

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 programs totaled about \$1.9 billion. Appropriations bills that have passed the House would together provide approximately this amount, while Senate legislation would appropriate just over \$2 billion. Most international HIV/AIDS funding is included in the Foreign Operations Appropriations (H.R. 2800/S. 1426) and the appropriations for the Departments of Labor, Health and Human Services, and Education (H.R. 2660). 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. The Administration has requested \$200 million for the Global Fund, while House appropriations bills would provide \$500 million and Senate bills \$400 million. 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 for the Departments of Health and Human Services, Labor, and Education (Labor/HHS). 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 Actual.^a	FY2004 Request	FY2004 House	FY2004 Senate
1. Child Survival Assistance for bilateral programs	395.0	600.0	587.6	650.0	840.8 ^c	605.0 ^f
2. Foreign Operations Appropriation for the Global Fund	50.0	100.0	248.4	100.0	400.0 ^c	250.0 ^f
3. Other economic assistance	40.0	40.0	38.5	40.0	30.0 ^c	50.0 ^f
4. State Department Global AIDS Initiative (not including any earmarked Global Fund contributions)				450.0	See text	450.0 ^g
5. Foreign Military Financing	0	2.0	2.0	1.5	?	2 ^f
6. Subtotal, Foreign Operations Appropriations	485.0	742.0	876.5	1241.5	1270.8	1357.0
7. CDC Global AIDS Program	143.8	243.8	182.6	293.8	242.6 ^d	232.6 ^h
8. CDC International Applied Prevention Research	11.0	11.0	11.0	11.0	11.0 ^{d,e}	11.0 ^{h,e}
9. NIH International Research	218.2	252.3	252.3	274.7	274.7 ^{d,e}	274.7 ^{h,e}
10. Global Fund contribution from NIH/HHS	125.0	100.0	99.3	100.0	100.0 ^d	150.0 ^h
11. DOL AIDS in the Workplace Initiative	8.5	0	9.9		0	10.0 ⁱ
12. Subtotal, Labor/HHS Appropriations	506.5	607.1	555.1	679.5	628.3	678.3
13. DOD HIV/AIDS prevention education with African armed forces	14.0	0	7.0 ^b		0	0
14. Section 416(b) Food Aid	25.0	0	24.8		0	25.0 ^j
15. TOTAL	1030.5	1349.1	1463.4	1921.0	1899.1	2060.3

- a. With the exception of line 12, the programs in this column were funded by the FY2003 Omnibus Appropriations Legislation (H.J.Res. 2/H.Rept. 108-10).
- b. P.L. 107-248, Department of Defense Appropriations for FY2003.
- c. H.R. 2800, Foreign Operations Appropriations, FY2004, passed the House July 24, 2003.
- d. H.R. 2660, Departments of Labor, Health and Human Services, and Education Appropriations, FY2004, version that passed the House, July 10, 2003.
- e. This amount is not specified in the legislation, but overall funding appears adequate to allow the request to be met.
- f. S. 1426, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2004, reported in the Senate, July 17, 2004; and the accompanying report, S.Rept. 108-106. The bill itself specifies \$500 million in Child Survival aid for HIV/AIDS, but the accompanying report counts \$105 million in AIDS-related malaria and tuberculosis funding toward the \$605 million total.
- g. Includes \$150 million earmarked for International Mother and Child HIV Prevention Initiative. \$250 million earmarked for the Global Fund is shown separately.
- h. H.R. 2660, Departments of Labor, Health and Human Services, and Education Appropriations Act, 2004, version that passed the Senate, September 11, 2003.
- i. S.Rept. 108-81, Report to Accompany S. 1356.
- j. S. 1427, Agriculture Appropriations, reported in the Senate, July 17, 2003.

Table 1 summarizes requests and appropriations for international HIV/AIDS activities in FY2003 and FY2004 and compares them with spending in FY2002. Where possible, amounts reported for FY2003 have been adjusted for the .65% rescission imposed by Title VI of Division N of the appropriations resolution report (H.Rept. 108-10). However, it is not yet clear how or whether the rescission will affect the numbers recorded in italics, since these were not specified in the appropriations legislation but are part of larger programs. The figures in Table 1 include U.S. contributions to the Global Fund to Fight AIDS, Tuberculosis, and Malaria (Global Fund). The Fund reports that approximately 65% of the funds disbursed will go to projects in HIV/AIDS.

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 (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). The Foreign Operations bill reported in the Senate (S. 1426) specifies that \$500 million in Child Survival funds should be devoted to HIV/AIDS, but the accompanying report (S.Rept. 108-106) counts an additional \$105 million toward HIV/AIDS from malaria and tuberculosis programs related to combating HIV/AIDS. Line 2 refers to U.S. contributions to the Global Fund to Fight AIDS, Tuberculosis, and Malaria through the Foreign Operations Appropriations. These amounts have come from the Child Survival account, but S. 1426 would provide the funds under a new heading, "Global AIDS Initiative." (See below.) The third line in Table 1 indicates that, apart from Child Survival Assistance funding, other economic assistance is used to combat the AIDS epidemic. This 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 will be a Department of State program, primarily focused, according to current plans, on 12 African countries as well as Haiti and Guyana.² Appropriations for the Initiative are slated to increase sharply in future years under the Administration plan. The major AIDS authorization signed into law in May 2003 (H.R. 1298/P.L. 108-25) established a Coordinator for the Initiative and made the Coordinator responsible for administering all international AIDS funds, which are to be deposited in a separate account at the Treasury. The Senate-reported version of the Foreign Operations Appropriations bill (S. 1426) includes a specific Global AIDS Initiative heading providing \$700 million and consisting of the amount shown on Line 4 of Table 1 and the \$250 million earmarked for the Global Fund. H.R. 2800 does not include a specific Global AIDS Initiative heading but provides not more than \$50 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 Some favor including additional countries. See CRS Report RL32001, *AIDS in the Caribbean and Central America*. H.R. 2800 states that assistance should be provided for not fewer than 15 countries, at least one of which should not be in Africa or the Caribbean.

for grants and contracts to be made by the coordinator. The bill would seem to leave open the possibility that all international AIDS funds would be deposited in a central account to be transferred and allocated to other executive branch agencies by the Coordinator, as provided in P.L. 108-25.

Line 5 of Table 1 refers to Foreign Military Financing (FMF) to support a Military Health Affairs program to complement the Department of Defense (DOD) program offering HIV/AIDS prevention education to African armed forces. This amount would be made available in FY2004 through language in the report accompanying S. 1426 (S.Rept. 108-106). However, the program is not mentioned in the House-reported Foreign Operations Appropriations, nor in the accompanying report. It is possible that the program could go forward with funds from the general FMF appropriation, although this appropriation is less than the Administration requested under the House bill. Line 6 is a subtotal permitting a comparison of funding levels in the Foreign Operations Appropriations, although again it should be noted that part of the appropriation for the Global Fund is used to fight tuberculosis and malaria rather than HIV/AIDS. On the other hand, additional U.S. funds go toward fighting the AIDS epidemic through U.S. contributions to the World Bank Group, which has its own HIV/AIDS programs.

In FY2003, \$18 million of Child Survival funding for HIV/AIDS was earmarked for microbicide research, and S. 1426 would set aside \$22 million in FY2004. The FY2003 Omnibus would provide up to \$10.5 million for the International AIDS Vaccine Initiative (IAVI). S. 1426 would boost this amount to \$18 million, while the House bill would provide \$15 million. The U.S. contribution to the United Nations Joint Program on HIV/AIDS (UNAIDS), which was \$18 million in FY2002, has also been taken from the Child Survival HIV/AIDS appropriation, although the amount has not been specified in legislation. The House-reported version of the FY2003 Foreign Operations Appropriations (H.Rept. 107-663) urged a higher funding level for the organization, and the report accompanying S. 1426 expresses support for UNAIDS.

Labor/HHS Appropriations. Lines 7 through 11 in Table 1 refer to international AIDS programs funded through the Labor/HHS Appropriations. The Centers for Disease Control and Prevention (CDC) at the Department of Health and Human Services receive appropriations for the Global AIDS Program (GAP), which promotes prevention, care, and capacity building in AIDS-stricken countries. In addition to GAP, CDC supports the Mother and Child HIV Prevention Initiative (see below), included with the GAP program in line 7, and international applied prevention research, referred to in line 8. Meanwhile, as indicated in line 9, the National Institutes of Health (NIH) also conducts research with an international dimension, focusing primarily on the development of a vaccine for international markets. Spending for this research, which like the CDC research is not earmarked, would increase under the FY2004 request. Line 10 refers to contributions to the Global Fund channeled through the National Institutes of Health (see **Table 2**.)

Congress made available \$10 million for the Global 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 that \$10 million (before accounting for the rescission) is included for the initiative in the appropriation for the International Labor Affairs Bureau. No funds have been requested for FY2004, but

the program would be funded under the Senate-reported version of the Labor/HHS Appropriations (S.Rept. 108-81, to accompany S. 1356). Line 12 provides a subtotal for international HIV/AIDS funding through the Labor/HHS Appropriations.

Other Appropriations. Line 13 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 FY2003 Department of Defense Appropriations bill (P.L. 107-248) provided \$7 million to remain available until the end of FY2004. New funding has not been requested for FY2004 and is not provided in the versions of the Defense Appropriations (H.R. 2658) that have passed the House and Senate.

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 14 of Table 1 indicates, Section 416(b) food aid was not requested for FY2003,³ but was restored by the Omnibus. Funding has not been requested for FY2004, but is included in the Senate-reported version of the Department of Agriculture Appropriations (S. 1427).

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, is 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 Omnibus Appropriations provided the \$100 million requested through Foreign Operations in FY2003, but \$40 million rather than \$100 million was provided through CDC (H.Rept. 108-10). The Senate-passed version of the FY2004 Labor/HHS Appropriations, provides up to \$90 million through CDC for the initiative in FY2004, as compared with the \$150 million requested; while the House-passed version would provide \$100 million. S. 1426 would fully fund the requested Foreign Operations component of the initiative at \$150 million. The House Foreign Operations Appropriations bill does not specify an amount, but report language expresses support for the program as part of a comprehensive approach to the epidemic.

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, \$623 million has been made available for such contributions. Of this amount, \$100 million was appropriated under the FY2001 Supplemental Appropriations Act (P.L. 107-20), \$175 million was made available in FY2002 funds from various sources, and another \$348 million (rescission-adjusted) was appropriated in the FY2003 Omnibus Appropriations. Line 1 refers to the amounts to be directed to the Global Fund through Child Survival assistance. For FY2003, line 1 shows that the Administration had requested \$100 million through this account, whereas the Omnibus eventually provided \$248 million. For FY2004, the Administration has again requested \$100 million through this legislation as part of a \$200 million request for the Global Fund, whereas bills before Congress provide higher amounts.

³ *Budget of the United States Government, Fiscal Year 2003. Appendix, 197.*

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

(\$ millions)

	FY2001 Actual	FY2002 Actual	FY2003 Request	FY2003 Actual	FY2004 Request	FY2004 House	FY2004 Senate
1. Foreign Operations	100	40	100	248.375	100	400	250
2. Child Survival Assistance for other infections diseases		10					
3. Labor/HHS through NIH		100	100	99.350	100	100	150
4. Remaining amount from USAID							
5. Remaining amount from HHS		25					
TOTAL	100	175	200	347.725	200	500	400

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, 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 (*Congressional Record*, p. H354). 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. Efforts to increase appropriations for FY2004 international HIV/AIDS spending significantly beyond the requested level have not succeeded to date. As a result, many AIDS activists and others have argued that what they see as a pledge made in H.R. 1298 is not being fulfilled. In their view, the Global Fund as well as international and U.S. government agencies could readily make use of additional AIDS resources in FY2004. Others maintain that additional resources cannot be provided in view of competing priorities or argue that added funds could not be spent effectively in FY2004 since the Global AIDS Initiative, the major vehicle for increased spending, is just getting underway. In a press conference on July 30, 2003, President Bush reiterated that the Administration remained committed to providing \$15 billion over 5 years but stated that the program needed to “ramp up” before it could absorb additional resources.