



Joint United Nations Programme on HIV/AIDS

UNAIDS

UNICEF • UNDP • UNFPA • UNDCP
UNESCO • WHO • WORLD BANK

UNAIDS/PCB(11)/01/INF.DOC.1

19 April 2001

PROGRAMME COORDINATING BOARD

Eleventh meeting

Geneva, 30 May - 1 June 2001

Report on the follow-up to the UNAIDS Financing Study

Background

At the Sixth Meeting of the PCB in May 1998, the PCB Working Group on Resource Mobilization recommended that a study be undertaken to “review the present modalities of financing multilateral HIV/AIDS activities, with particular emphasis on UNAIDS core activities.”

This was reinforced by a decision of the May 1998 PCB requesting:

... that a study, to be financed by extrabudgetary resources, should be undertaken as recommended by the PCB Working Group on Resource Mobilization to provide an in-depth analysis of current financing mechanisms and their implications for the Programme in the short and long term and to suggest additional options for consideration by the PCB. A broad-based reference group should be established to provide information and advice in that regard.

In light of this, a study entitled the UNAIDS Financing Study was commissioned on the financing of the UNAIDS programme and its activities. A donor reference group was created in Geneva to guide the consultant on the Study. The donor reference group discussed a general work plan for the Study with the consultant and the Secretariat in Geneva on March 7, 2000. It was agreed that a written survey of donors would provide a valuable information base both for the study and for other related activities. The Survey was supported by a review of existing documentation and by visits to selected donors and cosponsors for the purpose of personal interviews. A progress Report was made to the Programme Coordinating Board on May 26, 2000 and the final report was submitted to the UNAIDS Secretariat in September, 2000.

Study Findings

The terms of reference for the study essentially addressed two basic issues: how to ensure full funding for the UNAIDS budgets approved by the PCB, and what role possible new sources of funding might play in achieving the objective of full funding – including an assessment of their relative cost effectiveness.

Among its findings the study pointed out the following:

- Having sought, received and approved an innovative integrated thematic response to an overriding problem from the UN system, donors should respond appropriately by ensuring a fully funded UNAIDS budget.
- They face an important challenge in achieving this for the Unified Budget and Workplan (UBW) that will involve an increase in contributions over the programmes' first two biennia and for some donors, changes in their current funding policies and practices.
- UNAIDS continues to benefit from a high level of donor goodwill and appreciation for the work it has done at global level. There has however been a certain fall-off in donor performance between the first biennium and the second. While this is in part attributable to changing exchange rates, there also exists a sense that UNAIDS is less relevant at country level (i.e., there is a wide variation in the extent to which the Cosponsors act in concert) where donors now wish to concentrate their efforts. The net result is that while donors indicate a rising priority for HIV/AIDS activities overall, UNAIDS does not share fully in that increased priority.
- UNAIDS may require in addition to the PCB some type of forum in which it can regularly and systematically interface with donors to explore funding issues in greater depth. This would serve to review more thoroughly future UBW programme levels, taking into account the expectations of donors as a group to contribute, and to develop greater commitment and buy-in from the donor community.
- UNAIDS will continue to depend almost exclusively on governments to fund the UBW. Corporations and foundations are very much oriented to activities that are directly related to their specific interests, and where it proves possible to develop a common interest with UNAIDS, this interest will be primarily focused on the country level.

Study Recommendations and UNAIDS follow-up

UNAIDS has thoroughly reviewed the study's recommendations and is in the process of incorporating them into the programme's activities. This is manifested primarily in the areas of resource mobilization and the development of the Unified Budget and Workplan for 2002-2003. The attached matrix summarizes the recommendations and actions taken by UNAIDS.

UNAIDS Response to the Finance Study Recommendations

Recommendation	UNAIDS Response
REC 1	The Secretariat convene at an early appropriate opportunity a meeting of its donors to review the financing of the UBW with the objective of securing a broad donor agreement to fund all activities of the UBW through the UNAIDS Secretariat, specifically including the activities of the cosponsors, with the overall resource mobilization responsibility to rest with the Secretariat
UNAIDS response	<p>The financing of the budget is regularly reviewed through informal meetings with donors during which updates are provided on the contributions to the trust fund for the UBW. In addition a series of donor briefings are being held on the development of the Unified Budget and Workplan for 2002-2003. Overall responsibility for fund raising for the UBW rests with the Secretariat.</p> <ul style="list-style-type: none"> ➤ Current approach has been to encourage contributions directly through the cosponsors as well as the Secretariat with donors/Cosponsors reporting these contributions to the Secretariat. ➤ Intention is to facilitate Cosponsor ownership of the UBW by providing direct financial advantage. ➤ Secretariat already assumes lead responsibility for resource mobilization with cosponsor support on specific initiatives.
REC 2	<p>Should this approach fail to achieve a sufficiently high level of donor consensus on this issue, the PCB be asked to decide on one of a series of possible alternatives:</p> <ol style="list-style-type: none"> 1. Including in future UBWs only those activities which the cosponsors are committed to fund through their own resource mobilization efforts; 2. Pursuing the possibility of an inter-agency resource mobilization effort for the UBW (current approach); or 3. Abandoning the UBW concept and returning to an exclusively UNAIDS Secretariat Budget and Workplan.
UNAIDS response	No action taken: premature until there has been adequate time to assess the funding support for the current UBW. At present, Cosponsors wish to pursue the UBW unless donors give a clear signal not to do so. Discussions on the budget for 2002-2003 are therefore focusing on adjustments in approach and design rather than on radically new directions.
REC 3	The Secretariat explores with its donors as a group the possible establishment of a mechanism to ensure a regular and systematic exchange of views on financial issues.

UNAIDS response	Major donors to UNAIDS now meet informally; the Secretariat provides briefings to donors on financial issues through this group. The situation is being monitored to ensure an adequate flow of information to all donors.
REC 4	Given the medium-term inevitability that core funding will be raised almost exclusively from government donors, the Secretariat should focus existing resource mobilization personnel almost exclusively on those donors. Individual donor specific strategies should be developed, first for donors with the potential to increase their funding support, and second for existing major donors to ensure there is no erosion of current support. These strategies should be broadly disseminated throughout the Secretariat to ensure awareness of key issues of importance to individual donors
UNAIDS response	UNAIDS already places priority on donors for contributions to the UBW. Donor profiles and a contributions matrix have been developed for fund raising and are being refined. Wider circulation of this information within the programme has started and will be expanded to the relevant units within the new programme structure.
REC 5	It is recommended that the Secretariat, in cooperation with the Cosponsors, review the role that the UNAIDS Secretariat might play in supporting the mobilization of resources for country level HIV/AIDS activities, particularly those of the Cosponsors.
UNAIDS response	Ongoing: This is part of an ongoing discussion within the programme on the resource mobilization functions of the Secretariat and Cosponsors. In principle the Secretariat responds to Theme Group requests to strengthen the resource mobilization capacity of national governments, e.g., through assisting with the organization of round tables. The Secretariat also plays a key role in promoting the development of UN Integrated Workplans that specify the UN system contribution to national priorities, and in helping Theme Groups fund these plans. There will be a sharper focus on country level resource mobilization in the new programme structure, with better synergy of effort between units in the Secretariat, i.e., the geographic desks, the Partnership Unit, Governance Donor and UN Relations, and the Cosponsors.
REC 6	Increased systematic efforts to engage firms and foundations in the global HIV/AIDS effort be considered mainly in the context of the review by the Secretariat of its role in the mobilization of resources for country level activities. Using limited resources to promote the interests of these groups in the absence of a clearly defined country level resource mobilization role is not considered cost beneficial. Enhanced efforts in this area will clearly require additional human and financial resources.

UNAIDS response	Ongoing: The programme has been relatively opportunistic in its private sector resource mobilization, largely due to resource constraints. Relationships have been developed with several private sector groups (e.g. United Nations Foundation, Gates Foundation, Global Business Council on HIV/AIDS, Prince of Wales Business Leaders Forum) and individual companies. The new Partnership Unit within the Secretariat will promote and harness the strengths of a range of partners, including the corporate sector and private philanthropic entities. The Unit will also develop a strategy for UNAIDS' approach to these groups.
REC 7	Within existing resources the Secretariat review the manner in which it can provide systematic information to firms and foundations on specific project opportunities for country level funding, including the appropriate contact points for follow-up action.
UNAIDS response	Ongoing: General cooperation agreements have been formulated with companies at the global level (i.e. Coca-Cola) to guide the development of country level collaboration. As new opportunities for collaboration emerge, specific projects/activities are being identified through Theme Groups.
REC 8	Individual donor strategies (see recommendation 5) include, where relevant, consideration of the possible role for "other" agencies of government that have HIV/AIDS funding mandates but which are not responsible for the funding of UNAIDS.
UNAIDS response	Ongoing: The programme avails itself of opportunities with other branches of donor governments when they arise.
REC 9	The Secretariat not attempt any systematic direct fund raising activities with the general public for the immediate future.
UNAIDS response	No initiatives such as direct mailing are contemplated.
REC 10	Those donors whose ministers have assigned a high priority on their personal agenda to the campaign against HIV/AIDS consult to determine if there is merit to their ministers meeting on a regular but infrequent basis to enhance their common commitment, and to determine if one or more of their ministers would be prepared to champion this initiative.
UNAIDS response	UNAIDS is supportive and prepared to assist. This recommendation is directed more to governments than to the Secretariat. The programme would appreciate advice on how to stimulate action on this.