

# CRS Report for Congress

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## HIV/AIDS International Programs: Appropriations, FY2003-FY2006

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### Summary

House-passed appropriations for Foreign Operations (H.R. 3057), Labor/Health and Human Services (Labor/HHS, H.R. 3010), and Agriculture (H.R. 2744) would provide a total of just over \$3.2 billion for international HIV/AIDS, tuberculosis, and malaria programs, compared with an Administration request of just under \$3.2 billion. The Senate-passed version of H.R. 3057 and the reported version of the Labor/HHS appropriations (S.Rept. 109-103) would provide more than \$3.4 billion. House-passed legislation would contribute \$400 million to the Global Fund to Fight AIDS, Tuberculosis, and Malaria, while Senate bills would provide \$500 million. The Administration's request represented a 9% increase over the estimated amount being provided in FY2005. For additional information, see CRS Issue Brief IB10050, *AIDS in Africa*; 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, tuberculosis, and malaria programs is included in appropriations for Foreign Operations and for the Departments of Health and Human Services, Labor, and Education (Labor/HHS). **Table 1** summarizes appropriations for such programs through these and other appropriations bills.<sup>1</sup> Amounts reported in **Table 1** for FY2003, FY2004, and the FY2005 conference version of the Consolidated Appropriations have been adjusted for the rescissions imposed at the end of each measure on specified budget authorities.

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<sup>1</sup> For earlier years, see CRS Report RS21114, *HIV/AIDS: Appropriations for Worldwide Programs in FY2001 and FY2002*; and Kaiser Family Foundation, *Policy Brief: U.S. Government Funding for Global HIV/AIDS Through FY2005*, prepared by Jennifer Kates and Todd Summers [<http://www.kff.org/hiv/aids/7110.cfm>].

**Table 1. Funding for U.S. International HIV/AIDS, Tuberculosis, and Malaria Programs**

(\$ millions)

Program	FY2003 Actual	FY2004 Actual	FY2005 Estimate	FY2006		
				Request	House	Senate
1. Child Survival Assistance for HIV/AIDS (not including Global Fund)	587.6	513.4	347.2	330.0	350.0	350.0
2. Child Survival Assistance for Tuberculosis and Malaria	129.0	155.0	168.6	109.0	170.0	205.0
3. Child Survival Assistance for Global Fund	248.4	397.6	248.0	100.0	200.0	250.0
4. FY2004 Global Fund Carryover		-87.8 <sup>a</sup>	87.8	—	—	
5. Other bilateral assistance	60.6	51.7	51.1	53.0	55.0	44.0
6. State Department Global HIV/AIDS Initiative (GHAI)		488.1	1,373.9	1,870.0	1,720.0	1,870.0
7. GHAI for the Global Fund				100.0	200.0	150.0
8. Foreign Military Financing	2.0	1.5	2.0	2.0	<sup>c</sup>	2
<b>9. Subtotal, Foreign Operations Appropriations</b>	<b>1,027.6</b>	<b>1,519.5</b>	<b>2,278.6</b>	<b>2,564.0</b>	<b>2,695.0</b>	<b>2,871.0</b>
10. CDC Global AIDS Program	182.6	273.9	123.8 <sup>b</sup>	123.9	123.9	123.9
11. CDC Overseas Applied Prevention Research	11.0	11.0	11.0	11.0	11.0	11.0
12. CDC international TB and malaria	15.8	17.9	15.9	11.0	11.0	11.0
13. NIH International Research	278.6	317.2	332.3	350.0	350.0	350.0
14. Global Fund contribution NIH	99.3	149.1	99.2	100.0	0	100.0
15. DOL AIDS in the Workplace Initiative	9.9	9.9	2.0			
<b>16. Subtotal, Labor/HHS Appropriations</b>	<b>597.2</b>	<b>779.0</b>	<b>584.2</b>	<b>595.9</b>	<b>495.9</b>	<b>595.9</b>
17. DOD HIV/AIDS prevention education, primarily in Africa	7.0	4.2	7.5			
18. Section 416(b) Food Aid	24.8	24.8	24.8		25.0	
<b>19. TOTAL</b>	<b>1,656.6</b>	<b>2,327.5</b>	<b>2,895.1</b>	<b>3,159.9</b>	<b>3,215.9</b>	<b>3,466.9</b>

**Sources:** FY2006 House appropriations amounts are drawn from House-passed H.R. 3057 (Foreign Ops.), H.R. 3010 (Labor/HHS), and H.R. 2744 (Agriculture). Senate amounts are from the Senate-passed version of H.R. 3057 and S.Rept. 109-103 (Labor/HHS).

a. See text.

b. According to CDC, this apparent decrease compared to the previous year reflects a change in budget structure that removed overhead and indirect costs from the program. Moreover, mother and child prevention funds were shifted to the Global HIV/AIDS Initiative. The change in budget structure also affects the FY2006 request. See text.

c. Not earmarked, although funds could be provided at the Administration's discretion.

**HIV/AIDS in the Foreign Operations Appropriations.** Line 1 in Table 1 refers to HIV/AIDS funding through the Child Survival and Health 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). Line 2 refers to Child Survival appropriations for international tuberculosis and malaria programs, which are part of the appropriation for "other infectious diseases" in the appropriations legislation. Under the

Administration's FY2006 request, \$170 million that would formerly have been requested under Child Survival for programs in the 15 focus countries of the President's Emergency Plan for AIDS Relief (PEPFAR, see below) has been shifted to the State Department's Global HIV/AIDS Initiative (GHAI). Thus, all U.S. AIDS funding in the focus countries is under the direction of the Department of State, under the request, except for a small amount still coming through HHS programs. Congressional appropriators first made this shift in dealing with the FY2005 appropriations in order "to simplify budget processes and improve transparency." (H.Rept. 108-599; see also the conference report, H.Rept. 108-792.)

Line 3 encompasses U.S. contributions to the Global Fund to Fight AIDS, Tuberculosis, and Malaria through the Child Survival Account. In FY2004, as shown in line 4, \$87.8 million of the amount appropriated for the Global Fund was not provided due to legislative provisions limiting the U.S. contribution to 33% of the amount contributed by all donors.<sup>2</sup> The FY2005 Consolidated Appropriations legislation directs that these withheld funds be provided to the Global Fund in FY2005, subject, like the remainder of the U.S. contribution, to the 33% proviso.

The fifth line in **Table 1** indicates that, apart from Child Survival Assistance funding, other bilateral assistance is used to combat AIDS, tuberculosis, and malaria. This assistance 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).

The State Department's Global HIV/AIDS Initiative (GHAI), referred to in line 6 of **Table 1**, is the major component of the President's Emergency Plan for AIDS Relief (PEPFAR), announced by President Bush in his State of the Union address on January 28, 2003. This five-year plan totals \$15 billion and is to include \$10 billion in new funds — that is, funds that would not have been spent if spending had continued at the FY2002 level. The State Department's GHAI is primarily focused on 12 African countries as well as Haiti, Guyana, and Vietnam. The United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 (H.R. 1298/P.L. 108-25) established the office of Coordinator for the Initiative and made the Coordinator responsible for administering all international AIDS funds. For the first time in FY2006, under the Administration's request, a portion of the U.S. contribution to the Global Fund is to come from GHAI, as shown in line 7.

Line 8 of **Table 1** refers to Foreign Military Financing (FMF) for equipment purchases to support a Military Health Affairs program under the Department of Defense (DOD), offering HIV/AIDS prevention education, primarily to African armed forces. The program itself is referred to in line 17. Line 9 provides a subtotal for HIV/AIDS, tuberculosis, and malaria programs funded through the Foreign Operations Appropriations.

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<sup>2</sup> These provisions are found in Sec. 202 of P.L. 108-25, the United States Leadership against HIV/AIDS, Tuberculosis, and Malaria Act of 2003, as amended by P.L. 108-199, the FY2004 Consolidated Appropriations.

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

The FY2005 Consolidated Appropriations bill sets aside \$30 million in Child Survival AIDS funding for the development of microbicides, up from \$22 million in FY2004. The measure also provides \$27 million from AIDS-designated Child Survival funds for the International AIDS Vaccine Initiative (IAVI), compared with \$26 million in FY2004. The bill specifies that \$27 million should be contributed to the United Nations Joint Program on HIV/AIDS (UNAIDS) from the GHAI, while the amount specified for FY2004 was again \$26 million.

**Labor/HHS Appropriations.** Lines 10 through 16 in **Table 1** refer to international AIDS programs funded through the Labor/HHS Appropriations. The Centers for Disease Control and Prevention (CDC) at HHS administers the Global AIDS Program (GAP), which promotes prevention, care, and capacity building in AIDS-stricken countries. Funding for GAP dropped for FY2005, as compared to FY2004, in part because CDC adopted a new budget structure that removed overhead and indirect costs from the request, which now solely reflects spending on the program itself. Moreover, funding for mother to child transmission prevention programs has been shifted to the Global HIV/AIDS Initiative at the Department of State (see below).

In addition to GAP, the CDC conducts AIDS prevention research overseas, referred to in line 11, which is counted as part of the U.S. response to the international pandemic. Line 12 refers to CDC research on international tuberculosis and malaria. According to CDC, the apparent decrease in this program under the FY2006 request reflects the change in the HHS budget structure noted above. Meanwhile, as indicated in line 13, the National Institutes of Health (NIH) also conducts research with an international dimension, focusing primarily on the development of a vaccine for international markets. Appropriations for the CDC and NIH research programs are not specifically earmarked in legislation. Line 14 refers to contributions to the Global Fund channeled through the National Institutes of Health (see **Table 2**). As in previous years, the Administration has not requested funding for the Global AIDS in the Workplace Initiative of the Department of Labor (line 15). Line 16 provides a subtotal for international HIV/AIDS funding through the Labor/HHS Appropriations.

**Other Appropriations.** Line 17 in **Table 1** refers to the Defense Department's AIDS prevention education program, primarily with African militaries. New funding for the education program itself has not been requested in the Department of Defense Appropriations for FY2006, as in previous years. As noted above, Foreign Military Financing funds have been requested for purchases of equipment used in the program.

Since FY2002, Congress has 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 (line 18). In subsequent years, this assistance was not requested by the Administration, but Congress continued to make provision for it.

**Mother and Child Transmission Initiative.** The President's International Mother and Child HIV Prevention Initiative was announced on June 19, 2002. This initiative, under Administration plans, was to total \$500 million, with \$200 million requested in FY2003 and \$300 million requested in FY2004, to be provided in equal amounts from the Foreign Operations Appropriations and the Labor/HHS appropriations for CDC international AIDS programs. The FY2003 Omnibus Appropriations provided

the \$100 million requested through Foreign Operations in FY2003, but \$40 million, rather than \$100 million, was provided through the CDC (H.Rept. 108-10). The Consolidated Appropriations for FY2004 fully funded the request. It provided up to \$150 million under Foreign Operations and \$150 million through the CDC. Under the FY2005 request, funding for mother and child transmission programs begun under the initiative were moved to the GHAI program at the Department of State.

**Total Funding.** Press and other accounts typically reported that the FY2004 Consolidated Appropriations included \$2.4 billion for international HIV/AIDS programs, rather than the \$2.3 billion reported in Table 1. However, the \$2.4 billion figure was the pre-rescission amount for fighting HIV/AIDS, tuberculosis, and malaria. Moreover, as noted above, \$87.8 million appropriated for the Global Fund was not provided. Finally, some amounts, such as NIH international research, were adjusted downward as final spending information for the year became available. The amount to be provided under the FY2005 Consolidated Appropriations is typically reported as \$2.9 billion, an amount that includes the \$87.8 million carried over from FY2004. According to the conference report on the FY2005 Consolidated Appropriations (H.Rept. 108-792), the amount to be provided for fighting AIDS alone, rather than the three diseases, is \$1.96 billion in the Foreign Operations portion of the bill. This reflects an assumption that the Global Fund is providing about 56% of its funds to fight HIV/AIDS. Using the same assumption, the AIDS-only amount in the rest of the appropriations legislation is approximately \$580 million, making the AIDS-only total \$2.5 billion. Additional U.S. funds go toward fighting the AIDS pandemic through contributions to the World Bank Group, which has its own HIV/AIDS programs.

**Global Fund.** Table 2 summarizes funding for contributions to the Global Fund to Fight AIDS, Tuberculosis, and Malaria. Appropriations total about \$1.1 billion through FY2004, taking into account the \$87.8 million not provided in that year. The amount available for the Fund through FY2005 totals \$1.5 billion, including funds in the FY2005 Consolidated Appropriations. For further information, see CRS Report RL31712, *The Global Fund to Fight AIDS, Tuberculosis, and Malaria: Background and Current Issues*.

**Table 2. Funding for U.S. Contributions to the Global Fund**  
(\$ millions)

	FY2001 Actual	FY2002 Actual	FY2003 Actual	FY2004 Estimate	FY2005 Approp.	FY2006		
						Request	House	Senate
1. Foreign Operations	100	50.0	248.4	397.6	248.0	200.0	400.0	400.0
2. Labor/HHS		125.0	99.3	149.1	99.2	100.0	0	100.0
3. FY2004 Carryover				-87.8	87.8			
<b>TOTAL</b>	<b>100</b>	<b>175</b>	<b>347.7</b>	<b>458.9</b>	<b>435.0</b>	<b>300.0</b>	<b>400.0</b>	<b>500.0</b>

## Other Legislation

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 legislation 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. In an April 29, 2003 Rose Garden address praising the bill, President Bush reiterated that the Emergency Plan for AIDS Relief would begin with \$2 billion in FY2004 spending, and efforts to increase appropriations for FY2004 international HIV/AIDS, tuberculosis, and malaria appropriations to \$3 billion did not succeed. As a result, many AIDS activists and others argued that what they saw as a pledge made in P.L. 108-25 was not being fulfilled. Others maintained that additional resources could not be provided in view of competing priorities or argued that added funds could not be spent effectively until absorptive capacity in the recipient countries is expanded. In a press conference on July 30, 2003, President Bush reiterated that the Administration remained committed to providing \$15 billion over five years but stated that the program needed to “ramp up.” Officials see the FY2006 request of \$3.16 billion as keeping the United States on track to meet the \$15 billion commitment.

On March 17, 2005, in acting on its version of the FY2006 budget resolution (S.Con.Res. 18), the Senate accepted an amendment by Senator Santorum and Senator Durbin stating that the United States will need to contribute \$500 million to the Global Fund beyond the President’s \$300 million request for a total of \$800 million. Under the one-third rule governing U.S. contributions to the Global Fund, this amount could be expected to leverage \$1.6 billion in contributions from other donors. This is the amount others would have to contribute before the full \$800 million could be paid in, and would give the Global Fund a total budget of \$2.4 billion. The Global Fund was saying at the time that it needed \$2.4 billion in 2006 to cover its existing grants, although it was also seeking \$1.1 billion to pay for new grants. S.Con.Res. 18, as amended, passed the Senate on March 17. The conference version of the budget resolution (H.Con.Res. 95), agreed to by the House and Senate on April 28, does not include the Santorum/Durbin language. Instead, the conference report (H.Rept. 109-62) simply encourages the Appropriations Committees to donate the maximum allowed: one-third of total contributions. As of July 2005, the Global Fund was estimating that it would need \$1.8 billion to fund existing grants in 2006, and under the one-third rule, this would mean a \$600 million contribution from the United States. The Fund was still seeking \$1.1 billion for new grants in 2006. A one-third share of the \$2.9 billion total for new and existing grants would be \$967 million.