

# CRS Report for Congress

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

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### Summary

FY2006 Appropriations for Foreign Operations (P.L. 109-102), Labor/HHS/Education (H.Rept. 109-300), Defense, and Agriculture (P.L. 109-97) provide more than \$3.4 billion for international HIV/AIDS, tuberculosis (TB), and malaria initiatives. The largest portion of the funds is provided through P.L. 109-102, which directs more than \$2.8 billion to fighting the three diseases. The \$550 million directed to the Global Fund through FY2006 appropriations reflects the largest U.S. contribution to date, with \$450 million in Foreign Operations Appropriations and an additional \$100 million in Labor/HHS/Education Appropriations. Final conference funding levels for AIDS, TB, and malaria were \$286 million more than the Administration requested, \$230 million more than the House requested, and nearly \$121 million less than the Senate proposed.

### U.S. International HIV/AIDS Programs

Most funding for international HIV/AIDS, TB, 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 funding for such programs through these and other appropriations.<sup>1</sup> Amounts reported in **Table 1** for FY2004 and FY2005 have been adjusted for the rescissions imposed in both years that reduced final funding levels. Amounts for FY2006 do not include rescissions.

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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   | FY2004<br>Actual   | FY2005<br>Estimate | FY2006         |                |                |                    |
|---|--------------------|--------------------|----------------|----------------|----------------|--------------------|
|   |                    |                    | Request        | House          | Senate         | Enacted            |
| 1. Child Survival Assistance for HIV/AIDS (not including Global Fund) | 513.4              | 347.2              | 330.0          | 350.0          | 350.0          | 350.0              |
| 2. Child Survival Assistance for Tuberculosis and Malaria             | 155.0              | 168.6              | 109.0          | 170.0          | 205.0          | 180.0              |
| 3. Child Survival Assistance for Global Fund                          | 397.6              | 248.0              | 100.0          | 200.0          | 350.0          | 250.0              |
| 4. FY2004 Global Fund Carryover                                       | -87.8 <sup>a</sup> | 87.8               | —              | —              | —              | —                  |
| 5. Other bilateral assistance <sup>b</sup>                            | 51.7               | 51.1               | 53.0           | 55.0           | 44.0           | 43.0               |
| 6. State Department Global HIV/AIDS Initiative (GHAI)                 | 488.1              | 1,373.9            | 1,870.0        | 1,720.0        | 1,870.0        | 1,795.0            |
| 7. GHAI for the Global Fund   |                    |                    | 100.0          | 200.0          | 150.0          | 200.0              |
| 8. Foreign Military Financing   | 1.5                | 2.0                | 2.0            | —              | 2.0            | 2.0                |
| <b>9. Subtotal, Foreign Operations Appropriations</b>                 | <b>1,519.5</b>     | <b>2,278.6</b>     | <b>2,564.0</b> | <b>2,695.0</b> | <b>2,971.0</b> | <b>2,820.0</b>     |
| 10. CDC Global AIDS Program   | 273.9              | 123.8 <sup>c</sup> | 123.9          | 123.9          | 123.9          | 123.9              |
| 11. CDC Overseas Applied Prevention Research                          | 11.0               | 11.0               | 11.0           | 11.0           | 11.0           | 11.0 <sup>d</sup>  |
| 12. CDC international TB and malaria                                  | 17.9               | 15.9               | 11.0           | 11.0           | 11.0           | 11.0 <sup>e</sup>  |
| 13. NIH International Research  | 317.2              | 332.3              | 350.0          | 350.0          | 350.0          | 350.0 <sup>d</sup> |
| 14. Global Fund contribution NIH                                      | 149.1              | 99.2               | 100.0          | 0              | 100.0          | 100.0              |
| 15. DOL AIDS in the Workplace Initiative                              | 9.9                | 2.0                | —              | —              | —              | —                  |
| <b>16. Subtotal, Labor/HHS Appropriations</b>                         | <b>779.0</b>       | <b>584.2</b>       | <b>595.9</b>   | <b>495.9</b>   | <b>595.9</b>   | <b>595.9</b>       |
| 17. DOD HIV/AIDS prevention education, primarily in Africa            | 4.2                | 7.5                | —              | —              | —              | 5.3                |
| 18. Section 416(b) Food Aid   | 24.8               | 24.8               | —              | 25.0           | —              | 25.0               |
| <b>19. TOTAL</b>  | <b>2,327.5</b>     | <b>2,895.1</b>     | <b>3,159.9</b> | <b>3,215.9</b> | <b>3,566.9</b> | <b>3,446.2</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).

- See section on Global Fund.
- Includes funds for HIV/AIDS, TB, and malaria.
- According to CDC, this apparent decrease compared to the previous year reflected 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 section on Labor/HHS appropriations.
- Not earmarked, although funds could be provided at the Administration's discretion.
- Estimated amounts.

**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. 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 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 2 refers to Child Survival appropriations for international TB and malaria programs, which are funded in part through “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 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 directed 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 amount reported in the Senate bill for FY2006 included \$100 million transferred from the Economic Support Fund under Section 6118, added as a floor amendment during debate.

The fifth line in **Table 1** indicates that other bilateral assistance is used to combat AIDS, tuberculosis, and malaria. This assistance includes food aid,<sup>3</sup> Economic Support Fund aid (ESF), 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 on January 28, 2003. This five-year plan is expected to total \$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<sup>4</sup> as well as Haiti, Guyana, and Vietnam — though GHAI has provided small amounts of money for non-focus countries. The United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 (H.R. 1298/P.L. 108-25) established the office of the Global HIV/AIDS Coordinator and made the Coordinator responsible for administering all global HIV/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

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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*.

<sup>4</sup> Botswana, Cote d’Ivoire, Ethiopia, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, and Zambia.

program itself is referred to in line 17. Line 9 provides a subtotal for HIV/AIDS, TB, and malaria programs funded through the Foreign Operations Appropriations.

The FY2005 Consolidated Appropriations bill set aside \$30 million in Child Survival AIDS funding for the development of microbicides, up from \$22 million in FY2004. The measure also provided \$27 million from AIDS-designated Child Survival funds for the International AIDS Vaccine Initiative (IAVI), compared with \$26 million in FY2004. The bill specified 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. For FY2006, appropriators directed \$40 million to microbicides, \$27 million to IAVI through Child Survival AIDS funding, and \$30 million to UNAIDS through GHAI funds.

**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 was 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 part of the U.S. response to the global pandemic. Line 12 refers to CDC research on international TB 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 did not request 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. Funding for the program was not requested in the FY2006 Department of Defense Appropriations, as in previous years. However, Congress provided \$5.3 million for the program in FY2006.

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 provisions 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 provided under the FY2005 Consolidated Appropriations was typically reported as \$2.9 billion, an amount that included the \$87.8 million carried over from FY2004. According to the conference report on the FY2005 Consolidated Appropriations (H.Rept. 108-792), the amount provided for fighting AIDS alone, rather than the three diseases, was \$1.96 billion in the Foreign Operations portion of the bill. This reflected an assumption that the Global Fund was 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 was approximately \$580 million, making the AIDS-only total \$2.5 billion.

According to the conference report of the FY2006 Foreign Operations Appropriations (H.Rept. 109-265), Congress provided \$2.42 billion for HIV/AIDS, \$150.9 million for tuberculosis, and \$242.5 million for malaria. Of the total amount provided for the three diseases, \$450 million was set aside for the Global Fund. Combining funding from FY2006 Labor/HHS/Education Appropriations (\$595.9 million), from FY2006 Agriculture Appropriations (\$25 million), and from FY2006 Defense Appropriations (\$5.3 million) total funding for HIV/AIDS, TB, and malaria reached \$3.45 billion in FY2006. 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 Global Fund contributions, totalling more than contributions \$2 billion (\$2.066 billion) through FY2006. P.L. 109-102 requires that 20% of Global Fund contributions be withheld until the Secretary of State certifies to the Appropriations Committees that the Fund has undertaken a number of steps to strengthen oversight and spending practices.<sup>5</sup> The act allows the Secretary to waive the requirement if she determines that a waiver is important to the national interest of the United States. For further information, see CRS Report RL31712, *The Global Fund to Fight AIDS, Tuberculosis, and Malaria: Background and Current Issues*.

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<sup>5</sup> The required steps are to: (1) establish clear progress indicators upon which to determine the release of incremental disbursements; (2) release such incremental disbursements only if progress is being made based on those indicators; and (3) provide support and oversight to country-level entities, such as country coordinating mechanisms, principal recipients, and local Fund agents.

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

|                       | FY2001<br>Actual | FY2002<br>Actual | FY2003<br>Actual | FY2004<br>Estimate | FY2005<br>Approp. | FY2006       |              |              |              |
|-----------------------|------------------|------------------|------------------|--------------------|-------------------|--------------|--------------|--------------|--------------|
|                       |                  |                  |                  |                    |                   | Request      | House        | Senate       | Enacted      |
| 1. Foreign Operations | 100              | 50.0             | 248.4            | 397.6              | 248.0             | 200.0        | 400.0        | 500.0        | 450.0        |
| 2. Labor/HHS          |                  | 125.0            | 99.3             | 149.1              | 99.2              | 100.0        | 0            | 100.0        | 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>600.0</b> | <b>550.0</b> |

## Other Legislation

P.L. 108-25 authorizes \$3 billion per year from FY2004 through FY2008 (a total of \$15 billion) for international AIDS, TB, 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 Global Fund contribution for FY2004 and such sums as may be necessary for FY2005-2008. In a 2003 Rose Garden speech, President Bush stated that PEPFAR would begin with \$2 billion in FY2004, reiterating the Administration's commitment to providing \$15 billion over five years while stating that the program needed to "ramp up." Efforts to increase FY2004 funding for global HIV/AIDS, TB, and malaria 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. Officials see the FY2006 \$3.16 billion request in line with maintaining the \$15 billion commitment.

On March 17, 2005, 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, did not include the Santorum/Durbin language. Instead, the conference report (H.Rept. 109-62) simply encouraged the Appropriations Committees to donate the maximum allowed: one-third of total contributions. In November 2005, the Global Fund estimated that it needed \$1.8 billion to fund existing grants. Under the one-third rule, this would mean a \$600 million U.S. contribution. The Fund is still seeking \$1.1 billion for new grants in 2006.<sup>6</sup> A one-third share of the \$2.9 billion total for new and existing grants would be \$967 million.

<sup>6</sup> Global Fund, "Global Fund Closes Funding Gap." December 16, 2005.  
[[http://www.theglobalfund.org/en/media\\_center/press/pr\\_051216.asp](http://www.theglobalfund.org/en/media_center/press/pr_051216.asp)]