Wits Journal of Clinical Medicine, 2025, 7(2) 87–90 http://dx.doi.org/10.18772/26180197.2025.v7n2a8

Opinion Piece

The impact of United States Government cuts to funding on South African Healthcare and Research

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INTRODUCTION

The South African health and research ecosystem has suffered a devastating double blow from the funding cuts to the President's Emergency Plan for AIDS Relief - PEPFAR (including the United States Agency for International Development (USAID)) and the United States National Institutes of Health (NIH). The sudden and significant reductions to effective existing programs that support service delivery and research are immoral and unethical, leaving stakeholders, including the South African government and local universities, with limited options or resources to fill the gap. This jeopardizes the many advances made over the past 20 years in the battle against HIV/AIDS.

WHAT HAPPENED?

The United States (US) President Donald Trump signed an executive order on 10 January 2025, "pausing" all foreign aid for a 90-day review.(1) This was an inhumane and abrupt cessation of all foreign assistance funding, including PEPFAR and USAID programmes, among many others, many of which operated in South Africa and with the South African Government and local NGOs. Despite multiple US-based court challenges and the granting of some waivers, many of which are still in process, most of the funding remains frozen. This order was followed by another on 7 February 2025, specifically directed at South Africa.(2) USAID funded many activities outside of health within South Africa (and globally), including areas surrounding good governance, climate change, food security, sanitation, and education, all of which have stopped with the complete dismantling of the agency over only a few weeks.

In addition to cuts to USAID and PEPFAR and suspension of grants to the CDC, the NIH has been terminating research and much grant funding since 21 March 2025 because the research is not aligned with NIH priorities, including all HIV prevention research. South Africa has been affected by the failure of the NIH to issue what would typically be routine renewals for grants for clinical studies in the country, as well as by a new directive issued by the NIH on 1 May 2025 that bans foreign sub-award grants.(3)

THE IMPACT ON HEALTHCARE IN SOUTH AFRICA

PEPFAR was initiated under the Bush Administration in 2003 to assist developing nations, particularly in sub-Saharan Africa (SSA) and including South Africa, with their public health response to the HIV/AIDS epidemic at a time when this was the primary cause of death in much of Southern Africa. PEPFAR has spent USD110 billion on the HIV/AIDS response since its inception, with USD8 billion invested in South Africa alone.(4,5) With the assistance of PEPFAR, the number of people living with HIV who access antiretroviral therapy (ART) has increased from close to zero in the early 2000s to approximately 21 million in 2023, resulting in a 70% reduction in HIV-associated mortality and an 80% reduction in the acquisition of new HIV infections.(6) PEPFAR funded 342,000 healthcare workers last year and supported 20.6 million people on ART, most of whom reside in SSA.(7) South Africa received $332.6 million from this programme in 2024, which made up 17% of the country's HIV treatment and prevention budget.(8) In South Africa 90% of ART funding is provided by the national fiscus, with 10% provided by the Global Fund.(9) PEPFAR supports approximately 15,000 trained healthcare workers that, in addition to direct service delivery, support the national HIV response through augmenting HIV testing and treatment in the community and particularly among vulnerable groups, tracing and re-engaging individuals lost to follow up, identifying patients with advanced HIV disease and providing gender-affirming healthcare, amongst other activities.(5) Another almost 10,000 provide management to this cadre and technical support to the national and provincial health

departments. PEPFAR-funded supply chain management support, particularly within the provision of ART and monitoring and evaluation of HIV services, has undoubtedly contributed to improved healthcare quality in government facilities. The contribution is much larger in other SSA countries such as Eswatini, Lesotho, Zimbabwe, and Mozambique, where US funding is between 50% and 80% of HIV-related healthcare services.(10)

The impact of cuts to PEPFAR and USAID has been immediate - since the implementation of funding cuts in South Africa, over 8,000 skilled healthcare workers have lost their jobs, multiple clinics have closed, and essential services such as HIV testing, treatment, and prevention have been significantly reduced, with ongoing retrenchments reported across the country.(11) HIV services across SSA have been massively impacted, with examples including the suspension of HIV prevention education and awareness campaigns in Malawi, the reduction of services providing care to pregnant women living with HIV in Zimbabwe, and the halting of the DREAMS programme in 10 countries that provided 2 million adolescent girls and young women with essential HIV and reproductive healthcare, education and empowerment support.(12) Early modelling based on the 90-day pause alone, followed by a return to full PEPFAR funding, predicted greater than 100,000 excess HIV-related deaths.(13) Similarly, Hontelez et al. predicted 70,000 excess HIV-related deaths in just seven SSA countries in their model and adjusted this number for scenarios that included various waiver periods.(14) Considering the impact on South Africa alone, in the absence of any transitioning of services, a complete cessation of PEPFAR funding would result in 601,000 HIV-related deaths and 565,000 new HIV infections by 2035.(15) Combined with additional announced reductions in international HIV funding, PEPFAR funding losses across all low-income and middle-income countries (LMICs) could result in up to 10.75 million additional new HIV infections and up to 2.93 million HIV-related deaths between 2025 and 2030, compared to the status quo.(16) This portends a disaster for the HIV/AIDS response that threatens to reverse the hard-fought gains of the last two decades significantly.

THE IMPACT ON RESEARCH IN SOUTH AFRICA

In addition to cuts to aid, the US government has taken steps to pull funding from international agencies that support research in foreign countries, including South Africa. The US Government funds research through various vehicles, including PEPFAR, USAID, the Centers for Disease Control (CDC), and the NIH. South Africa has a significant burden of HIV and tuberculosis (TB) and a robust and world-class research infrastructure that contributes globally to establishing international guidelines and best practices in the fields of HIV and TB.

The contribution of South African science to global impact in this field is irrefutable. South Africa receives an estimated $400 million in direct and indirect grants from the NIH alone for medical research. It is reportedly the largest recipient of NIH funds outside of the USA.(17) Up to 70% of HIV and TB research in South Africa is funded by the NIH. Most of this funding is expected to be stopped. The decision by the NIH not to renew or issue "foreign sub-awards" is a major blow to South African-held grants. A sub-award allows the principal recipient of an NIH grant to share funds with collaborating research groups, making up 80% of all NIH awards to foreign institutions.(18) The result of this move by the NIH, along with the cancellation of grants funded by USAID, PEPFAR, and CDC, which fund the supporting structures around these research grants, has meant massive impacts on HIV and TB research across the region. These cuts have placed at least 27 HIV trials and 20 TB trials at risk, many of which have now been stopped, according to an analysis by the Treatment Action Group and Médecins Sans Frontières.(19)

South African academic and research institutes stand to lose about 30% of their annual research income, with Wits University alone losing R3.2 billion.(19) This devastates their ability to employ staff and maintain active clinical trials, with retrenchments already starting in significant numbers.(20) The abrupt cut to funding places researchers and participants in active clinical trials in an untenable situation. Participants in clinical trials, many of whom are from vulnerable communities, may lose access to lifesaving trial therapies as well as to safe follow-up and monitoring. Transitioning clinical trial participants to care outside of the trials is difficult, as no funding has been provided for doing so, and US funders have not made a clear commitment. This places a significant ethical and financial burden on researchers, many of whom have had their salaries abruptly halted as they inform participants that they cannot deliver on their commitments when recruiting them to participate in their research. There is a considerable human and financial cost to such an immoral cut in funding, with no provision for a safe wind-down of research activities, not to mention the loss of data associated with a failure to meet the pre-specified research objectives.

This loss of funding has extensive repercussions for research in South Africa in the medium to long term and, by implication, for healthcare in South Africa. The loss of skilled research personnel and associated healthcare workers to better-funded foreign climes is inevitable. It can scarcely be afforded in a limited-resource setting such as South Africa. Trust in community research activities has been eroded and may take years to rebuild. Critical clinical questions with significant potential to improve lives may remain unanswered for years, as re-establishing the research pathway is slow and uncertain.

WHERE TO FROM HERE?

An urgent and coordinated response is required to mitigate the massive shortfall in funding precipitated by the US cuts. Despite acknowledging the challenges posed to the

HIV/AIDS response in South Africa, Health Minister Dr Aaron Motsoaledi has maintained that there is no crisis and that existing services can accommodate service delivery holes created by the exit of the specialist NGOs.(9) Clinic files of patients that were being treated in PEPFAR-funded clinics have been moved to nearest public health facilities without any increase in budget or staffing at these already-overburdened facilities.(9) The Health Department has said it is unable to absorb additional healthcare workers into the public health system. Efforts that have been made include a programme for training healthcare workers on the barriers affecting access to healthcare by key populations, processes for patient monitoring and data capture in previously PEPFAR-funded clinics, and meetings to monitor the impact of HIV counselling and testing. Whilst R1 billion has been committed to assisting with ART services by the Global Fund, there has yet to be a commitment from Treasury or private sector funders such as the Gates Foundation.

Regarding cuts to research funding in South Africa, Minister of Science, Technology, and Innovation Prof. Blade Nzimande has established a working group to advise the Minister on the implications of the withdrawal of US Government funding of South African research programmes.(21) The South African Medical Research Council (SAMRC) has managed to secure R400 million in commitments from donors contingent on government matching of this funding, Rand for Rand.(22) Institutions are flexibly trying to divert funding to keep essential research streams from stopping completely.

These efforts are not enough to prevent this crisis from becoming a catastrophe, and urgent action is needed.

In the **immediate and short term,** the following course of action would be an essential start:

1. Engage with US counterparts on re-establishing funding for essential programs to continue providing valuable support, or at least allow for an ethical wind-down of current programmes in a responsible manner that protects the most vulnerable.
2. Urgently audit the gaps in services provision, human capital, and systems created by the withdrawal of USAID and PEPFAR funding to identify the areas most critically in need of stop-gap funding.
3. Re-engage and fund the NGOs as a stopgap, as interim plans and sustainability strategies are implemented.
4. Rapidly identify and prioritise clinical trials, research programmes, and infrastructure that, without essential emergency funding, will fail to provide continuity of care and follow-up for vulnerable study participants.
5. Mobilise stop-gap funding through a combination of:
    a. Securing emergency funding from the National Treasury for essential healthcare services and research programs.
    b. Extending existing partnerships with non-US funders such as philanthropic organisations, the EU, and BRICS partners.
    c. Leveraging the private sector through innovative financing mechanisms utilized during the COVID-19 pandemic.

Over the **medium to long term,** the following needs to occur:

1. Sustainable government support needs to be budgeted for and provided to ensure the provision of essential healthcare services by the Department of Health, which is ultimately the responsibility of the state.
2. Diversify sources of healthcare and research funding by establishing new and alternative partnerships.
3. Ensure a greater SA Government contribution to medical research by incorporating medical research as an essential component of healthcare delivery in South Africa.

The funding crisis created by the US funding cuts and precipitated by changes in fickle geopolitical ideologies has highlighted the fragility of the South African healthcare system's well-functioning components. As healthcare workers and researchers, we bear a tremendous responsibility to safeguard these systems, which care for the vulnerable in our society.

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