March 3, 2011

Dear Friends and Colleagues,

The Global Health Program wants to draw your attention to central issues in the current U.S. budget debate. This Update is slide heavy, which may make viewing it on Smartphone and other small devices a bit annoying. On the other hand, we welcome your use of the slides, and thank the Kaiser Family Foundation and the wonderful Jen Kates for some of the elements.

Before turning to the budget issues, a few quick bits of news regarding the Council on Foreign Relations Global Health Program are in order.

We are seeking to hire a new global health senior fellow immediately to focus on the nexus of non-communicable diseases and foreign policy. This position will support the fellow a research associate and all CFR resources the individual requires. The official job posting is listed at the bottom of this Update.

As the world food crisis heats up, and inflating oil prices threaten to drive food costs to record levels, I have been focused on the interface between food access and human health. Clearly, we are approaching a classic crisis point in many countries, and government subsidies can only be sustained for relatively short periods of time. Food riots, on the order of what was witnessed in 2008, may well break out in many places in the world. At the peak of the 2008–2009 food crisis the G20 made a number of strong commitments, promising billions of dollars for agricultural development and food support for the hardest-hit, low income nations. More than 90 percent of those commitments remain unmet.

I have recently done three interviews recently on this topic: Food Prices and Global Instability, Why Global Food Prices Are Rising: CFR's Laurie Garrett Explains, and Health Impact of Rising Food Prices.

I also have an op-ed in today's Christian Science Monitor regarding the battle on Capitol Hill over the future of U.S. support for foreign assistance generally, and global health specifically.

Yanzhong Huang hosted the third meeting of the Global Health Governance Roundtable Series in Washington, DC, focusing on the role of the military in the provision of health in fragile states with Dr. Lynn Lawry of the Department of Defense and Dr. Sheri Fink of the New America Foundation. The next meeting of the series will be held in New York and will feature Dr. Helene Gayle, president of CARE, speaking on the role of NGOs in global health governance.
THE FEDERAL BUDGET AND GLOBAL HEALTH

In all, Overseas Development Assistance, including global health support, constitutes a trivial amount of the Federal budget. Politically, however, it is a remarkably vulnerable triviality, as no elected official faces unseating based on the slashing of funds for overseas development, food, health, and anti-poverty programs. Realism dictates, therefore, that the health budget of the poor world is now at risk.

The U.S. government has steadily increased its support for global health programs for the last 12 years, and the Obama administration seeks to continue a modest growth curve for the next two years. The administration’s Global Health Initiative (GHI) is now fully staffed, and has a new leader in Lois Quam, a former executive with United Health, headquartered in Minnesota. Quam is in the State Department, answering directly to Secretary Clinton. Quam has global health experience in the form of work she did, through United Health, creating chronic disease programs in 13 countries.

The GHI seeks to profoundly change the way the United States provides assistance to the needy of the world, creating a more efficient overall effort that better integrates traditional development, agricultural, health, and education programs. The “bigger bang for the buck” approach aims to provide a comprehensive scheme, tailored to each partner country’s needs.
In the White House vision, which was backed by the House prior to the midterm elections when the Democrats were swept out of power, global health gets an overall boost. In addition, all official development assistance (ODA) efforts put women and girls in the forefront, making programs as diverse as rice production in Laos and HIV treatment in Lesotho frame their efforts around female needs.

The Obama administration has been criticized for failing to grow its HIV/AIDS programs at the same annual pace as was realized during the second George W. Bush term. But PEPFAR and its allied malaria programs garner the lion’s share of U.S. global health support.
For several years AIDS treatment advocates have fought successfully to increase U.S. giving for HIV/AIDS programs. Criticism has often been painfully sharp, with President Obama depicted as uncaring and callous regarding the pandemic, particularly in comparison to his predecessor. Indeed, spending for PEPFAR and the President’s Malaria Initiative soared during the Bush administration, and pushed the entire world to increase commitments to solving the AIDS/TB/malaria crises.

By 2008 the United States spends more than 0.08 percent of its national income on health aid. Only Norway, Luxembourg and Sweden spends a larger share of their GDP on aid for global health.

According to the International Health Metrics and Evaluation Center at the University of Washington in Seattle the net effect of the world financial crisis on 2009 and 2010 global health support was a gross flattening of support, but not the much-feared dramatic cut. There was a displacement effect, however. Most European, corporate, and G8 giving declined remarkably, while U.S. government support and support from the Bill and Melinda Gates Foundation rose. As a result, the “two Washingtons,” as we have dubbed them, now provide about 52 percent of all public funds and 68 percent of all private funds for all global health, combined.

This means that activist and moral pressure on U.S. political leaders was wildly successful—far more so than what was meted out in any other donor nation. That’s the good news. But the bad news for global health is that depending on one nation for more than half of all global health funding renders the entire worldwide effort highly vulnerable to political and policy changes in Seattle and Washington, DC. If either of the two Washingtons burps, programs in Malawi, Laos, and Guatemala could go belly-up.
IS THIS OUR RESPONSIBILITY?

Global Health Needs:
• More than 2.6 million people are infected with HIV each year, and AIDS is the leading cause of death of women of reproductive age around the world.
• Malaria kills 800,000 people every year, mostly children under age five, with an estimated 250 million more cases annually.
• More than 9 million people develop tuberculosis (TB) every year, and 1.7 million die from this disease.
• More than a billion people suffer from neglected tropical diseases (NTDs), and 500,000 die every year from these diseases.
• 358,000 women die annually from largely preventable complications related to pregnancy or childbirth; millions more women suffer often debilitating pregnancy-related injury and infections.
• 215 million women want to avoid pregnancy but are not using a modern method of contraception, and two-fifths of all pregnancies in the developing world are unintended.
• 8.1 million children under five die every year, many from easily treatable or vaccine-preventable conditions or malnutrition; 40 percent of them die during their first four weeks of life.
• 200 million children under age five and 1 out of 3 women in the developing world are undernourished.

We are now at a very loud “burp” moment in Washington. With the entire United States embroiled in vigorous debates regarding the role of government, solutions to domestic unemployment, dangers inherent in carrying a large national debt, and running a deficit budget, politically vulnerable budget items are on the chopping block. And make no mistake about it, every aspect of foreign assistance, including health programs, is politically vulnerable.

The House committee’s Republican chairwoman, Ileana Ros-Lehtinen of Florida, criticized the State Department for “misplaced priorities” for investing in global health and climate change over counterterrorism. The chairwoman quoted one of her constituents in asking about the work of foreign aid. “What is the return on our investment?” Ros-Lehtinen asked.

The new Republican leadership in the House of Representatives is not convinced that the health of hundreds of millions of people overseas is America’s responsibility. Ileana Ros-Lehtinen chairs the House Foreign Operations Committee. The Cuban-born Floridian favors directing aid toward toppling despotic regimes, such as that of Fidel Castro. Other key House leaders advocate zeroing out U.S. foreign assistance by the end of 2012.
What about other donors?

Britain cuts aid to 16 nations, 4 U.N. agencies
1 March 2011, Adrian Croft, Reuters

LONDON– Britain said Tuesday it would stop funding 16 countries and four United Nations' agencies as it focuses its 6.5 billion pound ($10.6 billion) overseas aid budget on helping the poorest or conflict-ridden countries.

The major overhaul of British aid policies follows a nine-month review of their effectiveness by Britain's Conservative-led coalition government.

"This government is taking a radically different approach to aid. We want to be judged on our results, not on how much money we are spending," International Development Secretary Andrew Mitchell said.

Overseas aid is one of the few areas of public spending that has been ring-fenced by the coalition, which stands by the previous Labor government's goal of raising foreign aid to the U.N. target of 0.7 percent of gross national income by 2013.

Polls show many Britons disagree with protecting foreign aid when many domestic services are being cut to help curb a record peacetime budget deficit. That has made the government determined to show it is getting value for money from one of the world's biggest aid budgets.

The government will phase out aid programs by 2016 to 16 countries considered no longer to need it, including China, Russia, Vietnam, Moldova, Cameroon, Kosovo, Iraq and Serbia.

British aid will in future be focused on 27 poor, conflict-ridden or "fragile" states, including Afghanistan, Bangladesh, Democratic Republic of Congo, Ethiopia, India, Pakistan, Somalia, Sudan, Yemen and Zimbabwe.

The United States is certainly not alone in reassessing its role in tackling the impoverishment and health crises of poorer nations. Prime Minister Cameron's government in the United Kingdom is looking to scale back on its commitments, and most of continental Europe has already done so. The question, “Is this our responsibility?” now seems to fall easily off the lips of budget-conscious politicians from Tokyo to Ottawa.

Obama’s Budget FY12

The heaviest budget axe will fall on the Centers for Disease Control and Prevention (CDC), dropping from an FY11 budget of $6.5 billion down to $5.9 billion, a 9.2 percent cut.

Invests $9.8 billion in the President’s Global Health Initiative to save lives and strengthen health systems in developing countries.

The White House proposed FY2012 budget would make a significant cut to the Centers for Disease Control and Prevention, and would flat-line Food for Peace spending during a time of record food price inflation. Any way you cut it—Democrat or Republican—there will be pain out of the debates in Washington, DC.
We are headed into a tough political war in Washington, which will feature squabbles over funding of programs that have for a long time been highly controversial. For example, the Obama administration would increase spending for family planning programs, while GOP leadership hopes to zero-out those programs.

Similarly, the White House wants a very significant increase in spending on mother and child health programs, hoping to dramatically reduce the number of mothers dying in childbirth. The State Department is framing all its overseas efforts in terms of female priorities, and few issues are as central to that policy view as maternal health. Many conservatives believe, however, that the phrase “maternal health” is little more than political cover for provision of abortions, which they find abhorrent.
Advocates of overseas development assistance spending argue that these programs are essential to our national security. Republican Senator for South Carolina, Lindsey Graham has stepped away from the House Republicans on the slash foreign assistance effort, arguing that these programs save American lives by reducing support in poor countries for anti-U.S. terrorism.

But advocates for overseas development assistance spending would be unwise to hitch their wagon too tightly to the national security horses, as the most directly linked elements, Afghanistan and Iraq, represent a fairly small part of the overall overseas development assistance pot.

In truth, health is a fairly small part of the overall foreign assistance pot, as well.
This week the budget fight kicks off in full glory in the House, and we will soon see the Senate take matters on, as well. On the House side there are two fights going on at the same time, which is proving very confusing for the American public. One conflict is over the FY2012 budget, which funds the twelve months starting October 1, 2011. This debate pits the White House proposed budget directly against the GOP counter proposed spending plan.

**GOP Budget FY12:**

- $1.5 billion cut in GHI commitments, including sharp reductions in support of the Global Fund to Fight AIDS, Tuberculosis, and Malaria.
- $1 billion reduction in support for the National Institutes of Health— including global health projects.
- $755 million in cutbacks at the CDC.
- $327 million virtual elimination of family planning support.
- $250 million slice out of the Food and Drug Administration.

The second battle concerns spending right now, for the remainder of the FY11 year. The Republicans campaigned in November with the promise to cut one hundred billion dollars out of the FY11 budget. The 2011 fight (the Continuing Resolution) features threats by some House members to “shut the government down” if spending cuts aren’t enacted and agreed to by the Senate. This has only begun and promises to get ugly.

So far it seems the FY2011 axe will spare PEPFAR, even with the vision of Tea Party backed Republicans.
But the pain for global health and foreign assistance programs would be genuine, and immediate, if the stated House GOP intentions are realized.

**FY11 GOP Budget Cuts:**
(Continuing Resolution)

- $889 million in *Food for Peace* and farm support funds to poor countries;
- $56 million from the Centers for Disease Control’s *Global Health* program;
- All of the financing ($300 million) for the National Institutes of Health *Global HIV/AIDS effort*;
- All of the financing ($304 million) for the NIH *Project BioShield*, a post-9/11 program aimed at improving defenses against domestic and foreign bioterrorism;
- $283 million worth of contributions for *International Peacekeeping Operations*;
- $205 million of US Agency for International Development operating expenses;
- $1.52 billion from the State Department’s *Global Health and Child Survival* program;
- $1.2 billion from *Development Assistance*;
- $431 million from *International Disaster Assistance*;
- $115.4 million from the *Peace Corps*.

**FY11 GOP Budget Cuts:**
(Continuing Resolution)

Given the FY2011 total budget is **$3.82 trillion**, these $4.4 billion in cuts represent just over **1 percent** of the budget.

The direct global health allocation comes to **$1.88 billion**, **0.047%** of the total budget.

It will be impossible to direct public attention to the foreign assistance budget in the near term. The stakes for the Nation, overall, are simply so great in this show down that 0.047 percent of the budget could disappear without any by the diehard health advocates taking note. U.S. unemployment, battles at the state level over public employee pensions and unions, America’s wartime footing on many fronts, and the future of the economy dominate the political landscape.
This week several investment and banking firms are predicting doom and gloom if the GOP FY11 budget cuts are passed.

February 26, 2011, Leaked Assessment of GOP Budget Cut Impacts

• “The Republican plan to slash government spending by $61bn in 2011 could reduce US economic growth by 1.5 to 2 percentage points in the second and third quarters of the year.”

• “That would devastate employment. As a rule of thumb, each percentage point drop in growth means a loss of 1.2 million jobs.”

Whether Goldman Sachs is right, or wrong, the scale of the argument is getting larger by the minute, and louder. No matter how loudly the comparatively small cluster of global health advocates shout and scream, the larger war is creating a cacophony that drowns them out.

If the receiving world had ever said, “Thanks, America,” for the billions of dollars in health support it received from George Bush and Barack Obama’s administrations, the fight to defend those programs today might be easier. But the overwhelming mantra for 12 years from the outside world was, “America doesn’t give enough.”

As always, the Global Health Program will keep you informed regarding these, and other pressing issues.

Sincerely,

Laurie Garrett
Senior Fellow for Global Health
POSITION ANNOUNCEMENT

Title: Senior Fellow, Non-Communicable Diseases

Location: New York, NY or Washington, DC

Salary: Based on education and experience

Founded in 1921, the Council on Foreign Relations (CFR) is an independent national membership organization, publisher of Foreign Affairs, and a nonpartisan center for scholars dedicated to producing and disseminating ideas so that individual and corporate members, as well as policymakers, journalists, students, and interested citizens in the United States and other countries can better understand the world and the foreign policy choices facing the United States and other governments.

The Council on Foreign Relations is launching a major new initiative on non-communicable diseases (NCDs). The initiative will conduct and sponsor research on the challenges that NCDs pose and practical policy steps that countries can individually and collaboratively take to decrease the incidence and detrimental influence of NCDs. The senior fellow will be a member of CFR's Global Health Program.

The new fellow will be expected to help set overall direction for the initiative, conduct original research and writing, and convene workshops and other events. This is an extraordinary opportunity for a scholar who is committed to tackling the growing threat that NCDs pose to developing and developed nations alike.

The major responsibilities of the fellow will include (but are not limited to):

- Writing and publishing papers (and shorter pieces) that assess the problems NCDs pose, best practice in using preventive strategies to reduce their incidence, how low and middle income countries might balance NCDs with other public health priorities, and the role of global institutions in addressing the challenges NCDs pose to both global health and economic development objectives.
- Organizing and leading workshops and roundtables for CFR members, officials, and experts in the area of NCDs and global public health.
- Meeting with administration officials, members of Congress, their staffs, and representatives of international organizations to brief them on findings and recommendations of the NCD initiative.
- Interacting with CFR's distinguished membership and participating in CFR programs and activities.
- Educating a broader public audience through media interviews and public speaking.
- Contribute to CFR's overall institutional activities, which include writing for CFR.org, and participating in conferences and staff events.

Preferred Qualifications:

- PhD in a relevant field with high academic achievement
- Postdoctoral experience strongly preferred
- Expertise on non-communicable diseases
- Strong writing credentials

Qualified candidates should email, fax, or mail a resume and cover letter to the Human Resources department at the above contact information. PLEASE INCLUDE THE POSITION NAME IN THE SUBJECT OF YOUR EMAIL. The Council on Foreign Relations is an equal opportunity employer and actively seeks candidates from a diverse background.