

# Union Calendar No. 298

106<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 3519

[Report No. 106-548]

To provide for negotiations for the creation of a trust fund to be administered by the International Bank for Reconstruction and Development or the International Development Association to combat the AIDS epidemic.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 24, 2000

Mr. LEACH introduced the following bill; which was referred to the Committee on Banking and Financial Services

MARCH 28, 2000

Additional sponsors: Ms. LEE, Ms. MILLENDER-McDONALD, Mr. GUTIERREZ, Ms. ROYBAL-ALLARD, Mr. EVANS, Mr. HALL of Ohio, Mr. GONZALEZ, Ms. DELAURO, Mr. RUSH, Mr. HOUGHTON, Mr. FILNER, Ms. WATERS, Mr. FROST, Mr. LAFALCE, Mr. CUMMINGS, Mr. NADLER, Ms. SLAUGHTER, Ms. SCHAKOWSKY, Mrs. MORELLA, Mr. WEXLER, Ms. MCKINNEY, Mrs. JONES of Ohio, Ms. CARSON, Mr. CASTLE, Mr. BENTSEN, Ms. WOOLSEY, Mr. WATT of North Carolina, Ms. NORTON, and Mr. RANGEL

MARCH 28, 2000

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on January 24, 2000]

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## A BILL

To provide for negotiations for the creation of a trust fund to be administered by the International Bank for Recon-

struction and Development or the International Development Association to combat the AIDS epidemic.

1        *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4        *This Act may be cited as the “World Bank AIDS Mar-*  
5 *shall Plan Trust Fund Act”.*

6 **SEC. 2. FINDINGS AND PURPOSES.**

7        (a) *FINDINGS.—The Congress finds the following:*

8            (1) *According to the Surgeon General of the*  
9 *United States, the epidemic of human immuno-*  
10 *deficiency virus/acquired immune deficiency syn-*  
11 *drome (HIV/AIDS) will soon become the worst epi-*  
12 *demic of infectious disease in recorded history, eclips-*  
13 *ing both the bubonic plague of the 1300’s and the in-*  
14 *fluenza epidemic of 1918–1919 which killed more*  
15 *than 20,000,000 people worldwide.*

16            (2) *According to the Joint United Nations Pro-*  
17 *gramme on HIV/AIDS (UNAIDS), 33,600,000 people*  
18 *in the world today are living with HIV/AIDS, of*  
19 *which approximately 95 percent live in the developing*  
20 *world.*

21            (3) *UNAIDS data shows that among children*  
22 *age 14 and under worldwide, 3,600,000 have died*  
23 *from AIDS, 1,200,000 are living with the disease; and*  
24 *in one year alone—1999—an estimated 570,000 be-*

1       *came infected, of which over 90 percent were babies*  
2       *born to HIV-positive women.*

3               *(4) Although sub-Saharan Africa has only 10*  
4       *percent of the world's population, it is home to*  
5       *23,300,000—roughly 70 percent—of the world's HIV/*  
6       *AIDS cases.*

7               *(5) Worldwide, there have already been an esti-*  
8       *mated 16,300,000 deaths because of HIV/AIDS, of*  
9       *which 13,700,000—over 80 percent—occurred in Sub-*  
10       *Saharan Africa.*

11               *(6) According to testimony by the Office of Na-*  
12       *tional AIDS Policy, an entire generation of children*  
13       *in Africa is in jeopardy, with one-fifth to one-third*  
14       *of all children in some countries already orphaned*  
15       *and the figure estimated to rise to 40,000,000 by*  
16       *2010.*

17               *(7) The 1999 annual report by the United Na-*  
18       *tions Children's Fund (UNICEF) states "[t]he num-*  
19       *ber of orphans, particularly in Africa, constitutes*  
20       *nothing less than an emergency, requiring an emer-*  
21       *gency response" and that "finding the resources need-*  
22       *ed to help stabilize the crisis and protect children is*  
23       *a priority that requires urgent action from the inter-*  
24       *national community."*

1           (8) *A 1999 Bureau of the Census report states*  
2           *that the average life expectancy in the Republic of*  
3           *Botswana, the Republic of Zimbabwe, the Kingdom of*  
4           *Swaziland, the Republic of Malawi, and the Republic*  
5           *of Zambia has decreased from approximately age 65*  
6           *to approximately age 40—the lowest life expectancy*  
7           *in the world—due to high mortality rates from HIV/*  
8           *AIDS.*

9           (9) *A January 2000 unclassified United States*  
10          *National Intelligence Estimate (NIE) report on the*  
11          *global infectious disease threat concluded that the eco-*  
12          *nomie costs of infectious diseases—especially HIV/*  
13          *AIDS—are already significant and could reduce*  
14          *GDP by as much as 20 percent or more by 2010 in*  
15          *some sub-Saharan African nations.*

16          (10) *According to the same NIE report, HIV*  
17          *prevalence among militias in Angola and the Demo-*  
18          *cratic Republic of the Congo are estimated at 40 to*  
19          *60 percent, and at 15 to 30 percent in Tanzania.*

20          (11) *The HIV/AIDS epidemic is of increasing*  
21          *concern in other regions of the world with UNAIDS*  
22          *reporting, for example, that there are 6 million cases*  
23          *in South and South-east Asia, that the rate of HIV*  
24          *infection in the Caribbean is second only to sub-Saha-*

1        *ran Africa, and that HIV infections have doubled in*  
2        *just two years in the former Soviet Union.*

3                *(12) Despite the grim statistics on the spread of*  
4        *HIV/AIDS, some developing nations—such as Ugan-*  
5        *da, Senegal, and Thailand—have implemented pre-*  
6        *vention programs that have substantially curbed the*  
7        *rate of HIV infection.*

8                *(13) AIDS, like all diseases, knows no bound-*  
9        *aries, and there is no certitude that the scale of the*  
10       *problem in one continent can be contained within*  
11       *that region.*

12               *(14) According to a 1999 study prepared by*  
13       *UNAIDS and the Francois-Xavier Bagnoud Center*  
14       *for Health and Human Rights at the Harvard School*  
15       *of Public Health, HIV/AIDS is spreading three times*  
16       *faster than funding available to control the disease.*

17               *(15) The United Nations Secretary General has*  
18       *stated “[n]o company and no government can take on*  
19       *the challenge of AIDS alone,” and that what is needed*  
20       *is a new approach to public health—combining all*  
21       *available resources, public and private, local and*  
22       *global.”*

23               *(16) The World Bank, declaring AIDS not just*  
24       *a public health problem but “the foremost and fastest-*  
25       *growing threat to development” in Africa, has*

1        *launched a new strategy for HIV/AIDS in Africa, de-*  
2        *claring it a top priority for the Bank on that con-*  
3        *tinent.*

4            *(17) The World Bank estimates that for Africa*  
5        *alone \$1,000,000,000 to \$2,300,000,000 annually is*  
6        *needed for prevention in contrast to the approxi-*  
7        *mately \$300,000,000 a year in official assistance cur-*  
8        *rently available for HIV/AIDS in Africa.*

9            *(18) Accordingly, United States financial sup-*  
10       *port for medical research, education, and disease con-*  
11       *tainment as a global strategy has beneficial ramifica-*  
12       *tions for millions of Americans and their families*  
13       *who are affected by this disease, and the entire popu-*  
14       *lation which is potentially susceptible.*

15        *(b) PURPOSES.—The purposes of this Act are to pre-*  
16       *vent the spread of HIV/AIDS and promote its eradication,*  
17       *prevent human suffering, and to mitigate the devastating*  
18       *impact of the disease on economic and human development,*  
19       *social stability, and security in the developing world,*  
20       *through the creation of a trust fund which is designed to—*

21            *(1) work with governments, civil society, non-*  
22        *governmental organizations, the Joint United Nations*  
23        *Program on HIV/AIDS (UNAIDS), the International*  
24        *Partnership Against AIDS in Africa, other inter-*  
25        *national organizations, donor agencies, and the pri-*

1        *vate sector to intensify action against the HIV/AIDS*  
2        *epidemic and to support essential field work in the*  
3        *most affected countries to assist in the development of*  
4        *AIDS vaccines; and*

5                *(2) seek to leverage financial commitments by the*  
6        *United States in order to mobilize additional re-*  
7        *sources from other donors, the private sector, non-*  
8        *governmental organizations, and recipient countries*  
9        *to combat the spread of HIV/AIDS.*

10        **TITLE I—NEGOTIATIONS FOR**  
11        **THE CREATION OF A WORLD**  
12        **BANK AIDS TRUST FUND**

13        **SEC. 101. TRUST FUND TO ASSIST IN HIV/AIDS PREVEN-**  
14                **TION, CARE AND TREATMENT, AND ERADI-**  
15                **CATION.**

16        *The Secretary of the Treasury shall seek to enter into*  
17        *negotiations with the International Bank for Reconstruc-*  
18        *tion and Development or the International Development As-*  
19        *sociation, and with the member nations of such institutions*  
20        *and with other interested parties for the creation of a trust*  
21        *fund which would be authorized to solicit and accept con-*  
22        *tributions from governments, the private sector, and non-*  
23        *governmental entities of all kinds and use the contributions*  
24        *to address the HIV/AIDS epidemic in countries eligible to*  
25        *borrow from such institutions, as follows:*

1           (1) *PROGRAM OBJECTIVES.*—*The trust fund*  
2           *would provide only grants, including grants for tech-*  
3           *nical assistance, to support measures to build local*  
4           *capacity in national and local government, civil soci-*  
5           *ety, and the private sector to lead and implement ef-*  
6           *fective and affordable HIV/AIDS prevention, edu-*  
7           *cation, treatment and care services, and research and*  
8           *development activities, including affordable drugs. In*  
9           *carrying out this objective, the trust fund would co-*  
10          *ordinate its activities with governments, civil society,*  
11          *nongovernmental organizations, the Joint United Na-*  
12          *tions Program on HIV/AIDS (UNAIDS), the Inter-*  
13          *national Partnership Against AIDS in Africa, other*  
14          *international organizations, the private sector, and*  
15          *donor agencies working to combat the HIV/AIDS cri-*  
16          *sis.*

17          (2) *PRIORITY.*—*In providing such grants, the*  
18          *trust fund would give priority to countries that have*  
19          *the highest HIV/AIDS prevalence rate or are at risk*  
20          *of having a high HIV/AIDS prevalence rate, and that*  
21          *have or agree to carry out a national HIV/AIDS pro-*  
22          *gram which—*

23                  (A) *has a government commitment at the*  
24                  *highest level and multiple partnerships with civil*  
25                  *society and the private sector;*

1           (B) invests early in effective prevention ef-  
2           forts;

3           (C) requires cooperation and collaboration  
4           among many different groups and sectors, in-  
5           cluding those who are most affected by the epi-  
6           demic, religious and community leaders, non-  
7           governmental organizations, researchers and  
8           health professionals, and the private sector;

9           (D) is decentralized and uses participatory  
10          approaches to bring prevention care programs to  
11          national scale; and

12          (E) is characterized by community partici-  
13          pation in government policymaking as well as  
14          design and implementation of the program, in-  
15          cluding implementation of such programs by  
16          people living with HIV/AIDS, nongovernmental  
17          organizations, civil society, and the private sec-  
18          tor.

19          (3) GOVERNANCE.—

20                (A) IN GENERAL.—The trust fund would be  
21                administered as a trust fund of the International  
22                Bank for Reconstruction and Development. Sub-  
23                ject to general policy guidance from the Presi-  
24                dent of the United States and representatives of  
25                the other donors to the trust fund, the Trustee

1           *would be responsible for managing the day-to-*  
2           *day operations of the trust fund.*

3           *(B) SELECTION OF PROJECTS AND RECIPI-*  
4           *ENTS.—In consultation with the President and*  
5           *other donors to the trust fund, the Trustee would*  
6           *establish criteria, that have been agreed on by*  
7           *the donors, for the selection of projects to receive*  
8           *support from the trust fund, standards and cri-*  
9           *teria regarding qualifications of recipients of*  
10          *such support, as well as such rules and proce-*  
11          *dures as would be necessary for cost-effective*  
12          *management of the trust fund. The trust fund*  
13          *would not make grants for the purpose of project*  
14          *development associated with bilateral or multi-*  
15          *lateral development bank loans.*

16          *(C) TRANSPARENCY OF OPERATIONS.—The*  
17          *Trustee shall ensure full and prompt public dis-*  
18          *closure of the proposed objectives, financial orga-*  
19          *nization, and operations of the trust fund.*

20          *(D) ADVISORY BOARD.—*

21                  *(i) APPOINTMENT.—The President of*  
22                  *the United States and representatives of*  
23                  *other participating donors to the trust fund*  
24                  *would establish an Advisory Board, and ap-*  
25                  *point to the Advisory Board renowned and*

1 *distinguished international leaders who*  
2 *have demonstrated integrity and knowledge*  
3 *of issues relating to development, health*  
4 *care (especially HIV/AIDS), and Africa.*

5 *(ii) DUTIES.—The Advisory Board*  
6 *would, in consultation with other inter-*  
7 *national experts in related fields (including*  
8 *scientists, researchers, and doctors), advise*  
9 *and provide guidance for the trust fund on*  
10 *the development and implementation of the*  
11 *projects receiving support from the trust*  
12 *fund. Once the Advisory Board is estab-*  
13 *lished, the Secretary of the Treasury shall*  
14 *ensure that the Trustee provides the Advi-*  
15 *sory Board complete access to all informa-*  
16 *tion and documents of the trust fund nec-*  
17 *essary to the effective functioning of the Ad-*  
18 *visory Board.*

19 ***TITLE II—UNITED STATES***  
20 ***FINANCIAL PARTICIPATION***

21 ***SEC. 201. LIMITATIONS ON AUTHORIZATION OF APPRO-***  
22 ***PRIATIONS.***

23 *In addition to any other funds authorized to be appro-*  
24 *priated for multilateral or bilateral programs related to*  
25 *AIDS or economic development, there are authorized to be*

1 *appropriated to the Secretary of the Treasury \$200,000,000*  
2 *for each of fiscal years 2001 through 2005 for payment to*  
3 *the trust fund established as a result of negotiations entered*  
4 *into pursuant to section 101.*

5 ***TITLE III—REPORTS***

6 ***SEC. 301. REPORTS TO THE CONGRESS.***

7 *(a) ANNUAL REPORTS.—Not later than 1 year after*  
8 *the date of the enactment of this Act, and annually there-*  
9 *after for the duration of the trust fund established pursuant*  
10 *to section 101, the Secretary of the Treasury shall submit*  
11 *to the appropriate committees of the Congress a written re-*  
12 *port on the trust fund, the goals of the trust fund, the pro-*  
13 *grams, projects, and activities, including any vaccination*  
14 *approaches, supported by the trust fund, and the effective-*  
15 *ness of such programs, projects, and activities in reducing*  
16 *the worldwide spread of AIDS.*

17 *(b) APPROPRIATE COMMITTEES DEFINED.—In sub-*  
18 *section (a), the term “appropriate committees” means the*  
19 *Committees on Appropriations, on International Relations,*  
20 *and on Banking and Financial Services of the House of*  
21 *Representatives and the Committees on Appropriations, on*  
22 *Foreign Relations, and on Banking, Housing, and Urban*  
23 *Affairs of the Senate.*

1                   **TITLE IV—HIV/AIDS**  
2                   **PREVENTION AND CARE**

3   **SEC. 401. STRENGTHENING LOCAL CAPACITY IN SUB-SAHA-**  
4                   **RAN AFRICA TO IMPLEMENT HIV/AIDS PRE-**  
5                   **VENTION AND CARE PROGRAMS.**

6           *Title XVI of the International Financial Institutions*  
7   *Act (22 U.S.C. 262p—262p-7) is amended by adding at*  
8   *the end the following:*

9   **“SEC. 1625. STRENGTHENING LOCAL CAPACITY IN SUB-SA-**  
10                   **HARAN AFRICA TO IMPLEMENT HIV/AIDS PRE-**  
11                   **VENTION AND CARE PROGRAMS.**

12           *“The Secretary of the Treasury shall instruct the*  
13   *United States Executive Director at the International Bank*  
14   *for Reconstruction and Development to use the voice and*  
15   *vote of the United States to encourage the Bank to work*  
16   *with Sub-saharan African countries to modify projects fi-*  
17   *nanced by the Bank and develop new projects to build local*  
18   *capacity to manage and implement programs for the pre-*  
19   *vention of human immunodeficiency virus (HIV) and ac-*  
20   *quired immune deficiency syndrome (AIDS) and the care*  
21   *of persons with HIV/AIDS, including through health care*  
22   *delivery mechanisms which facilitate the distribution of af-*  
23   *fordable drugs for persons infected with HIV.”.*



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