

**The President's Emergency Plan for AIDS Relief's (PEPFAR)  
Annual Treatment Report**

**Background:** The U.S. President's Emergency Plan for AIDS Relief (PEPFAR) represents America's commitment to saving lives and the shared responsibility of all global partners toward achieving an AIDS-free generation. The rapid expansion of access to antiretroviral treatment (ART) under PEPFAR has been one of the program's most significant achievements. By the end of FY 2015, PEPFAR supported life-saving ART for 9.5 million men, women, and children (of which, 5.8 million are receiving direct support and 3.7 million are benefiting from essential technical support to partner countries). Through these efforts, PEPFAR expects to help the world meet the 90-90-90 goals – 90 percent of People Living with HIV (PLHIV) diagnosed, 90 percent of the diagnosed on ART, 90 percent on ART virally suppressed – that will help end the AIDS epidemic with treatment being a prevention tool, as well as saving lives and livelihoods.

To meet the global need for treatment and sustain the positive impact of providing ART, PEPFAR is maximizing the efficiency and effectiveness of its investments. PEPFAR has prioritized the use of data and analysis to understand treatment costs, their drivers and how efficiencies can extend the impact of programs. PEPFAR has been at the forefront of driving the collection and use of these data for its own efforts, as well as supporting multilateral efforts to drive efficient programming.<sup>1</sup>

While Phase I of PEPFAR focused on the emergency response, Phase II, which commenced in 2008, emphasized enhanced country engagement and sustainability. Phase III of PEPFAR focuses on sustainable control of the epidemic.<sup>2</sup> As one of five action agendas to accelerate epidemic control, PEPFAR's efficiency action agenda commits to increased transparency, oversight and accountability across PEPFAR and its interagency partners to ensure every taxpayer dollar is optimally invested and tracked. PEPFAR's Expenditure Analysis (EA) Initiative provides a foundation to the efficiency action agenda through the routine collection of PEPFAR's results-linked expenditures. Total PEPFAR expenditures can be analyzed by program area, cost category, and country, including sub-national geographic units. The analysis links routinely collected results data with expenditures to calculate a PEPFAR unit-expenditure per achievement, such as PEPFAR expenditure per patient-year of HIV treatment. EA results are now an integral piece of information for country teams to develop their budget and target projections as well as improve partner and portfolio management.<sup>3</sup> In addition, EA facilitates joint planning with country governments and other donors ensuring improved

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<sup>1</sup> Holmes CB, Atun R, Avila C, Blandford J (2011). Expanding the generation and use of economic and financial data to improve HIV program planning and efficiency: a global perspective. *Journal of Acquired Immune Deficiency Syndromes*. Aug; 57 Suppl 2: S104-8

<sup>2</sup> PEPFAR 3.0 Controlling the Epidemic: Delivering the Promise of an AIDS-free Generation (2014)  
<http://www.pepfar.gov/documents/organization/234744.pdf>

<sup>3</sup> PEPFAR Country/Regional Operational Plan (COP/ROP) 2015 Guidance (2015).  
<http://www.pepfar.gov/documents/organization/237669.pdf>

coordination of resources in support of national treatment goals and comprehensive HIV programming. PEPFAR will continue to lead the global community in these efficiency initiatives and will expand EA and other innovations in order to save even more lives.

**Methodology:** The PEPFAR EA Initiative is now the primary source of data for estimating the PEPFAR annual cost of treatment. Institutionalized in 2012, the EA was phased-in over a three-year period. In 2014 – the most recent year with complete data – approximately \$3.5 billion in U.S. government funds were collected through EA from over 1,100 implementing partner agreements across 19 PEPFAR countries and regional programs. The 2014 results accounted for 95 percent of the total PEPFAR country operational plan (COP) budget for 2013 and captured 95 percent of total outlays as reported by PEPFAR implementing agencies<sup>4</sup>. PEPFAR successfully expanded EA to include all operating units in 2014<sup>5</sup>.

In each of the 19 countries included, every PEPFAR implementing partner with operations in FY 2015 was required to report comprehensive information on PEPFAR expenditures in a standardized format (EA data collection template). Extensive technical assistance was provided to implementing partners to ensure consistency and integrity of reported data. In addition, data were subject to a four-tier validation and quality assessment process prior to being finalized. All results are reported in 2015 U.S. dollars and represent expenditures between October 1, 2014 and September 30, 2015. Full EA data from all COP countries was available from 2014 and all out-years.

PEPFAR EA provides the most up-to-date and comprehensive data ever available on PEPFAR treatment expenditures and associated achievements. Given the rapid nature of this methodology, there is some tradeoff in level of detail when compared to intensive, facility-level costing studies. Facility-level studies offer a wealth of information on the cost structure and source of inputs across funders at the point-of-service, but they are resource and time- intensive and do not typically capture above-facility expenditures. PEPFAR EA accounts for every PEPFAR dollar spent, thus filling this data gap and serving as an effective adjunct to more targeted and intensive cost studies.

To assess variation in results from the different costing methods, PEPFAR compared recent results from the PEPFAR Kenya facility-level ART cost study and output from EA over a similar time horizon. The analysis showed PEPFAR's unit expenditures from EA were similar to PEPFAR's share of the unit costs for adults on treatment, supporting the use of EA as a reasonable proxy for measuring the PEPFAR

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<sup>4</sup> Excludes USG agency cost of doing business as this is not captured through EA

<sup>5</sup> Final results available in early 2015

contribution to the full cost of treatment in the countries in which we work. PEPFAR is actively working with key stakeholders to improve the availability and congruency of expenditure data from all sources to better understand the full cost of treatment on a more routine basis.

**Results:** Table 1 summarizes PEPFAR unit expenditures for Adult and Pediatric ART across 19 country programs included in EA 2015. The program provides holistic care to all Persons Living with HIV (PLHIV) and does not disaggregate care services for those on ART because services are often similar.

**Table 1 – PEPFAR Unit Expenditure for Core Interventions, 2015 USD**

<b>Country</b>	<b>Adult ART</b>	<b>Pediatric ART</b>
Cameroon	\$17	\$14
Cote d'Ivoire	\$337	\$364
Ethiopia	\$167	\$185
Haiti	\$714	\$778
Kenya	\$325	\$333
Lesotho	\$22	\$25
Malawi	\$35	\$35
Mozambique	\$249	\$423
Nigeria	\$191	\$202
Rwanda	\$411	\$508
South Africa	\$20	\$21
Swaziland	\$68	\$71
Tanzania	\$138	\$148
Uganda	\$195	\$0
Vietnam	\$472	\$481
Zambia	\$163	\$178
Zimbabwe	\$142	\$137

PEPFAR support for treatment ranges in scope and scale across countries and regions, from key inputs for service provision (e.g., clinic personnel, commodities, etc.) to technical assistance for strengthening national treatment programs. The type and level of support depends on unmet need, identified gaps, and capacity of the partner country to respond. Variation across countries in PEPFAR unit expenditures is expected and a function of the type of support provided and typical cost of inputs. For example, in lower-middle income countries with greater capacity (e.g., South Africa), PEPFAR's role is primarily to provide technical assistance for expansion and quality improvement rather than direct provision of services. In countries like Namibia and Cameroon, PEPFAR helps to strengthen the national treatment program but does not reach beneficiaries directly. In some technical assistance countries, such as Botswana, PEPFAR primarily supports the national program, but also provides treatment to a limited segment of the population that would otherwise go unreached. Country-level unit expenditures allow for a better understanding of how our treatment resources map to program performance and

what resources are required to sustain and accelerate achievements in the future. Within countries, unit expenditure data is an invaluable tool to assess efficiency in program implementation models, cost structure, and geographical allocation.

PEPFAR now collects expenditure data at the sub-national level, which will enable our programs to use this information to compare program costs geographically. In Appendix I, we have provided a table with sub-national PEPFAR unit expenditures for the countries in Table 1, where the data was available. This provides an expenditure analysis for a range of service environments, including a diversity of urban and rural locations. Because PEPFAR needs to capture facility, community, and above-site expenditures, it is not currently feasible to capture EA data at a geographic level categorized exclusively as rural or urban. Thus, we do not aggregate this information by rural or urban distinction due to contextually specific definitions of these terms, shifting population dynamics, and frequently changing administrative units in host countries.

**Cost Estimates:** PEPFAR is one source of support for the treatment program in partner countries and the full unit cost of treatment requires information from other funding sources, especially the Global Fund, which often provides funding for first line treatment. In addition, timely cost information is needed to estimate resources required to control the HIV/AIDS epidemic globally. Currently, no systematic collection of data on the costs of providing treatment not funded by PEPFAR exists and is not practicable across all participating countries at this time due to the immense effort required of all stakeholders to align data elements, systems, analysis and reporting. PEPFAR is working to harmonize internal expenditure accounting methods with host country governments and key stakeholders, such as the Global Fund, to improve the availability of data on the full spend for care and treatment and the full cost per patient year. In addition, PEPFAR has been working intensively with multilateral institutions responsible for standard frameworks for national HIV resource tracking to ensure congruency of collected financial and economic information for incorporation into strategic planning discussions. A full analysis of the funds spent on care and treatment by source of funding will be available in the future as methods and systems are harmonized. The speed at which comparable data for non-PEPFAR sources will become available depends on a number of factors, including the structure and adaptability of public financial tracking systems in partner countries. We have conducted several costing studies in the past, and have several pilot studies ongoing part of our plan to harmonize these expenditure analyses across partners.

As part of broader collaborative strategy to improve coordination between PEPFAR and the Global Fund, PEPFAR has been working with the Global Fund to harmonize financial monitoring and construct a framework for comparable expenditure datasets between the two organizations. With the inception of Global Fund's New

Funding Model, these efforts have been concretized with the development of a “minimum dataset” capturing financial data from both funding sources within the year. With financial and technical assistance from the Bill and Melinda Gates Foundation, the Global Fund and PEPFAR are currently engaged in joint expenditure analysis pilot activities in a subset of countries to test the integrity of this framework. The ultimate goal is to better understand for each country where both funders are present, who pays for what, and how we can strategically align to assess overlap/duplication, course correct where needed, and maximize our comparative advantages to best support the needs of the country. In the interim, we have supplied the publically available data on total cost in Appendix III. This data is also available on [pepfar.gov](http://pepfar.gov) as part of the FY 2015 Country Operational Plan Strategic direction summaries.

**Conclusions:** PEPFAR’s success in driving down unit costs maximizes the impact of taxpayer dollars to save lives and represents an important development for the landscape of global health and for development more broadly. Ongoing work within PEPFAR is utilizing expenditure analysis and focused costing studies to continue to identify cost drivers and maximize the efficiency of programs, in order to continue to expand treatment programs. Specifically, evaluating and integrating data from sites to analyze cost, results and quality, to identify cost effective high quality sites, evaluate the characteristics of these sites, and promote these specific qualities to other sites. This is in line with PEPFAR’s overall focus on pinpointing the geographic areas at subnational and site level with the highest disease burden in every country. We have been increasing the granularity of all data for continuous program improvement at subnational, community, and site levels. PEPFAR is currently the global leader in applying this type of analysis and is actively working with multilateral partners such as the Global Fund, the World Bank, UNAIDS, the Gates Foundation, and others to use these data as a basis for tracking expenditures in relation to outputs and ensuring maximal value for investment. PEPFAR is proud of these efforts and works to prominently display the commitment of the U.S. government on behalf of its citizens to fight against HIV/AIDS. This includes announcements and participation at the UN General Assembly and on Worlds AIDS Day, on [www.pepfar.gov](http://www.pepfar.gov), as well local signage in partner countries at select supported sites and facilities, where it is safe and secure to do so. For further information on all of PEPFAR’s efforts, see <http://www.pepfar.gov/smart/index.htm> and <http://www.pepfar.gov/documents/organization/195700.pdf> .