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18th Meeting of the UNAIDS Programme Coordinating Board
Geneva, Switzerland
27–28 June 2006

Provisional agenda item 4:

**Unified Budget and Workplan:
Funding UNAIDS' role in the multilateral response**

Introduction

At its 17th meeting in June 2005, the Programme Coordinating Board (PCB) called on UNAIDS to consider how the UNAIDS biennial Unified Budget and Workplan (UBW) may need to be revised to meet new realities. Specifically, the PCB

requested “UNAIDS to take further steps to strengthen the Unified Budget and Workplan as an instrument for UN system coherence to capture country level financing and harmonization with a strengthened results-based management approach, and that UNAIDS report to the Programme Coordinating Board on these steps in June 2006”;

urged “UNAIDS Secretariat to establish a process aimed at aligning the Unified Budget and Workplan with the recommendations of the Global Task Team and to identify their financial implications”;

urged “UNAIDS Secretariat to examine and propose ways and means to the 18th Programme Coordinating Board to increase the flexibility of the Unified Budget and Workplan, including the possible establishment of a contingency fund and a mid-term review”.

This paper outlines the actions already taken and currently under way to respond to these decisions.

Strengthening a results-based management approach—the UBW Performance Monitoring and Evaluation Framework

The 2006–2007 UBW is built on a results-based structure, identifying 16 Principal Results for UNAIDS as a whole and 49 Key Results for individual UNAIDS Cosponsors, Interagency and the Secretariat. Achievement indicators have been identified for each level of results. In addition, the 49 Key Results contain details on specific deliverables, elements of the strategies to be used and partners to engage with in order to achieve expected key results. This multiagency results-based budget is unique in the UN System.

UNAIDS' intention is to ensure that the results-based management approach embodied in the UBW is fully implemented as requested by the PCB. It is for this reason that the Secretariat, working together with the UNAIDS Cosponsor Evaluation Working Group (CEWG), has developed a Performance Monitoring and Evaluation Framework for the 2006–2007 Unified Budget and Workplan. The joint effort focused on development, review and validation of indicators; identification and agreement on baseline information; definition of the source of monitoring information; the scope and periodicity of reporting; assignment of responsibilities and roles; and agreement on coordination mechanisms.

The Framework defines the parameters that will guide UNAIDS in monitoring progress as a whole and at individual agency level. It introduces strengthened accountability and improved reporting. It will serve as a credible system to monitor progress across the Joint Programme, and promote coherent reporting. The Framework will also contribute to UN reform by harmonizing monitoring and evaluation by UNAIDS Cosponsors and the Secretariat.

Care has been taken to ensure that UNAIDS will be able to report reliable, meaningful data and information to the PCB and other partners on achievement and lessons, while minimizing transaction costs associated with data collection. A key strategy being employed is “mining” existing sources of data generated by the Secretariat, individual Cosponsors, UN Theme Groups, governments and civil society.

The Framework has three components:

- i) joint monitoring of the progress of the UNAIDS’ partnership towards the UNAIDS Principal Results through the performance monitoring matrix;
- ii) joint evaluations of UNAIDS effort in selected priority areas; and
- iii) individual performance monitoring and evaluation of the key results of Cosponsors and the Secretariat.

All three components are interlinked and collectively contribute to more comprehensive assessment of UNAIDS performance.

Financial monitoring is also recognized as an important element in results-based management. UNAIDS currently monitors financial implementation at the level of the key results of individual Cosponsors and the Secretariat and reports on this to the PCB. UNAIDS recognizes that there is scope to further improve financial monitoring and reporting; for example: in capturing country-level spending by Cosponsors. This is an area which will receive further attention during 2006–2007.

The UBW 2006–2007 Performance Monitoring and Evaluation Framework is contained in the **Annex I**¹.

Revision of the 2006–2007 United Budget and Workplan (UBW) to align it with the GTT recommendations

In order to align the 2006–2007 Unified Budget and Workplan (UBW) with the recommendations of the Global Task Team on Improving AIDS Coordination among Multilateral Institutions and International Donors² adopted at the PCB meeting in June 2005, Global Coordinators on HIV and AIDS decided to initiate a review of the 2006–2007 UBW. The goal of the review was to identify changes that may be required at the level of Principal and Key Results arising from re-prioritization in order to implement the recommendations of the Global Task Team.

The review of the 16 UBW Principal Results for the Joint Programme confirmed that they remain valid and that the indicators which were developed for assessing progress towards achieving Principal Results took into account the Global Task Team recommendations and plans for monitoring their implementation.

Each UNAIDS Cosponsor and the Secretariat has identified how their respective key results of the Unified Budget and Workplan need to be revised. The review and revision of Key Results covered such elements of the workplan as planned deliverables, achievement indicators, strategies to achieve the Key Results, and partners in the implementation of the workplan. As a result, a number of Cosponsors and the

¹ The Performance Monitoring and Evaluation Framework takes into account the proposed revisions to the 2006–2007 UBW.

² UNAIDS (2005). *Global Task Team on Improving AIDS Coordination among Multilateral Institutions and International Donors*. Geneva.

Secretariat adjusted strategies, revised or added new deliverables for the key results and extended the list of partners they plan to involve in implementation of their workplans.

The revision of the Key Results included consideration of a need to reprogramme UBW resources (core allocation, supplemental budget and own agency resources) within their respective PCB-approved 2006–2007 Unified Budget envelope of each Cosponsor and the Secretariat. For example, the World Bank reprogrammed resources among its five key results to ensure optimal implementation of the adjusted workplan, resulting in a shift of US\$ 500 000 to increase resource allocation towards provision of technical assistance for the development of country AIDS Strategy and Action Plans.

The Interagency component of the 2006-2007 UBW already provides for the “establishment and functioning of technical support facilities (TSFs): regional and subregional platforms to expedite technical, coordination, harmonization support, timely access to qualified human and technical and financial resources for AIDS programmes” in the amount of US\$3.9 million in core budget and US\$5.0 million in supplemental resources. Moreover, UNAIDS is prioritizing technical support to countries in the allocation of the \$16 million Programme Acceleration Funds (PAF) of core resources already included in the Interagency component of the UBW.

In addition to the above, at global level, the Secretariat and Cosponsors will mobilize additional funds for scaling up the Joint Programme’s provision of technical support at country level. It is therefore proposed that the Interagency component of the 2006 – 2007 Unified Budget and Workplan be amended to include a new supplemental budget line in the amount of \$40 million, specifically dedicated to the provision of technical support to countries. This supplemental budget line would be in addition to current allocation for TSFs and PAF discussed above. No increase in the core budget is envisaged. It is expected that this supplemental budget would be funded by interested donors with contributions in addition to the contributions required to fund fully the core budget.

Details on the proposed adjustments are presented in **Annex II**.

Development of the 2008–2009 Unified Budget and Workplan

At its 26th meeting on 27 October 2005, the UNAIDS Committee of Cosponsoring Organizations (CCO), considered ways and means to strengthen the effectiveness and flexibility of the UBW. In its resolution “Review of the functioning of the UNAIDS Committee of Cosponsoring Organizations”, the CCO

agreed “to conduct a review on how different cosponsoring organizations have used the UBW funds to respond to the AIDS epidemic”;

requested “the Secretariat to develop a transition plan for the UBW to progressively move funds to the country level, taking into account the different mandates, structures and functions of the cosponsoring organizations (standards related; normative; operational; and global, regional and country level).”

These resolutions aim to operationalize the PCB decisions, in particular to extend the logic of the UBW to cover more completely UNAIDS’ country-level work and to

“increase the flexibility of the Unified Budget and Workplan, including the possible establishment of a contingency fund and a mid-term review.” Accordingly the Cosponsors and the Secretariat have agreed on a process to prepare a fully articulated proposal for PCB’s consideration. This process includes three major phases:

1. A review by an independent consultant on how different Cosponsoring organizations have used the UBW funds to respond to the AIDS epidemic. The Review of Cosponsors’ use of UBW funds will be completed by July 2006 and will inform the transition plan process for the 2008–2009 UBW outlined in point 2 below. Issues to be addressed include:

- The mandate, functions and corporate priorities of the Cosponsor in respect to AIDS; in particular development of standards; normative functions; and operational activities;
- use of the funds for staff as compared to activities; types of activities; amounts spent at global, regional and country level, and among the regions; and
- how decisions on the allocation of resources are taken; complementarity between core and Cosponsors’ own resources; the use of core funds for leveraging other resources from within the organization and from external donors; and how activities and fund utilization are monitored and reported.

2. A transition plan for the UBW. As requested by the CCO, the transition plan will focus on progressively moving funds to the country level, and take into account the differing mandates, structures and functions of the cosponsoring organizations. The transition plan, will build upon a number of major inputs: the review of Cosponsors’ use of UBW funds; the outcome of the 2006 High Level Meeting on AIDS, 31 May–2 June, the 18th meeting of the PCB; an in-depth evaluation of financial and administrative mechanisms for Programme Acceleration Funds (PAF) and the use of PAF in countries in pursuance of recommendation 3.4 of the GTT; and inputs from partners at the country level. The transition plan will be submitted to the PCB for its endorsement at its 19th meeting in December 2006.

3. Preparation of the 2008–2009 UBW. Following PCB endorsement of the transition plan, the 2008–2009 UBW will be prepared and submitted to PCB for approval at its 20th meeting in June 2007.

Conclusion

PCB is requested to:

1. Endorse the Performance Monitoring and Evaluation Framework for the 2006–2007 Unified Budget and Workplan;
2. Endorse the proposed changes to the 2006–2007 Unified Budget and Workplan;
3. Decide to consider, at its 19th meeting in December 2006, the draft Transition Plan for the UBW.