

## GLOBAL AIDS SPENDING – A BRIEF FROM DATA (DEBT, AIDS, TRADE IN AFRICA)

February 2003

The following brief attempts to clarify what the U.S. has actually spent on AIDS, what it proposes to spend in 2003, and what the needs are for 2004.

### Total Global Needs

Leading experts have now substantiated that the total resources needed to effectively fight global HIV/AIDS start at **\$10.5 billion in 2005**. These resources will help to:

- Enable more than 3 million people to receive life-saving ARV treatment;
- Prevent nearly 30 million new cases of HIV/AIDS; and
- Care for 13 million orphans.

Assuming that these resources are mobilized to kickstart an attack on AIDS in 2004, the annual needs will continue to grow and will reach **\$15 billion in 2007**. However, if the global community does not contribute the full \$10.5 in 2004, the total annual needs will surpass \$15 billion by 2007.

|   |
|---|
| ✓ <b>Global Need:</b><br>\$10.5 bn (2005) |
| ✓ <b>U.S. Share:</b><br>\$2.5-3 bn (2005) |

Assuming that the U.S. share of this sum equals 25%, the U.S. would need to ensure that at least \$2.5-3 billion is on the ground and in use for 2005. To do so, this money would need to be **budgeted in FY2004**. If the 2003 budget is between \$1.1-1.3 billion, it will be necessary for the U.S. to double its spending on HIV/AIDS in the coming year to \$2.5-\$3 billion in order to launch a meaningful attack on the disease.

### Total Needs of The Global Fund to Fight HIV/AIDS

Since accepting its first pledges in 2001, the Global Fund has rapidly garnered the trust of donors and recipients as one of the most effective implementing tools available for the disbursement of resources based on country needs.

- *Round 1:* In 2002, the Fund awarded \$616 million over two years to 60 projects in 40 countries.
- *Round 2:* In January 2003, the Fund will award another \$875 million for 100 new projects in 60 countries.

Added together, these two rounds of grants will require \$1.5 billion over two years; only \$1.5 billion has will have been received by the Fund by 2003.

According to the Fund, in order to finance all of the highest quality applications in rounds 3, 4 and 5, it will need a total of at least \$6.3 billion over 2003-2004. The Fund has asked the U.S. for \$2.1 billion of this total, a contribution calculated using the U.S.'s relative GDP. Numerous well thought out applications will be turned away unless new pledges are made immediately.

### History of Expenditures

Spending by the U.S. is primarily channeled through two agencies—the U.S. Agency for International Development (USAID) and the Department of Health and Human Services (HHS). Other agencies such as the Departments of Defense, Labor and Agriculture spend nominal amounts as well. This briefing does not include research expenditures, but merely those funds needed for direct prevention, care and treatment programs.

- **2001:** In 2001, the U.S. made the first pledge to the Global Fund to Fight AIDS, TB and Malaria in the amount of \$100. This pledge, combined with \$464 in bilateral programs, led to a total U.S. expenditure of \$564 million.
- **2002:** In 2002, the U.S. pledged an additional \$200 million to the Global Fund and spent \$626 million on its bilateral programs for a total expenditure of \$826.
- **2003:** The 2003 budget has not yet been finalized. (See Table 1)
  - **President's Request:** The President asked for a total of \$1.1 billion for global AIDS in 2003. His budget request included \$200 million for the Global Fund and \$886 million for bilateral programs (including \$200 million for his Mother-to-Child HIV Prevention Initiative).
  - **Senate's Budget:** The Senate increased the president's request to \$1.3 billion with an amendment proposed by Senator Durbin for \$180 million. The Senate's request provided \$400 million for the Global Fund and \$900 million for bilateral programs.

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

(Source: Congressional Research Center)

### **FY2004 Budget Request for the U.S.**

- **Global Fund:** Depending on the exact amount allocated for the Global Fund in the FY2003 budget, at least an **additional \$1.7 billion** would be needed in 2004 to enable to Fund to accept and process Round 3 applications.
- **Bilateral Programs:** In order to maintain the U.S. bilateral efforts and to expand them in response to initiatives such as the President's call for MTCT efforts, the U.S. would need to spend at least **\$800 million-\$1.2 billion** in 2004.
- **Total:** A minimum of **between \$2.5-3 billion is needed from the U.S. in FY2004** to kickstart its fight against the global AIDS epidemic. This figure represents 25% of the global needs.