

Recommendations on PEPFAR's Future Financing Environment
PEPFAR Scientific Advisory Board (SAB)

Submitted by the Finance and Economics (F&E) Expert Working Group (EWG) to the SAB
Approved by the SAB on April 19, 2016

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Purpose of the F&E EWG:

The purpose of this EWG is to help inform PEPFAR's financial and programming decisions based on analysis of the future financing environment for HIV in low and middle income countries. Three initial questions were posed to the EWG by OGAC:

- 1) What is the projection for aggregate funding available for HIV (PEPFAR, Global Fund, other bilateral and domestic resources) in PEPFAR countries over the next five years? What are annual and five year estimates for the top 20 PEPFAR countries (by size of USG program)?
- 2) Prepare case studies for 2-3 countries to illustrate how new program goals and policies will be affected by available resources.
- 3) With fixed goals/timeframe (90-90-90 by 2020) and fixed resources, how can PEPFAR achieve maximum return on investment? What are the implied efficiencies needed to achieve program goals?

The EWG, first constituted at the end of February 2016, is in the early stages of developing an analytic approach to these questions and plan for conducting its work. An initial conference call was held on March 1, 2016, followed by email correspondence. A second conference call was held on April 7, 2016. Based on these communications, the EWG decided to revise and narrow the focus of the questions (see below) and is currently in the process of identifying available data as well as data issues that may make analysis challenging, and will then proceed with analysis. The results of these analyses, with associated recommendations, will be provided to the SAB at its second meeting of 2016.

Revised Questions & Issues to Consider

The questions have been revised and narrowed and the EWG has begun discussing issues for consideration, data needs, and, where possible, initiated data requests.

Revised Questions

- 1) Project aggregate funding available for HIV in PEPFAR countries based on three scenarios: pessimistic, optimistic, and flat line funding.
- 2) Provide direction for how PEPFAR could conduct case studies of 2-3 countries to illustrate how new program goals and policies will be affected by available resources.
- 3) Starting with PEPFAR's proposed level of achievement by 2020 (its contribution to 90-90-90), identify 2-3 scenarios based on different programming or efficiency assumptions that can be used to assess return on investment.

Issues for Consideration (by question)

- 1) **Project aggregate funding available for HIV in PEPFAR countries based on three scenarios: pessimistic, optimistic, and flat line funding.**

This question will involve obtaining historical and current data on PEPFAR, Global Fund, other donor, and domestic spending for HIV and developing reasonable assumptions for pessimistic and optimistic scenarios. The EWG also discussed the importance of identifying and cataloguing other efforts that have sought to look at HIV expenditures across funding channels. OGAC has already provided the EWG with data on PEPFAR and Global Fund spending for the top twenty PEPFAR countries. Data on other donor funding will be obtained from the OECD DAC database. OGAC has also provided domestic HIV spending estimates from UNAIDS, where available, although there is no standardized or complete data source for these data. The EWG has identified this a major limitation that will need to be addressed in making projections; it is also a major limitation facing PEPFAR, the Global Fund, and others in trying to understand the full resource envelope that may be available to address HIV in low and middle income countries. More broadly, the EWG has identified the lack of an institutionalized or formal mechanism for routinely capturing HIV budget and expenditure data across funding channels as a significant limitation facing all stakeholders.
- 2) **Provide direction for how PEPFAR could conduct case studies of 2-3 countries to illustrate how new program goals and policies will be affected by available resources.**

Case studies will provide an important input in helping PEPFAR to assess the impact of funding availability/scenarios on program goals. This is particularly the case given the data limitations concerning domestic spending estimates described above. A case study approach, therefore, may be the only way for PEPFAR to obtain current and verified data on domestic spending as well as realistic parameters for projecting that spending forward. The EWG will seek to provide guidance to PEPFAR on how such case studies could be conducted and suggestions for countries that could be included.
- 3) **Starting with PEPFAR's proposed level of achievement by 2020 (its contribution to 90-90-90), identify 2-3 scenarios based on different programming or efficiency assumptions that can be used to assess return on investment.**

The EWG will work with OGAC to determine PEPFAR's proposed level of achievement for 2020 (its contribution to 90-90-90). Programming and efficiency assumptions will be identified based on examination of PEPFAR data, via literature review, consultation with OGAC, and expert input.

EWG members are also seeking to identify other issues that will be important to consider in any assessment of PEPFAR's financing environment, including the implications of country transitions from PEPFAR and other external donor support and the role of innovative financing, and will discuss if and how such issues could be addressed within its analyses.