**The President's Emergency Plan for AIDS Relief**

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**Before the United States House of Representatives**
**Subcommittee on State, Foreign Operations, and Related Programs**
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Madame Chairwoman, Ranking Member Granger, Members of the Subcommittee, and staff: Good morning, and thank you for this opportunity to discuss the Administration's Fiscal Year (FY) 2010 budget request for the U.S. President's Emergency Plan for AIDS Relief, or PEPFAR.

Let me take a moment to express my gratitude for the partnership developed between PEPFAR and the State and Foreign Operations Subcommittee over the last five years. The Subcommittee's bipartisan support for PEPFAR has been a key to its success, and we look forward to continuing to work with you during the next phase of the initiative.

Thanks to the steadfast humanitarian commitment of the President, Congress, and the American people, the United States is the global leader in the fight against HIV/AIDS. **The President's FY 2010 budget includes $6.66 billion for bilateral HIV/AIDS and tuberculosis (TB) programs and research, and contributions to multilateral efforts such as the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) and the Joint United Nations Programme on HIV/AIDS (UNAIDS). This is an increase of $165 million, or 2.5 percent, compared to the FY 2009 enacted level, including a $100 million increase in support of bilateral HIV/AIDS programs.**[1] The request for the Global Fund is $900 million, a $400 million increase from the FY 2009 request made by the previous Administration. In a time of tightening budgets and economic constraints, the FY 2010 budget request demonstrates this Administration's commitment to placing the global fight against HIV/AIDS as a critical piece of its global health agenda. PEPFAR, including bilateral HIV/AIDS and tuberculosis efforts as well as contributions to the Global Fund and UNAIDS, represents over 75% of the FY 2010 Global Health Initiative funding announced by the President earlier this month. Indeed, U. S. Government (USG) funding represented well over half of all funding for combating global HIV/AIDS by all partners in 2007, and we believe this continues to be the case.

As you know, President Obama and Secretary Clinton recently announced the selection of Dr. Eric Goosby, a world-renowned expert and leader in the fight against AIDS, to serve as the Global AIDS Coordinator within the Department of State, leading a unified USG response.

As the first order of business Secretary Clinton will direct Dr. Goosby, if confirmed, to undertake a comprehensive strategic review of PEPFAR funding and programs. This effort will inform development of the Congressionally-mandated strategy for the next phase of PEPFAR, which will in turn form a critical part of the Administration's overarching global health strategy review.

[1] The remaining $65 million is support for USAID bilateral tuberculosis programs ($19.8 million) and support for HHS/NIH research on HIV/AIDS ($56 million), offset by an $8 million reduction in direct funding to DoD for HIV/AIDS programs.

Dr. Goosby will further efforts already under way to provide reliable cost projections of the funding necessary to sustain and build PEPFAR programming into the future. At the same time, Dr. Goosby and the interagency PEPFAR team will redouble the focus on prevention and explore options to bolster PEPFAR's prevention programming.

**HIV/AIDS and Global Health and Development**

Given the magnitude of our continued commitment, I would like to reiterate the importance of our large investment in HIV/AIDS in the context of the Administration's comprehensive global health agenda.

The challenge is this: HIV/AIDS is a fatal, incurable disease. Over 33 million people are infected, including over 25 million in Africa. Each year, there are two million deaths due to AIDS. Once people are infected and progress to the point of needing antiretroviral treatment, it becomes a lifelong need.

We cannot beat this epidemic with treatment alone. According to UNAIDS, in some areas there are five new infections for every two people who are newly added on treatment. Without effective prevention for those not yet infected, more and more will face this risk of death – and be in need of treatment. In 2008, there were 2.7 million new HIV infections. And without successful prevention and treatment, the number of children orphaned by AIDS will continue to grow.

These are sobering realities, and the challenge they pose is one the entire global community, not just the USG, must confront. Yet HIV/AIDS is also part of a larger global health and development picture, where many other preventable and treatable health problems such as malaria, TB, respiratory infections, diarrhea, maternal and infant mortality, and others cause millions of deaths annually. One lens through which to look at the impact of HIV/AIDS and our efforts to combat it is that of the Millennium Development Goals (MDGs), which the President has said are America's goals.

Let me take a moment to focus on the interaction between HIV/AIDS and the MDGs. In the hardest-hit countries, where some 15 to 28 percent of adult populations are HIV-positive, and pregnant women suffer from some of the highest levels of infection, HIV/AIDS has a devastating impact on efforts to meet a broad range of MDGs, even where there has been progress on other issues. Progress toward fulfilling the MDGs requires the global community to address this global HIV/AIDS pandemic along with other health threats.

*Promote Gender Equality and Empower Women:* The AIDS pandemic has a woman's face. HIV is a disease that disproportionately affects those who have less power and lower status, helping to explain why women and girls account for nearly 60 percent of new infections. In some regions, girls can be infected at a rate 5 times higher than boys, demonstrating the need for targeted HIV programs that focus on gender equity, address male norms and behaviors, reduce violence and coercion, increase women and girls' access to income and productive resources, and increase women's status and legal protection. Effective responses to HIV/AIDS are thus responses that empower women and girls, and PEPFAR is working, through its 5-point gender strategy, to address the prevention, care and treatment challenges that women and girls face in far too many countries and communities.

*Universal Primary Education:* As a result of deaths among HIV-infected parents, there are now 12 million orphans in sub-Saharan Africa. A recent study found that orphans who have lost both parents are *12 percent* less likely to receive schooling than non-orphans – especially girls, who at all ages are pulled from school to assume the role of care-giver after the death of a mother. And in some African

countries, large numbers of teachers are dying from HIV/AIDS. Effective responses to HIV/AIDS thus improve access to education – and it is also worth noting the growing body of evidence that school attendance can contribute to HIV prevention. PEPFAR programs, especially those directed toward orphans and vulnerable children, are providing support to ensure that children are not denied access to education.

*Reduce Child Mortality:* In severely-affected countries, this disease has a direct and devastating impact on child mortality. This is due in part to infection of children through transmission from their mothers, which is almost entirely preventable, and in part to the death of parents from AIDS, which has been shown to significantly increase the risk of child mortality. Children now constitute 14 percent (370,000 of 2.7 million) of new global HIV infections and 14 percent (270,000 of 2.0 million) of HIV/AIDS-related deaths annually. A Ugandan study shows the expansion of HIV services, including those supported by PEPFAR, led to a decrease of 81 percent in *non*-HIV infant mortality, in part because the number of children orphaned by HIV/AIDS decreased by 93 percent. This suggests that effective responses to HIV/AIDS play a part to reduce child mortality.

*Improve Maternal Health:* HIV/AIDS disproportionately infects and kills pregnant women. Women with HIV are 4 to 5 times more likely to die in childbirth, yet only 18 percent of pregnant women in sub-Saharan Africa receive HIV testing during their pregnancies, and less than 40 percent of HIV-infected women receive antiretroviral drugs to prevent transmission of HIV to their child. In some large programs, more than 67 percent of counseling and testing clients and more than 60 percent of treatment clients are women, including pregnant women. Effective responses to HIV/AIDS positively impact maternal health and help prevent transmission of HIV from mother to child. PEPFAR programs around prevention of mother-to-child transmission also help more women learn their status, acting as a gateway to prevention, care and treatment for both women and children.

*Combat HIV/AIDS, Malaria and Other Diseases:* TB is the leading cause of death among HIV-positive individuals in Africa; according to the World Health Organization, an estimated 22 percent of tuberculosis cases in Africa – and, in some countries in the region, as many as *70 percent* – occur in people living with HIV. HIV/AIDS is fueling a resurgence of TB, including untreatable, extensively drug-resistant TB. As for malaria, two-thirds of the cost of delivering an insecticide-treated bed net is the distribution system. Effective responses to HIV/AIDS address HIV/TB co-infection, particularly in Africa, and provide a platform that can be used by programs focused on malaria and other tropical diseases. PEPFAR's interagency efforts around HIV/TB co-infection and its collaboration with the President's Malaria Initiative have not only saved lives, but strengthened health systems.

Addressing an overarching issue, HIV/AIDS programs expand health systems and workforce, contributing to the achievement of health MDGs by: 1) addressing the demands and impact of HIV/AIDS on health workers; 2) providing health workers dealing with HIV with the skills to attend to HIV/TB co-infection and malaria; and 3) providing a platform for the expansion of overall health systems. An effective response to HIV/AIDS helps play a key role in building health systems for all diseases and can contribute significantly to achieving global health goals. PEPFAR funding has improved laboratory capacity, enabled governments to establish health systems accounts, expanded the health workforce, and integrated drug procurement, logistics and management systems.

Addressing HIV/AIDS not only has benefits for the health care system – *failure* to engage in global AIDS activities has severe, *negative* consequences on health systems. Many of you may recall visiting hospitals with patients sharing beds as wards were overflowing with people with AIDS. In many

places, a visit today shows a very different situation, thanks to the availability of antiretroviral treatment.

Thus investments in programs such as PEPFAR and those of the Global Fund are a critical piece of a more holistic and integrated global health agenda outlined by the Administration. Increased commitments to maternal and child health, family planning, and neglected diseases, and efforts to address health system strengthening across the range of USG programs will provide much-needed support to countries. This comprehensive approach to health, including support for a family-centered approach to care, will have long-term benefits to the lives of individuals and families, and contribute to the overall development of the countries in which PEPFAR works. This understanding is reflected in the Administration's commitment of over $63 billion to the Global Health Initiative over the six years, including $8.6 billion in FY 2010.

**Support for the Global Fund**

The Global Fund remains a critical element of the USG global health strategy. The Administration's $900 million request for the Global Fund is the highest funding level ever requested in a President's Budget. USG contributions to date are $3.3 billion, and additional pledges reflect a total anticipated contribution of $4.4 billion by the end of FY 2009.

The USG's support for the success of Global Fund grants extends beyond financing -- USG support for the Fund's multilateral approach and our bilateral programs are in many countries highly linked and interdependent. The USG also provides essential leadership to the governance of the Fund, and has long supported technical assistance and financial support to improve grant operations at the country level. The USG continues to work with the organization to address broad, shared challenges relative to maximizing the number of persons reached with resources dedicated to the three diseases.

Reflecting our strong partnership across the range of HIV/AIDS, tuberculosis and malaria efforts, the USG and the Global Fund are working closely to develop complementary models for the support of fully costed national strategies. Global Fund consideration of National Strategy Applications (NSAs) provides an opportunity for closer collaboration at the country level; in the HIV/AIDS context, we are working to harmonize PEPFAR Partnership Frameworks with the NSA process. These joint efforts may identify possible efficiencies and cost savings, and will help ensure that host country, bilateral and multilateral partners build on their comparative strengths in support of strong national HIV/AIDS, tuberculosis and malaria programs.

As part of the strategic review, the Administration will examine how to best balance funding for multilateral and bilateral efforts toward HIV/AIDS, TB and malaria in the long term, based on lessons learned over the last five years.

**Support for Bilateral HIV/AIDS Programs**

*Results*

As noted above, HIV/AIDS interventions can have a broader impact on a range of health and development issues – but only if those interventions are successful in avoiding new infections and keeping people alive. PEPFAR has thus focused on achieving results.

Through September of last year, the American people supported:

- antiretroviral treatment for more than 2.1 million men, women, and children living with HIV/AIDS around the world;
- care for over 10.1 million people; and
- prevention of mother-to-child HIV transmission during nearly 16 million pregnancies, and the provision of antiretroviral prophylaxis for over 1.2 million pregnancies, thus leading to nearly 240,000 babies born free of the virus.

PEPFAR has also contributed to USG efforts that have supplied nearly provision of 2.4 billion condoms worldwide from 2004 through May 2009.

Additional information on PEPFAR's FY 2008 prevention, treatment and care results is available in the most recent PEPFAR Annual Report to Congress. Preliminary results data on certain program areas as of March 31, 2009, have recently been submitted by the field and will be shared with Congress and the public as soon as the data have been confirmed.

Beyond these impressive statistics, as part of the strategic review process to be led by Dr. Goosby, the Administration will focus on outcome-based performance metrics such as lives saved and new infections averted, by which the world should analyze the success of PEPFAR, Global Fund and other multilateral organizations in the next phase's fight against HIV/AIDS. Equally important, we will also coordinate PEPFAR results with larger global health goals such as reductions of under 5 and maternal mortality and increases in family planning.

*Resources*

In reauthorizing PEPFAR last year, Congress maintained two directives relating to funding allocations: that at least 10 percent of bilateral program resources support programs for orphans and vulnerable children, and that at least 50 percent support treatment and care for persons infected with and affected by HIV/AIDS. PEPFAR will meet these requirements in FY 2009, and we will ensure that we meet them in FY 2010 and the out years as well.

PEPFAR is effective at ensuring timely use of appropriated funds. A preliminary review of the FY2009 first quarter reporting from agencies shows that consolidated obligations of all PEPFAR funding represents 93 percent of the total available at that time, and 73 percent of those legal obligations have been expended. Also, upon preliminary review of first quarter obligations, the data show that within twelve months from the date of enactment of FY 2008 appropriations, approximately 82 percent of all FY 2008 PEPFAR funding was obligated; within two years of appropriation, 98 percent of the FY 2007 funding was obligated.

*Prevention*

Prevention remains the highest priority for PEPFAR and this Administration will seek to expand and implement prevention programs using evidence-based strategies. While treatment is incredibly important, we cannot treat our way out of this pandemic. In the absence of an HIV vaccine or cure, without effective prevention, the world will continue to face an ever-growing number of people who will die unless they receive treatment – a relatively costly intervention – for the rest of their lives.

PEPFAR supports a comprehensive, evidence-based prevention portfolio, including such interventions as prevention of mother-to-child transmission (PMTCT) programs, safe blood and medical injection programs, programs to reduce risks for injecting drug users, and male circumcision. Sexual

transmission remains the prime driver of the epidemic globally, and prevention in this area is of primary importance.

The reauthorization law deleted the previous funding directive on programs to promote the Abstinence and Be faithful elements of the ABC prevention behaviors. The legislation now calls for "balanced funding for prevention activities for sexual transmission of HIV/AIDS" and reliance on "objective epidemiologic evidence as to the source of infections in consultation with the government of each host country involved in HIV/AIDS prevention activities." The Administration will prioritize a review of prevention programs to ensure this balanced funding. PEPFAR will review country-level epidemiological information through country-driven prevention programs that support national strategies. An overarching principle is "combination prevention" -- using different interventions for prevention depending upon a country's epidemiological, social, and cultural drivers.

The Southern Africa Prevention Initiative, or SAPI, is one effort to strengthen prevention programming across the region that accounts for approximately 35 percent of all people living with HIV/AIDS and almost a third of all new infections and deaths globally. Our country programs are working with governmental and other stakeholders to adopt strategic HIV prevention approaches that respond to the unique challenges of these countries. Another pilot combination prevention effort is the Partnership for an HIV-Free Generation, a public-private partnership to revolutionize HIV prevention for youth aged 10-24 by surrounding youth with age-appropriate behavioral, structural, and biomedical interventions under a unifying brand. Nairobi, Kenya, presently serves as the pilot site, generating best practices that could be evaluated and replicated elsewhere.

Mother to child transmission of HIV is almost entirely preventable. However, despite efforts by many dedicated health workers, as noted above, coverage of PMTCT remains unacceptably low in many countries. In Malawi, approximately 90,000 new HIV infections are registered annually, of which 23 percent are considered pediatric. Of those infections, *90 percent* are due to mother-to-child transmission. Countries with strong political leadership to implement favorable policies and fight stigma, and where there are strong primary health care systems, effective national management, and coordination mechanisms, have had success. In Botswana, mother-to-child HIV transmission has been reduced to less than 5 percent through implementation of opt-out HIV testing for pregnant women and strong follow-up care for HIV-positive mothers; UNAIDS estimates that greater than 95 percent of mothers who need antiretrovirals receive them. This in turn creates a gateway to other services for women and children.

*Focus on Women and Children*

PEPFAR plans to intensify its efforts to build upon such existing successes in women and children's health, focusing on HIV prevention and improving integration of HIV/AID with maternal and child health and family planning and reproductive health programs. With this focus, PEPFAR will mobilize communities to improve access to HIV prevention, as well as care and treatment, particularly for women and children. Programs will seek to strengthen health systems, improve integrated service delivery (including expanded co-location of services), and increase training of health workers in proven interventions in maternal child health and HIV/AIDS. We will work with partner country governments and our local facility partners to create high-level support for increasing access to comprehensive, gender-sensitive, family-centered primary care services.

This focus will be applied in countries that will be selected based on need for accelerated progress in PMTCT or pediatric treatment, need to strengthen health systems, and opportunities for partnerships with the host governments, other USG programs, and international partners.

It is important to note that PEPFAR's programs for women extend beyond the context of preventing maternal-to-child transmission. PEPFAR is working to ensure that women and girls have access to prevention, care and treatment across the lifespan. PEPFAR has worked to reduce gender inequalities and gender-based abuses and expand gender programming throughout all prevention, care and treatment activities. PEPFAR supports five key gender strategies that are critical to curbing HIV transmission and mitigating its consequences: increasing gender equity in HIV/AIDS activities and services; reducing violence and coercion; addressing male norms and behaviors; increasing women's legal protection; and increasing women's access to income and productive resources.

*Seeking efficiencies and focus on treatment*

As the Institute of Medicine has noted, PEPFAR is a learning organization. With five years of experience, one area of focus is wise stewardship of the resources entrusted to the program. This is an obligation both to the people we serve and to the American taxpayers.

PEPFAR is based on a comprehensive approach to the epidemic that incorporates prevention, care and treatment while working to build local capacity and health systems. In some countries, because of the large numbers of people who need treatment, the success of counseling and testing programs, and growing capacity for AIDS treatment even at primary health centers, there is increased demand for treatment. Treatment enrollment may thus be exceeding expectations, creating challenges in light of the significant costs of treatment over the long term. These challenges are not unique to PEPFAR but are also a concern for host country Ministers of Finance, other donors and, in particular, the Global Fund.

In order to optimize our response and maximize our resources, through a series of regional consultations and focused technical assistance, PEPFAR, together with key partners, has begun to identify and analyze costs, with an initial focus on treatment-related cost-efficiencies. Expansion of this activity to other program areas, including care and prevention, will allow PEPFAR programs to disseminate cost-saving practices in order to make the best use of available resources and maintain the results-oriented culture that has defined PEPFAR to date.

The Administration's strategic review process will examine the current treatment successes and evaluate how to balance treatment goals, consistent with the legislative mandate to consider multiple factors, such as drug costs and partner contributions.

*Health Systems Strengthening*

In reauthorizing PEPFAR, Congress recognized that health systems strengthening (HSS) is critical to achieving both PEPFAR's goals and broader, long-term USG development goals. The legislation cites lack of health capacity as an important constraint on the transition toward greater sustainability of HIV/AIDS prevention, treatment and care efforts and broader public health initiatives – a reality faced every day by those who implement programs in the field.

Through PEPFAR, there is widespread consensus that the USG has strengthened and extended health systems in such areas as human resources for health (HRH), infrastructure, health information systems, and commodity procurement and logistics systems, among others. PEPFAR has also built a network

system of care that has strengthened service delivery capacity at hospitals, and increasingly at the primary care level. In FY 2009 PEPFAR will support more than $1.1 billion worth of HSS activities with funding approved to date. However, a review of the FY 2009 Country Operational Plans confirmed the need for clearer direction and a more strategic approach to HSS in the next phase of PEPFAR.

PEPFAR has thus convened a consultative process to discuss options for a conceptual framework to strengthen PEPFAR programming in HSS. A preliminary framework arose from the deliberations of a USG interagency working group. This has been shared with a range of stakeholders, including Congressional staff. We also plan to engage in discussions about the framework with the field to ensure that it responds to their needs.

Consistent with the Administration's more integrated approach to global health programming, we will fully coordinate the PEPFAR framework with the overall USG global health HSS strategy to ensure consistent application of definition and accountability principles.

*Partnership Frameworks*

An effective response to the challenges of HIV/AIDS demands a focus on building local capacity, strengthening health systems, and affirming countries' ownership of their pandemics and accountability in responding to them. These are essential steps toward sustainability.

To this end, PEPFAR is working with host country governments to develop Partnership Frameworks – five-year joint strategic frameworks designed to build country ownership by more fully aligning and harmonizing PEPFAR HIV/AIDS efforts at the country level to national strategies, national monitoring and evaluation plans, and the international partner landscape in country. Partnership Frameworks will be established with transparency, accountability, and the active participation of other key partners from civil society, the private sector, other bilateral and multilateral partners, and international organizations.

The FY 2009 Appropriations bill provided PEPFAR with increased funding over the FY 2008 level to support countries in developing strong Partnership Frameworks. Country teams are now working rapidly to build these additional FY 2009 resources into well-formulated strategic partnerships, and much of the FY 2009 funding increase built into the partnerships will actually be implemented by programs during FY 2010 once the Partnership Frameworks are approved and in place.

Resources committed through Partnership Frameworks are strengthening PEPFAR programs in selected countries outside of the original 15 focus countries. These additional resources will contribute to a broad and sustainable approach to the fight against HIV/AIDS in countries with concentrated epidemics – in which the main drivers of the epidemic lie within population subgroups – as well as countries with more generalized epidemics.

As mandated in the reauthorization law, the Partnership Frameworks will be posted on a public website within 10 days of establishment.

**Conclusion**

In conclusion, it's important to highlight the people who actually make PEPFAR work. The primary credit must go to the people of the PEPFAR countries, whose leadership – often in the face of stigma, resource constraints, and health systems challenges – the American people are privileged to support.

Also making an essential contribution, often at high personal cost because of the intensity of this work, are USG staff in the field -- including locally employed staff -- and at headquarters. It is the people of the PEPFAR agencies – the U.S. Agency for International Development, the Department of Health and Human Services (including the Centers for Disease Control and Prevention and the Health Resources and Services Administration, among others), the Department of Defense, Peace Corps, the Department of State, and others – who have led the transformation of the global HIV/AIDS outlook in recent years.

In reauthorizing this initiative, Congress endorsed its unique interagency model, under the leadership of the Secretary of State. PEPFAR works, not because it is a perfect model but because people care so much about this life-and-death mission that they make it work, even when it is difficult. They deserve the appreciation of the American people, as well as the strong support Congress has given them.

Madame Chairwoman, thank you for this opportunity to testify, and thank you for the Committee's partnership. I look forward to your questions.