



**ONE'S RECOMMENDATION FOR FY2011  
FOR POVERTY-FOCUSED DEVELOPMENT ASSISTANCE  
October 12, 2009**

ONE is dedicated to supporting developing countries in the fight against extreme poverty and disease and is committed to working with the executive and legislative branches to achieve sustained funding increases for proven and effective foreign assistance programs. ONE asks the President to request and Congress to appropriate \$37.82 billion for foreign operations in FY2011 in order to facilitate a continued scale up of U.S. priorities such as global health, agricultural development, the Millennium Challenge Corporation, education, clean water and financing for the international financial institutions. This level of funding would represent an increase of \$4.96 billion over the estimated FY2010 level and would thus enable the Administration to make down payments on its foreign assistance commitments from the campaign and to scale up towards the \$50 billion goal to double foreign aid by 2015.

The following FY2011 recommendation is based on an analysis of the various commitments made by President Obama. ONE has catalogued the various commitments and estimated annual increases necessary between 2010-2015 in order to deliver upon those commitments.

<b>Summary of ONE's FY2011 Budget Recommendation for Foreign Operations</b>	
HIV/AIDS, TB and Malaria	\$8.43 billion (in For Ops alone. Total \$9.29b across all accounts)
Maternal and Child Health	\$915 million
Basic Education	\$1.2 billion
Food Security	\$1.45 billion
Water	\$312 million
Millennium Challenge Corporation	\$1.4 billion
World Bank's IDA	\$1.356 billion
African Development Bank	\$30 million
African Development Fund	\$200 million
Bilateral Debt Cancellation	\$60 million
Other key accounts	\$14.74 billion
Total key accounts	\$30.09 billion
Other non-key accounts	\$7.72 billion
<b>Total Foreign Operations</b>	<b>\$37.82 billion</b>

**Global HIV/AIDS, TB and Malaria**

The U.S. commitment to fighting HIV/AIDS, TB and Malaria has been built on bipartisan Congressional initiatives and leadership from the executive branch. These initiatives have been successful and should be built upon. Scaled up assistance for the Global Fund to Fight AIDS, TB and Malaria has helped to put 2.3 million people on ARV therapy for HIV, treat 5.4 million people for TB and distribute 88 million bed nets. Bilateral efforts to fight HIV/AIDS through the President's Emergency Plan for AIDS Relief (PEPFAR) has supported more than 2.1 million people with ARVs, provided care for more than 10 million (including 4 million orphans and vulnerable children), extended services to prevent the transmission of the HIV virus from mother to child for 16 million pregnancies and made available more than 57 million voluntary counseling and testing services. Further, bilateral efforts to fight malaria have reached more than 32 million people with indoor spraying, bed nets and treatment.

There are two guides for future global health spending. The Lantos-Hyde bill authorized \$48 billion to be spent over five years beginning in FY2009. The Obama Administration announced a Global Health Initiative in May 2009 that proposed \$63 billion be spent on global health in total over six years (2009-2014). ONE recommends that the U.S. appropriate a total of \$9.29 billion for FY2011 (\$8.43 billion of which would be funded through State/Foreign Operations) for HIV/AIDS, TB and malaria which would put the U.S. on a path to fulfilling the Lantos-Hyde recommended levels, meeting the estimated needs of the Global Fund and providing a sustained increase in bilateral funding for AIDS, TB and malaria.

Though details of the HIV/AIDS spending under the President's Global Health Initiative have not yet been released, these totals are expected to exceed the six year \$51 billion proposal.

- **Bilateral HIV/AIDS Programs**—ONE supports \$6.24 billion for bilateral HIV/AIDS programs (\$5.7 billion from State/Foreign Operations) to help set the U.S. on a course to meet the Lantos-Hyde bill's goals of supporting 3 million people on ARV therapy, caring for 12 million people with the diseases and preventing 12 million infections. PEPFAR has had a tremendous impact, not only on the lives touched and saved in hard-hit countries, but on how the US is perceived abroad and the efficacy of U.S. assistance generally. It's focused, measurable and high-impact results should continue to grow, even as it is better integrated with other health and development interventions.
- **Global Fund**—The U.S. accounts for 28% of total pledges to date and a total level of \$1 billion in FY2009. ONE urges the U.S. to reach a one-third share of Fund contributions as allowed by law. Due to greater demand and better proposals from recipients, the Fund has the potential to expand its life-saving mission, if it has the resources. It is currently the largest provider of malaria and TB services in the world. For 2011, the Global Fund estimates it will have \$5.25 billion in technically-sound proposals to combat HIV/AIDS, TB and malaria. We urge the US to provide one-third of this estimate, at \$1.75 billion in FY2011 (\$1.45 billion of which would be funded through State/Foreign Operations)
- **Bilateral TB**—On-going bilateral TB programs have largely been flat-funded during the past five years. Meanwhile, tuberculosis cases are up globally, as are drug resistant cases of tuberculosis, known as MDR-TB and XDR-TB. The Lantos-Hyde bill authorized a total of \$4 billion to be spent over five years on the disease. ONE estimates that a significant portion of the total need can and should be mobilized through the full \$1.75 billion Global Fund contribution and urges a complementary scale up of bilateral programs starting with \$450 million in FY2011.
- **Bilateral Malaria**—Malaria has been brought under control and even eliminated in many parts of the world, including very recent success stories across Africa. Yet, infections worldwide still number around 350 to 500 million cases a year, with nearly 900,000 deaths, mostly among children and young adults, in Africa. President Obama joined global efforts to eliminate deaths from malaria by 2015 which would require a quick scale up of resources to distribute the necessary preventative bednets and begin scaling up access to treatment. ONE estimates that a significant portion of the total need can and should be mobilized through the full \$1.75 billion Global Fund contribution and urges a complementary scale up of bilateral programs starting with \$850 million in FY2011.

**Child and Maternal Health**—Child mortality has been greatly reduced from 12.5 million in 1990 to 8.8 million in 2008. There is much more to be done and great opportunities to deliver through USAID's maternal and child health programs and mechanisms like the Global Alliance for Vaccines and Immunization (GAVI). 3 million of the remaining 8.8 million children who die each year before their fifth birthday die of pneumonia or rotaviruses. Vaccines for both of these will be available at low costs within the next year and GAVI will be the main vehicle for financing the purchase and distribution, but GAVI faces a \$400 million financing gap in 2010. Relatively small increases in funding there can go a long way to achieving a major reduction in child mortality. The Obama Administration has also signaled its interest in scaling up efforts as part of the recently announced Global Health Initiative which would aim to enhance support for child and maternal health as well as neglected tropical diseases, vulnerable children and family health. The U.S. could begin to scale up investments in child and maternal health by investing \$915 million in FY2011 through the Global Health and Child Survival account.

### **Global Agriculture**

Agriculture is one of the strongest drivers of economic growth in developing countries—the primary tool for feeding populations and providing income generation. However, it has been greatly underfunded for decades. President Obama is leading a new effort to boost and improve investments in agriculture through the L'Aquila Food Security Initiative. ONE supports the Administration's commitment to request at least

\$3.5 billion over three years. ONE estimates that at least \$1.453 billion in FY2011 would put the U.S. on track to achieve this goal. This total could be reached by appropriating at least \$870 million in Development Assistance, \$510 million in ESF, \$13 million in transition initiatives and \$60 million in AEEB.

### **Millennium Challenge Account (MCA)**

The Millennium Challenge Account (MCA) is focused specifically on supporting programs that reduce poverty by encouraging sustainable economic growth through market-based investments in agriculture, infrastructure, water, education, private sector development, and capacity building. A unique feature of the MCA is the fact that the countries themselves are responsible for identifying the greatest barriers to their own development. ONE supports at least \$1.4 billion in FY2011 so that the MCA can fully finance two to three new full compacts anticipated to be completed in 2011 as well as covering incoming threshold compacts and operational costs.

### **International Financial Institutions**

- ***International Development Association (IDA)***—The International Development Association (IDA) is the part of the World Bank that helps the world's poorest countries, and is one of the largest sources of assistance for the world's 80 poorest countries, 39 of which are in Africa. ONE supports the full negotiated annual US contribution to IDA. In addition to the \$1.235 billion contribution for FY2011, ONE urges the United States to clear its outstanding arrears to IDA over the next five years by paying \$121 million on top of the \$1.235 billion for a total of \$1.356 billion.
- ***The African Development Fund***—The African Development Fund, the concessional arm of the African Development Bank, supports 40 of the poorest African countries with grants and highly subsidized loans focused largely on transport, energy, and water. FY2011 marks the final payment to fulfill the current U.S. pledge to the AfDF. A total of \$200 million delivers upon that pledge as well as a small payment of arrears and \$40 million in forward-funding to help the AfDF continue assisting Africa's poorest nation while members negotiate the next replenishment.
- ***The African Development Bank***—The African Development Bank, which has not approved a general capital increase in over a decade, had planned to begin discussions for a 2012 GCI. At the request of the G20, the ADB accelerated its lending to assist African countries in the current global financial crisis. It has now obligated most of its resources and will be completely out of money sometime in 2010, according to ADB President Kaberuka. The recent Canadian pledge to temporarily triple its support will allow the Bank to continue lending but will need to launch the next GCI in 2011. ONE supports an early negotiation of a new general capital increase and proposes an annual U.S. paid-in capital contribution of \$30 million beginning in FY2011.

### **Other Development Assistance priorities:**

- ***Education***—Global education is a key investment in economic, social and political development, especially for women and girls. As a candidate, the President pledged a \$2 billion global education fund, roughly half of which is requested for FY2010. Congress, however, may appropriate only \$900 million across all accounts. ONE requests \$1.2 billion in FY2011 (with \$750 million in the development assistance account and the remaining \$350 million in the Economic Support Fund (ESF)) to begin building towards the \$2 billion goal. We encourage the U.S. to focus this assistance on Africa and coordinate through the World Bank's Education For All Fast Track Initiative.
- ***Water***—The Water for the Poor Act authorizes a scaled up effort to provide clean water to fight extreme poverty. ONE advocates for at least \$312 million in FY2011 (with \$200 million in the development assistance account) for long-term safe drinking water and sanitation supply projects in developing countries.

<b>Key Poverty Accounts and Total Foreign Assistance Levels</b>					
<b>Sectors and Accounts</b>	<b>FY09 FINAL</b>	<b>FY10 Request</b>	<b>FY10 Assumption<sup>1</sup></b>	<b>ONE FY11 Ask</b>	<b>Increase over FY10<sup>2</sup></b>
<b>HIV/AIDS, TB and Malaria Funding<sup>3</sup></b>	<b>\$6.95b</b> (\$6.15b / \$798m) For Ops / Labor HHS	<b>\$7.18b</b> (\$6.33b / 855m) For Ops/Labor HHS	<b>\$7.34b</b> (\$6.49b / \$855m) For Ops/Labor HHS	<b>\$9.29b</b> (\$8.43b / \$855m) For Ops/Labor HHS	<b>\$1.95b</b>
<i>Of which Bilateral HIV/AIDS incl. NIH AIDS research &amp; Health Care Workers</i>	<i>\$5.41b</i> (\$4.91 / \$498m) For Ops / Labor HHS	<i>\$5.56b</i> (\$5.01b / \$555m) For Ops / Labor HHS	<i>\$5.49b</i> (\$4.93b / \$555m) For Ops / Labor HHS	<i>\$6.24b</i> (\$5.68b / \$555m) For Ops / Labor HHS	<i>\$750m</i>
<i>Of which Bilateral TB</i>	<i>\$163m</i>	<i>\$173m</i>	<i>\$220m</i>	<i>\$450m</i>	<i>\$230m<sup>4</sup></i>
<i>Of which Bilateral Malaria</i>	<i>\$383m</i>	<i>\$585m</i>	<i>\$585m</i>	<i>\$850m</i>	<i>\$265m<sup>4</sup></i>
<i>Of which GFATM</i>	<i>\$1.00b</i> (\$700 / \$300) For Ops / Labor HHS	<i>\$900m</i> (\$600m / 300m) For Ops / Labor HHS	<i>\$1.05b</i> (\$750m / \$300m) For Ops / Labor HHS	<i>\$1.75b</i> (\$1.45b / \$300m) For Ops / Labor HHS	<i>\$700m<sup>4</sup></i>
<b>Maternal &amp; Child Health<sup>5</sup></b>	\$495m	\$525m	\$543m	\$915m	\$372m <sup>4</sup>
<b>Basic Education</b>	\$740m	\$980m	\$900m	\$1.2b	\$300m <sup>6</sup>
<b>Food Security</b>	\$1.04b	\$1.36b	\$1.2b	\$1.45b	\$250m <sup>6</sup>
<b>Water</b>	\$283m	\$173m	\$232m	\$312m	\$80m <sup>6</sup>
<b>Millennium Challenge Corporation</b>	\$875m	\$1.43b	\$1.2b	\$1.4b	\$200m
<b>World Bank IDA</b>	\$1.115b	\$1.32b	\$1.235b	\$1.356b	\$121m
<b>African Development Bank</b>	\$0m	\$0m	\$0m	\$30m	\$30m
<b>African Development Fund</b>	\$150m	\$160m	\$160m	\$200m	\$40m
<b>Bilateral debt cancellation</b>	\$60m	\$111m	\$60m	\$60m	\$0m
<b>Other Key Accounts</b>	\$13.67b	\$13.63b	\$13.73b	\$14.74b	\$1.00b
<b>TOTAL SECTOR &amp; KEY ACCOUNTS<sup>7</sup></b>	<b>\$24.59b</b>	<b>\$26.01b</b>	<b>\$25.75b</b>	<b>\$30.09b</b>	<b>\$4.35b</b>
Other Foreign Ops (non-Key Accounts)	\$9.87b	\$8.84b	\$7.11b	\$7.72b	\$612m
<b>TOTAL FOREIGN OPERATIONS<sup>7</sup></b>	<b>\$34.46b</b>	<b>\$34.85b</b>	<b>\$32.86b</b>	<b>\$37.82b</b>	<b>\$4.96b</b>

<sup>1</sup> FY10 Assumption based on ONE estimates of likely House/Senate conference on State/Foreign Operations

<sup>2</sup> Increase over FY10 Assumption

<sup>3</sup> The HIV/AIDS, TB and malaria ask assumes that funding from Labor-HHS (approximately \$555 million in bilateral AIDS funding and \$300 million for the Global Fund) are maintained but that the scale up takes place within State/Foreign Operations

<sup>4</sup> Assumes all additional resources to be added to the GHCS account

<sup>5</sup> Maternal and Child Health funds include only those provided in the GHCS account

<sup>6</sup> Assumes all additional resources would be added to the DA account

<sup>7</sup> Excludes funds for Labor/HHS appropriations that are not part of the doubling foreign aid goal

**Other Key Accounts**

ONE supports robust increases for the following list of accounts included as “other key accounts.” For all of these accounts, ONE only counts the portions that would qualify as ODA under international definitions:

<b>ONE KEY ACCOUNTS</b>	
<ul style="list-style-type: none"> <li>• Global Health and Child Survival</li> <li>• Development Assistance</li> <li>• International Disaster Assistance</li> <li>• Migration/Refugee Assistance</li> <li>• Emergency Refugee &amp; Migration Assistance</li> <li>• US Trade and Development Agency</li> <li>• Peace Corps</li> <li>• Transition Initiatives</li> <li>• Inter-American Foundation</li> <li>• African Development Foundation</li> <li>• International Development Association (IDA-World Bank)</li> <li>• Global Environmental Facility (World Bank)</li> <li>• International Finance Corporation (World Bank)</li> <li>• Multilateral Investment Guarantee Agency (World Bank)</li> <li>• African Development Bank/Fund</li> <li>• Asian Development Bank/Fund</li> <li>• Inter-American Development Bank (including the IIC and MIF)</li> <li>• European Bank for Reconstruction and Development (EBRD)</li> <li>• International Fund for Ag Development</li> <li>• International Organizations &amp; Programs</li> </ul>	<ul style="list-style-type: none"> <li>• USAID Development Credit Authority</li> <li>• USAID Operating Expenses</li> <li>• USAID Inspector General</li> <li>• USAID Capital Investment Fund</li> <li>• Assistance for Europe, Eurasia, and Central Asia</li> <li>• ESF- minus Cash Transfers and Iraq</li> <li>• Department of Treasury –Technical Assistance</li> <li>• Department of Treasury – Debt Reduction</li> <li>• Democracy Fund</li> <li>• Department of HHS Global AIDS Research<sup>8</sup></li> <li>• Department of HHS CDC Measles/Polio and Domestic Refugee Resettlement<sup>8</sup></li> <li>• Department of Agriculture – Food for Progress an Bill Emerson Trust<sup>8</sup></li> <li>• P.L. 480 Title II – Food for Peace</li> <li>• USDA McGovern-Dole Program<sup>8</sup></li> <li>• Department of State – Contributions to International Organizations (CIO) partial<sup>8</sup></li> <li>• Department of Defense – only humanitarian assistance and HIV/AIDS<sup>8</sup></li> <li>• Department of Labor – ODA<sup>8</sup></li> </ul>

<sup>8</sup> Although this program counts as Official Development Assistance and is a ONE Key Account, it is not included in the totals in the table above because the program is not part of the goal to double foreign assistance by FY2015.