

THE U.S. BILATERAL AIDS PROGRAM: OVERVIEW AND ISSUES

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The President's Emergency Plan for AIDS Relief (PEPFAR), announced by President Bush in his 2003 State of the Union address, is centered around a major increase in U.S. bilateral support for the fight against AIDS. The \$15 billion, five-year initiative includes two major components: a bilateral plan that will primarily target new resources on 15 of the countries that have been hardest hit by the HIV/AIDS epidemic and a \$1 billion five year commitment for the Global Fund to Fight AIDS, TB and Malaria.¹ This brief examines the structure of the bilateral program and initial progress.

OVERVIEW OF BILATERAL PROGRAMS

The President's plan includes approximately \$14b for bilateral HIV/AIDS, TB and malaria programs over five years. This package can be broken down into two categories:

- existing/ongoing bilateral programs for HIV/AIDS, TB, malaria and research for which the President has requested a slight cut in funding followed by essentially level funding at approximately \$1b per year for the next five years
- new targeted bilateral funding for HIV/AIDS for 15 hard hit countries which will receive approximately \$9 billion over five years

Proposed HIV/AIDS, TB, Malaria and Research Expenditures					
	Appropriated FY2004	Appropriated FY2005	Projected Request FY2006	Projected Request FY2007	Projected Request FY2008
Total Bilateral Spending	\$1850m	\$2480m	\$3000m	\$3500m	\$3700m
<i>Of which ongoing bilateral spending on HIV/AIDS, TB, malaria, research*</i>	\$1350m	\$1110m	\$1100m	\$1100m	\$1100m
<i>Of which new bilateral spending for 15 countries</i>	\$488m	\$1370m	\$1900m	\$2400m	\$2600m
Total Global Fund Contributions	\$550m	\$350m	\$200m	\$200m	\$200m
TOTAL**	\$2400m	\$2830m	\$3200m	\$3700	\$3900

*The apparent cut in ongoing bilateral efforts reflects the fact that in 2004, an additional \$150m was available for the Mother to Child Transmission Prevention program (MTCT), these activities will continue in 2005 through the Global AIDS Initiative.

**The total over 5 years already exceeds \$15b because research appropriated levels in FY2004 and FY2005 exceeded the President's requests.

PROGRESS

For the 15 target countries, as much as \$800m may be obligated in 2004. In addition to the \$488m specifically appropriated to the Global AIDS Initiative for this use, Ambassador Tobias will program approximately \$200m in funds already slated for use by USAID and HHS as well as \$150m that Congress appropriated for the Mother-to-Child Transmission initiative in these same target countries.

On February 23, 2004, the Administration announced the first major commitments to be made with new funding under the bilateral plan. Funding has been awarded to U.S. based NGOs to expand services in the 15 countries (track one funding) and also by embassies to NGOs that are trusted partners in each country. In addition, the U.S. embassy in each country has submitted a plan to scale up efforts and awaits final sign off by the Office of

¹ Of the \$15b total, \$5b is the estimate for existing funding over five years and approximately \$9b is 'new funding'. In addition, though only \$1b was originally proposed for the Global Fund over five years, the U.S. has already appropriated approximately \$900m over FY2004-2005.



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the Global AIDS Coordinator in Washington. Once these plans are approved, significant new funds will be provided through the embassies.

IMPORTANT QUESTIONS

As funds begin to move, attention will turn immediately to the implementation of HIV/AIDS, TB and malaria programs and the key decisions that will determine the efficacy of these efforts. At this stage there is little evidence with which to evaluate the programs but there are some issues that have been debated in Washington which DATA will be watching closely over the next several months to ensure that they do not negatively impact implementation or progress on the ground.

1. How will the U.S. make sure that resources available to each of the 15 countries are best spent according to the individual country public health needs and priorities (for example the appropriate balance of abstinence, behavior change and condoms relevant to each country's specific circumstances).
2. How will the U.S. ensure that its expenditures on ARVs are spent in ways that make sense both in terms of getting the lowest cost/standard quality product so that (a) the most people can be reached responsibly, (b) the drugs are easy to administer (three-in-one type drugs), and (c) the drugs are of standard quality? Will generics be made an option for countries that choose to deliver generic drugs to their people?
3. Does the U.S. plan adequately address the needs of the countries outside the list of 15? What will be the impact of the declining/flatfunded existing bilateral programs?
4. To what extent is the bilateral program drawing resources away from a U.S. contribution to the multilateral Global Fund to Fight AIDS, TB and Malaria?
5. Will the benefits of increased capacity and infrastructure necessary to deliver AIDS assistance also address the related diseases of TB and malaria as well as the broader health sector and the provision of clean water and food?
6. What will the U.S. do in each of these countries to coordinate efforts with those already underway? How will the U.S. work with other donors to ensure that the new resources for AIDS, TB and malaria complement and strengthen other sectors like education rather than hurt them by drawing away management and service delivery capacity (ie retrain teachers as nurses)?