The Outlook for Global AIDS Program PEPFAR in 2025 and Beyond

What will happen as Trump dissolves USAID, the agency responsible for 60% of PEPFAR's HIV services? Here are seven topics to watch.

March 4, 2025 By Kellie Moss, KFF and Jennifer Kates

PEPFAR, the U.S. global HIV/AIDS program, is — for the first time in its two-decade history — facing significant challenges that could impede its ability to fulfill its mission. One of President Trump's first actions was to issue an executive order to re-evaluate and realign foreign aid, requiring a 90-day pause in foreign aid funding while a review was undertaken, as well as dismissal of thousands of USAID [U.S. Agency for International Development] staff and contractors, and other changes, effectively halting most programs, including for PEPFAR [the U.S. President's Emergency Plan for AIDS Relief], around the world. Despite PEPFAR receiving a limited waiver to continue some services and the courts stepping in to provide temporary relief, services are still disrupted. In addition, PEPFAR's current short-term authorization expires on March 25, 2025, about a month before the 90-day aid review is scheduled to be completed, and Congress is increasingly looking for program reforms and ultimately scale down.

The current situation, coupled with uncertainty about future changes, poses potential risks to health outcomes for a program that has been shown to have saved millions of lives and helped to build health infrastructure in sub-Saharan Africa; already, analyses have estimated that the foreign aid freeze and ensuing service disruptions have led to increases in HIV-related deaths and new HIV infections. This policy brief provides an overview of these recent events and ongoing challenges facing the program.

Background

Despite almost two decades of strong, bipartisan support and demonstrated success and impact, PEPFAR began facing growing headwinds in recent years. This was due to several external shifts, including pressures on the global economy; an increasingly crowded global health and development space; and shrinking resources to address the global HIV epidemic, with a concomitant and growing reliance on the United States, the largest donor to HIV.

Within the U.S., members of Congress were increasingly asking questions about PEPFAR's "end game," pressing the program for its plans for the future to scale down and transition services,

programming and, ultimately, financing to countries. In addition, some members began raising concerns that PEPFAR was supporting abortion activities, which is prohibited under federal law and policy. Together, these issues rendered PEPFAR unable to secure a five-year reauthorization for the first time in its history. Instead, Congress reauthorized the program for just one year (from March 23, 2024, to March 25, 2025), pushing further decision until after the 2024 election. In the meantime, ongoing concerns about abortion prompted Senator Risch to put a $1 billion hold on the program in September 2024.

What to Watch

Against this backdrop, several recent developments have made PEPFAR's future particularly precarious; many of these intersect with one another, adding uncertainty and complexity to an already shifting landscape. These include:

- Increasing Abortion Concerns. In January, just before President Trump assumed office, PEPFAR notified Congress that some funds had, in violation of the Helms amendment, mistakenly been used to support a limited number of abortions in Mozambique, where abortion is legal in certain circumstances. According to one report, this was discovered by U.S. officials in late October 2024 when routine compliance measures found that some PEPFAR-funded nurses had not received required training on the prohibition on paying for the performance of abortion in U.S.-funded services, with four found to have performed abortions. In a statement issued on January 17, PEPFAR enumerated the steps it took to halt and remediate the violation and to prevent future violations, including immediately suspending funding and obtaining reimbursement from the Government of Mozambique for the amount (reported to be $4,100 spent on the nurse's salaries) and putting in place new, additional measures, such as "requiring an annual signed attestation by PEPFAR-funded clinical service providers to ensure compliance with U.S. funding restrictions." While this was the first time there had been evidence of any PEPFAR violation of the prohibition on abortion, it raised significant additional concerns among members of Congress who called for further investigation. This has led to increased scrutiny of the program and is likely to figure significantly in any discussion of reauthorization and PEPFAR's future more broadly.

- President Trump's Foreign Aid Funding Freeze and PEPFAR's Limited Waiver. Beginning on the first day of his second term, President Trump issued several executive actions that affected and continue to affect PEPFAR's operations, most notably a January 20 Executive Order reevaluating foreign aid. The order called for a 90-day freeze on U.S. foreign aid, including PEPFAR funding, to allow for a review of foreign assistance programs for alignment with Trump administration policy. While the order focused on pausing funding for new obligations and disbursements, on January 24, Secretary of State Rubio issued a stop-work order on all existing operations (those already underway), with limited exception. This, coupled with actions affecting USAID, PEPFAR's main U.S. government implementing agency (see below), effectively halted service delivery. Although PEPFAR was able to secure a limited waiver on February 1 to allow some services to continue, communication about the waiver has been slow or unclear and the payment system remained unavailable. In addition, the waiver was limited to care and treatment only, as well as PMTCT [prevention of mother-to-child transmission] and PrEP [pre-exposure prophylaxis to prevent HIV] for pregnant and breastfeeding women; no other prevention services, including PrEP for those at risk of HIV infection or already on PrEP, were allowed. Even where the waiver might have been communicated to implementers, the capacity to deliver services has already been negatively affected with thousands of aid workers having already lost their jobs.

- In a set of lawsuits brought by organizational recipients of U.S. foreign aid, the court issued a temporary restraining order on February 13, requiring the administration to end the foreign aid freeze. Still, the case continues to move through the legal process and the government has since indicated that, despite the requirement to resume funding, it acted within its authority to cancel most grants and contracts. It is also unknown how much of the damage already done to service capacity can be repaired, should funding resume. Finally, the administration's foreign aid review is ongoing, and expected to conclude by April 19 with recommendations for programmatic changes and potential cuts. How PEPFAR fares in this process is unclear but could have significant implications for its future. It is also unknown how any recommendations about changes to PEPFAR under the foreign aid review will be met by Congress and/or figure into

Congress' own deliberations about reauthorization.

- The Potential Dismantling of USAID. PEPFAR is overseen by the State Department but implemented primarily by other U.S. government agencies – particularly USAID and CDC [Centers for Disease Control and Prevention]. In FY 2023, 60% of PEPFAR's bilateral HIV assistance was obligated and implemented by USAID. Shortly after the foreign aid pause was announced, however, President Trump and others in the administration announced their intention to dissolve USAID and implemented a series of actions that affected its operations and capacity including: taking down its website and payment and data systems, letting go of hundreds of staff and plans to put thousands more on leave (although a federal judge has temporarily enjoined the administration from doing so), closing the USAID building, and appointing the Secretary of State as the Acting Administrator of USAID. As mentioned above, this has already significantly affected PEPFAR's operations even with a limited waiver issued, including widespread reports that there are no USAID personnel to communicate about the waiver, answer questions about waiver implementation, or facilitate payment. More long-term, it remains unclear what will happen with the agency including the recommendations that will be made by the State Department and whether Congress will accept proposed changes. Given the current reliance of PEPFAR on USAID as one of its main implementing agencies, any change stands to impact programming.

- The Reinstatement of the Expanded Mexico City Policy. As was expected, President Trump reinstated the Mexico City Policy, marking the resumption of the expansion of the policy from his first term that, for the first time, included PEPFAR. The Trump administration's 2017 expanded policy required foreign non-governmental organizations (NGOs) to certify that they would not "perform or actively promote abortion as a method of family planning" using funds from any source (including non-U.S. funds) as a condition of receiving U.S. government global family planning funding and most other bilateral U.S. global health assistance (prior to this time, only family planning assistance had been subject to the policy). An analysis of the impact of

Trump's expanded policy found significant decreases in services offered by PEPFAR implementing organizations, including reductions in HIV testing and counseling among other services. The newly reinstated policy calls for the Secretary of State, in coordination with the Secretary of Health and Human Services, to develop a plan to implement the policy, and it is possible that the plan will reach even further than during Trump's first presidency, as some have called for.

- PEPFAR's Reauthorization Uncertainty. As mentioned earlier, PEPFAR's current authorization expires March 25, which means that eight time-bound provisions would lapse if Congress does not act to extend them. However, the PEPFAR program overall would continue, so long as funding is appropriated. Still, how concerns raised by some members of Congress about abortion and increasing pressure on PEPFAR to demonstrate more concrete plans about its future, will figure into reauthorization have yet to be seen. It is possible that the new measures announced by PEPFAR to assure compliance with U.S. law, the reinstatement of the Mexico City Policy, and, presumably, a new PEPFAR coordinator appointed by President Trump, will alleviate abortion concerns. At the same time, the current upheaval in PEPFAR services and disruptions around the world may accelerate Congress' interest in playing a more active role in charting its future, as will its interest in seeing more active sustainability reforms — for example, Congress could assess whether to include new provisions in PEPFAR authorizing language, such as country co-financing or graduation requirements.

- Future Funding. Finally, while PEPFAR's funding has been relatively flat for several years, it now enters a much more uncertain funding environment. Last year, during budget negotiations, both the House and Senate's final FY 2025 appropriation bills for State, Foreign Operations, and Related Programs (which funds most of PEPFAR) included level funding for program. Still, Congress could not agree on an overall budget for FY 2025 and the entire government is operating under a continuing resolution through March 28, 2025, requiring Congress to either agree on a FY 2025 budget or adopt another continuing resolution (or the government shuts

down), and reports already indicate that Republicans will be looking for deep cuts in the budget. This changes the overall funding calculus for PEPFAR potentially for FY 2025 but also beyond. Contributing to this is the likelihood that President Trump's first budget request for FY 2026, which will be released soon, will call for funding cuts to global health, including PEPFAR, as it did during his first term – at that time, Congress balked at those cuts but it is much less certain how they will respond now, given current fiscal and political pressures.

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