

## HIV/AIDS IN 2004: HOW MUCH IS NEW MONEY?

The 2004 budget request submitted by the President includes \$2b for global HIV/AIDS, TB and malaria. As compared to previous years, this request includes \$450m in ‘new money’ for the newly announced Global AIDS initiative but all other funds are consistent with previous budgets and announcements.

<b>PRESIDENT’S REQUEST 2004</b>	
Existing Bilateral-HIV/AIDS (including research)	\$970m
Existing Bilateral-TB, malaria	\$115m
MTCT	\$300m
<b>*NEW* Global AIDS Initiative</b>	<b>\$450m</b>
Global Fund	\$200m
<b>TOTAL</b>	<b>\$2036m</b>

- **Existing Bilateral HIV/AIDS funding**—The \$970m includes funding for USAID and HHS bilateral HIV/AIDS programs and research on international HIV/AIDS. These funding levels are consistent with previous years and do not include scaled-up 2004 resources.
- **Existing Bilateral TB, malaria funding**—The \$115m has been included in the baseline of expenditures for the President’s request. This level represents flatlined expenditures from previous years.
- **MTCT funding**—Funding for the Mother-to-Child Transmission prevention initiative totals \$500m. The President requested \$200m of this amount in the 2003 budget and the remaining \$300m in 2004. The sums are equally split between requests for USAID and HHS.
- **New Global AIDS Initiative**—New funds requested by the President for 2004 are included in a new line item entitled “Global AIDS Initiative.” These funds are to be directed through the coordinator at the State Department and spent on the 14 hardest hit countries in Africa and the Caribbean.
- **Global Fund**—While the White House notes that the \$200m pledge for the Global Fund in 2004 is ‘new money’, many advocates point out that \$200m is a flatlined contribution from 2002 and actually represents a decrease from the 2003 contribution of \$350m.

Congress has authorized a total of \$3b for 2004, with up to \$1b of that total available for the Global Fund so long as these contributions do not constitute 33% of total contributions going forward. The bill does not designate the \$3b further among the various bilateral accounts though there would be more money available for these programs than in the President’s request.

**PRESIDENTIAL REQUEST—FIVE YEAR PERSPECTIVE**

Baseline: According to OMB, the baseline of \$5 bn over 5 years is calculated using bilateral funding only, and does not include the President’s \$500 mn Mother-to-Child Initiative. The baseline is therefore \$1.06 bn per year. Over five years, this adds up to \$5.3 bn.

These figures *include* expenditures on research. Experts’ assessments of the global resources needed to fight HIV/AIDS globally do not usually include research costs.

<b>Presidential Emergency Relief for HIV/AIDS Plan</b>						
<i>(in USD millions)</i>	<b>Baseline</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>
<b>Bilateral</b>						
1. USAID-HIV/AIDS	500	650*	500	500	500	500
2. USAID-HIV/AIDS-other economic assistance	40	40	40	40	40	40
3. HHS	144	294*	144	144	144	144
4. USAID-TB, Malaria	105	105	105	105	105	105
5. CDC-TB, Malaria	10	10	10	10	10	10
6. Global AIDS Initiative		450	1250	1800	2400	2600
<i>Subtotal w/o Research</i>	799	1549	2049	2599	3199	3399
7. CDC Research	11	11	11	11	11	11
8. NIH Research	250	275**	250	250	250	250
<i>Subtotal with Research</i>	1060	1835	2310	2860	3460	3660
<b>Global Fund</b>						
		200	200	200	200	200
<b>Total Spending (incl research)</b>	<b>1060</b>	<b>2035</b>	<b>2510</b>	<b>3060</b>	<b>3660</b>	<b>3860</b>

\*Includes \$150 mn for the President’s Mother to Child Initiative

\*\*NIH international research projections for 2004 have exceeded the baseline amount. We continue to use \$250 mn as a placeholder for 2005-2008 but the exact totals are uncertain.

Spending Increases: Over the next five years, spending increases will be allocated in two accounts: \$200 mn per year will be allocated for the Global Fund and an additional increase will be set aside in the Global AIDS Initiative line item (#6 in the chart below). The resources set aside in this account are set to increase annually over the next five years. This account will be directed through the State Department coordinator who will then divert funds to other agencies.

In FY2004 only, there will also be a \$300 mn increase for the Mother to Child Initiative.

**2004:** In FY2004, the President has added a total of approximately \$950 mn to this baseline: \$200 mn for the Global Fund to Fight AIDS, TB, and Malaria, \$300 mn to fulfill his previous request for \$500 mn for the Presidential Mother-to-Child Initiative; and \$450 mn in the new Global AIDS Initiative. (Research expenditures for NIH have been increased by \$25m as well)

**2005:** In FY2005, the baseline of \$1.06 bn and will add \$200 mn for the Global Fund as well as \$1.25 bn through the Global AIDS Initiative for a total of \$2.51 bn.

**2006:** In FY2006, the baseline of \$1.06 will be added to \$200 mn for the Global Fund and \$1.8 bn for the Global AIDS Initiative for a total of \$3.06 bn.

**2007:** In FY2007, the baseline of \$1.06 bn will be added to \$200 mn for the Global Fund and \$2.4 for the Global AIDS Initiative for a total of \$3.66 bn.

**2008:** In FY2008, the baseline of \$1.06 bn will be added to \$200 mn for the Global Fund and \$2.6 bn for the Global AIDS Initiative for a total of \$3.86 bn.

***New money for HIV/AIDS:*** By adding up the projected expenditures for the Global AIDS Initiative line item over the next five years, a total of \$8.5 bn in new money is dedicated bilaterally to global HIV/AIDS. The new money as announced by President Bush also includes \$200 mn per year for the Global Fund, equaling a total of \$9.5bn. It could be argued that the Global Fund expenditures are actually not new funds because \$200 mn is the current expenditure already made by the Administration on an annual basis; however, as the funds have not yet been pledged to the Global Fund over the 2004 – 08 timeframe, they are being claimed as ‘new money’.