



ONE ANALYSIS OF THE FY2009 OMNIBUS February 25, 2009

Congressional appropriators unveiled the FY2009 omnibus spending bill on February 23, 2009. For the purposes of this analysis, we will largely be comparing the FY2009 omnibus total to the combined total of the FY2008 omnibus bill PLUS the FY2008 emergency spending bill passed alongside the omnibus (referred to as the “enacted” FY2008 budget). There was a total of \$589m in additional funding for poverty-focused accounts in the FY2008 emergency spending bill. Congressional press releases this week have instead been comparing the FY2009 omnibus to the FY2008 omnibus alone. Because the FY2008 omnibus and emergency spending bill were passed together, ONE has considered them largely a combined entity both in our reaction to the FY2008 spending levels and in this comparison to FY2009.

In total, the bill includes \$36.6b for International Affairs (the 150 Account) which is \$1.4b over the FY2008 enacted total or a 4.1% increase. (The total reflects a \$3.8b increase over the FY2008 base alone.) Of this total in FY2009, \$24.6b is directed to foreign operations and the remaining \$12.09b is directed to State Department operations. The bill therefore provides a 3.8% increase to foreign operations and a 4.7% increase to State Department operations when compared to FY2008 enacted levels. Within the foreign operations accounts, the bill includes approximately \$17.96b for the accounts that most directly impact the lives of poor people around the world, a total increase of \$767m over the FY2008 enacted, and when compared to the FY2008 base alone, the increase reaches a total of \$1.4b.

In comparing the total to FY2008 enacted, the FY2009 bill includes the following notable increases worth \$1.481b, and cuts worth \$731m.

- + a \$510m increase for global HIV/AIDS, TB and malaria
- + a \$48m increase for Child Survival and Maternal Health (when compared to the FY2008 base alone, CSH accounts increased by \$148m) and a \$63m increase for reproductive health
- + a \$176m increase for the Development Assistance account
- + a \$179m increase for USAID operating expenses
- + a \$318m increase for non cash transfer/development activities under the ESF (when compared to the FY2008 base alone, these funds increased by \$597m)
- + a \$250m increase for multilateral institutions

- a \$669m cut for the Millennium Challenge Account
- a \$62m cut in refugee assistance (when compared to the FY2008 base alone, refugee assistance actually increased by \$103m)

KEY INCREASES

Global HIV/AIDS, TB and Malaria: The FY2009 omnibus, including funds proposed in the International Affairs, HHS, and other accounts, includes a total of \$6.85b for global HIV/AIDS, TB, and malaria, a net increase of \$513m over FY2008 levels. (The increase within Foreign Operations alone was \$510m) The increase is mainly the result of a continued ramp up for the President’s Emergency Plan for AIDS Relief focused on 15 countries and an additional increase for the Global Fund:

- **Bilateral HIV/AIDS and Research Programs:** ONE estimates that approximately \$5.41b will be available for bilateral HIV/AIDS programs including those regularly appropriated for through the child survival account at USAID, the scaled up programs for the 15 focus countries under the Global AIDS Initiative and programs administered through the Centers for Disease Control. The FY2009 total reflects an increase of \$426m over the FY2008 total for similar activities. This total includes \$100m for food security, \$45 million for microbicides, and \$40 million for UNAIDS.



- **Global Fund to Fight AIDS, TB and Malaria:** The FY2009 omnibus includes a total of \$900m for the Global Fund, an increase of \$60m over the FY2008 level. This total includes \$600m from the Global AIDS Initiative line item in the Foreign Operations bill as well as \$300m from the Labor-HHS bill.
- **Bilateral TB:** Bilateral TB programs, funded through the Child Survival and Health account, will reach \$162.5m in FY2009.
- **Bilateral Malaria:** The FY2009 omnibus includes \$382.5m in bilateral malaria programs which represents an increase of \$27m over the FY2008 level.

U.S. Appropriations for Global HIV/AIDS, TB and Malaria			
<i>(In USD mns)</i>	FY2008	FY2009	Change
Bilateral HIV/AIDS and Research	\$4980.4	\$5406.9	\$426m increase
Global Fund to Fight AIDS, TB and Malaria	\$840.4	\$900.0	\$60m increase
Bilateral TB	\$162.2	\$162.5	
Subtotal HIV/AIDS, TB and Research	\$5983.1	\$6469.4	\$486m increase
Bilateral Malaria	\$355.9	\$382.5	\$27m increase
Total	\$6339.0	\$6851.9	\$513m increase

Please note that the above figures only include those totals that were available as of February 24, 2009. In previous years there has been additional funding for AIDS, TB and malaria in ESF, SEED and FSA but currently there is no information about such funding in FY2009.

Child Survival and Health Fund: In addition to the HIV/AIDS increases, the child survival and health accounts will receive a net \$126m increase in FY2009 compared to FY2008 enacted totals (a \$241m increase when compared to the FY2008 base alone). Within this total, there is a \$48m increase for Child Survival and Maternal Health (a \$148m increase when compared to the base alone as there was \$100m in the emergency bill in FY2008) and a \$63m increase for reproductive health. Of note, the FY2009 budget includes \$50m for UNFPA—the first contribution to the organization in eight years.

Development Assistance: The Development Assistance (DA) line item includes funding for clean water, education, trade capacity building and other priorities. Overall the account received a boost of \$176m, with \$75m provided for global food security. In total, the bill summary notes that the total for global education is \$700m which includes \$240m for country plans endorsed by the Fast Track Initiative, \$300m for clean water and \$245m for microfinance. None of these totals reflects major change from the FY2008 levels. In addition, the summary notes that there is a total of \$424m for energy and the environment, much of which comes from the DA account.

USAID Operating Expenses: The FY2009 omnibus includes \$808.5m for USAID with the intention of enabling USAID to hire an additional 300 foreign service officers. This total represents an increase of \$179m over the FY2008 level.

Economic Support Fund (ESF): While some ESF funding provides cash transfers to strategic states, a large share of it supports development priorities around the world. In total, ONE estimates that these development oriented activities will receive a \$318m increase in FY2009 to reach a total of \$2.729b.

Multilateral Assistance—focus on the World Bank’s International Development Association (IDA): In total, the FY2009 omnibus provides a \$250m increase in funding for multilateral institutions. \$173m of this increase is directed to the World Bank’s concessional financing arm—the International Development Association or IDA. Donors negotiated a 30% increase to IDA’s core financing for its latest replenishment round—the FY2009 budget is the first to contribute towards that negotiated total. In addition to being one of the largest sources of development assistance for Africa, IDA is also a window through which donors provide their equitable and agreed upon shares of financing to support the Multilateral Debt Relief Initiative (MDRI) of 2005. While the increase is welcome, the FY2009 omnibus falls \$120 million short of the level negotiated for IDA 15 and also fails to provide for \$42m in arrears requested by



the Administration. At this funding level, U.S. arrears to IDA likely will grow to about \$505m in FY2009. These recently accumulated arrears could mean that MDRI countries will not receive the full benefits of MDRI despite having fulfilled all agreed upon commitments.

KEY CUTS

Millennium Challenge Account (MCA): In FY2009, Congress ultimately approved only \$875m for the MCA, a cut of \$669m from the final FY2008 level. The summary notes slow disbursement as the reason for the cut and that the level passed in FY2009 will still allow for new compacts to be signed.

Refugee Assistance: Assistance to refugees was slated for \$971m in total. When compared to the FY2008 figure, this total represents a \$62m cut