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HIV/AIDS International Programs: FY2002 Spending and FY2003 Outlook

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Summary

The Administration's FY2003 request for international HIV/AIDS spending would increase funding for U.S. international HIV/AIDS programs. In addition, a budget amendment submitted by President Bush on September 3, 2002, would add \$100 million in FY2003 spending for the U.S. Agency for International Development (USAID) and \$100 million for the Centers for Disease Control and Prevention (CDC) to fund a mother and child HIV transmission prevention initiative. Funds have not been requested for some international programs funded in FY2002, although \$200 million is being sought 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 House and Senate would provide additional resources for the Global Fund, but less than requested for the bilateral programs of the CDC and USAID, taking into account the September 3 budget amendment proposal. 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. 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. In the FY2003 Request column, the amounts for Child Survival/Development Assistance and for the CDC Global Aids Program include funds requested in a budget amendment submitted by President Bush on September 3, 2002. The amendment would add \$100 million to each program to fund the President's Mother and Child Transmission Initiative.

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 part of the Development Assistance program and funded by Title II of the Foreign Operations Appropriations legislation. 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, 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 third 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,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 totals of lines 1, 2, and 3 are used to determine the overall amounts being provided for international HIV/AIDS activities through the Foreign Operations Appropriations. In FY2002, this amount is \$435 million,² while the Administration's FY2003 request totals \$740 million – including the \$100 million for USAID proposed in the September 3 budget amendment. International HIV/AIDS spending under the FY2003 Foreign Operations Appropriations bill reported in the House (H.R. 5410) would total \$786.5 million, while \$750 million would be provided under the bill reported in the Senate (S. 2779).

In addition, as indicated in line 4 of Table 1, the Administration is requesting \$2 million in Foreign Military Financing (FMF), also part of the Foreign Operations Appropriations, 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 reports accompanying the FY2003 House and Senate Foreign Operations Appropriations, nor in the bills themselves. However, observers feel that overall FMF funding in these bills is sufficient to allow the program to go forward.

In FY2002, \$15 million of Child Survival funding 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). The foreign operations bill reported in the House would again provide up to \$10 million as a contribution to IAVI, while the Senate version would provide up to \$12 million. 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

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.

² H.R. 2506/P.L. 107-155, Title II.

for HIV/AIDS, although this amount was not specified in legislation. Foreign Operations Appropriations bills reported in the House and Senate also do not specify an amount for UNAIDS, although Senate report language (S.Rept. 107-219) expresses support for the organization, and House report language (H.Rept. 107-663) urges increased UNAIDS funding. The House bill also states that up to \$100 million in Child Survival AIDS funds may be used to support international mother and child HIV prevention activities.

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 for bilateral programs	395.0	600.0	496.5 ^a	500.0 ^g
2. Child Survival/Development Assistance for the Global Fund	40.0	100.0	250.0 ^a	200.0 ^g
3. Other economic assistance	40.0	40.0	40 ^b	50.0 ^g
4. Foreign Military Financing	0	2.0	2 ^{c,a}	2 ^{c,g}
5. CDC Global AIDS Program	143.8	243.8	143.8 ^d	168.8 ^h
6. CDC International Applied Prevention Research	11.0	11.0	11 ^{c,d}	11.0 ^{c,h}
7. NIH International Research	188.0	222.0	222.0 ^d	222.0 ^h
8. DOD HIV/AIDS prevention education with African armed forces	14.0	0	10.0 ^e	0
9. DOL AIDS in the Workplace Initiative	8.5	0	—	10.0 ⁱ
10. Section 416(b) Food Aid	25.0	0	25.0 ^f	25.0 ^j
11. Remaining Global Fund contribution (see Table 2)	160.0	100.0	100.0 ^d	100.0 ^h
Total	1025.3	1318.8	1300.3	1288.8

^a H.R. 5410, Foreign Operations Appropriations, reported to the House (H.Rept. 107-663) September 19, 2002.

^b H.Rept. 107-663.

^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. 5320, Labor, Health and Human Services, and Education Appropriations, referred to the House Committee on Appropriations, September 4, 2002.

^e 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.

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

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

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

ⁱ S.Rept. 107-216.

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

Lines 5, 6, and 7 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 had been requested for FY2003, but the request has now been boosted by \$100 million by the Administration's September 3 budget amendment. The Senate Appropriations legislation for HHS (S. 2766), as reported on July 22, 2002, would provide \$168.8 million, while the House bill (H.R. 5329), referred to committee on September 4, would provide the \$143.8 million originally requested. 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 7, 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 would increase under the FY2003 request.

Line 8 in Table 1 refers to the Defense Department's AIDS prevention education program with African militaries. New funding for the education program itself has not been requested for FY2003,³ 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 9) 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 (S.Rept. 107-216), 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.⁴ As line 9 of Table 1 indicates, Section 416(b) food aid was not requested for FY2003,⁵ but Department of Agriculture Appropriations bills reported in both the House and Senate would restore this funding.

³ 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.

⁴ This food aid was earmarked by Congress in the FY2002 Department of Agriculture Appropriations (P.L. 107-76).

⁵ *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 Approps., FY2001	100	–	–	–	–
2. Child Survival/Development Assistance for HIV/AIDS	–	40	100	250	200
3. Other infectious diseases	–	10	–	–	–
4. NIAID (NIH)	–	25	100	100	100
5. NIH buildings and facilities	–	75	–	–	–
6. Remaining amount from USAID	–	25	–	–	–
7. Remaining amount from HHS	–	25	–	–	–
Total	100	200	200	350	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. For FY2003, line 2 shows that the Administration has requested \$100 million, whereas House and Senate bills would provide considerably more. The \$200 million in the Senate bill would be available notwithstanding any other provision of law, while the House bill specifies that the cumulative amount of U.S. contributions to the Fund not exceed amounts provided and made available for the use of the Fund by other donors.

Line 3 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 made available within the NIAID account,⁶ and this amount is provided in the House and Senate versions of the appropriations for the Departments of Labor, HHS, and Education.

Lines 6 and 7 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. (On September 3, 2002, as noted above, the President proposed that \$200 million be added to the FY2003 budget to fund his mother and child HIV transmission prevention initiative.) 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 made available (not just pledged) by other donors (H.Rept. 107-593).

An authorization bill, H.R. 2069, which has cleared both the House and the Senate in substantially different versions, would sharply increase international HIV/AIDS funding if authorized 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, 2001, 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*.

⁶ *Budget of the United States Government, Fiscal Year 2003. Appendix, 976.*