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PEPFAR STEWARDSHIP AND OVERSIGHT ACT OF 2013 (S. 1545)

OCTOBER 2, 2013.—Ordered to be printed

Mr. MENENDEZ, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany S. 1545]

The Committee on Foreign Relations, having had under consideration the bill S. 1545, to extend authorities related to global HIV/AIDS and to promote oversight of the United States programs, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

CONTENTS

I. PURPOSE

The purpose of S. 1545 is to extend provisions of PEPFAR that would otherwise expire and to update oversight requirements.

II. COMMITTEE ACTION

S. 1545 was introduced by Senators Menendez and Corker on September 24, 2013. On September 30, 2013, the committee considered S. 1545 and ordered it reported, with amendments, by voice vote.

The committee took the following action with regard to amendments: A manager's package of amendments was offered to the introduced bill, including proposed amendments from Senators Cardin and Durbin (modified by Senators Corker and Rubio), and was agreed to by voice vote. The subject matter areas covered by the manager's package of amendments included non-controversial

amendments which require the annual report from the Office of the Global AIDS Coordinator to include reporting on HIV co-infections and co-morbidities, including tuberculosis co-infections; reporting on health care workforce training and retention; and a clarification that reporting on engagement with nongovernmental organizations covers engagement with local partners

III. DISCUSSION

Chairman Menendez and Ranking Member Corker introduced the PEPFAR Stewardship and Oversight Act of 2013 to extend valuable provisions of PEPFAR that would otherwise expire, and to update and refine oversight requirements. These updated and refined oversight requirements ensure that PEPFAR programs continue to be implemented efficiently and effectively and address the evolving HIV/AIDS epidemic.

PEPFAR has saved millions of lives around the world—especially in Africa—over the last decade. As a result of the United States' strong commitment to stopping the HIV/AIDS epidemic through PEPFAR, almost 6 million people are receiving life-sustaining antiretroviral treatment, more than 11 million pregnant women received HIV testing and counseling last year, and—as a result of adequate treatment—this year, the one-millionth baby was born HIV-free. Because of PEPFAR, 15 million people—more than 4.5 million orphans and vulnerable children—have received the care and support they need.

Most provisions from PEPFAR have permanent authority and are not in need of extension. S. 1545 therefore focuses on extending expiring provisions in current law and updating oversight requirements. S. 1545 demonstrates continued congressional support for PEPFAR, helps guide the transition toward greater country ownership, and enhances effective oversight of this life-saving program.

Section-by-Section Summary

Section 1 of S. 1545 provides the short title: the "PEPFAR Stewardship and Oversight Act of 2013."

Section 2 extends for 5 years the requirement that the Inspectors General of the State Department, the U.S. Agency for International Development, and the Department of Health and Human Services develop annual joint oversight and audit plans.

Section 3 extends for 5 years a reporting requirement that captures per-patient costs for PEPFAR-supported treatment and care and adds two new requirements for the study: (1) that the Office of the Global AIDS Coordinator (OGAC) must provide a plan for conducting a cost study in each partner country; and (2) that the study include a comprehensive expenditure analysis by partner country.

Section 4 extends for 5 years the current 33 percent cap on U.S. contributions to the Global Fund. This cap is a ceiling on U.S. funding, with the specific amount being set each year through the appropriations process. It also extends for 5 years the requirement that funds be withheld from state sponsors of terrorism, currently prohibiting any funding to Cuba, Iran, Sudan, and Syria. Additionally, the legislation extends for 5 years a requirement that 20 percent of the Global Fund contributions be withheld unless the Global Fund fulfills transparency requirements. New reporting require-

ments for the Global Fund contained in S. 1545 include providing new metrics that the Global Fund has started to collect, including performance and expenditure data on all of the Global Fund's principal and sub-recipients, in an open and machine readable format.

The committee recognizes the Global Fund's work to implement more timely, detailed, and accurate reporting at both the principal recipient and sub-recipient level. The committee also recognizes that the collection of detailed data on the smallest sub-recipients might not represent an optimal allocation of staff resources to identify and manage risk across the entire portfolio. As such, the committee recommends a threshold for sub-recipient reporting only in countries receiving $10 million or more in the course of a Global Fund funding replenishment cycle. In countries receiving $10 million or greater during a funding replenishment cycle, the Global Fund should focus on sub-recipients receiving grants in the amount of $500,000 or greater, annually, or $1 million over a grant cycle, whichever is lower.

Section 5 of the legislation requires the submission of a revised annual report regarding the PEPFAR program by striking the previous report required by 22 U.S.C. 2151b–2(f) and replacing it with new reporting requirements. Among other things, the revised report is required to include national and bilateral program targets. Subsection (f)(3)(B)(iii) requires the President to establish and subsequently measure progress toward reaching bilateral programmatic targets across prevention, treatment, and care. The measurement of progress must include data on the number of adults and children on HIV treatment, disaggregated by those directly supported by PEPFAR and those otherwise supported through PEPFAR.

The committee recognizes that during the emergency phase of PEPFAR, the need for rapid scale-up of treatment and related services necessitated high levels of direct support. In this phase, calculating the number of individuals on HIV treatment that could be attributed specifically to PEPFAR interventions was straightforward. However, as PEPFAR continues the transition from an emergency program toward a program focused on sustainable outcomes, greater country ownership, and greater collaboration with multilateral and other funding sources, such attribution is more difficult. As a result, the committee has differentiated between individuals that are directly supported by PEPFAR and those that are otherwise supported through PEPFAR.

The committee notes that while a definition of "direct support" currently exists, it is too broad for the level of detail the committee expects in the report. The legislation therefore requires the President, in subsection (f)(3)(O) of the revised report, to provide and disseminate a new, clear, operable definition of direct support that will resolve outstanding concerns about programmatic attribution and contribution. While the President is provided the necessary flexibility to define these terms, it is the committee's expectation that the definition of direct support will provide for the measurement of the number of adults and children for whom the U.S. government provides a majority of the cost of care and treatment. Care and treatment may include medicines, clinical and community-based health staff and training, laboratories, facilities, site-based

quality control, clinic-based information systems, and other essential site-based services.

Subsection (f)(3)(G) of the revised report requires an assessment of progress towards achieving targets, including a report on supportive care. In subsection (f)(3)(G)(vii), the committee expects that such reporting will include a discussion of food and nutritional support provided to those affected by HIV/AIDS.

Subsection (f)(3)(P) of the revised report requires a description, globally and by country, of specific efforts to address co-infections and co-morbidities of HIV/AIDS, including tuberculosis co-infections. The committee expects that this description will also include a discussion on AIDS-related cancers, including trends with respect to cervical cancer, and efforts to address such cancers.

Subsection (f)(3)(K)(iii) of the revised report requires a description of measures taken to improve partner country capacity to achieve positive outcomes. The committee expects that this description will include a discussion of activities to ensure that the pace of the scale up of core interventions is sustained as appropriate, that service delivery within partner countries continues, and that coverage is expanded as partner countries pursue a sustainable response to the local epidemic. The committee further expects that the description of measures required by subsection (f)(3)(K)(iii) of the revised report will include a specific discussion of measures intended to increase participation and integration of civil society in HIV/AIDS planning and implementation.

Subsection (f)(3)(H) of the revised report requires, among other things, a description of partner country and United States-funded HIV/AIDS prevention programs. The committee encourages the Office of the Global AIDS Coordinator to discuss all relevant methods, including, but not limited to, the role of door-to-door voluntary testing and provider initiated counseling and testing, in describing such prevention programs specifically with respect to the discussion of other programmatic activities to prevent the transmission of HIV.

Since the beginning of PEPFAR, Congress has demonstrated a consistent commitment to addressing the unique needs of orphans and vulnerable children affected by the HIV/AIDS epidemic by requiring 10 percent of all program funds be specifically allocated to programs focused on orphans and vulnerable children. This requirement is continued in section 6 of this legislation. While recognizing the importance of continued support for orphans and vulnerable children in the context of the AIDS pandemic, the committee requests greater transparency in the use of these funds. The committee therefore expects the reporting requirement under subsection (f)(3)(K) to provide a description of the finances of PEPFAR-supported programs for orphans and vulnerable children, as well as a description of the goals, scope, and performance indicators used to measure the effectiveness of such programs.

Subsection (f)(3)(F) of the revised report requires a description and explanation of changes in guidance or policies related to the implementation of programs supported under this section. It is the committee's expectation that the description required by subsection (f)(3)(F) of the revised report will include a discussion of any relevant World Health Organization guidance with respect to HIV/AIDS prevention, treatment, and care, as well as a description of

how any policy changes or related matters may affect the program. This includes, but is not limited to, relevant past guidance, such as the June 2013 World Health Organization-issued guidelines on the use of antiretroviral drugs for treating and preventing HIV infection.

Section 6 extends for 5 years existing requirements that more than half of funding be used for treatment and care and that not less than 10 percent be used to support orphans and vulnerable children.

IV. COST ESTIMATE

In accordance with Rule XXVI, paragraph 11(a) of the Standing Rules of the Senate, the committee notes that the cost estimate provided by the Congressional Budget Office was not available for inclusion in this report. The estimate will be printed in either a supplemental report or the Congressional Record when it is available.

V. EVALUATION OF REGULATORY IMPACT

In compliance with rule XXVI of the Standing Rules of the Senate, the committee finds that no significant regulatory impact will result from the enactment of S. 1545.

VI. CHANGES IN EXISTING LAW

In compliance with Rule XXVI, paragraph 12 of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman).

SECTION 101 OF THE UNITED STATES LEADERSHIP AGAINST HIV/AIDS, TUBERCULOSIS, AND MALARIA ACT OF 2003

SEC. 101. DEVELOPMENT OF A COMPREHENSIVE, FIVE-YEAR, GLOBAL STRATEGY.

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(f) INSPECTORS GENERAL.—

(1) OVERSIGHT PLAN.—

(A) DEVELOPMENT.—The Inspectors General of the Department of State and Broadcasting Board of Governors, the Department of Health and Human Services, and the United States Agency for International Development shall jointly develop [5 coordinated annual plans for oversight activity in each of the fiscal years 2009 through 2013] *coordinated annual plans for oversight activity in each of the fiscal years 2009 through 2018,* with regard to the programs authorized under this Act and sections 104A, 104B, and 104C of the Foreign Assistance Act of 1961.

(B) CONTENTS.—The plans developed under subparagraph (A) shall include a schedule for financial audits, inspections, and performance reviews, as appropriate.

(C) DEADLINE.—

(i) INITIAL PLAN.—The first plan developed under subparagraph (A) shall be completed not later than the later of—

(I) September 1, 2008; or

(II) 60 days after the date of the enactment of the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008.

(ii) [Subsequent] *2010 THROUGH 2013 PLANS.*—Each of [the last four plans] *the plans for fiscal years 2010 through 2013* developed under subparagraph (A) shall be completed not later than 30 days before each of the fiscal years 2010 through 2013, respectively.

(iii) 2014 PLAN.—The plan developed under subparagraph (A) for fiscal year 2014 shall be completed not later than 60 days after the date of the enactment of the PEPFAR Stewardship and Oversight Act of 2013.

[(iii)] *(iv)* SUBSEQUENT PLANS.—Each of the last four plans developed under subparagraph (A) shall be completed not later than 30 days before each of the fiscal years 2015 through 2018, respectively.

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(g) ANNUAL STUDY.—

(1) IN GENERAL.—Not later than September 30, 2009, and annually thereafter [through September 30, 2013] *through September 30, 2019,* the Global AIDS Coordinator shall complete a study of treatment providers that—

(A) represents a range of countries and service environments;

(B) estimates the per-patient cost of antiretroviral HIV/AIDS treatment and the care of people with HIV/AIDS not receiving antiretroviral treatment, including a comparison of the costs for equivalent services provided by programs not receiving assistance under this Act;

(C) estimates per-patient costs across the program and in specific categories of service providers, including—

(i) urban and rural providers;

(ii) country-specific providers; and

(iii) other subcategories, as appropriate.

(2) 2013 THROUGH 2018 STUDIES.—The studies required to be submitted by September 30, 2014, and annually thereafter through September 30, 2018, shall include, in addition to the elements set forth under paragraph (1), the following elements:

(A) A plan for conducting cost studies of United States assistance under section 104A of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b–2) in partner countries, taking into account the goal for more systematic collection of data, as well as the demands of such analysis on available human and fiscal resources.

(B) A comprehensive and harmonized expenditure analysis by partner country, including—

(i) an analysis of Global Fund and national partner spending and comparable data across United States, Global Fund, and national partner spending; or

(ii) where providing such comparable data is not currently practicable, an explanation of why it is not currently practicable, and when it will be practicable.

[(2)] *(3)* PUBLICATION.—Not later than 90 days after the completion of each study under paragraph (1), the Global AIDS Coordinator shall make the results of such study available on a publicly accessible Web site.

(4) PARTNER COUNTRY DEFINED.—In this subsection, the term "partner country" means a country with a minimum United States Government investment of HIV/AIDS assistance of at least $5,000,000 in the prior fiscal year.

SECTION 202 OF THE UNITED STATES LEADERSHIP AGAINST HIV/AIDS, TUBERCULOSIS, AND MALARIA ACT OF 2003

SEC. 202. PARTICIPATION IN THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA.

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(d) UNITED STATES FINANCIAL PARTICIPATION.—

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(4) LIMITATION.—

(A)(i) At any time during fiscal years 2009 through [2013] *2018*, no United States contribution to the Global Fund may cause the total amount of United States Government contributions to the Global Fund to exceed 33 percent of the total amount of funds contributed to the Global Fund from all sources. Contributions to the Global Fund from the International Bank for Reconstruction and Development and the International Monetary Fund shall not be considered in determining compliance with this paragraph.

(ii) If, at any time during any of the fiscal years 2009 through [2013] *2018*, the President determines that the Global Fund has provided assistance to a country, the government of which the Secretary of State has determined, for purposes of section 6(j)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(1)), has repeatedly provided support for acts of international terrorism, then the United States shall withhold from its contribution for the next fiscal year an amount equal to the amount expended by the Fund to the government of each such country. [The President may waive the application of this clause with respect to assistance for Sudan that is overseen by the Southern Country Coordinating Mechanism, including Southern Sudan, Southern Kordofan, Blue Nile State, and Abyei, if the President determines that the national interest or humanitarian reasons justify such a waiver. The President shall publish each waiver of this clause in the Federal Register and, not later than 15 days before the waiver takes effect, shall consult with the committee on Foreign Relations of the Senate and the committee on Foreign Affairs of the House of Representatives regarding the proposed waiver.]

(iii) If at any time the President determines that the expenses of the Governing, Administrative, and Advisory

Bodies (including the Partnership Forum, the Foundation Board, the Secretariat, and the Technical Review Board) of the Global Fund exceed 10 percent of the total expenditures of the Fund for any 2-year period, the United States shall withhold from its contribution for the next fiscal year an amount equal the to the average annual amount expended by the Fund for such 2-year period for the expenses of the Governing, Administrative, and Advisory Bodies in excess of 10 percent of the total expenditures of the Fund.

(iv) The President may waive the application of clause (iii) if the President determines that extraordinary circumstances warrant such a waiver. No waiver under this clause may be for any period that exceeds 1 year.

(v) If, at any time during any of the fiscal years 2004 through 2008, the President determines that the salary of any individual employed by the Global Fund exceeds the salary of the Vice President of the United States (as determined under section 104 of title 3, United States Code) for that fiscal year, then the United States shall withhold from its contribution for the next fiscal year an amount equal to the aggregate amount by which the salary of each such individual exceeds the salary of the Vice President of the United States.

(vi) For the purposes of clause (i), "funds contributed to the Global Fund from all sources" means funds contributed to the Global Fund at any time during fiscal years 2009 through [2013] *2018* that are not contributed to fulfill a commitment made for a fiscal year before fiscal year 2009.

(B)(i) Any amount made available [under this subsection] that is withheld by reason of subparagraph (A)(i) shall be contributed to the Global Fund as soon as practicable, subject to subparagraph (A)(i), after additional contributions to the Global Fund are made from other sources.

(ii) Any amount made available [under this subsection] that is withheld by reason of subparagraph (A)(iii) shall be transferred to the Activities to Combat HIV/AIDS Globally Fund and shall remain available under the same terms and conditions as funds appropriated [pursuant to the authorization of appropriations under section 401] *to carry out section 104A of the Foreign Assistance Act of 1961* for HIV/AIDS assistance.

(iii) Any amount made available [under this subsection] that is withheld by reason of clause (ii) or (iii) of subparagraph (A) is authorized to be made available to carry out section 104A of the Foreign Assistance Act of 1961 (as added by section 301 of this Act). Amounts made available under the preceding sentence are in addition to amounts appropriated pursuant to the authorization of appropriations under section 401 of this Act for HIV/AIDS assistance.

(iv) Notwithstanding clause (i), after July 31 of each of the fiscal years 2009 through [2013] *2018*, any amount made available [under this subsection] that is withheld by reason of subparagraph (A)(i) is authorized to be made

available to carry out sections 104A, 104B, and 104C of the Foreign Assistance Act of 1961 (as added by title III of this Act).

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(5) WITHHOLDING FUNDS.—Notwithstanding any other provision of this Act, 20 percent of the amounts appropriated pursuant to this Act for a contribution to support the Global Fund for each of the fiscal years 2010 through [2013] *2018* shall be withheld from obligation to the Global Fund until the Secretary of State certifies to the appropriate congressional committees that the Global Fund—

* * * * * * *

(C) has adopted, and is implementing, a policy to publish on a publicly available Web site in an open, machine readable format—

(i) grant performance reviews;

(ii) all reports of the Inspector General of the Global Fund, in a manner that is consistent with the Policy for Disclosure of Reports of the Inspector General, approved at the 16th Meeting of the Board of the Global Fund;

(iii) decision points of the Board of the Global Fund;

(iv) reports from Board committees to the Board; and

[(v) a regular collection and analysis of performance data and funding of grants of the Global Fund, which shall cover all principal recipients and all subrecipients;]

(v) a regular collection, analysis, and reporting of performance data and funding of grants of the Global Fund, which covers all principal recipients and all subrecipients on the fiscal cycle of each grant, and includes the distribution of resources, by grant and principal recipient and subrecipient, for prevention, care, treatment, drugs, and commodities purchase, and other purposes as practicable;

(D) is maintaining an independent, well-staffed Office of the Inspector General that—

(i) reports directly to the Board of the Global Fund; and

(ii) compiles regular, publicly published audits, in an open, machine readable format, of financial, programmatic, and reporting aspects of the Global Fund, its grantees, and LFAs;

(E) has established, and is reporting publicly, in an open, machine readable format, on, standard indicators for all program areas;

(F) has established a methodology to track and is publicly reporting on—

(i) all subrecipients and the amount of funds disbursed to each subrecipient on the grant's fiscal cycle[; and];

[(ii) the distribution of resources, by grant and principal recipient, for prevention, care, treatment, drugs and commodities purchase, and other purposes;]

(ii) all principal recipients and subrecipients and the amount of funds disbursed to each principal recipient and subrecipient on the fiscal cycle of the grant;

(iii) expenditure data—

(I) tracked by principal recipients and subrecipients by program area, where practicable, prevention, care, and treatment and reported in a format that allows comparison with other funding streams in each country; or

(II) if such expenditure data is not available, outlay or disbursement data, and an explanation of progress made toward providing such expenditure data; and

(iv) high-quality grant performance evaluations measuring inputs, outputs, and outcomes, as appropriate, with the goal of achieving outcome reporting;

[(G) has established a policy on tariffs imposed by national governments on all goods and services financed by the Global Fund;]

(G) has published an annual report on a publicly available Web site in an open, machine readable format, that includes—

(i) a list of all countries imposing import duties and internal taxes on any goods or services financed by the Global Fund;

(ii) a description of the types of goods or services on which the import duties and internal taxes are levied;

(iii) the total cost of the import duties and internal taxes;

(iv) recovered import duties or internal taxes; and

(v) the status of country status-agreements;

SECTION 104A OF THE FOREIGN ASSISTANCE ACT OF 1961

SEC. 104A. ASSISTANCE TO COMBAT HIV/AIDS.

* * * * * * *

[(f) ANNUAL REPORT.—

[(1) IN GENERAL.—Not later than January 31 of each year, the President shall submit to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a report on the implementation of this section for the prior fiscal year.

[(2) REPORT ELEMENTS.—Each report shall include—

[(A) a description of efforts made by each relevant executive branch agency to implement the policies set forth in this section, section 104B, and section 104C;

[(B) a description of the programs established pursuant to such sections;

[(C) a detailed breakdown of funding allocations, by program and by country, for prevention activities; and

[(D) a detailed assessment of the impact of programs established pursuant to such sections, including—

‘‘(i)(I) the effectiveness of such programs in reducing—

‘‘(aa) the transmission of HIV, particularly in women and girls;

‘‘(bb) mother-to-child transmission of HIV, including through drug treatment and therapies, either directly or by referral; and

‘‘(cc) mortality rates from HIV/AIDS;

‘‘(II) the number of patients receiving treatment for AIDS in each country that receives assistance under this Act;

‘‘(III) an assessment of progress towards the achievement of annual goals set forth in the timetable required under the 5-year strategy established under section 101 of the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 and, if annual goals are not being met, the reasons for such failure; and

‘‘(IV) retention and attrition data for programs receiving United States assistance, including mortality and loss to follow-up rates, organized overall and by country;

‘‘(ii) the progress made toward—

‘‘(I) improving health care delivery systems (including the training of health care workers, including doctors, nurses, midwives, pharmacists, laboratory technicians, and compensated community health workers, and the use of codes of conduct for ethical recruiting practices for health care workers);

‘‘(II) advancing safe working conditions for health care workers; and

‘‘(III) improving infrastructure to promote progress toward universal access to HIV/AIDS prevention, treatment, and care by 2013;

‘‘(iii) a description of coordination efforts with relevant executive branch agencies to link HIV/AIDS clinical and social services with non-HIV/AIDS services as part of the United States health and development agenda;

‘‘(iv) a detailed description of integrated HIV/AIDS and food and nutrition programs and services, including—

‘‘(I) the amount spent on food and nutrition support;

‘‘(II) the types of activities supported; and

‘‘(III) an assessment of the effectiveness of interventions carried out to improve the health status of persons with HIV/AIDS receiving food or nutritional support;

‘‘(v) a description of efforts to improve harmonization, in terms of relevant executive branch agencies, coordination with other public and private entities, and coordination with partner countries’ national strategic plans as called for in the ‘‘Three Ones’’;

[(vi) a description of—

[(I) the efforts of partner countries that were signatories to the Abuja Declaration on HIV/AIDS, Tuberculosis, and Other Related Infectious Diseases to adhere to the goals of such Declaration in terms of investments in public health, including HIV/AIDS; and

[(II) a description of the HIV/AIDS investments of partner countries that were not signatories to such Declaration;

[(vii) a detailed description of any compacts or framework agreements reached or negotiated between the United States and any partner countries, including a description of the elements of compacts described in subsection (e);

[(viii) a description of programs serving women and girls, including—

[(I) HIV/AIDS prevention programs that address the vulnerabilities of girls and women to HIV/AIDS;

[(II) information on the number of individuals served by programs aimed at reducing the vulnerabilities of women and girls to HIV/AIDS and data on the types, objectives, and duration of programs to address these issues;

[(III) information on programs to address the particular needs of adolescent girls and young women; and

[(IV) programs to prevent gender-based violence or to assist victims of gender based violence as part of, or in coordination with, HIV/AIDS programs;

[(ix) a description of strategies, goals, programs, and interventions to—

[(I) address the needs and vulnerabilities of youth populations;

[(II) expand access among young men and women to evidence-based HIV/AIDS health care services and HIV prevention programs, including abstinence education programs; and

[(III) expand community-based services to meet the needs of orphans and of children and adolescents affected by or vulnerable to HIV/AIDS without increasing stigmatization;

[(x) a description of—

[(I) the specific strategies funded to ensure the reduction of HIV infection among injection drug users;

[(II) the number of injection drug users, by country, reached by such strategies; and

[(III) medication-assisted drug treatment for individuals with HIV or at risk of HIV;

[(xi) a detailed description of program monitoring, operations research, and impact evaluation research, including—

[(I) the amount of funding provided for each research type;

[(II) an analysis of cost-effectiveness models; and

[(III) conclusions regarding the efficiency, effectiveness, and quality of services as derived from previous or ongoing research and monitoring efforts;

[(xii) building capacity to identify, investigate, and stop nosocomial transmission of infectious diseases, including HIV and tuberculosis; and

[(xiii) a description of staffing levels of United States government HIV/AIDS teams in countries with significant HIV/AIDS programs, including whether or not a full-time coordinator was on staff for the year.]

(f) ANNUAL REPORT.—

(1) IN GENERAL.—Not later than February 15, 2014, and annually thereafter, the President shall submit to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a report in an open, machine readable format, on the implementation of this section for the prior fiscal year.

(2) REPORT DUE IN 2014.—The report due not later than February 15, 2014, shall include the elements required by law prior to the enactment of the PEPFAR Stewardship and Oversight Act of 2013.

(3) REPORT ELEMENTS.—Each report submitted after February 15, 2014, shall include the following:

(A) A description based on internationally available data, and where practicable high-quality country-based data, of the total global burden and need for HIV/AIDS prevention, treatment, and care, including—

(i) estimates by partner country of the global burden and need; and

(ii) HIV incidence, prevalence, and AIDS deaths for the reporting period.

(B) Reporting on annual targets across prevention, treatment, and care interventions in partner countries, including—

(i) a description of how those targets are designed to—

(I) ensure that the annual increase in new patients on antiretroviral treatment exceeds the number of annual new HIV infections;

(II) reduce the number of new HIV infections below the number of deaths among persons infected with HIV; and

(III) achieve an AIDS-free generation;

(ii) national targets across prevention, treatment, and care that are—

(I) established by partner countries; or

(II) where such national partner country-developed targets are unavailable, a description of progress towards developing national partner country targets; and

(iii) bilateral programmatic targets across prevention, treatment, and care, including—

(I) the number of adults and children to be directly supported on HIV treatment under United States-funded programs;

(II) the number of adults and children to be otherwise supported on HIV treatment under United States-funded programs; and

(III) other programmatic targets for activities directly and otherwise supported by United States-funded programs.

(C) A description, by partner country, of HIV/AIDS funding from all sources, including funding levels from partner countries, other donors, and the private sector, as practicable.

(D) A description of how United States-funded programs, in conjunction with the Global Fund, other donors, and partner countries, together set targets, measure progress, and achieve positive outcomes in partner countries.

(E) An annual assessment of outcome indicator development, dissemination, and performance for programs supported under this section, including ongoing corrective actions to improve reporting.

(F) A description and explanation of changes in related guidance or policies related to implementation of programs supported under this section.

(G) An assessment and quantification of progress over the reporting period toward achieving the targets set forth in subparagraph (B), including—

(i) the number, by partner country, of persons on HIV treatment, including specifically—

(I) the number of adults and children on HIV treatment directly supported by United States-funded programs; and

(II) the number of adults and children on HIV treatment otherwise supported by United States-funded programs;

(ii) HIV treatment coverage rates by partner country;

(iii) the net increase in persons on HIV treatment by partner country;

(iv) new infections of HIV by partner country;

(v) the number of HIV infections averted;

(vi) antiretroviral treatment program retention rates by partner country, including—

(I) performance against annual targets for program retention; and

(II) the retention rate of persons on HIV treatment directly supported by United States-funded programs; and

(vii) a description of supportive care.

(H) A description of partner country and United States-funded HIV/AIDS prevention programs and policies, including—

(i) an assessment by country of progress towards targets set forth in subparagraph (B), with a detailed description of the metrics used to assess—

(I) programs to prevent mother to child transmission of HIV/AIDS, including coverage rates;

(II) programs to provide or promote voluntary medical male circumcision, including coverage rates;

(III) programs for behavior-change; and

(IV) other programmatic activities to prevent the transmission of HIV;

(ii) antiretroviral treatment as prevention; and

(iii) a description of any new preventative interventions or methodologies.

(I) A description of the goals, scope, and measurement of program efforts aimed at women and girls.

(J) A description of the goals, scope, and measurement of program efforts aimed at orphans, vulnerable children, and youth.

(K) A description of the indicators and milestones used to assess effective, strategic, and appropriately timed country ownership, including—

(i) an explanation of the metrics used to determine whether the pace of any transition to such ownership is appropriate for that country, given that country's level of readiness for such transition;

(ii) an analysis of governmental and local non-governmental capacity to sustain positive outcomes;

(iii) a description of measures taken to improve partner country capacity to sustain positive outcomes where needed; and

(iv) for countries undergoing a transition to greater country ownership, a description of strategies to assess and mitigate programmatic and financial risk and to ensure continued quality of care for essential services.

(L) A description, globally and by partner country, of specific efforts to achieve and incentivize greater programmatic and cost effectiveness, including—

(i) progress toward establishing common economic metrics across prevention, care and treatment with partner counties and the Global Fund;

(ii) average costs, by country and by core intervention;

(iii) expenditure reporting in all program areas, supplemented with targeted analyses of the cost-effectiveness of specific interventions; and

(iv) import duties and internal taxes imposed on program commodities and services, by country.

(M) A description of partnership framework agreements with countries, and regions where applicable, including—

(i) the objectives and structure of partnership framework agreements with countries, including—

(I) how these agreements are aligned with national HIV/AIDS plans and public health strategies and commitments of such countries; and

(II) how these agreements incorporate a role for civil society; and

(ii) a description of what has been learned in advancing partnership framework agreements with countries, and regions as applicable, in terms of improved coordination and collaboration, definition of clear roles and responsibilities of participants and signers, and implications for how to further strengthen these agreements with mutually accountable measures of progress.

(N) A description of efforts and activities to engage new partners, including faith-based, locally-based, and United States minority-serving institutions.

(O) A definition and description of the differentiation between directly and otherwise supported activities, including specific efforts to clarify programmatic attribution and contribution, as well as timelines for dissemination and implementation.

(P) A description, globally and by country, of specific efforts to address co-infections and co-morbidities of HIV/AIDS, including—

(i) the number and percent of people in HIV care or treatment who started tuberculosis treatment; and

(ii) the number and percentage of eligible HIV positive patients starting isoniazid preventative therapy.

(Q) A description of efforts by partner countries to train, employ, and retain health care workers, including efforts to address workforce shortages.

(4) PARTNER COUNTRY DEFINED.—In this subsection, the term "partner country" means a country with a minimum United States Government investment of HIV/AIDS assistance of at least $5,000,000 in the prior fiscal year.

SECTION 403 OF THE UNITED STATES LEADERSHIP AGAINST HIV/AIDS, TUBERCULOSIS, AND MALARIA ACT OF 2003

SEC. 403. ALLOCATION OF FUNDS.

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(b) ORPHANS AND VULNERABLE CHILDREN.—For fiscal years 2009 through [2013] *2018*, not less than 10 percent of the [amounts appropriated pursuant to the authorization of appropriations under section 401] *amounts appropriated or otherwise made available to carry out the provisions of section 104A of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b-2)* for HIV/AIDS assistance for each such fiscal year shall be expended for assistance for orphans and other children affected by, or vulnerable to, HIV/AIDS, of which such amount at least 50 percent shall be provided through nonprofit, nongovernmental organizations, including faith-based organizations, that implement programs on the community level.

(c) FUNDING ALLOCATION.—For each of the fiscal years 2009 through [2013] *2018*, more than half of the [amounts appropriated for bilateral global HIV/AIDS assistance pursuant to section 401] *amounts appropriated or otherwise made available to carry out the provisions of section 104A of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b-2)* shall be expended for—

(1) antiretroviral treatment for HIV/AIDS;

(2) clinical monitoring of HIV-seropositive people not in need of antiretroviral treatment;

(3) care for associated opportunistic infections;

(4) nutrition and food support for people living with HIV/AIDS; and

(5) other essential HIV/AIDS-related medical care for people living with HIV/AIDS.

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