



PEPFAR HIV/AIDS Emergency Commodity Fund

Purpose of the PEPFAR HIV/AIDS Emergency Commodity Fund

PEPFAR partner governments, other donors, and implementing organizations report that a number of factors, including variable funding flows and procurement and supply management issues at the country level, can undermine the availability of critically important medicines at the country level - including antiretroviral drugs (ARVs) in HIV/AIDS programs. Additionally, unanticipated "emergency" situations such as natural disasters or fires can threaten the availability of ARVs in a country. PEPFAR is aware of and has been directly involved in the resolution of numerous close-call or actual stock-out situations for ARVs and other critical commodities necessary for effective treatment of HIV/AIDS, and recognizes that such situations are likely to continue.

In response, PEPFAR has established an Emergency Commodity Fund (ECF) to assure the flexibility to respond to such emergencies and to assist in maintaining the continuity of essential HIV/AIDS programs. The ECF is not intended to be a parallel solution that provides a bypass to criteria for accountable and efficient grants management and effective PSM practices. Ideally, as systems improve, the need for an ECF will diminish.

Applications for assistance from the ECF will be governed by eligibility criteria. Support will be provided on a short-term basis (less than one year) to address imminent stock-out needs.

Criteria for the PEPFAR HIV/AIDS Emergency Commodity Fund:

The HIV/AIDS ECF will be used primarily to support the emergency supply of ARV drugs. Recognizing that non-ARV commodities can be as essential to maintaining life-saving programs as ARV drugs, the ECF also supports emergency supplies of other critical commodities associated with continuity of ARV treatment or critical prevention programs (including, but not limited to, RTKs and lab commodities such as CD4 reagents). PEPFAR will facilitate procurement of these commodities in emergency situations through an established U.S. Government procurement mechanism; note that assistance through the ECF will be in the form of commodities, not in funds themselves. Commodities procured through the ECF must meet PEPFAR program quality standards (e.g., ARVs must have approval or tentative approval from the US Food and Drug Administration). Other criteria for use of the ECF include:

Other criteria for use of the ECF include:

- 1) Applications must be coordinated through and approved by a U.S. Government agency representative in the country (e.g. USAID, CDC, U.S. Embassy).
- 2) The ECF is intended to be used for a limited time (of up to one year) and as a bridge until alternative identified resources to provide the commodities become available.
- 3) ECF funds will be used to address stock-outs threatening the continuity of therapy for patients on treatment or critical prevention programs. ECF resources/commodities will not be made available to facilitate scale-up of treatment programs beyond what was anticipated in the interrupted/delayed and predictably-financed commodity pipeline.
- 4) Articulation of the underlying causes of potential stock-outs and evidence of plans to remediate them.
- 5) Replenishment of funds advanced through the ECF is the expected arrangement. Replenishment is expected in situations where funds are approved for use by the applicant to purchase the commodities, but there is a delay in the availability of these funds or delays in procurement (e.g. delayed disbursement of funds under a Global Fund grant or delayed procurement from designated procurement agent). In cases where funds have not been identified to cover the emergency period but are secured to support services beginning at a period in the future, PEPFAR will negotiate terms with the applicant on a case-by-case basis.
- 6) The USG country team is encouraged to work with the requesting entity to develop and implement a remediation plan that addresses the issues that led to the emergency situation.



Submitting Requests to the PEPFAR HIV/AIDS Emergency Commodity Fund

Parties interested in discussing potential access to the ECF should contact relevant U.S. Government representative(s) in-country who will facilitate collection of required information for in-country U.S. Government concurrence; the U.S. government representative(s) will then submit the request to the ECF Liaison for processing with the country team's recommendation/endorsement.

The request should contain an official request letter from the requesting entity, as well as the following information:

- 1) Description of the requesting entity (e.g. Ministry of Health);
- 2) Detailed description of required commodities, including required quantities;
- 3) Total estimated cost;
- 4) Basic delivery requirements including timeframe and final destination for delivery;
- 5) A short description of the emergency, including time period over which emergency assistance is required and number of individuals affected;
- 6) A short description of other efforts taken to address the situation prior to applying for support through ECF, particularly with respect to coordination with other donors (e.g. determining if another donor in-country who procures ARVs would be able to move up a delivery, or a description of communications with the Fund Portfolio Manager if the request is Global Fund-related);
- 7) A short statement on the underlying causes of the emergency, as well as the applicant's initial plans to address these causes, whether through technical assistance or other means;
- 8) A statement assessing the likelihood, modality, source, and timing of reimbursement.

Questions?

Please refer questions to your in-country U.S. Government representative (i.e. USAID, CDC, Embassy) or to ECF@usaid.gov.