

## White House AIDS Initiative welcome but incomplete: Bush snubs Global Fund to fight AIDS, Tuberculosis, and Malaria

\$2 billion Global Fund pledge for FY 2004 needed from United States in time for the June G7 Summit contact at 10<sup>th</sup> CROI: *Karyn Kaplan*, cell: (646) 298-6271 • [info@healthgap.org](mailto:info@healthgap.org) • [www.healthgap.org](http://www.healthgap.org)



Dec. 26, 2002: World AIDS Day protest, the White House

(February 2003) The White House's announcement on January 28, 2003 of a five-year "Emergency Plan for AIDS Relief" of \$10 billion in new AIDS spending over five years came after a six-month campaign to win Bush Administration support for mounting a substantial response to the global AIDS crisis. Although the Initiative is a welcome step forward, already significant pitfalls have emerged:

### 1. The Administration's plan is duplicative

With 8,500 people dying daily and 14,000 new infections daily, the AIDS pandemic warrants an emergency response. Yet Bush's AIDS Initiative would create a new unilateral mechanism, which will have to undergo a steep learning curve. This Administration, after all, has virtually no experience in financial or even ideological support for antiretroviral treatment programs in poor countries. **There is no time to waste reinventing the wheel.** While experts develop the substance of the White House Initiative over the next year, at least

3 million more people will die needlessly from AIDS. Meanwhile, the Global Fund to fight AIDS, Tuberculosis and Malaria (the GFATM), an existing multilateral funding mechanism that is all but written out of Bush's plan, is facing imminent bankruptcy because donor countries have been too stingy.

The focus of the Bush Initiative is a parallel structure that will take years to become operational, guaranteeing delay, duplicative efforts and duplicative bureaucracies.

The GFATM is an innovative, demand-driven, independent entity, operated by a lean Secretariat. Donors, recipients and people living with HIV/AIDS sit as equal members of the GFATM's Board. But high-caliber applications have already been turned down by the GFATM because donors have failed to commit the necessary funds. The U.S. must contribute its fair share to the GFATM while the new bilateral program is starting up—one program cannot be made to wait for the other.

### 2. The Administration's plan undercuts the Global Fund

After awarding \$866 million in new grants for 2003, the GFATM is facing bankruptcy, and is unable to fulfill a third round of grants coming due this fall. In order to meet conservative financial targets for 2003 and 2004, the GFATM needs at least \$6.3 billion now. The third round of grant disbursements will come in October 2003; an increase in substantial proposals from countries that are most impoverished and hardest hit by HIV/AIDS is expected.

**The new White House plan contains no new money for the Global Fund.** President Bush promised the world that meager U.S. contributions to the GFATM would be "down payments" on a larger commitment. But Bush has broken that promise and delivered a public vote of 'no confidence' on the GFATM. Bush's AIDS Initiative would flat line U.S. contributions at \$200 million for five years. The equitable U.S. contribution, calculated based on the size of the U.S. economy and on the projected needs of the Fund, is at least \$2 billion for 2004, and an aggregated commitment of \$10 billion by 2008. U.S. commitment to the Fund leverages billions in commitments from other wealthy donors—but if the U.S. backs away from the table, donor nations are let off the hook.

### 3. Failure to fund the fund now is a missed opportunity at a critical juncture

Other donor nations are timing new contributions to the Global Fund to coincide with the G7 Summit this June. Historically, substantial new dollars on the table from the United States has leveraged other donations by at least three-to-one.

HHS Secretary Tommy Thompson's appointment as the new Board Chair of the Global Fund ironically coincided with the Bush Administration's snub to the GFATM. This leaves the U.S. vulnerable to well-deserved criticism—Thompson's obligation as Board Chair is to ensure donor countries pledge their fair share to the Fund, but his own country is refusing to commit new money.

### 4. The Administration's plan back-loads money stolen from other programs

Bush's proposed FY 2004 budget shows that the \$10 billion AIDS Initiative is not new money, but is taken from development aid to other programs including the Child Survival programs and the Millennium Challenge Account. Moreover, actual disbursements are back-loaded well into the future. The White House target is \$2 billion in spending for FY 2004, when experts project the U.S. commitment should be at least \$3.5 billion for 2004, with at least \$2 billion for the Fund alone. Additionally, the aggregated \$1 billion for the fund is not "new money" since this is the same funding request the White House has made every year since 2001.

**Health GAP calls on the Administration and on leaders in Congress to incorporate these changes now, in order to increase the likelihood of success in meeting the clinical and programmatic targets set out by the White House Initiative. The costs of failure are extraordinarily high, and there is no time to waste.**