

Testimony for Gayle Smith

House Appropriations Committee; Subcommittee on State, Foreign Operations, and Related Programs FY20 Budget Request

Chairwoman Lowey, Ranking Member Rogers, Members of the Subcommittee, thank you for having me here today and thank you for taking the time to hear other testimony on the lifesaving programs the United States generously supports around the world.

Over the years, U.S. development assistance has helped save millions of lives and contributed to major reductions in poverty. It has enabled people all over the world to build brighter futures by providing access to education, agricultural assistance, economic opportunity and better governance. As a former USAID Administrator, I am intimately familiar with our development programs and the outsized impact they have for a small proportion of the overall budget. I am now proud to be leading the ONE Campaign, a global movement to end extreme poverty and preventable disease by 2030, and an organization that I have seen – from the outside and now the inside – to be an effective advocate for a number of critical accounts which are outlined in an addendum to my submitted written testimony.

Today, however I would like to focus on the Global Fund to Fight AIDS, TB and Malaria. In October, the Global Fund will host its sixth replenishment, presenting an opportunity for the United States to once again leverage its investments in the global health fight for even greater impact.

Why should we support the Global Fund? Because just **today** nearly 5,000 people contracted HIV, nearly 1,000 of them young women. After 10 years of steady declines, malaria cases are back on the rise, and we are seeing mosquitoes in Africa developing resistance to the most common insecticides used in mosquito nets. Likewise, drug-resistant TB poses a catastrophic risk to global health security as just 25% of those with multidrug-resistant TB are diagnosed and treated.

While challenges remain, we have come a long way in the fight against these three diseases. In 2002, nearly 5,000 people were dying every day from AIDS. In response to this crisis the Global Fund and the President's Emergency Plan for AIDS Relief (PEPFAR) were created, and over the past 15 years these two programs have mounted an extraordinary global campaign to defeat the virus and have helped save tens of millions of lives.

The good news is that we have the ability to get ahead of these diseases and ultimately defeat them. But we cannot be complacent. We must keep our foot on the gas and continue to invest in the treatments we know work.

The Global Fund is uniquely positioned to take on these challenges. It is the largest funder for both malaria and TB and the second largest donor for HIV/AIDS (behind only PEPFAR). Its financing and influence with national governments and stakeholders is leveraged to ensure that those most vulnerable and in need of services are reached. And by pooling the world's resources, the Global Fund has been able to achieve measurable impact on all three diseases.

Working with its partners on the ground, the Global Fund has delivered incredible results- over its first 15 years in operation the Global Fund has helped save over 27 million lives. It is one of the most effective health organizations on the planet. For example, the Global Fund helps low-

income countries pool resources, allowing them to purchase medicines in bulk at lower cost. By doing this, the Global Fund was able to save \$205 million in 2017.

Historically, the United States has pledged to provide one-third of the Global Fund replenishment. This is intended to leverage commitments from other donors, and it works! In 2016, based on this, Japan increased its pledge by 46%, Italy increased its pledge by 40%, and the United Kingdom increased its pledge by 38%.

The Global Fund also encourages countries to increase domestic investments in health. In fact, Global Fund co-financing requirements led to grant recipients committing 41% more of their own funding to fight AIDS, TB and malaria during the current replenishment cycle (2018-2020) as compared to the previous cycle (2015-2017). The Global Fund predicts that this trend will continue with domestic resource commitments increasing by 48 percent in this next replenishment.

The Global Fund also coordinates with PEPFAR. In countries where both are operating they align programs and jointly support scale up. This is the kind of innovative partnership we need more of, to achieve an outsized impact with every dollar.

This year we at the ONE Campaign have advocates working in the United States, France, Canada, Germany, Belgium, the United Kingdom, South Africa, Nigeria, and Senegal to ensure that the Global Fund meets its replenishment target of \$14 billion. **We are asking Congress to send a strong early signal by appropriating \$1.56 billion for the Global Fund for FY20.** This represents the first of a three-year commitment needed to meet the one-third pledge, a standard Congress committed to in last year's appropriations bill.

This request is an increase over current funding, which I know is ambitious, particularly in this fiscal environment. We do not ask for this lightly and would not support an increase to this account at the expense of other development and humanitarian programs. But, if we simply coast on our current trajectory, we risk allowing the diseases coming back stronger than ever...particularly given the demographic trends in Africa. Years of investment and global cooperation have shown what is possible. Now we need to finish the job.

My boss, Bono (you may have heard of him), likes to say "If you are an American taxpayer you are an AIDS activist". Investing in the Global Fund gives U.S. taxpayers an opportunity to continue to be some of the very best AIDS activists on the planet.

Finally, two quick points. My first is to thank you both, and members of the House and Senate from both parties, for making the global fight against AIDS a bipartisan effort. In doing so, we send a powerful message to the world – that the United States can and will lead the world in ending diseases that upend lives, communities, countries and our common security, and that we will do it together. Second, and as a proud member of the network of former USAID Administrators, I'd like to make a quick pitch for USAID's OE budget – that money provides the fuel for the Agency to run well, and for the talented women and men who lead it, and I believe that the Agency can here, as in other areas, demonstrate value for money to you and the Committee.