

# CRS Report for Congress

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## HIV/AIDS International Programs: Appropriations, FY2003-FY2005

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

### Summary

On December 8, 2004, President Bush signed into law (P.L. 108-447) the conference version of the FY2005 Consolidated Appropriations (H.Rept. 108-792/H.R. 4818). The bill provides \$2.9 billion for international AIDS, tuberculosis, and malaria programs — somewhat more than the Administration's request of \$2.8 billion. The Global Fund to Fight AIDS, Tuberculosis, and Malaria, would receive \$435 million under the omnibus measure (compared with an Administration request of \$200 million), after the .8% rescission imposed at the end of the bill is applied. This amount includes \$87.8 million that was appropriated for the Global Fund in FY2004 but not provided due to provisions limiting the U.S. contribution to 33% of all contributions. The legislation provides \$1.37 billion for the bilateral Global AIDS Initiative, headquartered at the Department of State, while the Administration had requested \$1.45 billion. 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>

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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/hivaids/7110.cfm>].

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

(\$ millions)

Program	FY2003 Actual	FY2004 Estimate	FY2005			
			Request	House <sup>e</sup>	Senate <sup>e</sup>	Final <sup>i</sup>
1. Child Survival Assistance for HIV/AIDS (not including Global Fund)	587.6	513.4	500.0	330.0	350.0	347.2
2. Child Survival Assistance for Tuberculosis and Malaria	129.0	155.0	105.0	155.0	175.0	168.6
3. Child Survival Assistance for the Global Fund	248.4	397.6	100.0	400.0	400.0	248.0
4. FY2004 Global Fund Carryover		-87.8 <sup>b</sup>				87.8
5. Other bilateral assistance	38.2 <sup>a</sup>	53.2 <sup>c</sup>	40.0	53.5 <sup>c</sup>	40.0	53.1 <sup>c</sup>
6. State Department Global AIDS Initiative (GAI)		488.1	1,450.0	1,260.0	1,450.0	1,373.9
7. Foreign Military Financing	2.0	1.5	2.0	<sup>f</sup>	2.0	2.0
<b>8. Subtotal, Foreign Operations Appropriations</b>	<b>1,005.2</b>	<b>1,521.0</b>	<b>2,197.0</b>	<b>2,198.5</b>	<b>2,417.0</b>	<b>2,280.6</b>
9. CDC Global AIDS Program	182.6	291.9	142.8 <sup>d</sup>	142.8	118.8	123.9
10. CDC International Applied Prevention Research	11.0	11.0	11.0 <sup>d</sup>	11.0 <sup>g</sup>	11.0 <sup>g</sup>	11.0 <sup>g</sup>
11. CDC international TB and malaria	15.8	17.9	15.9	15.9 <sup>g</sup>	15.9 <sup>g</sup>	15.9 <sup>g</sup>
12. NIH International Research	278.6	323.5	355.0	355.0 <sup>g</sup>	355.0 <sup>g</sup>	355.0 <sup>g</sup>
13. Global Fund contribution from NIH/HHS	99.3	149.1	100.0	100.0	149.1	99.2
14. DOL AIDS in the Workplace Initiative	9.9	9.9	0	0	10.0	2.0
<b>15. Subtotal, Labor/HHS Appropriations</b>	<b>597.2</b>	<b>803.3</b>	<b>624.7</b>	<b>624.7</b>	<b>659.8</b>	<b>607.0</b>
16. DOD HIV/AIDS prevention education, primarily in Africa	7.0	4.2	0	10.0	0	7.5 <sup>j</sup>
17. Section 416(b) Food Aid	24.8	24.8	0	0	25.0 <sup>h</sup>	24.8
<b>18. TOTAL</b>	<b>1,634.2</b>	<b>2,353.3</b>	<b>2,821.7</b>	<b>2,833.2</b>	<b>3,101.8</b>	<b>2,919.9</b>

a. This amount is for AIDS only.

b. See text.

c. Includes AIDS, TB, and malaria. Pre-rescission AIDS only amount is estimated at \$36 million.

d. According to CDC, this request number 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 GAI. See text.

e. Foreign Operations data are from the original version of H.R. 4818, the Foreign Operations bill, which passed the House, July 15, 2004; Senate version passed September 23. House Labor/HHS data are from H.R. 5006, which passed the House, September 9, 2004. Senate Labor/HHS data are from S. 2810, reported (S.Rept. 108-345) on September 15.

f. Not earmarked, although funds could have been provided at the Administration's discretion.

g. Not earmarked, but overall appropriations appear sufficient to meet request.

h. S. 2803, Department of Agriculture Appropriations, reported (S.Rept. 108-340) September 14, 2004.

i. Except for line 16, these figures are from H.R. 4818/P.L. 108-447, Consolidated Appropriations, FY2005, and the accompanying conference report (H.Rept. 108-792). The .8% rescission in this bill (as amended by H.Con.Res. 528) has been applied to program amounts specified in the legislation. The amounts in lines 10, 11, and 12 were not specified.

j. P.L. 108-287, Department of Defense Appropriations, not subject to the rescission.

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.

**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.

Line 3 encompasses U.S. contributions to the Global Fund to Fight AIDS, Tuberculosis, and Malaria through the Foreign Operations Appropriations. 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 bill (H.R. 4818) 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 Global AIDS Initiative (GAI), 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 message 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 GAI 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.

Line 7 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 16. Line 8 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 omnibus measure would provide \$27 million from AIDS-designated Child Survival funds for the International AIDS Vaccine Initiative (IAVI), compared with \$26 million in FY2004. The bill also specifies that \$27 million should be contributed to the United Nations Joint Program on HIV/AIDS (UNAIDS) from the Global AIDS Initiative, while the amount specified for FY2004 was again \$26 million.

**Labor/HHS Appropriations.** Lines 9 through 14 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 administers the Global AIDS Program (GAP), which promotes prevention, care, and capacity building in AIDS-stricken countries. The request for GAP dropped for FY2005, as compared to the FY2004 appropriation, in part because funding for mother to child transmission prevention programs has been shifted to the Global AIDS Initiative at the Department of State (see below). Moreover, CDC adopted a new budget structure that removed overhead and indirect costs from the request, which now solely reflects spending on the program itself.

In addition to GAP, the CDC conducts international applied prevention research, referred to in line 10, and supports efforts to counter malaria and tuberculosis internationally. Meanwhile, as indicated in line 11, 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 13 refers to contributions to the Global Fund channeled through the National Institutes of Health (see **Table 2**). The Administration did not request funding for the Global AIDS in the Workplace Initiative of the Department of Labor (line 14) in FY2004 or FY2005, but some funding is provided in Consolidated Appropriations legislation. Funds have not been requested for FY2005. Line 15 provides a subtotal for international HIV/AIDS funding through the Labor/HHS Appropriations.

**Other Appropriations.** Line 16 in **Table 1** refers to the Defense Department's AIDS prevention education program, primarily with African militaries. As in previous years, new funding for the education program itself was not requested in the Department of Defense Appropriations for FY2005, but was provided through appropriations. As noted above, this program is using Foreign Military Financing funds for equipment purchases.

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 17). In subsequent years, this assistance was not requested by the Administration, but Congress has continued to make provision for it. The Administration did not include aid under this provision in a table included in the State Department's February 23, 2004, report on the

President's Emergency Plan for AIDS relief.<sup>4</sup> Hence, the FY2003 and FY2004 totals in that table are approximately \$25 million less than those in **Table 1**.

**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 by providing up to \$150 million under Foreign Operations and \$150 million through the Centers for Disease Control and Prevention. Under the FY2005 request, mother and child transmission programs begun under the initiative will continue, but responsibility for these programs is being moved to the Global AIDS Initiative office at the Department of State. The Consolidated Appropriations legislation currently before Congress does not specify particular amounts for these programs.

**Total Funding.** Press and other accounts typically report that the FY2004 Consolidated Appropriations included \$2.4 billion for international HIV/AIDS programs. However, this figure is actually 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. The amount to be appropriated under the FY2005 Consolidated Appropriations is reported as \$2.9 billion, including the \$87.8 million carried over from FY2004. According to the 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 amount 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 is \$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 approximately \$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 would total \$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*.

## 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

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<sup>4</sup> U.S. Department of State, *The President's Emergency Plan for AIDS Relief: U.S. Five-Year Global HIV/AIDS Strategy*, February 23, 2004.

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 have argued that what they see as a pledge made in H.R. 1298 is not being fulfilled. Others maintain that additional resources cannot be provided in view of competing priorities or argue 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” first.

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

	FY2001 Actual	FY2002 Actual	FY2003 Actual	FY2004 Estimate	FY2005			
					Request	House	Senate	Final
1. Foreign Operations	100	50.0	248.4	397.6	100.0	400.0	400.0	248.0
2. Labor/HHS		125.0	99.3	149.1	100.0	100.0	149.1	99.2
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>200.0</b>	<b>500.0</b>	<b>549.1</b>	<b>435.0</b>

On March 12, 2004, the Senate, in acting on its version of the FY2005 budget resolution (S.Con.Res. 95), passed amendments to allow more spending in the International Affairs account than requested by the Administration. According to observers, an amendment by Senators Lugar, Feinstein, and Durbin allowed nearly \$500 million in additional spending beyond the President’s request of \$2.8 billion. An amendment by Senator DeWine, which was also accepted, permitted \$330 million in additional spending under the Child Survival account. On March 25, the House passed its own version of the budget resolution (H.Con.Res. 393), reducing overall spending for international affairs by \$4 billion from the requested amount. Analysts observed that this reduction might make it difficult for the Administration to meet its plans for international HIV/AIDS spending. A conference agreement on the resolution was not reached.

The FY2005 Foreign Affairs Authorization Act (S. 2144), reported in the Senate on March 8, 2004 (S.Rept. 108-248), would have added \$200 million to the President’s FY2005 international HIV/AIDS request, so that the total FY2005 authorization would have been \$3 billion.