

## U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Remarks by Assistant Secretary for International Finance Ramin Toloui at The Center for Global Development

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**WASHINGTON** - Good morning, and thank you for attending today's discussion. I'd especially like to thank Amanda Glassman and the Center for Global Development (CGD) for providing a valuable forum to discuss today's topic, as well as Ambassador Bix, Mr. James Chisenga, and our panel of experts for sharing their important insights.

I'd like to build on Ambassador Bix's opening remarks and provide an update on the U.S. Treasury's partnership with the President's Emergency Plan for AIDS Relief (PEPFAR) – a collaboration that was launched in May 2015 to support finance ministries in low- and middle-income countries to improve the efficiency and effectiveness of health resources to fight HIV/AIDS.

My remarks today will outline the motivation and objectives of the partnership, our work to date, and the path forward in the next phase of this initiative.

### WHY THIS PARTNERSHIP?

Achieving an AIDS-free generation by 2030 will require dedicated efforts today (1) to improve the coordination, efficiency, and effectiveness of resources devoted to combatting HIV/AIDS and (2) to strengthen the long-term sustainability of these efforts. We are all aware of the need for more resources to finance the HIV/AIDS response. By some estimates, current annual spending will need to increase by almost 40 percent from \$19 billion to \$26 billion by 2020. Donors and partner countries alike must continue to do their part to fund this effort. In an environment of plateauing donor resources, partner countries also will need to take on an increasing share of the response and over time mobilize more domestic resources. Given these realities, it is also more important than ever to maximize the effectiveness of every dollar of limited resources.

The Treasury-PEPFAR collaboration is motivated by the premise that finance ministries have a key role to play in achieving these outcomes. To date, finance ministries have generally been less involved in decisions around HIV/AIDS, primarily because the majority of financing – from donors – has been channeled through health ministries and non-governmental organizations. Given their different expertise areas, finance and health ministries often do not speak the same language of policymaking, which can inhibit collaboration. Given the current financing environment for HIV/AIDS efforts, and the key role finance ministries play in managing financial resources, it is urgent that these institutions coordinate more closely with their health counterparts. In doing so, they will be better-positioned to promote efficiencies that maximize value for money in the HIV/AIDS response.

Central to these efforts will be to overcome challenges around how public financial management systems ensure that HIV/AIDS resources – including from donors – are properly tracked and integrated into the regular institutional processes of governments. In many cases, this requires strengthening the underlying public financial management systems themselves – with an eye toward improving the budget formulation process, achieving transparent and efficient allocation of resources, developing robust budget execution systems, strengthening human capacity, and linking these system-wide improvements to strategic programming and planning areas not only in HIV/AIDS, but also in the broader health sector. Governments are already taking steps in this area. For example, in Zambia, the finance ministry recently established a joint Oversight Working Group on Sustainable Financing for HIV that will better coordinate and track resources from the government and development partners.

To help address these challenges, the U.S. Treasury-PEPFAR partnership leverages Treasury's deep institutional relationships and policy dialogue with finance ministries, and Treasury's many years of experience providing technical assistance to governments to improve overall resource mobilization and management. Treasury seeks to support finance ministries in PEPFAR partner countries to firmly establish three key pillars of a sustainable financial response to HIV/AIDS: (1) stronger public financial management of precious health resources; (2) improved engagement and coordination between health and finance ministries; and (3) effective mobilization of domestic resources over time in close collaboration with donors.

### PROGRESS AND SUCCESS TO-DATE

Since the partnership's launch eighteen months ago, the U.S. Treasury has advanced these efforts by regularly incorporating these issues into our policy dialogues with finance ministries – most recently at the IMF/World Bank Annual Meetings this past October – and has sent technical teams on fact-finding missions to several partner countries to assess and diagnose the challenges facing their HIV/AIDS response. We've also held discussions with PEPFAR country teams, U.S. embassy country teams, The Global Fund, and other implementing partners to discuss how Treasury could complement ongoing in-country work.

### THE NEXT PHASE

As these discussions and assessment missions with our partners continue, the partnership is also entering its next – and most exciting – phase involving the formal establishment of technical assistance programs between the U.S. Treasury and partner countries, which will enable the partnership to begin building the foundation for a sustainable financial response. I am happy to announce that earlier this month, Uganda's Ministry of Finance and the U.S. Treasury signed the terms of reference for the partnership's first technical assistance program.

This technical assistance partnership has multiple objectives. It aims to bolster Uganda's HIV/AIDS response through greater coordination and improvements in public financial management systems, as well as supporting the government's objective to forge stronger links among the Ministry of Finance, the Ministry of Health, and the country's STD/AIDS Control Program. A working group or dedicated business unit to monitor HIV/AIDS resources holistically and optimize programming decisions can help fill gaps in data availability; build a better understanding of on- and off-budget donor support; and address other gaps that prevent Uganda from maximizing the impact of scarce financial resources in the fight against HIV/AIDS.

As part of this effort, a Treasury resident advisor will be working alongside staff within Uganda's Ministry of Finance to support work to establish a business unit to monitor the country's HIV/AIDS resources. The resident advisor will help develop a methodology for the oversight and review of all these resources; recommend financial policies to ensure resources are allocated to high-impact activities; develop the Ministry's capacity in financial and costing analysis; and recommend ways in which to incorporate on- and off-budget donor resources into the government's financial management systems.

Taken together, we hope this collaboration will support Uganda's efforts to make the most informed decisions possible about the allocation and use of the country's HIV/AIDS resources – and ultimately save more lives. We look forward to collaborating with the finance ministry of Uganda on this important effort. More broadly, we hope this project in Uganda is just the beginning of Treasury's collaboration with PEPFAR partner countries.

**WRAP-UP**

I would like to conclude by expressing my appreciation for the work that you all are doing to achieve the goal of an AIDS-free generation by 2030. As many of you know, global health and HIV/AIDS are new frontiers for the U.S. Treasury, and we are committed to a robust engagement with our counterparts that will inform our efforts to complement the work that all of you are doing to save lives. We very much look forward to continuing this partnership with PEPFAR and our partner countries, and look forward to updating you on our joint successes in the future.

Thank you.

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