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PROPOSED CUTS TO U.S. FOREIGN AID HAS THE DEVELOPMENT COMMUNITY VERY WORRIED

President Donald Trump's proposal to add \$54 billion to the budget for the military has a lot of people worried, not least the people who work for and care about the Global Fund to Fight AIDS, Tuberculosis and Malaria.

That's because Mr Trump proposes to offset the increase with steep cuts to foreign assistance programs and the State Department. The U.S. currently spends about \$50 billion a year on these items, compared to about \$600 billion a year on defense. The U.S. contribution to the Global Fund is included in the \$50 billion, as are the budgets for the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) and the U.S. President's Malaria Initiative (PMI). In many countries, the Global Fund, PEPFAR and PMI work closely together.

Mr Trump did not say precisely what level of cuts he was seeking in the foreign assistance and the State Department budgets, but officials in his administration said it would be between 30% and 37%. Some observers said that a cut of this magnitude would result in development assistance taking the biggest hit.

President Trump is not expected to send his full budget proposal to the U.S. Congress until May (a draft budget is expected to be released later this month). But his proposals have sent shockwaves through the development community. If there is any good news in this story, it is that Mr Trump's proposals are expected to meet with resistance in Congress.

During the most recent replenishment drive for the Global Fund, the U.S., under the Obama administration, pledged \$4.3 billion for 2017-2019, or \$1.43 billion a year. However, the pledge is subject to Congress approving the expenditure each year. It is an open question whether the President will seek,

and whether Congress will approve, \$1.43 billion for the Fund in the fiscal 2018 budget (1 October 2017 to 30 September 2018). If a lesser amount is approved, it could cause severe headaches for the Global Fund.

It should be noted, however, that over the years, successive U.S. presidents and congresses have a tradition of fighting over the content of the budget. It is a given that the budget finally approved by Congress will look different than the one the President submits. In addition, as an [article](#) in Politico pointed out, “Ultimately, the budget is separate from the spending process that will fund the various departments and Congress is highly unlikely to go along with most of Trump’s request when it is time to fund the government.”

On 13 March, as we were preparing to go to press, Politico published another [article](#) which said that the State Department budget won’t be getting cut as deeply as President Trump initially suggested.

“The budget blueprint expected later this week will still trim funding for both the State Department and the U.S. Agency for International Development next year,” Politico said “but by less than the 37% initially floated in preliminary documents sent out by the White House in late February.”

Politico reported that the budget revision is expected to include “staged cuts” spread out over several years, instead of the immediate hit, according to a senior administration official, who said that the White House is giving Secretary of State Rex Tillerson time “to do a deeper analysis on foreign aid.”

Tillerson and his top aides are assessing how to restructure the State Department, another person with knowledge of the discussions is quoted as saying, and is willing to take a “significant” cut to the department’s budget.

At the same time, CNN was [reporting](#) that the White House has instructed the State Department and the U.S. mission to the United Nations to cut their budgets for U.N. programs nearly in half, including U.S. peacekeeping and development assistance.

CNN said that the dramatic cuts reflect a desire by the Trump administration to reduce U.S. commitments to international organizations.

However, CNN said that Mr Tillerson is being granted some flexibility concerning where the State Department cuts are directed.

“He [Tillerson] said, ‘You give me a number and I will make the cuts,’ ” one senior administration official said. “He doesn’t want to be told what to cut.”

Reaction

Reaction to President Trump’s proposal from many different quarters was swift.

“It would be both foolish and mathematically impossible for President Trump to offset other spending increases by slashing State Department and development budgets, which represent just one percent of all federal spending,” Democratic Sen. Chris Coons of Delaware is quoted as saying in an [article](#) in Foreign Policy.

That same article quotes Peter Yeo, president of the Better World Campaign, a non-profit group that supports foreign aid, as saying that “the White House is essentially telling the State Department: Now you’re going to fit into a size 7 shoe, which toe would you like to cut off?”

A group of 120 former generals and other officers [wrote](#) to congressional leadership, as well as to people

in the administration, warning that “elevating and strengthening diplomacy and development alongside defense are critical to keeping America safe.”

An [article](#) on the online forum, UN Dispatch, said, “The point is, a massive reduction in foreign aid in order to offset budget increases elsewhere is both numerically impossible and politically unfeasible.”

Writing in a [blog](#) on the Council of Foreign Relations website, Laurie Garrett said:

“For many years, I have warned that what we call global health – along with humanitarianism, climate change mitigation, development, and food programs – was in grave danger. Having hitched their wagons to globalization, broad humanitarian missions – chiefly financed by the U.S. and U.K. governments and U.S. private interests – were overly vulnerable to political change in the United States and United Kingdom.”

In an [article](#) in The Lancet on 11 March, Sam Loewenberg wrote that “although Congress is expected to soften Trump’s far-reaching cuts, nobody knows by how much. Even small cuts to foreign aid as a percentage of total spending could have major effects because the U.S.A. is such a large contributor in raw dollars.”

Amanda Glassman was one of the few observers to comment specifically on the implications of President Trump’s proposal for the Global Fund. Writing in the global health policy blog on the Center for Global Development website, Ms Glassman said:

“The U.S. contribution – accounting for about one-third of the Global Fund’s resources – is now at risk. While the U.S. Congress may hold the line on some budget cuts, most programs, including PEPFAR, will likely take a haircut, and pressure is likely to build over time. How much will PEPFAR pass on the cuts to the Global Fund?”

Writing in [JAMA](#) on 21 February, Lawrence O. Gostin, said that broad bipartisan support exists for PEPFAR, and successive presidents have supported the Global Fund. “Trump has not signaled diminished support for these programs,” he said, “but international health assistance probably will be flat-lined, possibly reduced. This will maintain the U.S. support for antiretroviral treatment in Africa and elsewhere, but would do little to expand coverage.”

Since 2009, the Kaiser Family Foundation has [polled](#) Americans about how much of the federal budget goes to foreign aid. Though the correct answer is less than 1% – a figure that includes military aid to Israel and Egypt – the average respondent thinks it is about 25%.

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