with overall retention and increasing the number of PLHIV on effective treatment across all ages and sexes, but especially among young women and young men. PLHIV must be retained on treatment to assure their health and prevent ongoing transmission.
- Finally, as Mozambique continues to transition its policies regarding effective drug regimens, children and adolescents continue to have lower treatment coverage and viral load suppression compared to older age groups.

In a recent Office of Inspector General audit around PEPFAR coordination there were four draft preliminary recommendations based on their discussions with PEPFAR staff in the field from four countries, three of their recommendations are relevant to this Country Operational Plan planning cycle related to target setting, tool development, and timelines. Although we just received the draft report a few days ago we did not want to wait another COP cycle to make substantive changes related to the recommendations. The first was around targets and target-setting and the need for a clear and transparent understanding and dialogue in establishing targets. PEPFAR targets are not PEPFAR's but flow directly from the UNAIDS Fast Track Strategy of 2016. Since 2016, both the PEPFAR strategy and targets were directly derived from the global communities of UNAIDS, WHO, and specifically Heads of State in their commitment to SDG 3 and are aligned to support the country's specific ambition towards those goals.

The global community in 2015 through their Heads of State committed to achieving SDG 3.3 by 2030 which for HIV is ending the HIV/AIDS epidemic as a public health threat. This was followed by a United Nations High Level Meeting on HIV/AIDS in June 2016, whereby these Heads of State committed to the 90/90/90 Fast Track Strategy. Essential to the strategy was 73% community viral load suppression (VLS) by 2020 and 86% community VLS by 2030 combined with increased prevention interventions and zero stigma and discrimination to ensure all ages, genders and risk groups have access to life saving prevention and treatment services. Also, in 2016, 22 PEPFAR-supported high HIV burden countries committed to the three Frees of Start Free, Stay Free, AIDS Free with 2020 targets of a decrease in new infections in children to 20,000, 85% of pregnant women on ART, AGYW new infections to < 100,000, 90% of children on ART and 25 million VMMC's. Since 2016 PEPFAR and the GF resources have been focused on achieving these global goals that have been translated to each country by UNAIDS and subsequently supported financially and technically by the PEPFAR family. Since 2016, PEPFAR has utilized these global commitment targets as PEPFAR targets with the commensurate increased funding to countries in 2016, 2017, and 2018 to achieve the goals set out by the Heads of State. Many countries have made tremendous progress towards these targets and others need to accelerate. Mozambique is NOT on track to achieve the 2020 and 2030 goals unless significant gaps are addressed, and the program begins to accelerate.

Over the past 4 years, PEPFAR resources were allocated based on need, performance, and specifically on the country's and communities' desire to achieve the SDG, Fast Track Strategy,

and Three Free goals and country specific targets. Based on the OIG recommendation, S/GAC will take a different approach this year to target-setting. Our collective hope is that together we use this moment of reflection on progress and challenges along with the realization that the end of 2020 is only 11 months away to address these overarching challenges this year through COP 2019 implementation and use COP 2020 to maintain our progress, address any ongoing challenges and finally fund ambition for greater impact. Thus, S/GAC will not assign targets to countries but only provide notional budget levels. After the PEPFAR country team submits their targets the notional budget will then be adjusted to the presented level of ambition. Additional funding is available as ambition funding for treatment and VMMC.

The PEPFAR Country/Regional Operational Plan (COP/ROP 2020) notional budget is \$412,200,000 inclusive of all new funding accounts and applied pipeline and reflects the following:

1. Sustaining the gains in treatment services based on your projected COP 2019 treatment result (FY2020 treatment current funded in COP19).  
\$316,000,000
  - a. The care and treatment budget is determined by all of your FY18 C/T expenditure services and commodities (no RTK commodities), including all aspects of the health system inclusive of human resources, laboratory and systems, commodities (exclusive of RTKs), an upward adjustment from FY19 treatment current to the FY2020 treatment current fully burdened cost of treatment services and commodities, and 100% of partner program management costs and data needs
  - b. This Budget is broken down by
    - i. Care and Treatment services including partner program management costs, FY2020 upward adjustment, EMR and data with surveillance, recency \$256,000,000
    - ii. ARV drugs and treatment commodities (everything except RTKs) \$26,000,000
    - iii. TB preventive treatment \$9,000,000
    - iv. Cervical cancer \$5,500,000
    - v. For earmark purposes 50% of M/O costs \$19,500,000
    - vi. Care and Treatment qualifies for ambition funds if addresses gap #3-5
2. Continued orphans and vulnerable children funding to include DREAMS vulnerable girls less than 20-year-old. \$47,150,000
  - a. HKID or \$13,500,000 dollars for continued historical OVC services
  - b. DREAMS funding of \$35,000,000 of which 85% is for vulnerable girls under 20 \$29,750,000
  - c. 10% of M/O or \$3,900,000
3. Continued VMMC funding based on your percent of VMMC in the appropriate age band of >15 years old
  - a. Total VMMC \$14,500,000
  - b. VMMC qualifies for ambition requests

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4. Dramatic expansion of DREAMS programming \$35,000,00 as noted above
5. Continued expansion of Key Populations prevention and expansion of PrEP depending on country submitted targets
  - a. Key Population (non-treatment) \$4,600,000
  - b. PrEP total: \$5,500,000 dollars
6. RTK and service support to ANC HIV testing \$3,600,000
7. Remaining 40% M/O based on COP19 \$15,600,000

Total COP2020 notional budget of **\$412,200,000** (comprised of **\$370,045,183** new and **\$42,154,817** pipeline).

Overall, across the PEPFAR portfolio, we have dramatically increased DREAMS funding to address prevention of new infections in adolescent girls and young women. For the first time we find across all districts implementing DREAMS, declines in new diagnoses of HIV in young women. These funds should be used to expand to the highest burden districts not currently covered and saturate in urban areas.

Teams will develop their own targets across PEPFAR program areas described above, with the treatment current target no less than the result that was to be achieved in COP 2019. Testing support outside of ANC should be consistent with any targets above FY2020 treatment current and be submitted with any ambition funding. Targets reflecting continued and sustained OVC programming and KP programming. For DREAMS, PrEP, cervical cancer and Preventive TB, increased targets consistent with the level of increased budgets.

Again, the team has received a notional budget as noted above and a final budget approval will be contingent on the team's desired targets. As always funding is associated with a performance target that will be achieved with those resources. Targets and the subsequent approved budget should reflect the level of ambition the PEPFAR team in collaboration with the Government of Mozambique and civil society of Mozambique believes is critical for the country's progress towards controlling the pandemic and maintaining controlling.

Additionally, country teams and specifically agencies independently can request additive ambition funds in the OU FAST to be submitted, based on their stated increased ambition in Treatment and VMMC, with commensurate increased partner level targets. This funding is available to agency partners with the highest performance with evidence that they are addressing one of the critical gaps outlined above. Budget requests must be consistent with the cost of expanded targets and address one of the gaps in programming #3-5 above. These requests should be discussed with the S/GAC chair and PPM during the January strategy retreat and tentatively approved and be submitted with the DataPack and FAST tool. The final budget and associated country level targets will be discussed and approved during the Johannesburg meeting.

We are hoping this new approach to target-setting and budget will establish an open dialogue on target-setting and empower teams to work with all stakeholders to plan a strategic and impactful COP. The expectation is for country teams and agencies to propose to S/GAC the targets they believe are achievable and feasible and hold their partner's accountable to that achievement. In addition, this new approach to target-setting gives high performing partners and agencies with

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additional aspirations the opportunity to do more to achieve even greater impact with additional ambition resources.

In the next 48 hours, more detailed descriptions of OU's programmatic successes and challenges will be conveyed to your wider PEPFAR team by the S/GAC Chair and PPM in a phone call, after which the detailed planning level letter will be immediately released.

Again, thank you for your work and we are looking forward to working with you to achieve your Fast Track Strategy and ultimately the SDG 3.3 goal.

Together we can.

Deborah Birx

Subject to COP Development and Approval