

Securing PEPFAR's Future: Safeguarding Global HIV Impact Amid USAID Transition

PEPFAR has prevented over 26 million deaths and enabled 7.8 million HIV-free births, making it one of America's most effective and respected global health investments. This **\$6.5B dollar program** now faces an unprecedented operational crisis as core elements and oversight shift from USAID to the State Department.¹ To sustain **PEPFAR life-saving impact**, Congress must mandate a forward-looking framework that **safeguards operational, technical, and financial integrity**.

With only **50 additional U.S-based and 30 international personnel**- plus an unspecified number in regional bureaus- assuming responsibility for complex global health programs previously managed by thousands of experienced USAID staff, the State Department's limited experience in overseeing integrated global health programs, coupled with inadequate staffing levels, jeopardizes the operational, technical, and financial integrity that has been central to PEPFAR's success. **Ensuring effective program management protects U.S. investments by reducing fraud and corruption, supports long-term development goals, and preserves America's leadership while fostering future trade and economic partnerships.**

USAID's legacy of **strong financial, internal controls and compliance, and program management**, along with a proven track record of transitioning impactful health programming to host country governments, must anchor the next phase of PEPFAR, and broader US global health programming. The following recommendations reflect USAID's strengths in successful PEPFAR implementation and address the operational realities of a leaner State Department-led structure, while also upholding the core principles that have made PEPFAR one of the most successful global health programs in history. These actions, while tailored to PEPFAR's complex, in-country implementation landscape, will reduce the risk of fraud, waste, and abuse of US tax dollars.

¹ Note: The FY26 President's Budget Request significantly reduced the PEPFAR request to \$2.91 billion (representing a 34% cut) and appears to eliminate the Global Fund contribution budget line—a program that works hand in hand with PEPFAR. If realized, these cuts—along with broader proposed reductions to other life-saving health programs—would undo two decades of progress that have transformed HIV from a deadly crisis into a manageable communicable disease and expanded life expectancy in over a dozen of countries.

Recommendations for Congress

1. **Ensure Staffing & Technical Expertise:** The 50 US-based and 30 international staff moving to the State Department are expected to cover all prior USAID global health technical and management support, including tuberculosis, malaria, maternal and child health, global health security, among others, in addition to HIV. **This staff is insufficient to cover HIV, let alone the other health priorities.**² Congress must ensure the State Department hire sufficient certified Contracting and Agreement Officers (COs/AOs) and their Representatives (CORs/AORs), as well as experienced program managers, to oversee PEPFAR related awards. **Award portfolios, for any one officer, must be kept within realistic limits, and must consider the complexity, geographic spread, and the number of partners involved in the award.**

In addition to award managers, the State Department must hire **subject matter experts** in key HIV and global health technical areas including pediatric HIV, prevention of mother-to-child transmission (PMTCT), HIV prevention, support for orphans and vulnerable children, HIV treatment, supply chain management, health financing, data systems, and more. These experts are essential to maintaining PEPFAR's program quality, innovation, and accountability.

2. **Implement Proven Award Management Standards and Oversight Separation:** The State Department should be required to adopt award and risk management practices that have been proven effective under USAID including performance-based funding, clearly defined internal control and compliance processes, routine project monitoring, regular partner performance reviews, and strategic use of local and government partners as award recipients. All US Government agencies implementing PEPFAR funding must also have strict protocols and oversight structures to ensure technically sound implementation, responsible fund disbursement, and effective program management that upholds accountability and prevents fraud and abuse.
3. **Support Strengthening of Health Systems:** PEPFAR's impact relies on decades of investments in maternal and child health, malaria, vaccinations, and broader health systems. Severe cuts to these programs now threaten PEPFAR's effectiveness and longer-term gains. Congress must ensure PEPFAR operates in coordination—not isolation—with other U.S. global health efforts to strengthen national systems and prevent loss of lives from otherwise treatable diseases. The State Department should require all agencies to report on collaboration across U.S. foreign assistance and country-led health strategies.

² Of the 750+ staff previously supporting USAID's Bureau for Global Health work, the 50 US-based positions slated to transfer to State/GHSD consist of: 10 budget and program managers, 30 health specialists, and 10 supply chain experts. These staff will now be responsible for overseeing more than 150 multi year awards valued at \$38.8B as well as procuring and distributing over \$1B worth of health commodities annually.

It Takes a Village to Save a Child

Despite dramatic successes from international and domestic HIV investments, a child dies from HIV/AIDS-related causes every six minutes. PMTCT services help women living with HIV during pregnancy, delivery, and postpartum and can reduce HIV transmission risk from 30% to less than 2%. Since 2015, USAID-supported programs have enabled over 3.3 million babies to be born HIV-free.³ Simultaneously, pediatric HIV treatment programs have ensured that more than 200,000 children living with HIV (CLHIV) have been placed on lifesaving antiretroviral therapy (ART). These efforts were integrated with USAID Orphan and Vulnerable Children (OVC) programs which supported more than 460,000 CLHIV across all PEPFAR programming globally, ensuring that mothers and children received wraparound care and remained in treatment. USAID also supported maternal and child health programs—including vaccinations—and malaria initiatives that helped ensure CLHIV survived and thrived.

This success required coordinated USAID teams of international and country-based COs/AOs, CORs/AORs, clinical experts, financial and monitoring/evaluation specialists, and public health and development specialists—expertise now severely limited—working in tandem with local government and community organizations to ensure high-quality implementation as well as compliance with US regulations. Without this coordinated expertise, the effectiveness, compliance, and impact of programs like PMTCT and pediatric treatment would be compromised. USAID's proven systems, structure, and separation of oversight from implementation prevented conflicts of interest, cases of fraud and abuse, as well as objective evaluation of program effectiveness and compliance.

4. **Establish PEPFAR-Specific Risk Management Systems:** Fraud prevention, as has always been the case with USAID management, must be a cornerstone of the new management structure. Congress should direct the State Department to develop a PEPFAR-specific risk management system housed within the Bureau of Global Health Security and Diplomacy (GHSD) to address specific risks unique to PEPFAR implementation. This system should coordinate with U.S. embassies and the State Department's Office of Inspector General (OIG) to review program vulnerabilities, investigate fraud, and develop risk mitigation strategies. Quarterly risk briefings and public summaries of fraud investigations should be produced, with annual reporting to Congress on risks, fraud, waste, and abuse.
5. **Preserve Country-Based Coordination and Program Integration:** PEPFAR's success has been deeply rooted in USAID's integrated, country-based approach. Country-based staff coordinated programming across sectors, worked closely with national governments and civil society, and ensured that service delivery was tailored to local priorities. Their presence also supported real-time problem-solving and accountability. Reducing this capacity risks undermining the effectiveness and long-term return on U.S. investments and must be reversed

³ Note: Due to changes in reporting indicators, data prior to 2015 is not available. USAID, however, has supported PMTCT efforts since the launch of PEPFAR in 2003 and the total number of babies born HIV-free through USAID-supported efforts is likely well above 3.3 million.

The Bottom Line

As PEPFAR enters a new chapter without USAID, **Congress must take urgent action to protect the program's integrity, effectiveness, and long-term sustainability**. PEPFAR's success depends not only on replicating USAID's technical, managerial, and risk-oversight capacity, but also on coordinating with broader U.S. health investments—maternal and child health, malaria, vaccinations, and health-systems strengthening—to safeguard longer-term gains. In addition to the above, Congress should:

- **Ensure** USAID's award design and monitoring practices are fully integrated into PEPFAR and GHSD's new management framework. These efforts should be advanced through:
 - Codifying via authorizing legislations (i.e. State Department Reauthorization bill, PEPFAR Reauthorization),
 - Include directive guidance in the Annual SFOPS report regarding how GHSD designs and monitors global health awards.
- **Establish** a PEPFAR-specific risk management system, conduct quarterly risk briefings, and publish a public fraud response dashboard. Ensure oversight and implementation functions remain separate across all implementing government agencies and partners to prevent conflicts of interest.
- **Require annual reporting to Congress** on key indicators of operational health, including award-to-staff ratios, technical staffing levels, adoption of documented oversight and program management standards, and technical updates on life saving HIV prevention and treatment key indicators.
- **Reaffirm** the senior leadership role of U.S. Global AIDS Coordinator (GAC) and maintain the GAC's direct reporting line to the Secretary of State, Senate confirmation requirement, and routine reporting to Congress to ensure strong oversight, accountability, and cross-agency coordination of PEPFAR and other health areas.

Effective program management safeguards U.S. investments, prevents fraud, and advances long-term development and economic partnerships. Without urgent action, USAID's elimination threatens the stability of one of the most successful global health programs in history. Congress has both the responsibility and the opportunity to protect lives, taxpayer dollars, and America's global leadership by reinforcing the strongest foundation for PEPFAR's future.

Who is AID on the Hill?

Having served at USAID and at public, private, local, and faith-based implementing partners, AID on the Hill brings a realistic, insider perspective of how foreign assistance operates day-to-day. Our bipartisan grassroots engagement with Congress has one goal: For U.S. foreign aid to reflect American values and remain a powerful force for global stability, economic growth, and national security.

Information in this document reflects the status as of June 17, 2025, and will be updated as new developments occur. For questions or to schedule a discussion to learn more, you can reach us at congressaidletters@gmail.com.