

Global AIDS: **State of the Union Backgrounder** *The Bush Administration and AIDS* *Funding*

A Health GAP (Global Access Project) Briefing Paper

January 29, 2003

“And to meet a sever and urgent crisis abroad, tonight I propose the Emergency Plan for AIDS Relief – a work of mercy beyond all current international efforts to help the people of Africa. This comprehensive plan will prevent seven million new AIDS infections...treat at least two million people with life-extending drugs...and provide humane care for millions of people suffering from AIDS, and for children orphaned by AIDS.”¹

George W. Bush, January 28, 2003

¹ “President Promotes New HIV Initiative” White House release, June 20, 2002.

I. The President's Emergency Plan for AIDS Relief

Two short months ago, activists were arrested at the White House gate to protest Presidential indifference and ask for \$2.5 billion to fight AIDS globally. Last night, during his State of the Union address, the President announced an "Emergency Plan for AIDS Relief." Activists commend the President for finally putting money behind his rhetoric, but withhold judgment until the numbers materialize into new and much needed funding for prevention and treatment. The President has an unfortunate record of delaying funding for AIDS initiatives, at a cost of thousands of lives a day.

Words of Caution:

- In a fact sheet released by the White House in conjunction with the State of the Union, the Administration claims it is calling for \$2 billion in total funding for global AIDS in FY 04, with \$1.3 billion having already been spent. At least \$400 million of that figure is strongly disputed by activists.
- The President did not mention the single most effective tool we have in this effort, the Global Fund to Fight AIDS, TB and Malaria, which the President co-founded, and which is facing insolvency in a few months. This neglect and continued starvation is absurd. Funding to fight AIDS should go where it is most needed and will be used most efficiently; USAID and the CDC do not have the capacity nor the desire to implement the programs called for by the President.
- The funding levels are fraudulent. By accumulating numbers over arbitrary lengths of time and backloading until the distant future, the Administration makes a little look like a lot. The President announced \$15 billion to fight AIDS. \$10 billion of that is new money, and will be spread over 5 years. This is desperately less than the U.S. fair share of \$3.5 billion, (25% of projected global need), and by the end of its five year term will only have begun to reach the need for FY 03/04.

Therefore, we urge:

- Maximum funding now. It is an epidemiological fact that early money will save more lives and reduce future costs.
- Support the most effective tool we have: The Global FUND to Fight AIDS, TB, and Malaria.
- Only contributions to the Global Fund leverage contributions from other donor nations.

II. Overview

U.S. Role: Since the very beginning of his administration, President George W. Bush has identified global AIDS as a critical issue. However, he has yet to commit the power and the prestige of the presidency to funding the limited programs he has supported. The Global Fund to Fight AIDS, TB and Malaria, launched by the President and Kofi Annan at the White House in 2001, has so far been given only token funding, and is in danger of insolvency at its meeting this week. The Mother-to-Child Transmission initiative President Bush announced last June in a successful move to dampen support for a more generous congressional proposal, has so far received no funding. It has been tied up by the President's veto of an emergency supplemental budget request for Fiscal Year 2002, and now the 2003 omnibus appropriations package. Although the initiative will be funded shortly, more than 250,000 children have been born infected with AIDS in Africa since the veto. And as part of the WTO negotiations in Doha, Qatar in 2001, the Administration agreed to support widened access of poor countries to imports of low-cost essential medicines to meet public health needs. The US has since scuttled an agreement to enforce that promise.

Health GAP, with 300 religious, antipoverty and human rights NGOs from across the country and from every continent, has called on the President to act. The activists sought at least \$2.5 billion in global AIDS spending

yearly by the U.S., funding and personnel as needed to implement a World Health Organization call to treat three million people by 2005, policy changes to make generic essential medicines more widely available in developing countries, and a comprehensive effort to halt transmission of HIV from mothers to children. Based on new estimates from the Global Fund, activists are seeking \$3.5 billion.

After reviewing the numbers of the President's announcement and thanking him for making progress, advocates will focus efforts on the U.S. Senate, where majority leader Bill Frist (R-TN) and Sen. John Kerry (D-MA) have supported legislation calling for a substantial increase in funding. In addition, activists hope the increase will be sizable enough to put pressure on other donors, particularly the countries of the European Union, to ratchet up their support.

Table 1: U.S. Spending on Global HIV/AIDS (excluding research)					
<i>(in USD millions)</i>	FY01	FY02	FY03	FY03	FY04
			<i>Pres request</i>	<i>Senate Jan 2003</i>	<i>Required</i>
Bilateral					
USAID	315	435	640	671.5	
CDC	104.5	143.8	243.8	168.8	
Other	45	47.5	2	42	
Subtotal Bilateral	465	626	886	882	800-1200
Global Fund					
USAID and HHS	100	200	200	300-400*	1700-1800
Total	565	826	1086	1182-1282	2500-3000

(Source: Congressional Research Center)

***House version includes \$300 million, and the Senate version includes \$400 million. Final version awaits conference.**

Status of the Pandemic: Forty million people worldwide are living with HIV. Ninety-six percent (96%) live in developing nations, with seventy-one percent (71%) in sub-Saharan Africa alone. More than a third (38%) are under the age of 25.² Only 250,000 of the six million clinically in need of treatment have access.³

In October, the U.S. National Intelligence Council reported that, without a significant new global response, a second wave of HIV infections will overtake China, Ethiopia, India, Nigeria and the former Soviet Union countries, leading to a global burden that could surpass 100 million cases by the end of the decade.⁴ President Bush and senior American officials say that fighting global AIDS is a priority of the highest order for the U.S., and that more resources will be made available to take successful programs to a global scale.

Status of Funding: Experts from UNAIDS and the WHO estimate that at least \$10.5 billion is needed yearly from donor countries to mount a credible response to AIDS worldwide.

The Bush Administration's proposals to date fall drastically short of what is needed to fight the spread of this disease. The new Global Fund to fight AIDS, Tuberculosis and Malaria, launched at the White House in 2001, called for \$7.9 billion yearly but has been starved of the resources it needs. The Fund's Secretariat reports

² UNAIDS, *AIDS Epidemic Update*; December 2001.

³ UNAIDS, *Report of the Global AIDS Epidemic 2002*; July 2002.

⁴ Global Fund News Release, "The Global Fund to Fight AIDS, TB and Malaria Says: Additional \$2 Billion Needed Next Year to Fund AIDS, TB and Malaria Programs"; October 11, 2002.

facing insolvency in the next few months.⁵

On November 20, 2002 Congress shelved the Kerry-Frist bill to fight international AIDS. The bill would have authorized \$4.6 billion over the next two years. Lost is a major opportunity to fully fund the Global Fund, and mount a coordinated global effort to stop the spread of AIDS and care for those affected.

III. Global Fund

On May 10, 2001, President Bush hosted UN Secretary General Kofi Annan and President Olusegun Obasanjo of Nigeria at the White House to announce the formation of the Global Fund to Fight AIDS, Tuberculosis and Malaria. According to the Secretary General and data submitted by World health experts, \$10.5 billion a year is needed to mount massive prevention programs, reduce mother to child transmission, and care for the 40 million people living with AIDS.

By including communities affected by AIDS, TB and Malaria at every level of the decision making process, as well as seating an equal number of donors and recipient countries at the table, the Global Fund represents a completely new model for international assistance. In a remarkably short time, the Global Fund has created an innovative, demand-driven model where country-level grant applications are created and submitted by consortia of public and private sector NGOs, government officials and organizations representing people with AIDS, TB and Malaria.

To date, \$2.1 billion has been pledged to the Global Fund over five years. Although the Administration likes to assert that the U.S. is the greatest single donor, with more than \$500 million committed to date, that is misleading in absolute terms and relative to wealth. The countries of the European Union, which together have an economy smaller than America's, have given close to twice as much, more than \$1.1 billion.

Because of a cash crunch due to donors failing to fulfill pledges made, current obligations for grants already awarded may go unpaid. And based on the growing capacity of countries to expand effective programs, the size, scope and complexity of applications to the Global Fund are projected to continue to increase dramatically. These urgent country-level initiatives will be stillborn without new and sustained funding.

"The current situation requires a substantial front-loaded capital investment to scale up existing efforts," said Prof. Richard Feachem, executive director of the Global Fund. "The programs are ready. Any delay now will be measured by millions of lives lost and billions of dollars of additional cost to later respond to the expanded epidemics."

President Bush has recognized from the Global Fund's inception that a multilateral, coordinated effort is necessary to fight the spread of AIDS, tuberculosis and malaria. He has called U.S. commitments to date "a down payment."⁶ It is past time to mobilize resources and political will commensurate with the scale of the problem.

IV. The Present Approach is Not Working

In addition to funding problems at the Global Fund, the current, scatter-shot U.S. approach on bilateral aid and on intellectual property protections in trade agreements suffers from lack of active Presidential.

⁵ Global Fund Financial Prospectus, October 2002.

⁶White House News Release "Remarks by the President and President Mbeki of South Africa"; June 2001.

On June 19, 2002, President Bush announced a new five-year U.S. initiative to prevent mother to child transmission of HIV in a successful effort to derail a bipartisan vote to contribute \$700 million to the Global Fund immediately. Bush said the MTCT program would include \$500 million in new money⁷, spread over five years. After derailing the larger effort of Senators Durbin and Spector, and undercutting Senator Jesse Helm's efforts to secure \$500 for MTCT in 2002, the president then vetoed the FY 2002 supplemental appropriations bill containing the first \$200 million of his own proposed program. The \$200 million was stalled with the rest of the budget until January 24, but six months had been lost already.

And the U.S. Trade Representative scuttled a deal to implement last year's agreement at the World Trade Organization to allow poorer countries to get sustainable access to essential generic drugs. Ambassador Zoellick had to reverse course and reverse U.S. policy to do, reportedly acting under direct White House orders.

VI. Conclusion

As President Bush said in May 2001, "This is one of those moments that reminds us all in public service why we're here. It challenges us to act wisely and act together and to act quickly. Across the world at this moment, there are people in true desperation, and we must help."

The President has recognized the threat of AIDS, and the need for a global approach.

If not now, when?

⁷ White House News Release "President Promotes New Mother and Child HIV Prevention Initiative"; June 2002.