

U.S. Aid for Tsunami-Hit Nations Falls Short

By David Bryden | January 7, 2005

As the full extent of the destruction and death the tsunami wrought in South Asia becomes clear, significant aid pledges are finally pouring in. While the U.S. is beginning to respond, little attention is being paid in the public debate to the need for effective development assistance for South Asia in the medium to long term. Comparisons of what the U.S. is doing for disaster relief relative to other nations are obscuring the need for a sober assessment of how well U.S. aid measures up compared to the actual need. The White House is drafting its 2006 budget this month, so this is an important opportunity to expose how the U.S. falls short when it comes to providing aid commensurate with its wealth.

A good place to begin is with malaria, which, according to UNICEF, is a serious threat in many of the tsunami-affected areas. In 2000 alone there were 18.8 million cases of malaria in Indonesia, Thailand, Sri Lanka, and India, according to World Health Organization (WHO) data. Despite the U.S. pledge of full and immediate assistance to the region, the U.S. is providing only about 6 percent of what experts say is needed to control malaria globally. Only about \$600 million worldwide is being spent to fight malaria, while the WHO and its partners in the Roll Back Malaria campaign have estimated that \$3 billion is needed each year to counter a disease that annually kills 1 million people. The U.S. will spend about \$200 million on malaria control in the current fiscal year, unless this is increased via emergency spending. Advocates are urging the Bush administration to increase spending to fight malaria to \$1 billion in the 2006 foreign aid budget.

The Global Fund

The Global Fund to Fight AIDS, Tuberculosis, and Malaria, an innovative health program financing mechanism based in Geneva, is an essential tool for the long-term battle against infectious diseases, and its support for malaria programs in tsunami-affected countries is now doubly important. The Fund spends nearly one-third of its money fighting malaria. The remainder goes to AIDS and tuberculosis programs.

While it's true that the Fund is not a disaster-response mechanism, the Fund's flexibility allows for redirecting malaria services to disaster areas and can allow reprogramming of funds toward the reconstruction of health centers. Yet a few weeks before the tsunami hit, the U.S. cut its 2005 contribution to the Global Fund. This jeopardizes not only malaria programs but AIDS and tuberculosis programs as well in the worst-hit countries including India and Indonesia.

Sri Lanka is the most dramatic example, since the wave wrought such destruction there. This devastated country's malaria grant from the Global Fund will expire and be up for renewal in 2005. Since 2002, the Fund has disbursed \$3.6 million to the program, financing mobile malaria clinics and distributing insecticide-treated bed nets. However, the Fund is short about \$200 million of the total it expects to need to finance renewals in 2005. Sri Lanka's program, therefore, is at risk of lower funding or even cancellation.

The U.S. often claims to be a strong supporter of the Fund, when in fact, President George W. Bush has tried repeatedly to cut the U.S. contribution. If he proposes the same contribution to the Global Fund for 2006 as for 2005 (\$200 million), this will equal just 13 percent of what the Fund has requested and just 5.8 percent of what the Fund says it needs from all sources. Even if Congress doubles this spending, it will still be a fraction of a U.S. fair share,

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which aid experts define as one-third of the total need, given that the U.S. economy is about a third of the world economy. Europe will remain the Fund's largest contributor. The Fund has requested \$1.5 billion from the U.S., but President Bush may propose, as he did for 2005, a massive cut in the U.S. contribution.

Such a cut will be a terrible blow to hopes for the Fund, a uniquely participatory and cost-effective mechanism. The Fund supports essential malaria and other healthcare programs in all tsunami-affected countries. Funding already approved for four of these countries totals over \$250 million: \$10.2 million for Sri Lanka, \$67.9 million for Indonesia, \$114.1 million for India, and \$61.1 million for Thailand. India hopes to use Fund resources to distribute 12 million mosquito nets. So that outside assistance can be effectively absorbed, a third of its funds go toward improvement of physical infrastructure as well as human resources and training.

Countries affected by the tsunami will undoubtedly seek to renew existing grants for malaria control, and they may put forward large, new grant requests to the Fund in response to the disaster. The Fund will need to maintain and even increase its support for vital AIDS and tuberculosis programs in the region, as the affected countries may find their own health budgets tapped out by this crisis. But, the Fund may not have the resources required to renew existing grants or finance these new requests unless donors do their fair share.

Japan, Italy, Australia, and other donors will also have to end their shortsighted approach to the Fund. Japan, while pledging up to \$500 million for tsunami relief, has yet to pledge any contribution whatsoever to the Global Fund for 2005. Australia is providing \$6.4 million per year to the Fund. In 2005, this will meet just 0.18% of the Fund's needs.

The U.S. has put little muscle behind efforts to convince these and other laggards to provide their fair share, preferring to fund its own programs that it can control and get credit for. If the U.S. wants to be a real leader in assisting with long term recovery, it must help the Fund reach its promised \$7 billion a year level of grantmaking to effective health programs.

Undermining the Fund is symptomatic of a broader failure of U.S. leadership. When it comes to overall development assistance, the U.S. ranks near the bottom of donor countries when measured as a percentage of GDP. The Center for Global Development's

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"Commitment to Development Index" ranks the U.S. 19th out of 21 wealthy countries in terms of the overall quality of its foreign aid with respect to promoting development (although the U.S. scores better in other areas, such as openness to migration and to developing country exports). Less than half of U.S. aid goes to the poorest countries where people earn less than \$2 a day on average

and large portions of U.S. aid are reserved for Egypt, Israel, Iraq, and Russia.

Even on AIDS relief, the U.S. is hardly exercising global leadership. Bush's budget for global AIDS programs, if it remains on the current track, will provide just 12 percent of what the UN says is needed from all sources beginning in 2007, that is \$20 billion. The world is falling dangerously short of the amount of financing needed to halt the epidemic's expansion, which grows at the rate of 13,000 new infections per day. The daily death toll from AIDS is 9,000 people. That's the equivalent of the tsunami body count every two weeks.

Funds for global health programs come out of the U.S. foreign assistance budget, which could be squeezed by the push for tsunami relief. It is deeply

troubling that the Bush administration has so far rejected the use of an Emergency Supplemental to the 2005 Budget to provide funds needed for tsunami relief. Unless emergency funding is provided on this basis, the tsunami relief effort risks reducing the overall amount of funds available for global AIDS programs and long term development assistance.

Will countries get what they need to rebuild? Only if the U.S. provides its fair share of what's required to tackle the problem, addressing not only the tsunami emergency but longer-term development challenges, including the lack of access to healthcare. Once the U.S. uses its clout to get all donor nations to do their fair share, it will be able to claim leadership in global assistance.

David Bryden is the Communications Director of Global AIDS Alliance (www.globalaidsalliance.org) and a contributor to Foreign Policy In Focus (online at www.fpif.org).

FOR MORE INFORMATION:

The Global Fund to Fight AIDS, Tuberculosis, and Malaria
<http://www.theglobalfund.org>

World Health Organization
<http://www.who.int>

Center for Global Development's "Commitment to Development Index"
<http://www.cgdev.org/rankingtherich/home.html>

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