

CRS Report for Congress

Received through the CRS Web

HIV/AIDS International Programs: FY2002 Spending and FY2003 Outlook

Raymond W. Copson
Specialist in International Relations
Foreign Affairs, Defense, and Trade Division

Summary

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 being provided in FY2002. Appropriations bills reported in the Senate would provide approximately \$170 million more for international HIV/AIDS activities than the Administration's request. 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

Appropriations bills to fund international HIV/AIDS programs are now moving through the legislative process. **Table 1** summarizes Administration requests for international HIV/AIDS activities in FY2003 and compares them with funding levels in House and Senate appropriations bills – and with spending in FY2002. House funding for FY2003 is not totaled in Table 1 because bills that will fund major components of global AIDS spending have not yet been reported. The figures in Table 1 include U.S. contributions to the Global Fund to Fight 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.

Line 1 in Table 1 refers to HIV/AIDS funding through the Child Survival and Health Programs Fund (formerly the Child Survival and Disease Programs Fund), which is part of the Development Assistance program and funded by Title II of the Foreign Operations Appropriations legislation. In FY2002, spending through the Child Survival program is projected to be \$435 million, the amount specified in the FY2002 Foreign Operations

Appropriations.¹ The Administration's FY2003 request does not include a Child Survival program, but \$600 million is being sought for international HIV/AIDS activities as part of the overall Development Assistance request. The Foreign Operations Appropriations bill reported in the Senate (S. 2779), which would restore a separate Child Survival account, would provide \$700 million for global HIV/AIDS, including \$200 million for the Global Fund.

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

Program	FY2002 Projected	FY2003 Request	FY2003 House	FY2003 Senate
1. Child Survival/Development Assistance, including part of the Global Fund contribution (Table 2)	435.0	600.0	—	700.0 ^a
2. Other economic assistance	40.0	40.0	—	50.0 ^a
3. Foreign Military Financing	0	2.0	—	2.0 ^b
4. CDC Global AIDS Program	143.8	143.8	—	168.8 ^c
5. CDC International Applied Prevention Research	11.0	11.0	—	11.0 ^b
6. NIH International Research	188.0	222.0	—	222.0 ^b
7. DOD HIV/AIDS prevention education with African armed forces	14.0	0	10.0 ^d	0
8. DOL AIDS in the Workplace Initiative	8.5	0	—	10.0 ^e
9. Section 416(b) Food Aid	25.0	0	25.0 ^f	25.0 ^g
10. Remaining Global Fund contribution (see Table 2)	160.0	100.0	—	100.0 ^c
Total	1025.3	1118.8	—	1288.8

^a S. 2779, Foreign Operations Appropriations, as reported (S.Rept. 107-219), July 24, 2002.

^b 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.

^c S. 2766, Appropriations for the Departments of Labor, Health and Human Services, and Education, as reported (S.Rept. 107-216), July 22, 2002.

^d H.R. 5010, Department of Defense Appropriations, passed the House June 27, 2002. The program is not mentioned in the Senate version of the bill, which passed on August 1.

^e S.Rept. 107-216.

^f H.R. 5263, Agriculture Appropriations, as reported (H.Rept. 107-623) July 26, 2002.

^g S. 2801, Agriculture Appropriations, as reported (S.Rept. 107-223), July 25, 2002.

¹ H.R. 2506/P.L. 107-155, Title II.

The largest part of Child Survival/Development Assistance HIV/AIDS spending goes toward the bilateral HIV/AIDS programs of the U.S. Agency for International Development (USAID). However, as indicated in **Table 2**, a portion of this funding is used to make up the U.S. contribution to the Global Fund. Moreover, in FY2002, \$15 million of the \$450 million set aside for HIV/AIDS is earmarked for microbicide research, and the same amount has been requested for FY2003. The Foreign Operations Appropriations bill reported in the Senate would increase the amount for microbicide development to \$18 million.

The FY2002 appropriations legislation specified that up to \$10 million could be given as a contribution to the International AIDS Vaccine Initiative (IAVI) from general Child Survival funds, not specifically from the \$435 million designated for HIV/AIDS. However, the executive branch, which is requesting the same amount for IAVI in FY2003, decided to take the contribution from the AIDS funds. The foreign operations bill reported in the Senate would provide up to \$12 million as a contribution to IAVI, also from the general Child Survival program, but the amount could again be taken from funds specifically designated for HIV/AIDS.² The U.S. contribution to the United Nations Joint Program on HIV/AIDS (UNAIDS), which was \$18 million in FY2002, is also being taken from the \$435 million for HIV/AIDS, although this amount was not specified in legislation. S. 2779, the FY2003 appropriations bill reported in the Senate, also does not specify an amount for UNAIDS, although report language expresses support for the organization and its activities (S.Rept. 107-219).

The second line in Table 1 indicates that apart from Child Survival/Development Assistance funding, \$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,³ 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 Appropriations bill reported in the Senate would provide \$50 million for AIDS activities through other economic assistance.

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. The FMF-funded program is not mentioned in the report accompanying the FY2003 Senate Foreign Operations Appropriations, nor in the bill itself. However, some observers feel that overall FMF funding in the Senate bill is sufficient to allow the program to go forward.

² The report on this bill (S.Rept. 107-219) states that it provides \$750 million for international HIV/AIDS activities, reflecting the amounts on lines 1 and 2 of Table 1, and not including an additional amount for the IAVI contribution.

³ 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.

Lines 4, 5, and 6 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) has an appropriation of \$143.8 million in FY2002 for its Global AIDS Program (GAP). The same amount has been requested for FY 2003, but the Senate Appropriations legislation for HHS (S. 2766), as reported, would boost this amount by \$25 million. The CDC is also devoting \$11 million to international applied prevention research in FY2002 and expects to spend the same amount in FY2003. This spending is not earmarked in legislation. Meanwhile, as indicated in line 6, the National Institutes of Health (NIH) is conducting research with an international dimension, focused primarily on the development of a vaccine for international markets. Spending for this research would increase under the FY2003 request.

Line 7 in Table 1 refers to the Defense Department's AIDS prevention education program with African militaries. New funding for the education program itself (line 7) has not been requested for FY2003,⁴ although the \$14 million appropriated for FY2002 remains available until the end of FY2003. The House version of the Defense Appropriations bill (H.R. 5010), which passed on June 27, includes \$10 million for the program to remain available until the end of FY2004. The Senate version of the Defense Appropriations, passed on August 1, does not include new funds for the program.

Congress made available \$10 million for the AIDS in the Workplace Initiative of the Department of Labor (line 8) 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. However, the report on the Senate version of the appropriations bill for the Departments of Labor, Health and Human Services, and Education (H.Rept. 107-216 to accompany S. 2766), recommends that \$10 million be provided, but solely for the purpose of funding workplace-based AIDS education and prevention programs of the International Labor Organization.

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.⁵ As line 9 of Table 1 indicates, Section 416(b) food aid was not requested for FY2003,⁶ but Department of Agriculture Appropriations bills reported in both the House and Senate would restore this funding.

⁴ 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.

⁵ This food aid was earmarked by Congress in the FY2002 Department of Agriculture Appropriations (P.L. 107-76).

⁶ *Budget of the United States Government, Fiscal Year 2003*. Appendix, 197.

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 to Fight AIDS, Tuberculosis, and Malaria. Of this amount, \$100 million was appropriated under the FY2001 Supplemental Appropriations Act (P.L. 107-20), \$200 million had been made available in FY2002 funds, and another \$200 million was pledged in requested FY2003 funds. Table 2 provides further information on how Administration pledges to the Global Fund are expected to be met.

Table 2. U.S. Contributions to the Global Fund to Fight AIDS, Tuberculosis, and Malaria
(\$ millions)

	FY2001	FY2002	FY2003 Request	FY2003 House	FY2003 Senate
1. Supplemental Appropriations, FY2001	100	—	—	—	—
2. Child Survival/Development Assistance for HIV/AIDS	—	40	100	—	—
3. Child Survival, general	—	—	—	—	200
4. Other economic assistance	—	10	—	—	—
5. NIAID (NIH)	—	25	100	—	100
6. NIH buildings and facilities	—	75	—	—	—
7. Remaining amount from USAID	—	25	—	—	—
8. Remaining amount from HHS	—	25	—	—	—
Total	100	200	200	—	300

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/Development Assistance in FY2002. For FY2003, line 2 shows that the Administration requested \$100 million from the \$600 it seeks to have designated for HIV/AIDS, whereas the Foreign Operations Appropriations bill reported in the Senate specifies that \$200 be provided from general Child Survival funds and not from the \$500 million specifically designated for HIV/AIDS. The \$200 million for the Global Fund would be available notwithstanding any other provision of law under the bill.

Line 4 of Table 2 shows that in FY2002, \$10 million will also be taken from funds designated 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), \$100 million in FY2002 funds will be transferred 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 lines 5 and 6 of Table 2. Under the FY2003 request, \$100 million would be appropriated within the NIAID account,⁷ and this amount is provided in the Senate version of the appropriations for the Departments of Labor, HHS, and Education.

Lines 7 and 8 of Table 2 indicate that the remaining \$50 million of the FY2002 pledge to the Global Fund will be 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 could be taken for the Fund from bilateral economic assistance funds appropriated for FY2002 and for previous years. However, as a result of discussions between USAID and HHS, it was decided that each agency would contribute \$25 million to complete the pledge.

FY2002 Supplemental Appropriations and Other Legislation

The conference version of the FY2002 Supplemental Appropriations measure (P.L. 107-206) would have provided \$200 million in additional Child Survival funds for international HIV/AIDS activities. Of this amount, \$100 million would have been for an additional contribution to the Global Fund. However, appropriation of the AIDS funds, with other funds, was contingent on a presidential designation that they were needed as an emergency requirement; and on August 13, 2002, President Bush announced that he would not make such a designation. The President added that he would seek funds for his mother and child transmission prevention initiative, launched on June 19, 2002, through amendments to the FY2003 budget. The supplemental requires that cumulative U.S. funds provided to the Global Fund from the Child Survival account by December 31, 2002, not exceed the amount provided (not just pledged) by other donors (H.Rept. 107-593).

An authorization bill, H.R. 2069, has cleared both the House and the Senate and would substantially increase international HIV/AIDS funding if targeted spending levels were met. For example, the House version, the Global Access to HIV/AIDS Prevention, Awareness, and Treatment Act, which passed on December 11, 2002, authorizes \$750 million for the Global Fund or other multilateral HIV/AIDS efforts in FY2002. The Senate version, passed on July 12, 2002, authorizes \$1 billion for the Fund in FY2003 and \$1.2 billion in FY2004. For information on this and other authorizing bills, see the **Legislation** section of CRS Issue Brief IB10050, *AIDS in Africa*.

⁷ *Budget of the United States Government, Fiscal Year 2003*. Appendix, 976.