



Joint United Nations Programme on HIV/AIDS

UNAIDS

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PROGRAMME COORDINATING BOARD

Fifteenth meeting

Geneva, 23–24 June 2004

Provisional agenda item 8.2:

Review of the Memorandum of Understanding with the Global Fund to Fight AIDS, Tuberculosis and Malaria

Executive summary

A Memorandum of Understanding (MOU) between the Joint United Nations Programme on HIV/AIDS (UNAIDS) and the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) was signed by the Executive Directors of both organizations on 4 August 2003. It provides a framework for cooperation that enhances the roles of both partners and opens the way for more detailed relationships to be pursued for specific activities and purposes. It covers collaboration between the Global Fund, the UNAIDS Secretariat and the nine UNAIDS cosponsoring organizations, although it is understood that the engagement of the Cosponsors with the Global Fund Secretariat is not limited to the provisions of the MOU. The MOU asks that annual updates be provided on its implementation. It also calls for such annual review primarily to identify issues and areas of collaboration that require further attention or strengthening.

Action requested at the meeting:

- The PCB is requested to take note of the attached document.

A Memorandum of Understanding (MOU) between the Joint United Nations Programme on HIV/AIDS (UNAIDS) and the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) was signed by the Executive Directors of both organizations on 4 August 2003. It was developed over the course of several months in late 2002 and early 2003, through a broad consultative process including the Global Fund and UNAIDS Secretariats as well as the UNAIDS Cosponsors. The Memorandum of Understanding provides a framework for cooperation that enhances the roles of both partners and opens the way for more detailed relationships to be pursued for specific activities and purposes. It covers collaboration between the Global Fund, the UNAIDS Secretariat and the nine UNAIDS cosponsoring organizations, although it is understood that the engagement of the Cosponsors with the Global Fund Secretariat is not limited to the provisions of the MOU. In fact, the Memorandum of Understanding has thus far proved a useful and flexible instrument for capturing the key areas of collaboration between the Global Fund and the UN system as a whole. The MOU calls for an annual review on its implementation, focusing primarily on identifying issues and areas of collaboration that require further attention or strengthening.

In this regard, the first annual review of collaboration between the Global Fund and UNAIDS, including implementation of the Memorandum of Understanding, took place on 14 and 15 January 2004. The review included senior staff of the Global Fund and UNAIDS Secretariats as well as representatives from all nine UNAIDS Cosponsors. The participation of five UNAIDS Country Coordinators and the Global Fund Portfolio Managers for the same countries allowed for more in-depth discussion of on-the-ground collaboration in specific countries and regions. The meeting provided an opportunity for a frank exchange of experiences to date, as well as agreement on areas of work requiring improvement and/or more effective coordination in the months ahead.

The present document, which provides the Programme Coordinating Board with the first annual update of MOU implementation, draws heavily on the results of the January review. Annex 1 highlights progress to date and future directions in the four main areas of collaboration included in the Memorandum of Understanding. These include:

- *strategic analysis and policy advice*, including the sharing of strategic information and good practices, and policy support;
- *technical support across the proposal process*, including support to Country Coordinating Mechanisms in proposal development, to Principal Recipients in implementation and to the Technical Review Panel;
- *monitoring and evaluation*, including UNAIDS assistance to countries in meeting the information and monitoring requirements of the Global Fund, and to the Global Fund in assessing its overall contribution to global HIV/AIDS resource flows and the achievement of clear, measurable and sustainable results in the fight against AIDS; and
- *resource mobilization and advocacy*, including the sharing of information on overall resource requirements (e.g., the costing of interventions and resource

gaps), assessing the additionality of Global Fund resources, and coordinating resource mobilization and advocacy efforts.

As Annex 1 indicates, collaboration in all four areas has increased steadily in the past 12 months. Consultations take place at both the Executive-Director and working levels; these consultations have become more regular in recent months, allowing for problems to be identified early and solved in a collegial manner. Overall, a few issues have emerged that require concerted attention in the short and medium term. Firstly, the roles and responsibilities of Global Fund mechanisms, including, but not limited to, Country Coordinating Mechanisms, *vis-à-vis* existing groups (e.g., National AIDS Commissions and partnership forums) require further clarification. Recent progress made in establishing the principle of the ‘three ones’ at country level (i.e., one national AIDS authority, one strategic framework and one monitoring-and-evaluation framework) will support this effort. The Global Fund is fully supportive of greater harmonization of country-level processes, including the ‘three ones’.

Secondly, the increasing demand of countries for technical assistance from UN-system agencies must be addressed in a comprehensive manner. Although the provision of technical assistance is not limited to the Global Fund, the challenges that countries face in setting up Country Coordinating Mechanisms and in integrating them into existing structures, designating Principal Recipients, ensuring efficient capacity-building and implementation, and submitting timely, high-quality reports should not be underestimated. While the UN system embraces such capacity-building as one of its core mandates, its own capacity risks being overwhelmed by the number and scope of country requests. Thirdly, the principle of additionality of Global Fund resources—a fundamental principle in the Fund’s creation—is in serious jeopardy.

The UNAIDS Secretariat and Cosponsors will continue to support the resource-mobilization efforts of countries, including through the Global Fund, to the fullest extent possible. During the course of the next year, all four areas of collaboration outlined in the Memorandum of Understanding will be pursued and the above-stated areas of concern addressed, in full consultation with the Global Fund Secretariat and other partners.

**ANNEX 1: SUMMARY OF PROGRESS IN IMPLEMENTING THE MEMORANDUM OF UNDERSTANDING
BETWEEN UNAIDS AND THE GLOBAL FUND (JUNE 2003 – JUNE 2004)**

Area of cooperation	Progress to date	Future directions
1. Strategic analysis and policy advice		
<p>UNAIDS to make available to Global Fund and other partners the wide range of strategic information it gathers on the evolving epidemic and responses to it (including epidemiologic data, needs assessments and country-readiness studies); the Global Fund will use UNAIDS information and thereby avoid duplicate collection and analysis.</p>	<p>Global Fund Secretariat has full and on-going access to strategic information produced by the UNAIDS Secretariat and Cosponsors.</p>	<p>Collaboration is satisfactory and will continue; within financial and human capacity constraints, the UNAIDS Secretariat and Cosponsors will respond to new and intensified requests for strategic information, particularly for information on country readiness and needs assessments.</p>
<p>As part of its ongoing support to national responses to HIV/AIDS, UNAIDS will help Country Coordinating Mechanisms (CCMs) and other partners understand and apply Global Fund policies; the Global Fund will involve UNAIDS in the development of these policies; the Global Fund and UNAIDS will work together to identify and involve regional mechanisms in the application of these policies.</p>	<p>The UNAIDS Secretariat and Cosponsors have been assisting in this area at both global and country levels; UNAIDS has supported the organization of regional meetings to communicate/inform partners about the Global Fund and its requirements for funding.</p>	<p>More formal, regular communication mechanisms between the Global Fund and UNAIDS are required at country level; this will become more important as new policies are developed (e.g., related to Phase II funding); the policy-making role of CCMs <i>vis-à-vis</i> other national forums (e.g., National AIDS Commission) needs to be further clarified.</p>
<p>The successes and challenges identified by the Global Fund in the implementation of its programmes will contribute to UNAIDS' on-going efforts to identify and share best practices.</p>	<p>Extensive sharing of experience is on-going, particularly at country level.</p>	<p>Upcoming assessment of CCMs, being undertaken by the Global Fund Secretariat, will add to 'good practice' examples.</p>

The Global Fund and UNAIDS will engage in regular consultation regarding proposal development, grant implementation and monitoring and evaluation; UNAIDS will participate in the meetings of the Global Fund Board and related committees.

The UNAIDS Secretariat and Cosponsors maintain regular contact with Global Fund Secretariat; UNAIDS delegation or 'constituency' at each Global Fund Board meeting consists of the UNAIDS Secretariat and several Cosponsors; UNAIDS is a member of the Monitoring, Evaluation, Finance and Audit (MEFA) and the Resource Mobilization and Communication (RMC) Committees, and serves as a 'resource' to the Portfolio Management and Procurement Committee (PMPC) Chair.

Given the depth and scope of collaboration between the Global Fund and the UNAIDS Secretariat and Cosponsors, UNAIDS should be involved in all Global Fund committees. Current restriction of membership to two committees hinders UNAIDS participation in, and understanding of, Global Fund policy-making; UNAIDS participation in the Governance and Partnership Committee (GPC), for example, has been erratic and subject to change, depending on the individual views of its Chair.

The Global Fund is committed to building additionality in its investments; UNAIDS will assist the Global Fund in monitoring the additionality of its funding.

Both the Global Fund and UNAIDS are following this issue closely; UNAIDS has identified at global and country level that, in some instances, Global Fund monies are not additional.

More systematic tracking of this information is necessary. This should begin at country level with government and all stakeholders, including regular review at country level, of planned versus actual investment and the extent to which resources are allocated in accordance with national priorities.

The Global Fund and UNAIDS will work together to achieve maximum impact in communities of greatest need through the resource investments of the Global Fund.

The UNAIDS Secretariat has assisted in developing prioritization and eligibility criteria for countries seeking Global Fund resources; these criteria have been discussed by the Global Fund Board.

In accordance with Global Fund Board decisions, the UNAIDS Secretariat will continue to work with the PMPC Committee to refine these criteria.

2. Technical support across the proposal process

UNAIDS will assist CCMs in the development of HIV/AIDS proposals to access Global Fund

The UNAIDS Secretariat has assisted CCMs in proposal development in more than 50 countries

This will continue to be a major area of collaboration; the UNAIDS Secretariat is

resources, and will provide assistance for this process through the Programme Acceleration Fund (PAF) and other Cosponsor facilities.

At the request of countries, UNAIDS will facilitate the implementation of programmes supported by the Global Fund, including access to reliable procurement services.

UNAIDS will support the selection and operation of the Technical Review Panel and will work with the Global Fund to ensure that the Technical Review Panel draws effectively on the institutional, technical and contextual knowledge of UNAIDS; UNAIDS will, at all times, respect the independence and objectivity of the technical review process.

UNAIDS will support the Global Fund's efforts to communicate information, advice and guidance necessary to countries seeking access to Global Fund resources, including by sharing this information with a broad range of national and other partners.

during multiple rounds, spending roughly US\$1 million per round; support to Global Fund proposal development has been incorporated into PAF guidelines; UNAIDS is assisting with some of the more complex aspects of proposal development (e.g., ILO and private sector co-investment).

Insufficient capacity is recognized by both the Global Fund and UNAIDS as the single most important bottleneck to proposal development and implementation across countries; the issue is not only ad hoc technical assistance but strengthening of capacity of national systems (e.g., health systems, financial management systems).

The UNAIDS Secretariat has participated in the selection (and renewal) process for the Technical Review Panel; the UNAIDS Secretariat and Cosponsors have served as resource persons during Technical Review Panel sessions. Requests are documented and replies are always furnished in writing within hours.

The UNAIDS Secretariat and Cosponsors, through UN Country Teams, have been helping to explain Global Fund processes; the complexity and newness of processes continue to pose challenges; countries report confusion about constantly-changing proposal and reporting formats.

developing a methodology whereby investments of Cosponsors and UN Country Teams in proposal development can be calculated, which will provide a better idea of overall UN-system spending in this area.

Demand of countries for technical assistance is increasing rapidly, particularly as more countries enter the implementation phase; demand is already exceeding the capacity of UN-system organizations to respond adequately at current levels of funding and support; the issue of technical assistance is to be raised at the Global Fund meeting in June 2004.

Collaboration is much appreciated by the Technical Review Panel chair, co-chair and members. UNAIDS will continue to provide this 'on call' service for the full two weeks that the Technical Review Panel sits each year.

The UNAIDS and Global Fund Secretariats must continue to collaborate in this area; feedback from countries should be used to simplify (and stabilize) proposal development and reporting requirements.

3. Monitoring and evaluation

UNAIDS will support countries to provide the information required by the Global Fund for on-going review of proposals (including the information required by Local Fund Agents).

The Global Fund will draw on the monitoring and evaluation expertise of UNAIDS and participate in the UNAIDS Monitoring and Evaluation Reference Group (MERG).

UNAIDS will support countries in providing information and data needed for the assessment of performance in carrying out activities covered by Global Fund grants.

UNAIDS will provide information to the Global Fund to help it evaluate its own performance at the aggregate level, including its overall contributions to global HIV/AIDS resource flows and the achievement of clear, measurable and sustainable results in the fight against HIV/AIDS; the additionality of the Global Fund to the overall fight against HIV/AIDS will also be measured.

4. Resource mobilization and advocacy

UNAIDS will assist countries in determining overall resource requirements, including costs of interventions and resource gaps; the Global Fund is committed to filling the resource gaps.

The UNAIDS Secretariat and Cosponsors, through UN Country Teams, are responding to country requests for assistance in this area.

The Global Fund Secretariat is a member of UNAIDS MERG; the UNAIDS Secretariat is a member of the MEFA Committee and of Global Fund Technical Evaluation Reference Group (TERG).

On-going collaboration at both global and country levels.

The terms of reference for the Technical Evaluation Reference Group (TERG) include an on-going review of the integrity of the Global Fund's Phase II renewal process, which will begin this summer, and on the global reporting that the Global Fund Secretariat must perform.

The UNAIDS Economics Reference Group regularly reviews resource requirements, costs of interventions and resource gaps; this information is readily available to the global community.

Demand from countries is likely to increase dramatically as requirements for the Phase II renewal of funding are disseminated and the reports are due.

The relative roles and responsibilities of MERG and the Global Fund Technical Evaluation Reference Group (TERG) must remain clear and mutually understood.

Additional work demands will need to be monitored in this area.

Through its participation in the MEFA Committee and the TERG, UNAIDS will provide on-going assistance as the review of Phase II renewals occurs and during the analysis of country data for global reporting on progress and impact.

Collaboration is on-going and will continue.

Both UNAIDS and the Global Fund are committed to ensuring that the Global Fund resources are additional to other sources of financing.

The additionality of Global Fund resources is a source of continuing concern; some major donors have flat-lined and/or decreased funding to the UN system in order to fulfil pledges to the Global Fund; private-sector and other 'new' sources of funding have not increased as planned; most recent Global Fund resource mobilization strategy does not emphasize 'additional' sources of funding – it draws almost exclusively on more traditional public-sector sources of support.

This issue is related to the capacity of the UN system to meet the increasing demand for technical assistance required by countries to access, and carry out activities covered by, Global Fund grants; it will be raised in the context of provision of technical assistance at the June 2004 meeting of the Global Fund and other forums over the next few months.

The Global Fund and UNAIDS will coordinate cost estimates related to HIV/AIDS and the tracking of resource flows.

UNAIDS has established a Financial Tracking Consortium, including all major stakeholders; the Global Fund Secretariat is participating in this initiative.

Collaboration will intensify as the consortium develops. There will be a major focus on further refining methodologies to determine additionality at country level, including use of National AIDS Accounts and sub-analyses of National Health Accounts.

The Global Fund and UNAIDS will coordinate their resource mobilization and advocacy efforts; the communication networks of each partner will be available to the other.

The UNAIDS Secretariat is a member of the RMC Committee; ad hoc consultation takes place on resource mobilization efforts; concern expressed by the UNAIDS Secretariat and Cosponsors on the lack of additionality of Global Fund resources and the lack of emphasis on 'new and innovative' sources of funding in Global Fund resource mobilization strategy; collaboration on advocacy-related issues is ad hoc and sporadic.

More formal sharing of information and strategies on resource mobilization and advocacy should be developed; this is an area for improvement in the coming months.