

## **Response to the House Foreign Affairs Committee's Concept Paper on Foreign Aid Reform (7-23-09)**

Foreign aid reform is a matter of great urgency, and we commend the Committee for its leadership on this issue. We welcome the opportunity to provide our comments on the document.

The Concept Paper has a valuable focus on performance-based and needs-based foreign aid. However, it raises serious concerns about whether some of the proposed changes would have the unintended consequence of weakening US global health policy, including in the area of HIV/AIDS and other infectious diseases.

PEPFAR and PMI, in particular, have helped the United States forge a reputation as an important leader in the fight against disease. It is crucial that foreign aid reform not compromise either the policy or authorization levels contained in the Lantos-Hyde legislation.

**A number of organizations (see list below) have come together to submit the following concerns and comments:**

**a. Title for Global Health: (Re #2 in the Concept Paper)** Global Health leadership has been and must continue to be one of the cornerstones of US foreign assistance. Global Health is both a sufficiently large, specifically crafted portion of overall foreign assistance and a sufficiently essential global good that it should be included as one of the overall purposes and titles within the bill.

**b. Add HIV/AIDS, TB, Malaria and Other Infectious Diseases as Goal: (Re #3)** Infectious diseases are by far the biggest cause of lost life years (68%) in low-income countries. The US has supported important international commitments to reach Universal Access to HIV/AIDS treatment, care, and prevention, along with key goals on TB and malaria. Fighting HIV/AIDS, TB, malaria and other infectious diseases must therefore be listed as a key goal alongside other important goals. It is insufficient to include AIDS, TB, and malaria as subsets of child survival/maternal health or of "basic healthcare." An emphasis on the MDGs can be helpful here to ensure that sexual and reproductive health also receive appropriate emphasis and attention.

**c. Preservation of Lantos-Hyde:** The bipartisan legislation enacted last year (The Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008), including all authorization levels and policy provisions, must be preserved through this process.

**d. General Principles and Cross-cutting Themes (Re #5&6)** should be used to further aid effectiveness, and this component should be consistent with the 2005 Paris Declaration and the 2008 Accra Agenda for Action. Specifically, the revised Foreign Assistance Act should:

- i. Embrace country ownership by ensuring aid matches the priorities of the countries and communities who benefit. "Country" here must include not only the national government, but also civil society and marginalized communities. Multilateral funding (such as through the Global Fund to Fight AIDS, TB and Malaria) is an underutilized mechanism for coordinating donors,

providing predictable funding, and creating incentives for the development of national health plans and strategies.

ii. Relax provisions on aid that require the use of US goods and services, so called “tied aid,” which prevents countries from procuring the best quality services at the lowest price. Tied aid is not only a missed opportunity to build sustainable capacity within beneficiary countries and civil society, but also erodes the value of every foreign aid dollar. US aid should seek to make best use of local capacity, knowledge and expertise.

**e. Indicators and Evaluations are Central, as is Transparency: (Re: #5&6)** We applaud requiring results-based funding that ensures real impact for people living in poverty. We suggest a specific additional focus on transparency on the specific use of funds and specific performance of each program against these indicators.

**f. Changes in Reporting Structures Should Follow Evidence of Reform: (Re: #7)** The proposal to place the Global AIDS Coordinator (OGAC) under the supervision of an elevated USAID raises grave concerns, in light of USAID’s current lack of capacity and OGAC’s fundamental role as a coordinator of USG activities on global AIDS. The proposal raises a number of questions, including:

i. OGAC is a coordinating body that effectively mobilizes cross-government response including that of USAID and HHS. How would this be preserved? For instance, the CDC has a crucial role as a major implementer of PEPFAR-funded programs in-country, and it has developed strong alliances with health ministries as a result of its important technical expertise and contributions in-country. If OGAC were brought under USAID, how will cross-agency coordination be maintained? It will be critical that CDC's role within the US response to global AIDS and related issues not be diminished, but rather its expertise and capacity fully utilized and expanded.

ii. PEPFAR has reflected a major progressive change in development programming through clear, bold targets and accountability for delivering life-saving services to impoverished people. Too often other US aid programs lack this ambition. Under this proposed restructuring, how can we guarantee that the success of the PEPFAR approach is preserved and expanded to all US aid programs?

iii. USAID has historically not been well positioned to lead and coordinate delivery of direct services like AIDS treatment, care, and prevention, which is part of the rationale for the existence of OGAC. USAID does not have the capacity to supervise OGAC without undermining PEPFAR’s success. No move of OGAC to be under the supervision of USAID should be considered until USAID is actually elevated and substantially reformed. How would USAID be reformed to enable it to play this role? What benchmarks would be in place to ensure PEPFAR’s success is not undermined?

**g. Authorization Levels: (Re: #9)** We are gravely concerned that the authorization levels contained in the Lantos Hyde legislation would be effectively if not explicitly repealed via the changes outlined in

the Concept Paper, and/or by repeal of the current Foreign Assistance Act, which Lantos-Hyde amends. Lantos-Hyde funding levels must be preserved so that countries have broadly understood predictability in funding and to maintain momentum toward meeting international commitments on AIDS, TB and malaria.

Multi-year commitments are essential for effective health aid and the US should be moving more toward multi-year commitments rather than away from these commitments. Ensuring greater predictability of aid funding is a key donor commitment in the Paris Declaration and reinforced in the Accra Agenda for Action.

We would like to request a meeting with Committee staff to discuss these concerns. Please contact David Bryden at [dbryden@idsociety.org](mailto:dbryden@idsociety.org) for additional information about this statement and the views contained herein.

**Statement supported by:**

**Africa Action**  
**AIDS Action Baltimore**  
**AIDS and Rights Alliance for Southern Africa**  
**The AIDS Institute**  
**AIDS Vaccine Advocacy Coalition (AVAC )**  
**AmfAR**  
**Artists for a New South Africa**  
**CAEAR Foundation**  
**Center for Health Policy and Innovation, Toronto, Canada**  
**The Center for HIV Law and Policy**  
**Community HIV/AIDS Mobilization Project (CHAMP)**  
**Fundación Buenos Aires SIDA (Argentina)**  
**Global AIDS Alliance**  
**Health GAP**  
**HIVictorious, Inc**  
**HIVMA/IDSA Center for Global Health Policy**  
**Housing Works**  
**IAPAC - International Association of Physicians in AIDS Care**  
**Metropolitan Community Churches**  
**NYC AIDS Housing Network (NYCAN)**  
**Partners in Health**  
**Physicians for Human Rights**  
**RESULTS Educational Fund**  
**Treatment Action Group**