GLOBAL HIV/AIDS

A More Country-Based Approach Could Improve Allocation of PEPFAR Funding

What GAO Found

HIV/AIDS experts recognized that the Leadership Act’s spending directives have ensured funding for prevention and treatment. However, many expressed concern about a directive to spend 33 percent of prevention funding on activities promoting abstinence and fidelity. Overall, the experts advocated replacing PEPFAR’s current allocation process—based on the spending directives—with an approach based more on country-level data and needs. Experts also advocated that OGAC continue providing guidance and technical assistance to PEPFAR country teams.

An alternative approach to allocating PEPFAR funds would include three elements of the current allocation process—setting targets, selecting interventions, and considering costs—but give country teams more responsibility for planning PEPFAR programs. OGAC would retain its leadership role, including reviewing and approving country plans. Teams would use country-level data to propose targets, and OGAC would work with teams to ensure these targets align with PEPFAR’s global targets. Teams would select interventions to meet the proposed targets, without the constraints of spending directives but subject to OGAC review. Teams would consider country-specific data on interventions’ costs using a consistent, OGAC-defined methodology; teams currently identify and analyze costs in varying ways. OGAC has not provided formal guidance or a methodology for identifying and analyzing costs, in contrast to federal standards that call for use of consistent methodologies to develop cost information.

Most country team officials surveyed reported that the alternative approach to allocating funds would be feasible. However, some officials noted that reaching consensus on targets with external partners and within country teams could be a challenge. Officials also noted some ongoing challenges—including lack of host country capacity and limited cost data—that they would likely continue to face in implementing the alternative approach.

What GAO Recommends

If Congress decides to remove spending directives, it should encourage OGAC to adopt a more country-based approach to allocating funds, with OGAC guidance. GAO recommends that the Secretary of State direct OGAC to provide guidance to PEPFAR country teams on using cost information in their planning and budgeting. State agreed with this recommendation and noted that elements of a country-based approach to funding are in place.

To view the full product, including the scope and methodology, click on GAO-08-480. To view the e-supplement online, click on GAO-08-534SP. For more information, contact David Gootnick at (202) 512-3149 or mailto:GootnickD@gao.gov.