



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

March 22, 2000

**H.R. 3519**

**World Bank AIDS Marshall Plan Trust Fund Act**

*As ordered reported by the House Committee on Banking and Financial Services  
on March 15, 2000*

**SUMMARY**

H.R. 3519 would authorize the Secretary of the Treasury to negotiate with the World Bank and other donor countries to create a new trust fund within the bank. The trust fund would provide grants to countries eligible to borrow from the bank to help them deal with the HIV/AIDS epidemic. The bill would authorize the appropriation of \$200 million a year over the 2001-2005 period for contributions to the fund. Based on experience with other facilities administered by the bank, CBO estimates that appropriation of the authorized amounts would result in additional outlays of \$338 million over the next five years. Because H.R. 3519 would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

H.R. 3519 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 3519 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005

**CHANGES IN SPENDING SUBJECT TO APPROPRIATION**

Authorization Level	0	200	200	200	200	200
Estimated Outlays	0	0	12	62	112	152

For purposes of this estimate, CBO assumes the enactment of H.R. 3519 and subsequent appropriation of the authorized amounts. Based on experience with other facilities operated by multilateral development banks, CBO estimates that it will take the bank and donor community more than one year to organize the operations of the trust fund and to begin making grants. CBO assumes that project selection and subsequent grants would augment lending by the bank, thus limiting administrative overhead. We also assume that the appropriated amounts would be provided to the trust fund as a letter of credit that would be drawn upon as needed to finance the grants, thus spreading outlays over a number of years. Using those assumptions, CBO estimates that approximately one-third of the authorized amounts would be disbursed over the next five years. CBO also estimates that the costs of negotiations and reporting requirements would be negligible.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

**INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 3519 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

**ESTIMATE PREPARED BY:**

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