

Highlights of [GAO-06-1089T](#), testimony before the Subcommittee on National Security, Emerging Threats, and International Relations, House Committee on Government Reform

## Why GAO Did This Study

The U.S. Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 authorizes the President's Emergency Plan for AIDS Relief (PEPFAR). It promotes the ABC model (Abstain, be faithful, or use Condoms); recommends that 20 percent of funds appropriated pursuant to the act be spent on prevention; and requires that, starting in fiscal year 2006, 33 percent of prevention funds appropriated pursuant to the act be spent on abstinence-until-marriage activities. The Office of the U.S. Global AIDS Coordinator (OGAC) oversees PEPFAR and administers the Global HIV/AIDS Initiative (GHAI) account, the main repository for PEPFAR funds. For our April 2006 report, GAO reviewed PEPFAR prevention funding trends; described the PEPFAR strategy to prevent sexual transmission of HIV; and examined related challenges.

The report recommended that the Coordinator collect and report information on the effects of the abstinence-until-marriage spending requirement and use it to, among other things, assess whether the requirement should apply only to the GHAI account. OGAC agreed to collect information but disagreed with applying the requirement only to certain funds; GAO modified the recommendation. GAO also suggested Congress use the information to assess how well the requirement supports the Leadership Act's endorsement of both the ABC model and strong abstinence programs.

[www.gao.gov/cgi-bin/getrpt?GAO-06-1089T](http://www.gao.gov/cgi-bin/getrpt?GAO-06-1089T)

To view the full product, including the scope and methodology, click on the link above. For more information, contact Gootnickd@gao.gov.

## GLOBAL HEALTH

# Spending Requirement Presents Challenges for Allocating Prevention Funding under the President's Emergency Plan for AIDS Relief

## What GAO Found

As GAO reported in April 2006, PEPFAR prevention funding in 15 focus countries increased by 55 percent between fiscal years 2004 and 2006, rising from about \$207 million to \$322 million. During this time, the prevention share of PEPFAR funding in these countries fell by about one-third, in accordance with the Leadership Act's recommendation that 20 percent of funds appropriated pursuant to the act support prevention.

The PEPFAR strategy for preventing sexual transmission of HIV/AIDS is largely shaped by three elements—the ABC model, the abstinence-until-marriage spending requirement, and local prevention needs. In addition to adopting the ABC model, OGAC developed guidance for applying it—for instance, that prevention interventions should be integrated and responsive to local needs and cultural norms. To meet the 33 percent spending requirement, OGAC mandated that country teams (PEPFAR officials in the field) spend at least half of prevention funds on sexual prevention and two-thirds of those funds on abstinence/faithfulness (AB) activities. OGAC permitted certain country teams to seek exemptions from this policy. OGAC also applied the spending requirement to all PEPFAR prevention funding as a matter of policy, although it determined that as a matter of law it applies only to funds appropriated to the Global HIV/AIDS Initiative account.

GAO also reported in April 2006 that OGAC's ABC guidance and the abstinence-until-marriage spending requirement, while valued by country teams, have presented challenges to most teams. First, two-thirds of focus country teams told us that ambiguities in some parts of the guidance led to uncertainty about implementing the model; OGAC officials commented they were clarifying the guidance for country teams. Second, although several teams indicated that they value the ABC model and noted the importance of AB messages, some teams also reported that the spending requirement can limit their ability to design programs that are integrated and responsive to local prevention needs. Most country teams reported, either in structured interviews or exemption requests, that fulfilling the spending requirement, including OGAC's policies implementing it, presents challenges to their ability to respond to local needs. Seven focus country teams—primarily those with smaller PEPFAR budgets—received exemptions from the requirement, allowing them to dedicate less than 33 percent of prevention funds to AB activities. In general, the nonexempted teams are spending more than 33 percent of prevention funds on AB activities, and OGAC should just meet the overall spending requirement for fiscal year 2006. However, to meet the abstinence-until-marriage spending requirement, teams have in some cases reduced or cut funding for certain prevention programs, such as those to deliver comprehensive messages to certain populations. OGAC's decision to apply the spending requirement to all PEPFAR prevention funds may further challenge country teams' ability to address local prevention needs.