

# CRS Report for Congress

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## HIV/AIDS International Programs: FY2003 Request and FY2002 Spending

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### Summary

Supplemental Appropriations legislation for FY2002, currently before Congress, could increase spending for international HIV/AIDS programs beyond the amounts currently projected. The Administration's FY2003 request for international HIV/AIDS spending would boost funding for the bilateral programs of the U.S. Agency for International Development but hold constant spending by the Centers for Disease Control and Prevention of the Department of Health and Human Services. Funds have not been requested for some international programs funded in FY2002, although \$200 million has been requested for a contribution to the Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria – the same amount currently available for FY2002. For additional information, see CRS Issue Brief IB10050, *AIDS in Africa* and CRS Report RS21114, *HIV/AIDS: Appropriations for Worldwide Programs in FY2001 and FY2002*.

### U.S. International HIV/AIDS Programs

During February and March 2002, the Bush Administration released information on its FY2003 budget proposal for international HIV/AIDS programs. Table 1 summarizes Administration requests for these programs and compares them with projected spending in FY2002. The figures in Table 1 include U.S. contributions to the Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria (Global Fund). The Fund announced its first grants on April 25, 2002, and approximately 60% of the funds to be disbursed will go to projects working in HIV/AIDS.

The first item in Table 1 is an "earmark" for HIV/AIDS programs in the Foreign Operations Appropriations legislation. In FY2002, this earmark, which falls under the Child Survival and Health Programs Fund of the Development Assistance program, is \$435 million.<sup>1</sup> The Administration is requesting, as part of its overall FY2003 Development Assistance request, that \$600 million be provided for HIV/AIDS programs.

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<sup>1</sup> H.R. 2506/P.L. 107-155, Title II.

The largest part of the HIV/AIDS earmark goes toward the bilateral HIV/AIDS programs of the U.S. Agency for International Development (USAID). In FY2002, however, \$40 million from the earmark is being put toward the U.S. contribution to the Global Fund, and this amount would rise to \$100 million in FY2003. Moreover, in FY2002 the earmark is funding an \$18 million contribution to the United Nations Joint Program on HIV/AIDS (UNAIDS), \$15 million for microbicide research, and \$10 million for the U.S. contribution to the International AIDS Vaccine Initiative (IAVI).<sup>2</sup>

**Table 1. U.S. International HIV/AIDS Programs**

(Including contributions to the Global Fund to Fight AIDS, Tuberculosis, and Malaria)  
(\$ millions)

<b>Program</b>	<b>FY2002 Projected</b>	<b>FY2003 Request</b>
1. Child Survival/Development Assistance, including part of the Global Fund contribution (Table 2)	435.0	600.0
2. Other economic assistance	40.0	40.0
3. Foreign Military Financing	0	2.0
7. DOD HIV/AIDS prevention education with African armed forces	14.0	0
4. Centers for Disease Control	143.8	143.8
5. DOL AIDS in the Workplace Initiative	10.0	0
6. Section 416(b) Food Aid	7.3	0
8. Remaining Global Fund contribution (Table 2)	160.0	100.0
<b>Total</b>	<b>810.1</b>	<b>885.8</b>

The second line in Table 1 indicates that apart from the HIV/AIDS Foreign Operations earmark, \$40 million in other economic assistance is being allocated to HIV/AIDS programs in FY2002 and that the same amount has been requested for FY2003. This other economic assistance used to fight HIV/AIDS includes food aid,<sup>3</sup> Economic Support Fund aid, assistance for the former Soviet Union under the Freedom Support Act (FSA), and Assistance for Eastern Europe and the Baltics (AEEB).

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<sup>2</sup> The FY2002 Foreign Operations Appropriations required that \$15 million of the HIV/AIDS earmark be used to support the development of microbicides. The contribution to IAVI was appropriated under the general Child Survival program, not specifically under the HIV/AIDS earmark. The contribution to UNAIDS was not earmarked.

<sup>3</sup> Such aid is in addition to the Section 416(b) food aid listed in Table 1. For a description of food assistance programs, see CRS Issue Brief IB98006, *Agricultural Export and Food Aid Programs*, continuously updated.

Line 3 in Table 1 indicates that the Administration is requesting \$2 million in Foreign Military Financing (FMF) for fighting HIV/AIDS in FY2003. This funding, if approved, would support a new Military Health Affairs program to complement the Department of Defense (DOD) program offering HIV/AIDS prevention education to African armed forces. New funding for the education program itself (line 4) has not been requested.<sup>4</sup> Nor has funding been requested for the Department of Labor's AIDS in the Workplace Initiative, or for Section 416(b) food aid.<sup>5</sup> For FY2002, Congress had made available \$25 million through the Section 416(b) program, which provides for the donation of surplus food commodities, in order to mitigate the effects of AIDS on communities overseas.<sup>6</sup> These funds were not used, but \$7.3 million in FY2001 Section 416(b) assistance was carried over to FY2002 and is being used to mitigate the effects of the epidemic.

## U.S. Contributions to the Global Fund

On February 13, 2002, Secretary of Health and Human Services Tommy Thompson testified before the Senate Foreign Relations Committee that to date, the United States had pledged a total of \$500 million to the Global Fund. Of this amount, \$100 million was appropriated under the FY2001 Supplemental Appropriations Act (P.L. 107-20), \$200 million has been made available in FY2002 funds, and another \$200 million has been pledged in requested FY2003 funds. Table 2 provides further information on how U.S. contributions to the Global Fund are expected to be met.

Line 1 of Table 2 refers to the amount appropriated in the FY2001 supplemental, while line 2 indicates the amounts, already noted, to be taken from the HIV/AIDS earmark of the Foreign Operations Appropriations. Line 3 shows that in FY2002, \$10 million will also be taken from funds earmarked in the Child Survival appropriations for fighting "other infectious diseases," principally tuberculosis and malaria. As provided for in the FY2002 appropriations for the Department of Health and Human Services (P.L. 107-116), a total of \$100 million in FY2002 funds will be transferred to the Global Fund from the National Institute of Allergy and Infectious Diseases (NIAID) of the National Institutes of Health (NIH) and from the NIH buildings and facilities account, as indicated in lines 4 and 5 of Table 2. Under the FY2003 request, \$100 million would be appropriated within the NIAID account.<sup>7</sup>

Line 6 of Table 2 indicates that the source of the remaining \$50 million of the FY2002 contribution to the Global Fund has yet to be determined. The Foreign Operations Appropriations for FY2002 had provided that in addition to the \$50 million for the Global Fund under the Child Survival program, up to \$50 million could be taken for the Fund from bilateral economic assistance funds appropriated for FY2002 and for

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<sup>4</sup> Executive Office of the President, Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2003*. Appendix, 273. According to the *Budget*, "additional authorizing legislation" is required for this program.

<sup>5</sup> *Budget of the United States Government, Fiscal Year 2003*. Appendix, 197.

<sup>6</sup> This food aid was earmarked by Congress in the FY2002 Department of Agriculture Appropriations (P.L. 107-76).

<sup>7</sup> *Budget of the United States Government, Fiscal Year 2003*. Appendix, 976.

previous years. However, the executive branch has not taken up this option. Instead, discussions are underway involving USAID and HHS on the source for the remainder of the FY2002 contribution. A decision is expected shortly.

**Table 2. U.S. Contributions to the Global Fund to Fight AIDS, Tuberculosis, and Malaria**

(\$ millions)

Source	FY2001	FY2002 projected	FY2003 request
1. Supplemental Appropriations, FY2001	100		
2. HIV/AIDS earmark		40	100
3. Other infectious diseases earmark		10	
4. NIAID (NIH)		25	100
5. NIH buildings and facilities		75	
6. To be determined		50	
<b>Total</b>	<b>100</b>	<b>200</b>	<b>200</b>

**FY2002 Supplemental Appropriations.** The House version of the FY2002 Supplemental Appropriations (H.R. 4775), which passed the House on May 24, 2002, would appropriate an additional \$200 million<sup>8</sup> under the Child Survival and Health Programs Fund for emergency expenses related to combating AIDS, tuberculosis, and malaria. A House Appropriations Committee press release on the bill stated that these funds are “intended to challenge other wealthy nations to meet and exceed the United States’ pacesetting efforts to bring these infectious diseases under control,”<sup>9</sup> but they are not specifically designated as a contribution to the Global Fund. However, the legislation does specify that U.S. contributions to the Global Fund shall not exceed 40% of contributions by all donors.<sup>10</sup>

The Senate version of the Supplemental Appropriations (S. 2551), reported on May 22, 2002, provides an additional \$100 million for HIV/AIDS, tuberculosis, and malaria programs under the Child Survival Fund. The bill states that these funds “may be made available” to the Global Fund.

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<sup>8</sup> An effort to increase this amount to \$500 million during markup in the House Appropriations Committee did not succeed. Bill Ghent, “Democrats and Republicans Battle Over \$29 Billion Supplemental,” *National Journal News Service*, May 9, 2002.

<sup>9</sup> “Full Committee Reports FY2002 Emergency Supplemental,” press release dated May 15, 2002.

<sup>10</sup> According to a table at the Global Fund web site, pledges to the Fund total \$2.1 billion, so that the U.S. pledge of \$500 million represents about 24%. A \$200 million increase would bring the U.S. share to 33%. The Fund does not provide information at its website on actual disbursements by donors to the Fund. See [<http://www.globalfundatm.org>].

Authorization bills currently before Congress would support increased spending for the Global Fund. For example, The Global Access to HIV/AIDS Prevention, Awareness, Education, and Treatment Act of 2001 (H.R. 2069), would authorize \$750 million for the Fund or other multilateral efforts in FY2002 to prevent and treat HIV/AIDS. This bill passed the House on December 11, 2001. The United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2002 (S. 2525), introduced by Senator John Kerry and others on May 15, 2002, would authorize \$1 billion for the Fund in FY2003 and \$1.2 billion in FY2004. However, on May 27, 2002, Treasury Secretary Paul O'Neill, speaking at a press conference in South Africa while on a tour with Irish rock star Bono, said that before increasing support for the Global Fund "we need to understand ... what we are doing with what we have got."<sup>11</sup>

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<sup>11</sup> Paul Blaustein, "Mothers with AIDS Move O'Neill to Back More Money for Treatment," *Washington Post*, May 25, 2002.