USAID BUDGET PROCESS

February 2002
Objective

By the end of this presentation, you should explain the complexity of the USAID budget process, the directives and funding trends of the population, health and nutrition budget and their impact on Regional allocations.
Role of Congress

• Legislates annual appropriations
• Sets significant earmarks and directives
• May apply restrictions to funding

*Congressional earmarks and directives may not always correspond to White House priorities*
Federal Budget Managed by OMB

• The federal budget consists of 18 functional funding “accounts”

• USAID programs are part of the “150” or “International Affairs” account

• Other 150 programs include State, Peace Corps, multilaterals, military assistance
US Budget for FY 1999. Source OMB
Accounts Managed by USAID

- Development Assistance (DA) (included family planning and reproductive health through 2001)
- Child Survival and Diseases (CSD)
- Child Survival Health (CSH) in 2002 (includes family planning and reproductive health)
- Economic Support Funds (ESF)
- Others, such as
  - International Disaster Assistance
  - P.L. 480 Title III sales proceeds
  - FSA (Freedom Support Act, ex.-Soviet Union)
  - AEEB (Support Eastern Europe Democracy)
  - Operating Expenses
  - Development Credit Authority
ILLUSTRATIVE PROGRAM BUDGET CYCLE 1

- Below is a month-by-month breakout of the events in the program and budget cycles*. Events described cover three budget years and four budget stages: FY 2001 (October 2000 - September 2001) the current operating year (OYB), FY 2002 (October 2001 - September 2002) the proposed budget year and FY 2003 (October 2002 - September 2003) the request year. Thus, during 2001, Formulation involves the request year (FY 2003); Justification deals with the proposed year (FY 2002); and Implementation covers completion of the current operating year (FY 2001) and the beginning of the subsequent operating year (FY 2002).

<table>
<thead>
<tr>
<th></th>
<th>Formulation</th>
<th>Justification</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>Strategic Plans</td>
<td>FY 2002 Pres. Budget</td>
<td>Implement FY 2001 OYB</td>
</tr>
<tr>
<td>February</td>
<td>Strategic Plans</td>
<td>FY 2002 CBJ to Congress</td>
<td>Implement FY 2001 OYB</td>
</tr>
<tr>
<td>March</td>
<td>Agency Guidance</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>on FY 2003</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Results Review and Resource Request (R-4)</td>
<td>FY 2002 Hearings</td>
<td>Implement FY 2001</td>
</tr>
<tr>
<td>April</td>
<td>Bureau FY 2003 guidance (R4)</td>
<td>FY 2002 Hearings</td>
<td>Implement FY 2001 OYB</td>
</tr>
<tr>
<td>May</td>
<td>Operating Units</td>
<td>Congressional Budget</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prepare FY 2003 R-4s</td>
<td>Resolution FY 2002</td>
<td>Implement FY 2001 OYB</td>
</tr>
</tbody>
</table>
**ILLUSTRATIVE PROGRAM BUDGET CYCLE 2**

<table>
<thead>
<tr>
<th>Month</th>
<th>Action 1</th>
<th>Action 2</th>
<th>Action 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>Operating Units</td>
<td>Cong. Mark-up</td>
<td>Implement FY 2001 OYB,</td>
</tr>
<tr>
<td></td>
<td>Submit R4s to Bureau</td>
<td>of FY 2002 Request</td>
<td>Green Book</td>
</tr>
<tr>
<td>July</td>
<td>FY 2003 BPBS</td>
<td>Cong. Mark-up</td>
<td>Implement FY 2001 OYB</td>
</tr>
<tr>
<td></td>
<td>Submitted</td>
<td>floor action</td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>FY 2003 Budget</td>
<td>Congressional</td>
<td>Implement FY 2001 OYB</td>
</tr>
<tr>
<td></td>
<td>Reviews</td>
<td>Recess until Labor Day</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>FY 2003 OMB</td>
<td>Complete FY 2002</td>
<td>Wrap-up FY 2001 OYB</td>
</tr>
<tr>
<td></td>
<td>Submission</td>
<td>appropriations</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>OMB Reviews of 2003 request</td>
<td>New Appropriation</td>
<td>Set FY 2002 OYB</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bill on Continuing</td>
<td>653 (a) report</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Resolution</td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>FY 2003 OMB</td>
<td>Passback</td>
<td>Implement FY 2002 OYB</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>FY 2003 appeal and</td>
<td>President’s Mark.</td>
<td>Implement FY 2002 OYB</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Begin FY 2003 CBJ</td>
<td></td>
</tr>
</tbody>
</table>

* Note: These time frames reflect the ideal, but may be adjusted to reflect reality.
Funding Trends for PHN

- Family Planning Reproductive Health
- Child Survival
- HIV/AIDS
- Infectious Diseases

Fiscal Year

$ Millions

0 100 200 300 400 500 600 700

95 96 97 98 99 00 01 02 03
### Total Funding for PHN Sector

**FY 1997-2001**

(in millions of dollars) - all accounts

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 97 Actual</th>
<th>FY 98 Actual</th>
<th>FY 99 Actual</th>
<th>FY 00 Actual</th>
<th>FY 01 Actual</th>
<th>FY 02 Actual</th>
<th>FY 03 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Planning/ Reproductive Health</td>
<td>385</td>
<td>385</td>
<td>385</td>
<td>373</td>
<td>424</td>
<td>447</td>
<td>425</td>
</tr>
<tr>
<td>Child Survival/ Maternal Health**</td>
<td>361</td>
<td>338</td>
<td>401</td>
<td>383</td>
<td>383</td>
<td>415</td>
<td>364</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>125</td>
<td>125</td>
<td>139</td>
<td>197</td>
<td>433</td>
<td>485</td>
<td>640</td>
</tr>
<tr>
<td>Infectious Diseases</td>
<td>0.6</td>
<td>55</td>
<td>64</td>
<td>83</td>
<td>140</td>
<td>168</td>
<td>122</td>
</tr>
<tr>
<td>UNICEF</td>
<td>100</td>
<td>100</td>
<td>107</td>
<td>112</td>
<td>110</td>
<td>120</td>
<td>0*</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$971.6</strong></td>
<td><strong>$1,003</strong></td>
<td><strong>$1,096</strong></td>
<td><strong>$1,148</strong></td>
<td><strong>$1,490</strong></td>
<td><strong>$1,635</strong></td>
<td><strong>$1,551</strong></td>
</tr>
</tbody>
</table>

*UNICEF is funded in the by State IO account in 2003

**Includes Vulnerable Children**
Total= 1.55 Billion

Population, Health and Nutrition
FY 2003 - All Accounts

- Child Survival/Maternal Health: 22%
- Vulnerable Children: 1%
- Other Infectious Diseases: 8%
- HIV/AIDS: 42%

Family Planning/Reproductive Health: 27%
Setting Region and Country Levels

- Mission requests, within parameters (based on history)
- Congress sets some country levels (impacts on other countries)
- State sets ESF, FSA, and AEEB country levels
- Some broad strategic input (largely at the regional level)
- Country levels are not always driven by strategic choices
FY 2001 PHN Funding by Region

- AFR (23 countries): $355 (30%)
- ANE (16 countries): $282 (24%)
- LAC (14 countries): $154 (13%)
- E&E (14 countries): $66 (6%)
- Central Programs: $351 (29%)
Top 20 PHN Funded Countries
FY 2001

Millions

Country
Bangladesh, India, Egypt, Nigeria, Indonesia, Philippines, Uganda, Zambia, Peru, Haiti, Bolivia, Ethiopia, Kenya, Mozambique, Cambodia, Jordan, Ghana, Nepal, South Africa, Tanzania
PHN Sector Budget Allocation
FY 2001

Central Bureaus
$351 million

Field Support/MAARDS
$362 million

Region Missions
$593 million
HIV/AIDS Budget
FY 2000

Total Budget: $126 million

Global Managed*
57%

Mission Managed**
43%

*Global managed includes central CA expenditures incurred via long-term technical assistance; sub-agreements; equipment, supplies, commodities, publications used in-country; training for host country participants; and total condom shipments for HIV/AIDS prevention. Field support provided by Missions to G/PHN is included under global managed.

**Some mission-managed HIV/AIDS activities may be directly financed by missions through grants and contracts with US-based cooperating agencies.
HIV/AIDS Expenditures through Central Cooperating Agencies FY 2000

Total expenditures: $73 million

In-Country Expenditures = 58%

- 31% Global leadership, research, direct and indirect costs.
- 11% Short-term TA & US-based staff time dedicated to supporting specific country programs
- Other 42%

*Central CAs include: Expenditures incurred via long-term technical assistance; sub-agreements; equipment, supplies, commodities, publications used in-country; training for host country participants; and total condom shipments for HIV/AIDS prevention. Field support is reported under central cooperating agencies.
LAC countries HIV funding
LAC countries ID funding

Mexico
LAC Regional
Brazil
Bolivia
Peru
Dominican Republic
El Salvador
Haiti
Honduras
Nicaragua
LAC Region funding per program

- CS/MH: 28%
- POLO: 1%
- HIV: 12%
- ID: 8%
- Total CSD: 15%
- POP: 0%
- DCOF/VUL: 36%