

**Statement of John Megrue
Chairman and Co-Founder of Born Free Africa**

**Senate Appropriations Subcommittee on State,
Foreign Operations and Related Programs Hearing:
“Diplomacy, Development, and National Security”**

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Good morning and thank you Chairman Graham, Ranking Member Leahy, and Members of the committee for the opportunity to be with you here today on Capitol Hill to discuss these critical important issues. I am also honored to be part of this distinguished panel of witnesses. Because of America’s unwavering, bi-partisan leadership, we are incredibly close to eliminating mother to child transmission (MTCT) of HIV/AIDS throughout the world. As an American, a humanitarian, and a financial investor, I strongly believe that we must sustain the cost-effective investments we have made in PEPFAR to achieve this important, and once unimaginable goal.

We have seen unprecedented progress in the fight against HIV/AIDS. We have gone from zero to nearly 10 million people on Antiretroviral Treatment (ARV) each year. We have saved more than four million lives, and prevented over one million HIV infections in children. Because of this progress, we have the historic opportunity to witness a generation born free of HIV. Momentum is building to reach this target. My organization, Born Free Africa (BFA), is committed to our goal of ending mother to child transmission by December 31, 2015.

My philanthropy has been guided by three simple business principles. I have chosen to invest my time, money, and resources in areas that meet three criteria: they need to be fast, doable, and have great leadership. It is with this private sector perspective, or this lens, that my views on our foreign aid investments are shaped. I can therefore comfortably speak on the effectiveness of our investment in the areas and these diseases where I work and about the efficiencies, the payback rates, the challenges, the return on investment, and scalability.

First is fast: the area where I focus, ensuring that babies are born HIV free, is one of the great success stories in global health history. Twelve years ago there were 600,000 HIV positive babies born per year. Four years ago the number was down to 440,000, down 25%. Last year it less than 200,000, down 65%, and this year I believe it will be well below 150,000, down 75% from its peak. The speed of success in dropping these numbers is unprecedented. I have no doubt that we can virtually eliminate mother to child transmission of HIV in the next few years.

Second is doable: the science is clear and the interventions are cheap. On many other critical issues like education reform, water and sanitation, agriculture, and energy, there are debates about the right way to solve the problem, or even about what the problem is to begin with. The science of antiretroviral medicine to fight HIV/AIDS is clear and proven. A pill costs less than 30 cents per day for a pregnant woman living with HIV to take during the prescribed period. Given this, my investment, and the investment by the U.S. government, hits the ground with full effect, with no debate about science or methodology, and without overwhelming cost.

Third, and finally, great leadership: smart investments require sound leadership, and HIV programs in Africa are lucky to have strong leaders from all sides of the partnership. We rely on leaders in sub-Saharan African countries and Ministers of Health who are the core drivers of the success we are seeing in mother to child transmission. We also rely on leadership and funding that U.S. corporations provide. I work with U.S. companies including Chevron, Johnson & Johnson, Estee Lauder, Mylan, General Electric, and many others that invest both their time and money to fight these diseases. They are doing it not only because of an obligation to corporate social responsibility, and not only to improve local government relations. They invest in these issues because these countries are their fastest growing end markets. This is where they see their greatest growth coming from over the next two decades, and they know that investing in healthcare initiatives there will ensure that the markets are strong for the future and for their bottom lines. Lastly, and most importantly, we rely on leadership from the U.S. government and its agencies, including PEPFAR and USAID. Both of these organizations have incredible leadership – teams who are adeptly refining their strategies, using data to drive their decisions, and making smart, forward-thinking judgment calls in the face of a changing landscape. These are exactly the kind of people we want running our investments. The U.S. government is the largest bilateral funder of foreign assistance for health, we guide and influence the funding from the rest of the developed world, and we provide infrastructure and assistance far beyond our financial resources. As a businessman, a private philanthropist, and a co-funder of these issues, U.S. government leadership has been critical to my interest and to our success.

Based on these principles, I started Born Free Africa because I realized that the private sector has a critical role to play in contributing to eliminating mother to child transmission of HIV. In 2001, over half a million children were infected with HIV, and 90% of these cases were transmitted from their mothers. When I first heard these figures, I was floored. With simple, once daily treatment, 98% of children can be born HIV free. I decided to use my experience from the private sector to identify gaps in the response to MTCT and accelerate its elimination. And so BFA was launched.

BFA is a group of private sector leaders who lend our business acumen, skills, and resources to accelerate the pace towards a generation born HIV-free in the African countries most affected by this dreadful disease. BFA leverages our corporate experience to partner with African governments and business communities to recruit, develop and empower local management talent who then work within their own governments to amplify and expand the work of the partners, governments, donors and policy makers to eliminate mother to child transmission of HIV. Infusing business sensibility and injecting corporate talent into African Ministries of Health helps accelerate progress toward no child being born with HIV. Rather than duplicate or fragment, we seek to leverage on-going efforts. Our only agenda is contributing to elimination, and we work hard to fill gaps thereby maximizing the work of those around us, and having the greatest possible effect on outcomes.

Allow me to provide an example of how BFA operates. Nigeria accounts for over 25 percent of the number of children newly infected with HIV among the 21 high-burden countries that have been prioritized for MTCT programs. From 2007 to 2010, there was only a two percent annual decrease in the number of children newly infected with HIV. Given this, BFA decided to work with the Nigerian government to accelerate progress. We created a core group of private funders who came together to pool their resources and invest catalytically in Nigeria's scale up of PMTCT and its journey toward elimination by leveraging small investments against Nigeria's more than \$500 million annual response to HIV.

Together, our partners, including Chevron, the MAC AIDS Fund, Johnson & Johnson, the Elton John AIDS Foundation, the Children's Investment Fund Foundation, and Mylan, all saw the value of investing in Nigeria and in collaborating to support a team within the Federal Ministry of Health to eliminate mother to child transmission of HIV. We support 12 local Nigerians who work within the Ministry of Health, where they act as behind the scenes advisors, doers, and leaders in support of the existing government teams. These individuals utilize best practices from the private sector, including data-driven planning and effective performance management, to promote the ongoing scale up of PMTCT services at the primary care level. After a renewed focus, increased attention, and smarter implementation, there has been a 10 percent decline in MTCT from 2010-2013. Additionally, in 2013, Nigeria tripled the number of clinics offering PMTCT services, and from 2013 to mid-2014, the country saw a 100% increase in coverage of pregnant women living with HIV initiating treatment.

Let me be clear that the progress we are all making simply would not be possible without PEPFAR, and the enormous and historic support of the United States Government and then American people. In my view, PEPFAR is the cornerstone of what the world has been able to achieve in the last decade. Put another way, PEPFAR spurned myriad partnerships among donor and endemic countries, and brought billions of dollars of new money to the fight. Sequestration with a flat cut to PEPFAR's budget would stop this progress in its tracks. We can deploy the best trained business minds, with the most committed and knowledgeable scientists, doctors and nurses, and the savviest technocrats, but without PEPFAR, and without your sustained leadership and the commitment, eliminating MTCT would be nothing more than a dream.

As an investor, I put my own money into BFA because I know that I can leverage the enormous investments made by the United States, and because I know it works. Like with any smart business investment, we have the data to prove it. In the last five years, there has been more than a 40% decrease in the number of new infections among children. But our work is not finished. In 2013, fewer than 200,000 children were infected with HIV passed down from their mothers. This remains unacceptable.

In an age of seemingly infinite disagrees, we can all agree that no child, anywhere, should be born with HIV. We have the tools and knowledge to block this transmission. The only thing stopping us is a lack of resources to ensure more access. We cannot back down from this fight now, not when we are so close to achieving elimination of one of HIV's most devastating byproducts. I am confident that with continued investment, eliminating mother to child transmission of HIV will be one of the greatest accomplishments of our generation.

Thank you, Mr. Chairman.