

CRS Report for Congress

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HIV/AIDS International Programs: Appropriations, FY2002 - FY2004

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Summary

The Administration's FY2004 request for international HIV/AIDS spending would commit \$450 million to a new Global AIDS Initiative to be administered by the Department of State. This is the principal FY2004 component of the President's 5-year, \$15 billion Emergency Plan for AIDS Relief, announced in the State of the Union Message on January 28, 2003. The Administration is seeking \$300 million for the President's Mother and Child HIV Prevention Initiative in FY2004, up from \$200 million in the FY2003 request. The request for a contribution to the Global Fund to Fight AIDS, Tuberculosis, and Malaria is \$200 million, while Congress made available \$350 million for the Global Fund in FY2003. On May 27, 2003, the President signed into law H.R. 1298 (P.L. 108-25), the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003, authorizing \$3 billion per year for FY2004 through FY2008 (a total of \$15 billion) to fight the three diseases. Of this amount, up to \$1 billion is authorized for the Global Fund in FY2004. For additional information, see CRS Issue Brief IB10050, *AIDS in Africa*; CRS Report RS21114, *HIV/AIDS: Appropriations for Worldwide Programs in FY2001 and FY2002*; and CRS Report RL31712, *The Global Fund to Fight AIDS, Tuberculosis, and Malaria: Background and Current Issues*.

U.S. International HIV/AIDS Programs

Most funding for international HIV/AIDS programs is included in appropriations for Foreign Operations and the Departments of Health and Human Services, Labor, and Education. For FY2003, these appropriations were part of the conference version of the Omnibus Appropriations Resolution (H.J.Res. 2/P.L. 108-7), accepted by the House and Senate on February 13, 2003 and signed into law by President Bush on February 20. The Administration submitted its FY2004 budget proposal, including proposals for international HIV/AIDS spending, on February 3, 2003.

Table 1. U.S. International HIV/AIDS Programs
(Including contributions to the Global Fund to Fight AIDS, Tuberculosis, and Malaria)
(\$ millions)

Program	FY2002 Actual	FY2003 Request	FY2003 House	FY2003 Senate	FY2003 Conf.^h	FY2004 Request
1. Child Survival Assistance for bilateral programs	395.0	600.0	496.5 ^a	621.5 ^f	591.5	650.0
2. Child Survival Assistance for the Global Fund	40.0	100.0	250.0	300.0 ^f	250.0	100.0
3. Other economic assistance	40.0	40.0	40.0	50.0 ^g	38.5	40.0
4. State Department Global AIDS Initiative						450.0
5. Foreign Military Financing	0	2.0	2.0	2.0	2.0	1.5
6. Subtotal, Foreign Operations Appropriations	475.0	742.0	788.5	973.5	882.0	1241.5
7. CDC Global AIDS Program	143.8	243.8	183.8 ^b	168.8 ^f	183.8	293.8
8. CDC International Applied Prevention Research	11.0	11.0	<i>11^c</i>	<i>11.0^c</i>	<i>11.0</i>	11.0
9. NIH International Research	218.2	252.3	252.3 ^c	252.3 ^c	252.3	274.7
10. DOD HIV/AIDS prevention education with African armed forces	14.0	0	10.0 ^d	0	7.0 ⁱ	
11. DOL AIDS in the Workplace Initiative	8.5	0		10.0 ^g	10.0	
12. Section 416(b) Food Aid	25.0	0		25.0 ^f	25.0	
13. Global Fund contribution from NIH (and other sources in FY2002)	160.0	100.0	100.0 ^e	100.0 ^f	100.0	100.0
14. Total	1055.5	1349.1	1345.6	1540.6	1471.1	1921.0

- a. House amounts in the Foreign Operations Appropriations are drawn from H.R. 5410, the Foreign Operations Appropriations bill reported by the House Appropriations Committee in the 107th Congress.
- b. H.R. 246, Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2003. Introduced in the House, January 8, 2003.
- c. Funding amounts recorded in italics are not specifically mentioned in appropriations bills, or accompanying reports. However, overall funding levels appear adequate to support the Administration's request.
- d. H.R. 5010, Department of Defense Appropriations, passed the House June 27, 2002. The program was not mentioned in the Senate version of the bill.
- e. H.R. 246.
- f. S.Amdt. 1, Omnibus FY2003 Appropriations, to H.J.Res. 2, making further continuing appropriations.
- g. Report to accompany S.Amdt. 1, appearing in the *Congressional Record*, January 15, 2003.
- h. With the exception of line 10, the data in this column are from the FY2003 Omnibus Appropriations Legislation (H.J.Res. 2) and the accompanying report (H.Rept. 108-10).
- i. P.L. 107-248, see text.

Table 1 summarizes requests and appropriations for international HIV/AIDS activities in FY2003 and FY2004 and compares them with spending in FY2002. The amounts reported for FY2003 will be affected by the .65% rescission imposed by Section 601 of Division N of the appropriations resolution report (H.Rept. 108-10). The figures

in Table 1 include U.S. contributions to the new Global Fund to Fight AIDS, Tuberculosis, and Malaria (Global Fund). The Fund reports that approximately 65% of the funds to be disbursed will go to projects working in HIV/AIDS. In the FY2003 Request column, the amounts for Child Survival and Health Programs Fund Assistance and for the Global Aids Program of the Centers for Disease Control and Prevention (CDC) of the Department of Health and Human Services include funds requested in a budget amendment submitted by President Bush on September 3, 2002. The amendment sought to add \$100 million to each program to fund the President's International Mother and Child HIV Prevention Initiative.

HIV/AIDS in the Foreign Operations Appropriations. Lines 1 and 2 in Table 1 refer to HIV/AIDS funding through the Child Survival and Health Programs Fund (formerly the Child Survival and Disease Programs Fund), which is funded by Title II of the Foreign Operations Appropriations. The largest part of Child Survival HIV/AIDS spending goes toward the bilateral HIV/AIDS programs of the U.S. Agency for International Development (USAID). However, some of this funding is used as part of the U.S. contribution to the Global Fund and for other purposes. Details on the makeup of the Global Fund contribution are provided in **Table 2**.

The FY2003 Omnibus Appropriations states that up to \$100 million in Child Survival AIDS funds may be used to support the International Mother and Child HIV Prevention Initiative. As noted above, this is the amount requested by the Administration. The FY2004 request shown in line 1 is \$50 million above the FY2003 request, reflecting the Administration's request for \$150 million for the Initiative.

The third line in Table 1 indicates that, apart from Child Survival Assistance funding, \$38.5 million in other economic assistance is allocated to international HIV/AIDS programs in FY2003. This other economic assistance includes food aid,¹ 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).

The Global AIDS Initiative, referred to in Line 4 of Table 1, is the major component of the Emergency Plan for AIDS Relief, announced by President Bush in his State of the Union message on January 28, 2003. This 5-year plan will total \$15 billion and is to include \$10 billion in new funds. The Global AIDS Initiative, if approved by Congress, will be a Department of State program focused on 12 African countries as well as Haiti and Guyana. Objectives include prevention of 7 million new infections, antiretroviral drugs for 2 million HIV-infected people, and care for 10 million individuals, including AIDS orphans. Appropriations for the Initiative are slated to increase sharply in future years under the Administration plan.

As indicated in line 5 of Table 1, the Administration requested \$2 million in Foreign Military Financing (FMF), also part of the Foreign Operations Appropriations, for fighting HIV/AIDS in FY2003, and is seeking \$1.5 million in FY2004. This funding is to support a new Military Health Affairs program to complement the Department of

¹ 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*, continually updated.

Defense (DOD) program offering HIV/AIDS prevention education to African armed forces. The FMF-funded program is not mentioned in the report accompanying the Omnibus Appropriations measure (H.Rept. 108-10), nor in the bill itself; but overall funding for FMF appears sufficient to support the request.

Line 6 is a subtotal permitting a comparison of funding levels in the Foreign Operations Appropriations under various bills and requests. The report accompanying the conference version of the Omnibus Appropriations for FY2003 (H.Rept. 108-10) calculates that not less than \$800 million is provided to treat and prevent AIDS under the Foreign Operations section of the measure. This estimate, somewhat lower than the amount reported on line 6, takes into account the fact that a portion of the amount appropriated for the Global Fund will be used to fight tuberculosis and malaria rather than HIV/AIDS. The \$800 million estimate also takes into account U.S. funds flowing to HIV/AIDS programs through U.N. agencies, but not through the HIV/AIDS programs of the World Bank Group.

In FY2002, \$15 million of Child Survival funding for HIV/AIDS was earmarked for microbicide research, while \$18 million has been set aside for this purpose in FY2003. The FY2002 appropriations specified that up to \$10 million could be given as a contribution to the International AIDS Vaccine Initiative (IAVI), while the FY2003 Omnibus would provide up to \$10.5 million. The U.S. contribution to the United Nations Joint Program on HIV/AIDS (UNAIDS), which was \$18 million in FY2002, was also taken from the \$435 million for HIV/AIDS, although this amount was not specified in legislation. Nor was the amount for UNAIDS specified in the FY2003 Omnibus, although the report accompanying the House-reported version of the FY2003 Foreign Operations appropriations (H.Rept. 107-663) urged a higher funding level for the organization. The report on the Senate-passed version of the Omnibus Appropriations expressed support for UNAIDS. (*Congressional Record*, January 15, 2003.) The FY2004 request does not specify amounts for microbicide development, IAVI, or UNAIDS.

Other International HIV/AIDS Appropriations. Lines 7, 8, and 9 in Table 1 refer to international AIDS programs of the Department of Health and Human Services (HHS). The Department's Centers for Disease Control and Prevention (CDC) had an appropriation of \$143.8 million in FY2002 for its Global AIDS Program (GAP). The same amount had been requested for FY2003, but the request was boosted by \$100 million by the Administration's September 3 budget amendment with respect to the International Mother and Child Transmission Initiative. The Omnibus Appropriations provided somewhat less than requested and did not earmark an amount for the Mother and Child initiative. In their report (H.Rept. 108-10), however, conferees agreed that, of the amount provided to CDC for international HIV/AIDS, \$40 million was for the initiative. The FY2004 request for the CDC would rise another \$50 million over the FY2003 request, since the request for the Mother and Child HIV Transmission Initiative through CDC is \$150 million.

The CDC devoted \$11 million to international applied prevention research in FY2002 and expects to spend the same amount in FY2003 and FY2004. This spending is not earmarked. Meanwhile, as indicated in line 9, the National Institutes of Health (NIH) is also conducting research with an international dimension, focused primarily on the development of a vaccine for international markets. Spending for this research, which again is not earmarked, is to increase FY2003 and under the FY2004 request.

Line 10 in Table 1 refers to the Defense Department's AIDS prevention education program with African militaries. New funding for the education program itself was not requested for FY2003, but the conference version of the Department of Defense Appropriations bill (H.R. 5010) provided \$7 million to remain available until the end of FY2004. Action on H.R. 5010 was completed in the 107th Congress, and the bill was signed into law (P.L. 107-248) on October 23, 2002. New funding has not been requested for FY2004. Congress made available \$10 million for the AIDS in the Workplace Initiative of the Department of Labor (line 11) in FY2002, but the executive branch decided that \$1.5 million of this would be used for other programs of the Department's International Labor Affairs Bureau. The Administration did not request funding for the program in FY2003, but the report on the Omnibus Appropriations states \$10 million is included for the initiative in the appropriation for the International Labor Affairs Bureau. No funds have been requested for FY2004.

For FY2002, Congress directed that of any aid provided through the Section 416(b) food aid program, which provides for the donation of surplus food commodities, \$25 million be used to mitigate the effects of AIDS on communities overseas. As line 12 of Table 1 indicates, Section 416(b) food aid was not requested for FY2003,² but the Omnibus restores this funding. Funding has not been requested for FY2004.

U.S. Contributions to the Global Fund

Table 2 provides detail on appropriations for contributions to the Global Fund to Fight AIDS, Tuberculosis, and Malaria. To date, \$650 million has been made available for such contributions, as indicated in the unshaded columns of the table. Of this amount, \$100 million was appropriated under the FY2001 Supplemental Appropriations Act (P.L. 107-20), \$200 million was made available in FY2002 funds from various sources, and another \$350 million was appropriated in the FY2003 Omnibus Appropriations. 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 funds designated for HIV/AIDS through Child Survival Assistance. For FY2003, line 2 shows that the Administration had requested \$100 million through this account, whereas the Omnibus eventually provided \$250 million. For FY2004, the Administration has again requested \$100 million. Line 3 of Table 2 shows that in FY2002, \$10 million was taken from funds designated in the Child Survival appropriations for fighting "other infectious diseases," principally tuberculosis and malaria.

The FY2002 appropriations for the Department of Health and Human Services (P.L. 107-116) designated \$100 million in FY2002 funds for transfer to the Global Fund from the National Institute of Allergy and Infectious Diseases (NIAID) of NIH and from the NIH buildings and facilities account, as indicated in line 4 of Table 2. Under the FY2003 appropriation, \$100 million is made available through NIAID. The Administration is requesting \$200 million for the Global Fund in FY2004, to be shared between the Child Survival and NIAID accounts. Lines 5 and 6 of Table 2 indicate that the remaining \$50 million of the FY2002 pledge to the Global Fund was shared equally by USAID and HHS. 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

² *Budget of the United States Government, Fiscal Year 2003. Appendix, 197.*

could be taken for the Fund from bilateral economic assistance funds appropriated for FY2002 and for previous years. As a result of discussions between USAID and HHS, it was decided that each agency would contribute \$25 million to complete the pledge.

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

(\$ millions)

	FY2001 Actual	FY2002 Actual	FY2003 Request	FY2003 House	FY2003 Senate	FY2003 Conf.	FY2004 Request
1. FY2001 Supplemental	100						
2. Child Survival Assistance for HIV/AIDS		40	100	250	300	250	100
3. Other infectious diseases		10					
4. NIH		100	100	100 ^a	100 ^b	100	100
5. Remaining amount from USAID		25					
6. Remaining amount from HHS		25					
Total	100	200	200	350	400	350	200

a. H.R. 246.

b. S.Amdt. 1.

Other Legislation

H.R. 1298, the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003, was signed into law (P.L. 108-25) by President Bush on May 27, 2003. This bill authorizes \$3 billion per year from FY2004 through FY2008 (a total of \$15 billion) for international AIDS, tuberculosis, and malaria programs; and includes provisions with respect to AIDS policy coordination, debt forgiveness, and other issues. The bill states that of the amounts authorized, up to \$1 billion is authorized as a contribution to the Global Fund in FY2004, and such sums as may be necessary for the Fund in FY2005-2008. (For more detail on the contents of H.R. 1298 and other bills, see CRS Issue Brief IB10050, *AIDS in Africa*.) However, during floor debate in the House on May 1, members of the House Appropriations Subcommittee on Foreign Operations expressed concern that the amounts authorized for FY2004 exceeded the amounts that had been budgeted. Chairman Jim Kolbe said the bill created “false expectations” with respect to the Global Fund, and Ranking Member Nita Lowey warned of a \$1.3 billion “funding gap” that would be difficult to fill. In an April 29 Rose Garden address praising the bill, President Bush reiterated that the Emergency Plan for AIDS Relief would begin with \$2 billion in FY2004 spending, reflecting the budget request.