

# REPORT OF THE JOINT INSPECTION UNIT ON THE MANAGEMENT AND ADMINISTRATIVE REVIEW OF UNAIDS

**REVIEW OF THE MANAGEMENT AND  
ADMINISTRATION OF THE JOINT UNITED NATIONS  
PROGRAMME ON HIV/AIDS (UNAIDS)**

*Prepared by*

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**Joint Inspection Unit**

**Geneva 2019**



**United Nations**



**JIU/REP/2019/7**  
**English only**

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**EXECUTIVE SUMMARY**  
**Review of the management and administration of the**  
**Joint United Nations Programme on HIV/AIDS (UNAIDS)**  
**JIU/REP/2019/7**

**Introduction and review objectives**

Established by the Economic and Social Council in 1994 as a joint and co-sponsored programme, the Joint United Nations Programme on HIV/AIDS (UNAIDS) was launched in January 1996 to respond to the global HIV/AIDS epidemic. UNAIDS serves as the primary entity responsible for stimulating and coordinating global efforts to provide treatment, care and support for those living with HIV/AIDS and, ultimately, to unite the efforts to prevent the transmission of the virus. It was envisioned as an innovative partnership to coordinate and facilitate the HIV/AIDS response of the co-sponsoring organizations.

UNAIDS is governed by the Programme Coordinating Board. The secretariat of UNAIDS is responsible for coordination and is led by the Executive Director. The headquarters of the secretariat is located in Geneva. UNAIDS has 6 regional offices, 3 liaison offices and 78 country offices around the world.

The main objective of this review is to provide an independent assessment of the regulatory frameworks and related practices concerning the management and administration of UNAIDS and its secretariat, highlighting areas of concern and in need of improvement and the challenges faced. It focuses on the following areas: (a) strategic and operational planning; (b) governance; (c) oversight and accountability; and (d) human resources management and administrative services. The review includes eight formal recommendations: three directed to the Programme Coordinating Board and five to the Executive Director.

**Main findings and conclusions**

**Strategic and operational planning**

During its launch in 1996, UNAIDS operated with urgency to create a joint and co-sponsored programme and secretariat to respond to an epidemic. During this early period such a context may have allowed UNAIDS and its secretariat a certain latitude to function with a more flexible organizational construct in terms of its governance, administrative, oversight and accountability structures compared with other United Nations system organizations. While these flexible structures may have served UNAIDS well in terms of its ability to focus on programmatic issues and its response to the epidemic, it ignored certain organizational and governance gaps, which now need to be addressed in order to align with other United Nations system organizations, chart its future and meet the current needs of the response.

The staffing and funding of the UNAIDS secretariat and its 11 co-sponsors have shifted as the HIV/AIDS response has evolved, and donor priorities have changed as well. Co-sponsors and the UNAIDS secretariat have experienced a reduction in funding and a subsequent reduction in staff devoted to the HIV/AIDS response.

The context of the HIV/AIDS response has also changed with a different focus than that found at its inception. However, with ambitious plans that are typically underfunded and

targets that are not met across the health spectrum, strategic planning should be among the highest priorities of UNAIDS. This includes developing a long-term strategy to meet its goals tied to the 2030 Agenda for Sustainable Development (**recommendation 1**).

The collaboration between the secretariat and co-sponsors has been strained by, among other issues, funding and staffing challenges. In the process of developing its long-term strategy, the roles and responsibilities of co-sponsors, once considered as “co-owners” of UNAIDS, need to be revisited and the “joint” nature of UNAIDS needs to be reassessed. This includes evaluating key processes that coordinate programmatic delivery at the country level and designating a high-level official in the secretariat at the global level to liaise with co-sponsors. The co-sponsors should determine if their participation in UNAIDS is still aligned with their respective mandates, missions and commitments to the 2030 Agenda.

In order to achieve the long-term strategy of UNAIDS, its secretariat should develop operational plans, which include secretariat structures with appropriate headquarters and field staffing that aligns with the long-term strategy (**recommendation 2**).

### **Governance**

In its resolutions and decision establishing the Joint Programme, the Economic and Social Council determined that UNAIDS should be governed by the Programme Coordinating Board, which includes representatives of 22 governments from all the regions, elected from among the member States of the co-sponsors, as well as fully participating but non-voting representatives of the 11 co-sponsors and a delegation of five members from non-governmental organizations (NGO) active in the HIV/AIDS response. In its composition and practices, the Programme Coordinating Board is a “light governance” structure, which may have corresponded to the urgent need, at that time, to make UNAIDS operational as soon as possible and responsive to the global crisis.

Although the context of the HIV/AIDS response has evolved since 1995 and the roles and responsibilities of the co-sponsors and the secretariat have shifted, the governance of UNAIDS by the Programme Coordinating Board has not. Deficiencies in governance – and specifically the lack of oversight and accountability by the Programme Coordinating Board – have been mentioned in at least four independent assessments of UNAIDS, although they have not been substantively addressed.

Various resolutions, decision and related documents of the Economic and Social Council have been interpreted and operationalized in the “Modus Operandi of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS (UNAIDS)”, which was most recently updated in 2011. All versions of the Modus Operandi contain the same purpose statement: “The Programme Coordinating Board (PCB) acts as the governing body on all programmatic issues concerning policy, strategy, finance, monitoring and evaluation of UNAIDS”. This emphasis on “programmatic” may have been interpreted to mean *only* programmatic and exclude the secretariat of UNAIDS, as well as oversight and accountability. This narrow interpretation of the relevant resolutions and decision of the Economic and Social Council, as well as subsequent statements by its Executive Directors, have reinforced the limited role of the Programme Coordinating Board in terms of exercising its oversight responsibilities of UNAIDS and its secretariat.

The Programme Coordinating Board must be proactive in exercising its governance in terms of the oversight and accountability of UNAIDS and its secretariat as the costs are not just borne out in reputational damage, but also in real terms. This oversight role would entail regular and substantive interactions with oversight and accountability functions and analysis

of their reports, as well as interactions with the Executive Director, to ensure the relevant recommendations are acted upon. To imbed practical and proactive accountability mechanisms into the governance structure in a sustainable and consistent manner, the Modus Operandi should be updated (**recommendation 3**).

The Programme Coordinating Board should also consider opening a dialogue with the United Nations Secretary-General to establish a term limit for the Executive Director position to provide more certainty in succession planning as well as an executive compact to provide more clarity and transparency on leadership expectations.

### **Oversight and accountability**

The secretariat has adopted and adapted the “Three lines of defence” model in its Management Accountability Framework and Internal Control Framework. Management and staff provide the first line of defence. Two areas that should be strengthened in the secretariat are: (a) an appropriate delegation of authority; and (b) transparent and consistent human resources management.

The second line of defence is to support management by monitoring the functions of the internal control system, performing reviews and providing specialist expertise in quality assurance and risk management, financial control, security, and compliance with regulatory frameworks. In line with the External Auditor’s recommendations, in 2018, the secretariat rolled out several management accountability frameworks. To facilitate an advanced level of implementation of these new frameworks, the secretariat will need to expand training to staff and build on lessons learned from its own experience and that of other United Nations agencies.

One of the issues identified in this second line of defence is the presence of several legal advisers without clear coordination, which can and has created confusion. The secretariat should consider setting up its own in-house legal counsel to manage a wide spectrum of legal advice and protect its best interests. This may also be a sound financial solution for the secretariat, given the dramatic increase in legal costs since 2016 (**recommendation 4**).

The third line of defence provides independent assurance to the governing bodies and senior management concerning the effectiveness of the management of risk and control. These functions usually report to the organization’s governing body and/or senior management to enable them to perform their oversight and accountability activities responsibly, independently and impartially. The gaps in this line, as well as in others, may have had detrimental consequences, which put UNAIDS and its secretariat at risk at all levels.

The recent efforts of the secretariat management to strengthen its ethics function is noted. The Executive Director is further encouraged to establish a fully independent ethics function and consider how best to support this function with appropriate staffing. Additionally, the establishment of the independent evaluation function and its evaluation policy is commended.

Internal and external audit reports and reports on ethics and oversight are currently contained in other reports that are delivered to the Programme Coordinating Board by secretariat staff who are not independent. This is not a typical practice and can dilute the relevance of oversight reporting. Additionally, the reports should be presented by independent and impartial functions to enhance the credibility of the reports. This will also serve to enhance the oversight responsibility of the Programme Coordinating Board by reviewing an annual report, having access to oversight and accountability professionals for questions and



concerns, and providing it with an opportunity to follow up closely on the implementation of recommendations.

The current coverage of the internal and external auditors appears to be minimal for the size and field presence of UNAIDS and should be re-examined. Additionally, the Executive Director should meet with the auditors at least once a year and ensure that the high-risk and high-impact recommendations of the auditors are implemented without delay.

The Executive Director should also ensure that confidential information of any type is properly handled and secured.

UNAIDS is one of only five participating organizations of the Joint Inspection Unit (JIU) without an independent oversight committee, which can act as a valuable bridge between the Programme Coordinating Board and executive management by providing guidance and advice on oversight and accountability issues. An oversight committee for UNAIDS could fill some accountability gaps identified in governance by providing advice to the Programme Coordinating Board as well as to the Executive Director on: (a) the roles and responsibilities of internal oversight functions; (b) trends and implications for UNAIDS and its secretariat identified in the financial statements, internal and external audit reports and other oversight reports, as well as accounting policies and disclosure practices, and; (c) handling allegations that may create a conflict of interest through normal reporting channels (**recommendation 5**).

In order to streamline and add context to oversight and accountability reports, a standing agenda item should be set for annual reporting to the Programme Coordinating Board that covers internal and external audits, ethics and other topics on accountability presented by the appropriate independent functions to the Programme Coordinating Board, in their respective reports (**recommendation 6**).

The recommendations of JIU, another external oversight body, should also be regularly considered by the Programme Coordinating Board in order to enhance transparency, accountability and system-wide coherence.

### **Human resources management and administrative services**

In the recent past, the secretariat's human resources management was criticized due to issues related to decisions on recruitment, selection and mobility, inconsistent grading of positions, and insufficient training and coaching for managers.

A mobility exercise must have clear priorities and purposes and be transparent and consistent, and positions should be carefully evaluated to determine whether they should be subject to mobility, especially those that need specialized skills or professional accreditations. The mobility policy of the secretariat and its implementation should be reviewed for effectiveness.

Relatedly, secretariat staff appear to be "over-graded" compared with other health-issue-focused United Nations organizations with a large field presence. This can create a disparity, especially in the field, in terms of coordination and collaboration with co-sponsors. The secretariat should re-examine job profiles and grading, starting with director-level posts in order to align the grades with similar positions in the United Nations system.

Regardless of grade, it is essential for the secretariat to develop and enhance training and coaching for managers, including induction and support for first-time heads of offices. It is

also important for the secretariat to appropriately monitor staff engagement through staff surveys that are sponsored by the administration and include clear and transparent objectives and a plan for sharing and using the results.

While the secretariat is undertaking several reforms to enhance human resources management, a new and more comprehensive strategy for the secretariat on this issue will be a necessary and integral component of operational planning as well. Such a strategy should be based on a review of current policies and practices, position profiling and grading. The strategy should include appropriate delegation of authority and reporting lines for an effective and transformative approach to human resources management (**recommendation 7**).

The World Health Organization (WHO) provides many administrative services to the UNAIDS secretariat, which is governed by a letter of agreement that was last updated in 2001. The Executive Director, in consultation with WHO, should consider updating the agreement to reflect the current realities and develop a comprehensive agreement with appropriate performance expectations, where applicable.

### **Going forward**

UNAIDS has been working to advocate, coordinate and mobilize around a key issue for over two decades. Parts of this programme model, its response to an epidemic, its mobilization of co-sponsors and partners, and its collaboration at field level could be replicated for other key and cross-cutting issues. Many of the elements and structures in place in UNAIDS can serve as good practices and lessons learned for the current reforms of the United Nations development system and a resource for future programme development. Moreover, they should be documented as a model to inform future programmatic and United Nations reform efforts, especially at the country level.

In the last two years, UNAIDS and its secretariat have undergone multiple reviews by different independent bodies covering governance, oversight and accountability and have generated numerous recommendations that will require time, political will and resources to respond to. In order to add transparency and accountability for UNAIDS, the Economic and Social Council should be made aware of the status of the substantive recommendations in the various reviews. Reporting on its response to multiple recommendations would provide UNAIDS with a forum to update the Economic and Social Council and ensure that recommendations are being addressed in a transparent way. This status update could be done in an annex to its biennial report on its activities to the Economic and Social Council (**recommendation 8**).

## **Recommendations**

The present review contains 8 formal recommendations and 25 informal recommendations (see annex IV) aimed at clarifying the strategic vision of UNAIDS, its secretariat and co-sponsors by filling several critical gaps – in governance, oversight and accountability, human resources management and administrative services – to make it more efficient, effective and accountable.

### **Recommendation 1**

Beginning in 2020, the Programme Coordinating Board should develop a long-term strategy to achieve the targets and goals of UNAIDS with regard to the 2030 Agenda.

**Recommendation 2**

By the end of 2022, the Executive Director should present to the Programme Coordinating Board operational plans, together with defined timelines and targets, that reflect the long-term strategy of UNAIDS, including with regard to secretariat structures, staffing, financial resources and field presence.

**Recommendation 3**

By the beginning of 2021, the Programme Coordinating Board should revise its Modus Operandi to clarify its roles and responsibilities and imbed oversight and accountability mechanisms in the oversight of UNAIDS and its secretariat.

**Recommendation 4**

The Executive Director should consider setting up an in-house legal advisory function that reports to the Executive Office and centrally coordinates legal matters.

**Recommendation 5**

The Programme Coordinating Board should consider creating an independent and external oversight committee to provide independent expert advice to the Programme Coordinating Board and to the Executive Director in fulfilling their governance and oversight responsibilities.

**Recommendation 6**

By the end of 2020, the Executive Director, in consultation with the Bureau of the Programme Coordinating Board, should establish a regular stand-alone agenda item at one of the Board's meetings each year to cover internal and external audits, ethics and other topics on accountability presented by the appropriate independent functions, in their respective reports to the Board.

**Recommendation 7**

By no later than 2022, the Executive Director should develop and implement a new human resources strategy for the secretariat that aligns with and supports the strategic direction of UNAIDS and sets out the initiatives related to workforce planning, position profiling and grading, and appropriate delegation of authority and reporting lines.

**Recommendation 8**

The Executive Director should include an annex to the 2021 biennial report to the Economic and Social Council, outlining the substantive recommendations that have been made in the areas of governance, oversight and accountability and provide a status update on their implementation.

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## ABBREVIATIONS

CCO	Committee of Co-sponsoring Organizations
CEB	Chief Executives Board for Coordination
FAO	Food and Agriculture Organization of the United Nations
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ILO	International Labour Organization
IMO	International Maritime Organization
ITC	International Trade Centre
ITU	International Telecommunication Unit
JIU	Joint Inspection Unit
MOU	Memorandum of Understanding
NGO	Non-governmental organization
PCB	Programme Coordinating Board
PEPFAR	United States President's Emergency Plan for AIDS Relief
SDG	Sustainable Development Goal
UBRAF	Unified Budget, Results and Accountability Framework
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNSDCF	United Nations Sustainable Development Cooperation Framework
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNWTO	World Tourism Organization
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization
WHO/IOS	Office of Internal Oversight Services of WHO
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

## I. INTRODUCTION

1. The Joint Inspection Unit (JIU) of the United Nations system included in its Programme of Work for 2018 the first review of the management and administration of the Joint United Nations Programme on HIV/AIDS (UNAIDS) as one of a series of similar reviews of United Nations system organizations in its revised strategic framework for 2010–2019.<sup>1</sup>

2. JIU first began its review in May 2018, although it was suspended in July 2018 due to overlapping coverage and timing with two other independent reviews<sup>2</sup> that were commissioned after work had begun. JIU was also concerned that concurrent reviews would have an impact on staff availability. In early 2019, a new timeline was discussed with the senior management of the UNAIDS secretariat and JIU resumed its review.

### A. Objectives and scope of the review

3. The main objective of the present review is to provide an independent assessment of the regulatory frameworks and related practices concerning the management and administration of UNAIDS, highlighting areas of concern and in need of improvement, and the challenges faced.

4. As the review was conducted during a period of crisis within UNAIDS and its secretariat, as well as one in which the executive leadership was in transition, the scope of the review was narrowed to the critical areas of: (a) strategic and operational planning; (b) governance; (c) oversight and accountability; and (d) human resource management and administrative services. It takes into account the unique structure and model of UNAIDS as a joint and co-sponsored programme and highlights the good practices that may be shared with other organizations in the United Nations system.

### B. Background

5. UNAIDS was established as a joint and co-sponsored United Nations programme in 1994 by resolution 1994/24 of the Economic and Social Council. It was launched in January 1996 to respond to the global spread of the HIV/AIDS epidemic. UNAIDS serves as a primary actor in stimulating and coordinating global efforts to provide treatment, care and support for those living with HIV/AIDS and ultimately to unite efforts to prevent transmission of the virus. It was envisioned as an innovative partnership to coordinate and facilitate the HIV/AIDS response of the co-sponsoring organizations. Its operations were designed to provide flexibility and manoeuvrability in order to respond appropriately to a global public health threat.

6. UNAIDS is governed by the Programme Coordinating Board (PCB), comprised of representatives of 22 governments, from all regions, elected from among the member States of the co-sponsoring organizations (each with a three-year term), as well as fully participating but non-voting representatives of the 11 co-sponsors.<sup>3</sup> Unique among United Nations system organizations, a non-voting delegation of five

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<sup>1</sup> A/66/34, annex I.

<sup>2</sup> In February 2018, the Executive Director of UNAIDS commissioned an independent expert panel to conduct a review of bullying, harassment and other allegations. Concurrently, at the request of the Director-General of the World Health Organization, the Office of Internal Oversight Services of the United Nations was assessing recent investigations of harassment of UNAIDS staff, which had been previously conducted by the Office of Internal Oversight Services of WHO.

<sup>3</sup> The International Labour Organization, the Office of the United Nations High Commissioner for Refugees, the United Nations Children's Fund, the United Nations Development Programme, the United Nations Educational, Scientific and Cultural Organization, the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), the United Nations Office on Drugs and Crime, the United Nations Population Fund, the World Bank Group, the World Food Programme and the World Health Organization.

members from non-governmental organizations (NGO) that are active in the HIV/AIDS response also fully participates.

7. The secretariat is responsible for coordinating the “Joint Programme” and is led by the Executive Director, who is appointed by the United Nations Secretary-General based upon the recommendation of the Committee of Co-sponsoring Organizations (CCO). UNAIDS has had only three Executive Directors since 1996.<sup>4</sup> The headquarters of the secretariat is in Geneva, Switzerland. UNAIDS has 6 regional offices, 3 liaison offices,<sup>5</sup> and 78 country offices<sup>6</sup> as of December 2018.

8. The most recent UNAIDS strategy, for 2016–2021,<sup>7</sup> adopted by PCB in 2015, describes the targets, goals and vision for ending the HIV/AIDS epidemic and presents a comprehensive set of actions that support the mission to end HIV/AIDS as a global public health threat by 2030. A fast-track approach was adopted by member States in 2016 to accelerate the HIV/AIDS response as negotiated in the 2016 General Assembly Political Declaration on HIV and AIDS: on the Fast Track to Accelerating the Fight against HIV and to Ending the AIDS Epidemic by 2030.<sup>8</sup> It is focused on quickening the implementation of the HIV/AIDS response, setting clear targets for 2020 and 2030 and operating at all levels. It has a particularly strong focus on the 30 countries most affected by the epidemic.<sup>9</sup>

9. UNAIDS relies on voluntary contributions from donors and development partners, including governments, bilateral aid agencies and foundations. Core funds are intended to fund the core functions of the secretariat and provide catalytic funds for the 11 co-sponsors. Non-core funds are mobilized by the secretariat, as well as the respective co-sponsors, and are mostly earmarked. Co-sponsors allocate additional funding within their respective organizations for activities related to the HIV/AIDS response.<sup>10</sup> The Unified Budget, Results and Accountability Framework (UBRAF) is the instrument used to operationalize the UNAIDS strategy. UBRAF articulates the role of UNAIDS in the HIV/AIDS response in global, regional, national and subnational contexts. It guides programme planning at headquarters, regional and country levels by identifying the expected results and providing the framework for budgetary allocations and performance monitoring, and maximizes coherence, coordination and the impact of the United Nations system.<sup>11</sup>

### C. Methodology

10. The present review covers UNAIDS, including its governing body and the secretariat, as well as co-sponsors in relation to Joint Programme activities.

11. In accordance with JIU internal standards and working procedures,<sup>12</sup> the Inspectors used a blend of qualitative and quantitative data collection methods from different sources for consistency, validity and reliability. Comments from the secretariat and co-sponsors on factual errors were taken into account.

- **Desk review of relevant documents:** a desk review was conducted of relevant UNAIDS documents, including: official governing documents from 1994 to the present; donor-led review

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<sup>4</sup> The third Executive Director of UNAIDS is expected to start in November 2019.

<sup>5</sup> Information provided to JIU by the secretariat.

<sup>6</sup> UNAIDS/PCB (44)/19.12.rev2, “Unified Budget, Results and Accountability Framework: performance monitoring report 2018” (2019).

<sup>7</sup> UNAIDS, *UNAIDS 2016–2021 Strategy: On the Fast-Track to End AIDS* (2015).

<sup>8</sup> General Assembly resolution 70/266, annex.

<sup>9</sup> UNAIDS, “Understanding fast-track: accelerating action to end the AIDS epidemic by 2030” (2015).

<sup>10</sup> UNAIDS/PCB (41)/17.21 rev1, “Report on progress in the implementation of the UNAIDS Joint Programme Action Plan: Strategic Resource Mobilization Plan 2018–2021” (2017).

<sup>11</sup> UNAIDS/PCB (37)/15.19, “Unified Budget, Results and Accountability Framework 2016–2021” (2015).

<sup>12</sup> A/51/34, annex I, and A/68/34, annex VII.

reports; independent evaluations and assessments; strategic documents; policies and procedures from the World Health Organization (WHO) and those applicable to the secretariat; internal memorandums and planning documents of the secretariat; and secretariat staff surveys conducted by the UNAIDS Secretariat Staff Association.

- **Corporate questionnaires:** a total of 14 questionnaires requesting qualitative and quantitative information and supporting documentation were issued to the secretariat and co-sponsoring organizations. A comprehensive questionnaire was issued to the secretariat to cover topics on management, administration, oversight and accountability, and subsequent questionnaires were issued to regional directors, as well as one covering governance issues. A questionnaire was issued to the 10 co-sponsoring organizations that are participating organizations of JIU<sup>13</sup> and data were requested from the World Bank Group. A separate section was added to the questionnaire issued to WHO covering the administrative services provided to the UNAIDS secretariat and its role as a co-sponsor.
- **Interviews:** a total of 64 interviews at headquarters, regional and country levels were conducted with 104 individuals from the secretariat, co-sponsoring organizations, PCB delegates, the United Nations Secretariat and other stakeholders. All directors of headquarters departments within the secretariat were interviewed with the exception of the Executive Director. Additional technical and professional staff were also interviewed based on their expertise, roles and responsibilities, including the Chair of the UNAIDS Secretariat Staff Association. Representatives from various levels of all 11 co-sponsoring organizations were interviewed, including executive heads, global coordinators, technical advisers and field staff. Oversight, ethics, legal and treasury staff at WHO were interviewed based on their administrative and other ties to UNAIDS and its secretariat.
- **Focus groups:** a total of four focus groups were conducted throughout the review. Three focus groups were conducted with co-sponsoring organizations in Southern Africa to gather feedback on the field network of UNAIDS. During the 44th meeting of PCB in June 2019, a focus group was conducted with delegates from NGOs to garner their views on the governance of UNAIDS, oversight and accountability and the secretariat's field network.
- **PCB meetings and multi-stakeholder consultation on evaluation:** Inspectors and review team members observed the PCB's 42nd, 43rd and 44th meetings and its special session in March 2019, as well as a multi-stakeholder consultation on the development of the UNAIDS evaluation policy. This included reviewing and analysing documents, presentations, conference room papers and subsequent decisions from each meeting.

#### **D. Limitations and challenges**

12. The review was conducted at a time in which UNAIDS and its secretariat were responding to multiple internal challenges, as well as the subsequent departure of the Executive Director. Consequently, the Inspectors focused on the areas of most concern and those that would likely assist the new Executive Director in fulfilling her mandate and PCB in fulfilling its governance role.

13. Although the review does not focus on the financial resource management, programmatic or technical activities of UNAIDS, it does refer to aspects of them in the context of covering the relevant areas. When referring to financial data, the review uses terms and figures from UNAIDS documents unless otherwise specified. Regarding the data on financial resources for the HIV/AIDS response, the report does not include

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<sup>13</sup> ILO, UNDP, UNESCO, UNFPA, UNHCR, UNICEF, UNODC, UN-Women, WFP and WHO.



the data of the World Bank Group due to changes in its methodology over the years and a lack of comparability with the data from other co-sponsoring organizations.

14. Requests were made to interview member States represented in the former and current PCB Bureau but only two responded. Several attempts were made to secure such interviews, but were unsuccessful. An interview with the former Executive Director was requested but was not possible due to scheduling conflicts and his subsequent departure.

15. The full range of information and views received have been dealt with in accordance with the usual respect for confidentiality shown by JIU. The report primarily reflects aggregated responses and, in cases in which quotations are given for illustrative purposes, the sources are intentionally never cited.

16. The Inspectors and the review team would like to thank the secretariat, co-sponsors and key stakeholders of UNAIDS for their full cooperation, responsiveness and transparency during the review.

## II. STRATEGIC AND OPERATIONAL PLANNING

**The strategic planning that UNAIDS will undertake in the near future should primarily focus on the 2030 Agenda for Sustainable Development. It should reflect a structural analysis and a disciplined approach on how it will meet its commitments regarding the 2030 Agenda, including the participation and role of its co-sponsors and key partners, as well as how the secretariat will support the strategy through operational planning.**

### **Key findings:**

- ✓ Over the last two decades, the context of the HIV/AIDS response has dramatically changed;
- ✓ Targets for Goal 3 of the Sustainable Development Goals are not being met across the health spectrum;
- ✓ UNAIDS funding has been uneven, and the resource mobilization strategy has been unrealistic and overly ambitious;
- ✓ Reduced funding and staffing has changed the role of the UNAIDS co-sponsors;
- ✓ Co-sponsor commitments and shifting priorities have had an impact on their participation in UNAIDS.

### **Recommendations:**

- ✓ The commitment of co-sponsors to UNAIDS needs to be reassessed, and the secretariat's relations with co-sponsors need high-level attention going forward;
- ✓ A long-term strategy is necessary for UNAIDS in order to meet its 2030 commitments and chart its future (recommendation 1);
- ✓ Operational planning for the secretariat should support the achievement of the 2030 strategy of UNAIDS in terms of appropriate staffing, financial resources and field presence (recommendation 2).

### **A. Evolution of UNAIDS**

17. During its launch in 1995, UNAIDS operated with a sense of urgency in order to create a joint programme and respond to a non-curable and fatal epidemic, which was spreading globally with rapidly rising infection rates.<sup>14</sup> As one co-sponsor stated during an interview: “UNAIDS is a start-up that responded to a looming crisis, which, at one point, seemed to swallow us all and be an incurable fatal disease”. UNAIDS was created to be agile and respond to a crisis, which was the case early on. Another co-sponsor noted: “I’ve always felt UNAIDS was [operating] with the utmost flexibility. Within a twinkle of an eye, a new campaign would happen. This was the spirit that they had. [They] were able to do things very fast.”

18. During this early period, the context may have allowed UNAIDS and its secretariat the latitude to function with a more flexible organizational construct in terms of its governance, administrative, oversight and accountability structures compared with other United Nations system organizations. While these flexible structures may have served UNAIDS well in terms of its ability to focus on programmatic issues and its response to the epidemic, it ignored organizational and governance gaps, which still need to be

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<sup>14</sup> UNAIDS and WHO, *Report on the Global HIV/AIDS Epidemic* (1998).

addressed in order for it to align with other United Nations system organizations, chart its future and meet the current needs of the response.

19. In response to the HIV/AIDS epidemic, UNAIDS has expanded over the years from its original 6 co-sponsors to the present 11.<sup>15</sup> Additionally, the secretariat has grown from its original plan for 185 staff members in 1995, a field presence of up to 50 country offices<sup>16</sup> and a budget of \$127 million for the biennium 1996–1997,<sup>17</sup> to more than 900 secretariat staff in 2010<sup>18</sup> and 680 in 2018,<sup>19</sup> a field presence of 78 country offices,<sup>20</sup> 3 liaison offices and 6 regional offices,<sup>21</sup> including managing and coordinating a core fund budget of \$484 million for the biennium 2018–2019.<sup>22</sup> While the initial budget of UNAIDS covered staff and the operational activity costs of the secretariat only, this has changed over time to include resources for the co-sponsors, for example \$88 million for the biennium 2018–2019.<sup>23</sup>

20. The evolution of the HIV/AIDS response – sparked by advancements in treatment using antiretroviral drugs and their subsequent availability in low-income countries in the early 2000s<sup>24</sup> – is presently characterized less by a sense of urgency and more by a focused and integrated response. This is partially mirrored by an evolution of UNAIDS itself, and the development of the secretariat as an ad hoc coordinating mechanism into an entity with its own organizational and programmatic structures.

21. The overall financials of UNAIDS have grown and levelled off (see figure I in annex I), with revenues peaking in the biennium 2008–2009 (\$577 million) and expenditure peaking in the subsequent biennium, 2010–2011 (\$605 million). This trend levelled off in subsequent bienniums but may continue downward based on the latest financial report presented at the 44th meeting of the PCB in June 2019.<sup>25</sup>

### **Funding landscape for HIV/AIDS response**

22. Despite the uncertainty in funding levels, UNAIDS continues to play a key role in coordination and facilitation at several levels of the HIV/AIDS response, with its key partners: the Global Fund to Fight AIDS, Tuberculosis and Malaria and the U.S. President’s Emergency Plan for AIDS Relief (PEPFAR).<sup>26</sup>

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<sup>15</sup> The original six co-sponsors were the United Nations Children’s Fund, the United Nations Development Programme, the United Nations Educational, Scientific and Cultural Organization, the United Nations Population Fund, WHO and the World Bank Group. The United Nations Office on Drugs and Crime joined in 1999, the International Labour Organization in 2001, the World Food Programme in 2003, the Office of the United Nations High Commissioner for Refugees in 2004 and UN-Women in 2012.

<sup>16</sup> UNAIDS/PCB (1)/95.4, “UNAIDS proposed structure and staffing plan” (1995).

<sup>17</sup> UNAIDS/PCB (9)/00.6, “Financial report and audited financial statements for the financial period 1 January 1998 to 31 December 1999 and report of the External Auditor” (2000).

<sup>18</sup> Information provided to JIU by the secretariat.

<sup>19</sup> UNAIDS/PCB (44)/19.8, “Update on strategic human resources management issues” (2019).

<sup>20</sup> UNAIDS/PCB (44)/19.12.rev2, “Unified Budget, Results and Accountability Framework: performance monitoring report 2018” (2019).

<sup>21</sup> Information provided to JIU by the secretariat.

<sup>22</sup> UNAIDS/PCB (44)/19.17, “Unified Budget, Results and Accountability Framework (UBRAF): workplan and budget 2020–2021” (2019), p. 55.

<sup>23</sup> UNAIDS/PCB (40)/17.4, “Refined operating model of the United Nations Joint Programme on HIV/AIDS (UNAIDS)” (2017) and UNAIDS/PCB (44)/19.17, “Unified Budget, Results and Accountability Framework (UBRAF): workplan and budget 2020–2021” (2019), p. 55.

<sup>24</sup> UNAIDS, “90-90-90: an ambitious treatment target to help end the AIDS epidemic” (2014).

<sup>25</sup> UNAIDS/PCB (44)/19.14, “Unified Budget, Results and Accountability Framework (UBRAF): performance monitoring report 2018” (2019), Introduction.

<sup>26</sup> UNAIDS, *UNAIDS 2016–2021 Strategy*.

- **The Global Fund to Fight AIDS, Tuberculosis and Malaria** mobilizes and invests more than \$4 billion a year. It works, inter alia, in partnership with governments, civil society and the private sector. In its partnership with the Global Fund, UNAIDS assists in identifying gaps and priorities in the HIV/AIDS response, supports the development of national strategic plans and investments and engages with civil society.<sup>27</sup> Some co-sponsors have separate agreements with the Global Fund, including the United Nations Development Programme (UNDP), which manages Global Fund grants in 45 countries. A new strategic framework for Global Fund’s cooperation and collaboration with UNAIDS to reinforce its partnership was signed in June 2019.<sup>28</sup>
- **The U.S. President’s Emergency Plan for AIDS Relief (PEPFAR)** commits about \$6.5 billion a year to bilateral HIV/AIDS programmes and the Global Fund.<sup>29</sup> UNAIDS works with countries to leverage PEPFAR investments and partners with PEPFAR for technical expertise and strategic support.<sup>30</sup> PEPFAR is also considered a key supporter of the fast-track response of UNAIDS.<sup>31</sup> In a similar manner to cooperation with the Global Fund, the close partnership between UNAIDS and PEPFAR plays out, in particular, at the country level, where PEPFAR and the Global Fund are considered important contributors to the HIV/AIDS response.
- **Governmental donors to UNAIDS:** In 2018, \$205.6 million was contributed to UNAIDS from 28 governments for both UBRAF core and non-core activities. Ninety per cent of UBRAF core funds came from 10 governmental donors.<sup>32</sup> In 2016, there was a significant shortfall in funding by governments due to a number of factors, resulting in less than 75 per cent of UBRAF funds being raised.<sup>33</sup> Similar shortfalls were felt across the United Nations system and were largely due to shifting priorities in donor countries.<sup>34</sup> As reported at the 44th meeting of PCB, the trend continues to be an ambitious yet underfunded UBRAF.<sup>35</sup> Yet the needs are still evident in many areas of the world, especially among key populations.<sup>36</sup>

## Role and contributions of co-sponsors

23. The role of co-sponsors has also evolved since the early discussions and plans of 1995, when they were envisioned to be not just co-sponsors but also “co-owners” of UNAIDS with joint responsibility.<sup>37</sup> Co-sponsorship also implies commitments to funding and staffing levels. The funding commitments by the co-sponsors represent a significant part of the response. In 2018, co-sponsors committed \$300 million of their

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<sup>27</sup> Global Fund to Fight AIDS, Tuberculosis and Malaria and UNAIDS, “Strategic Framework for Cooperation and Collaboration between the Global Fund to Fight AIDS, Tuberculosis and Malaria and the Joint United Nations Programme on HIV/AIDS (UNAIDS) secretariat” (2019).

<sup>28</sup> Ibid.

<sup>29</sup> President’s Emergency Plan for AIDS Relief, “PEPFAR funding, fiscal year 2004–2017”, last updated 2016.

<sup>30</sup> UNAIDS, “PEPFAR is on track to deliver yet more results”, press release dated 4 May 2017.

<sup>31</sup> UNAIDS, *UNAIDS 2016–2021 Strategy*.

<sup>32</sup> UNAIDS/PCB (44)/19.14, “Unified Budget, Results and Accountability Framework (UBRAF): performance monitoring report 2018” (2019), Introduction.

<sup>33</sup> Ibid.

<sup>34</sup> Jen Kates and others, “Donor government funding for HIV in low- and middle-income countries in 2018” (San Francisco, Henry J. Kaiser Family Foundation, 2019).

<sup>35</sup> UNAIDS/PCB (44)/19.17, “Unified Budget, Results and Accountability Framework (UBRAF): workplan and budget 2020–2021” (2019).

<sup>36</sup> Key populations are defined as: female sex workers, people who inject drugs, gay men and other men who have sex with men, and transgender women (UNAIDS, *Communities at the Centre, Defending Rights, Breaking Barriers, Reaching People with HIV Services: Global AIDS Update 2019* (2019)).

<sup>37</sup> E/1995/71.

own funding to HIV/AIDS response activities, largely within their respective programmatic budgets. Furthermore, they receive funding from the secretariat for additional HIV/AIDS response activities as core UBRAF allocations as well as through annual country envelopes (see below for more information on country envelopes).<sup>38</sup>

24. The role of co-sponsors has been strained as funding declines. It changed most dramatically during the funding crisis of 2015–2016. According to the responses to the JIU questionnaire, most of the co-sponsors experienced significant reductions in the number of staff devoted to HIV/AIDS. In terms of UBRAF core budget allocations to co-sponsors between the bienniums of 2014–2015 and 2018–2019, there was a nearly 50 per cent reduction (from \$175 million to \$88 million), while for the secretariat there was a 10 per cent reduction in allocations (from \$310 million to \$280 million).<sup>39</sup> This follows the decisions made at the 37th and 40th PCB meetings in October 2015 and June 2017.<sup>40</sup> Funding has been an issue for UNAIDS, and a particular emphasis in recent years has been to move decisions about its use to the country level.

25. Launched in the 2018–2019 biennium in 71 countries, the country envelope process was originally represented as additional core funding for the co-sponsors.<sup>41</sup> The intention of the process and these allocations, which are based on a formula, was to support “catalytic, targeted actions within a [country-level] joint plan, in synergy with key partners, including civil society”.<sup>42</sup> In reality, country envelopes did not aim to increase the funds to co-sponsors. Instead, the process emphasized field-based decisions on funding, with a particular focus on countries identified in its fast-track strategy.<sup>43</sup> Based on interviews conducted in the field, as well as responses to questionnaires, while the country envelope process has worked strategically in some countries, the small amounts and the transaction costs for co-sponsors need to be further evaluated to determine how the country envelope process can move across all countries – from tactical to strategic – in a more systematic and sustainable way. This also speaks to process, as it was clear to the Inspectors that the value of the envelope process at the country level was not well understood or fully appreciated at the global level. The country envelope process, with its emphasis on catalytic activities that serve a larger strategy, could strengthen the cooperation and collaboration between co-sponsors and the secretariat at multiple levels. With this potential in mind and given that it is a new process, **UNAIDS should independently evaluate the country envelope process to determine its efficiency and effectiveness, either within the current UBRAF evaluation<sup>44</sup> or as a stand-alone effort.**

### **Targets are not being met across the health sector**

26. Much has been achieved in the HIV/AIDS response since 1995 and UNAIDS and its stakeholders should be credited with coordinating and leading it on many fronts. But the response to key populations<sup>45</sup> and success in prevention is falling short. As shown in the figure below, there is still a significant number

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<sup>38</sup> UNAIDS/PCB (40)/17.4, “Refined operating model of the United Nations Joint Programme on HIV/AIDS (UNAIDS)” (2017).

<sup>39</sup> UNAIDS/PCB (32)/13.8, “UNAIDS 2012–2015 Unified Budget, Results and Accountability Framework, budget for 2014–2015” (2013), p. 23, and UNAIDS/PCB (44)/19.17, “Unified Budget, Results and Accountability Framework (UBRAF): workplan and budget 2020–2021” (2019), p. 55.

<sup>40</sup> Decisions of the 37th meeting (2015) and 40th meeting (2017) of the Programme Coordinating Board.

<sup>41</sup> UNAIDS/PCB (41)/17.20, “Report on progress in the implementation of the UNAIDS Joint Programme Action Plan” (2017), para. 19.

<sup>42</sup> *Ibid.*, p. 10, Swaziland case study.

<sup>43</sup> UNAIDS, *UNAIDS 2016–2021 Strategy*.

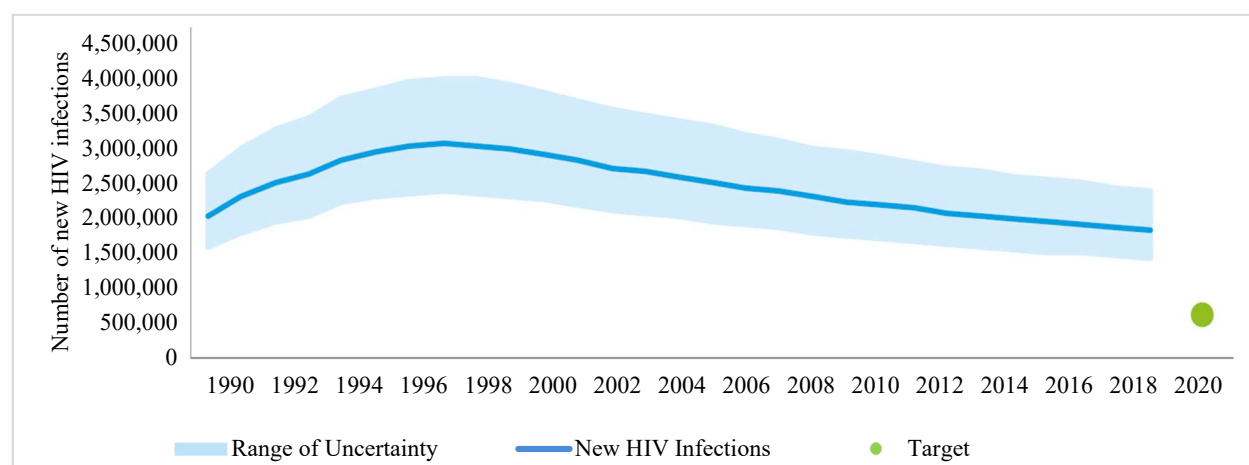
<sup>44</sup> UNAIDS, “Contribution of the UNAIDS Joint Programme to the goals and targets in the 2016–2021 UNAIDS Strategy: joint evaluation of the 2016–2021 Unified Budget, Results and Accountability Framework (UBRAF)” (2019).

<sup>45</sup> In the UNAIDS 2016–2021 Strategy, key populations or key populations at higher risk are defined as groups of people who are more likely to be exposed to HIV or to transmit it, and whose engagement is critical to a successful HIV response. In all countries, key populations include people living with HIV. In most settings, men who have sex with men, transgender people, people who inject drugs, and sex workers and their clients are at higher risk of exposure to HIV than other groups.

of new HIV infections worldwide and the risk of not meeting the target (represented by the green dot) set for 2020,<sup>46</sup> not to mention Goal 3 of the Sustainable Development Goals (SDG),<sup>47</sup> with its target of ending the HIV/AIDS epidemic, as well as other related targets, by 2030. As one report concludes: “Current projections show that many health-related SDG indicators ... will require a concerted shift away from what might have driven past gains ... towards multisectoral, prevention-oriented policy action and investments to achieve SDG aims. Notably, several targets, if they are to be met by 2030, demand a pace of progress that no country has achieved in the recent past.”<sup>48</sup>

27. This is not new, as efforts to achieve targets 6.A and 6.B of the Millennium Development Goal (MDG), which called for halting the spread of HIV/AIDS and achieving global access to treatment, also fell well short by 2015.<sup>49</sup> A 2007 JIU report pointed to structural and governance issues limiting UNAIDS that would likely prevent it from being fully effective in delivering on MDG 6. The central issue, at the time, was the number of co-sponsors and the dependence on the secretariat to coordinate and enable everyone to reach a consensus, coupled with the fact that each co-sponsor was accountable only to its own governing body.<sup>50</sup>

**Figure I**  
**Number of new global HIV infections, 1990–2018 and 2020 target**



Source: UNAIDS data, July 2019.

### The “joint” needs to be reassessed

28. Based on interviews with key UNAIDS stakeholders, there are frustrations at various levels about coordination and communication, programme delivery, funding, and reporting processes. The most substantive rift seems to be between the co-sponsors and the secretariat in addressing how UNAIDS is delivering at various levels, what it will look like in the future and how it will be staffed to meet its future needs.

<sup>46</sup> UNAIDS, *Miles to Go, Closing Gaps, Breaking Barriers, Righting Injustices: Global AIDS Update 2018* (2018).

<sup>47</sup> Ensure healthy lives and promote well-being for all at all ages.

<sup>48</sup> Rafael Lozano and others, “Measuring progress from 1990 to 2017 and projecting attainment to 2030 of the health-related Sustainable Development Goals for 195 countries and territories: a systematic analysis for the Global Burden of Disease Study 2017”, *The Lancet*, vol. 392 (2018), pp. 2091–2138, at p. 2092.

<sup>49</sup> Hannah Ritchie and Max Roser, “Now it is possible to take stock – did the world achieve the Millennium Development Goals” (Our World in Data, 2018).

<sup>50</sup> JIU/REP/2007/12.

29. Without co-sponsors, there is no “Joint Programme”, it is simply a programme. Yet, at recent PCB meetings attended by the Inspectors as observers, even the verbal comments by delegates referred to activities performed by the “secretariat and the co-sponsors” rather than the “Joint Programme”, making clear the separation of the two. While this may not have obvious implications, language is important, especially for a “joint” programme, which prides itself on being the only one of its kind in the United Nations system and for its forward-looking model that promotes collaboration and coordination among several United Nations organizations.

30. HIV/AIDS programming activities have shifted in many of the co-sponsoring organizations from stand-alone, dedicated units focused on HIV/AIDS, to more integrated approaches, meaning that staff are fulfilling several roles in addition to their focus on HIV/AIDS.<sup>51</sup> The guiding principles for co-sponsorship (see chapter III and annex II), which were developed in 2004, are another example of how the response and landscape of UNAIDS has shifted, as well as how the commitments and participation of co-sponsors may be out of step with the current needs of the HIV/AIDS response and the expectations of a “joint” programme.

31. As stated above, the original intent in the design of UNAIDS was for co-sponsors to be “co-owners” of UNAIDS. As a 2007 JIU report stated: “Since each Cosponsor is accountable only to its own independent governing/executive board, neither the UNAIDS secretariat nor PCB has any controlling organizational authority over the Cosponsors. Consequently, little can be done to exert pressure to bear on the Cosponsors to become effective partners within UNAIDS.”<sup>52</sup> Therefore, this intended part of the design was never fully realized. Hence, co-sponsors moved in their own respective directions, further challenging and straining the coordination role of the secretariat. The implications of this unrealized aspect of the “Joint Programme” need to be fully acknowledged so that new expectations can be set for co-sponsors and the secretariat going forward.

32. As both co-sponsors and secretariat senior staff pointed out, coordination at the global level of UNAIDS is an area of concern, as communication and expectations often fall short. The “Division of Labour”,<sup>53</sup> a document that provides guidance to co-sponsors and the secretariat at all levels of programmatic participation, is an example of how roles and responsibilities can be made clear, and expectations can be discussed and negotiated in a programme that relies on collaboration. Nevertheless, it may have its limitations. As the guidance document outlines, the Division of Labour enables “UNAIDS to collectively deliver integrated and impactful contributions at the country, regional and global levels”. In interviews with co-sponsors, at all levels, they mention the 2018 revision of the Division of Labour as an example of what has been working well within UNAIDS. On the other hand, the secretariat, which is often left to mediate the grey areas of the Division of Labour, finds it only works well when there is adequate staffing and interest by the co-sponsors. As one noted: “with several of the co-sponsors lacking capacity and country presence ... it frequently falls to the secretariat to cover all of the issues and areas that are supposed to be managed by specific co-sponsors in the Division of Labour”.

33. While the Inspectors found the Division of Labour to be a novel and good practice for clarifying roles, responsibilities and expectations, it, along with the principles for co-sponsorship, should be updated to reflect a future strategy, revisiting the capacity and commitment of the co-sponsors and the secretariat in a strategic and inclusive process. **Additionally, the secretariat should designate a high-level official to be a central point of contact for the co-sponsors, to coordinate communication and rebuild relationships at the global and technical levels.**

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<sup>51</sup> Based on responses to the JIU questionnaire from co-sponsors.

<sup>52</sup> JIU/REP/2007/12, para. 19.

<sup>53</sup> UNAIDS, “UNAIDS Joint Programme Division of Labour: guidance note, 2018”, revised version of a 2010 document of the same name.

34. As stated above, much has changed since 1995 in terms of the HIV/AIDS response and the development landscape in general. In more practical terms, co-sponsors must also assess their relevance and the value added in being part of UNAIDS, including their commitment at all levels. This means that **the executive heads of the co-sponsoring organizations should determine if their involvement in UNAIDS is still aligned with their respective organization’s mandate, mission and strategy, as well as their commitments in relation to the 2030 Agenda.**

## **B. Strategic planning in UNAIDS**

35. In response to the Second Independent Evaluation of UNAIDS in 2009, PCB requested that the secretariat “develop a new mission statement with measurable and time-bound objectives supported by a new strategic plan”.<sup>54</sup> This request set up what was to become the first comprehensive strategic plan of UNAIDS, which included multi-stakeholder consultations and negotiations that resulted in the adoption of the UNAIDS Strategy 2011–2015 at the 27th PCB meeting in 2010.<sup>55</sup> The second strategy was developed after discussions at the 32nd and 33rd PCB meetings on the post-2015 development agenda.<sup>56</sup> At the 35th meeting, PCB requested that the Executive Director update the 2011–2015 strategy through the fast-track period to align it with the resolution on the quadrennial comprehensive policy review of operational activities for development of the United Nations system,<sup>57</sup> taking into account the 2011 Political Declaration on HIV and AIDS.<sup>58</sup> The current strategy, which was adopted in October 2015<sup>59</sup> through a multi-sectoral process, integrates the relevant aspects of SDGs and covers the period from 2016 to 2021.<sup>60</sup> Based on interviews with staff and stakeholders, UNAIDS is scheduled to begin, what some have characterized as, “an update of the latest plan”.

### **A new plan to meet the 2030 Agenda**

36. Based on interviews with co-sponsors and secretariat staff, strategic planning beyond 2021 and the future of UNAIDS have not been discussed in a substantive way, neither within PCB nor the secretariat. At the 46th meeting of CCO in October 2018 there was an agenda item on the future of UNAIDS, for which the executive heads of the co-sponsoring organizations provided input and reflections. Prior to this, informal discussions among co-sponsoring organizations took place in September 2018.<sup>61</sup> These informal strategic discussions did not spark a wider discourse, as one co-sponsor noted: “The secretariat has, however, in general, been rather reticent to discuss this”. Internal strategic papers, shared with JIU, on the future of UNAIDS were to be discussed at the 42nd PCB meeting in June 2018, but were side-lined due to the discussion on the allegations of sexual harassment and the development of a management action plan to respond to accountability issues. The secretariat staff confirmed that, while longer-term strategic conversations have taken place on and off since 2014, there had been very little room for strategic planning to take place recently, in particular regarding how to meet, and not just address, the 2030 Agenda. The recent events within the secretariat only moved these conversations further behind.

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<sup>54</sup> UNAIDS/PCB (26)/10.9, “Follow up to the Second Independent Evaluation: UNAIDS mission statement” (2010), p. 3.

<sup>55</sup> UNAIDS, *UNAIDS 2011–2015 Strategy: Getting to Zero* (2010).

<sup>56</sup> 32nd PCB meeting, decision 5.1 (June 2013); UNAIDS/PCB (33)/13.17, “Update on the AIDS response in the post-2015 development agenda” (2013); 33rd PCB meeting, decision point 5.2 (December 2013); and UNAIDS/PCB (33)/13.23, “Report of the 33rd meeting of the Programme Coordinating Board” (2014).

<sup>57</sup> General Assembly resolution 67/226.

<sup>58</sup> Decision 3.5 (December 2014).

<sup>59</sup> 37th PCB meeting, decision item 5.1 (October 2015).

<sup>60</sup> UNAIDS, *UNAIDS 2016–2021 Strategy*.

<sup>61</sup> Based on responses to the JIU questionnaire from co-sponsors.



37. While a medium-term plan to develop the 2025 targets is currently under development within a consultative and multi-stakeholder process led by the secretariat,<sup>62</sup> significant political capital and focus needs to be put into a longer-term strategy. Addressing the shifting context of the HIV/AIDS response, the 2030 Agenda commitments, the funding challenges and rebalancing the most vital components of UNAIDS will primarily fall to the new senior leadership team of the secretariat and should be done in the context of a forward-leaning and innovative strategic planning process. This type of planning should focus on the long-term horizons of UNAIDS and include consultations with key stakeholders on programmatic elements – including from the key partners mentioned above, as well as the Economic and Social Council. This should include discussions on all possible programmatic delivery configurations, including joint efforts and complementary health topic areas.

38. UNAIDS should develop a long-term strategy that reflects the consultations mentioned above, a structural analysis of what it will need to achieve the 2030 Agenda, its role in key partnerships, the participation and commitment of co-sponsors, and how resources will be mobilized and allocated to achieve the goals and objectives of the strategy.

39. The following recommendation is intended to facilitate the implementation of an inclusive, innovative strategic planning process for UNAIDS in 2030.

#### **Recommendation 1**

**Beginning in 2020, the Programme Coordinating Board should develop a long-term strategy to achieve the targets and goals of UNAIDS with regard to the 2030 Agenda.**

### **C. Operational planning in the secretariat**

40. Based on interviews with JIU, the secretariat staff indicated that they had no operational plans that corresponded directly to the current strategy. An operational plan outlines the team, unit and/or departmental structures and depicts how the structures contribute to the achievement of the organization’s strategic goals. An operational plan maps the strategic plan and the tasks and the respective individual responsibilities, timelines and financial resources necessary for its completion.<sup>63</sup> For the most part, the strategic documents of UNAIDS and its secretariat only relate to programmatic activities.

41. Donor-led assessments have pointed to the lack of operational planning as a weakness<sup>64</sup> and one suggested that: “Though UNAIDS has a clear mandate, there is no clear line of sight through to strategy and implementation plans, and its results framework is inadequate”.<sup>65</sup> While donors also acknowledge that progress has been made in this area,<sup>66</sup> there is still room for improvement.

42. This is not to say that the secretariat has not developed operational documents to respond to various programmatic initiatives or refined its operating model.<sup>67</sup> There have clearly been improvements. However,

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<sup>62</sup> UNAIDS, “First face-to-face meeting of the Steering Committee on Target-Setting, Impact and Resource Needs, 10–12 October 2018, Glion, Switzerland” (2018).

<sup>63</sup> Syndicate Room Ltd, “The definition of operational plan”.

<sup>64</sup> Multilateral Organisation Performance Assessment Network, *MOPAN 2015–16 Assessments: Joint United Nations Programme on HIV/AIDS (UNAIDS), Institutional Assessment Report* (2017), executive summary, p. VII.

<sup>65</sup> United Kingdom, Department for International Development, *Multilateral Aid Review: Ensuring Maximum Value for Money for UK Aid Through Multilateral Organisations* (London, 2011), p. 192.

<sup>66</sup> United Kingdom, Department for International Development, *Multilateral Aid Review Update: Driving Reform to Achieve Multilateral Effectiveness* (London, 2013).

<sup>67</sup> In response to the Second Independent Evaluation of UNAIDS, the secretariat reviewed its organizational and staffing arrangements, which led to a workforce functional review in the secretariat in light of the changing UNAIDS operational

the fragmentation of operational tools and planning exercises point to the necessity for the secretariat to continue improving by undertaking comprehensive operational planning that will complement and mirror its long-term strategic planning.

43. The following recommendation is intended to ensure that the secretariat, in consultation with its key stakeholders, are in lockstep with the long-term strategy and vision of UNAIDS and that they are appropriately resourced and organized to meet its targets and goals.

**Recommendation 2**

**By the end of 2022, the Executive Director should present to the Programme Coordinating Board operational plans, together with defined timelines and targets, that reflect the long-term strategy of UNAIDS, including with regard to secretariat structures, staffing, financial resources and field presence.**

**D. The remainder of the report**

44. A long-term, innovative strategic vision for UNAIDS is of paramount importance and should be at the forefront of the attention of both the PCB and the new Executive Director. If its future state is determined to be similar in terms of secretariat staffing and structures to its current one, several critical gaps need to be filled – with regard to governance, oversight and accountability, human resources management and administrative services – to make it more efficient, effective and accountable. The remaining chapters of the present report prioritize the areas that UNAIDS and its secretariat must address – with urgency – to re-establish its institutional integrity and deliver on its 2030 goals.

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environment and new corporate vision. The first global mapping of human resources capacity was also undertaken jointly by all co-sponsors and the secretariat (UNAIDS/PCB (27)/10.19, “Follow up to the Second Independent Evaluation of UNAIDS: progress report on implementation” (2010)). By 2013, UNAIDS had based 70 per cent of the secretariat staff outside of Geneva (UNAIDS/PCB (32)/13.10, “Update on strategic human resources management issues” (2013)). In 2016, UNAIDS refined its operating model following the Global Review Panel on the Future of the UNAIDS Joint Programme Model. This led to the introduction of country envelope funding for the co-sponsors, and a 2016–2017 repositioning, in which the secretariat reduced its staff by 13 per cent and reassigned about 120 staff members (response by the secretariat to the JIU questionnaire).

### III. GOVERNANCE

**The Programme Coordinating Board is not fulfilling its oversight and accountability roles and responsibilities. It must do so in order to bring UNAIDS into alignment with other United Nations system organizations and avoid further reputational and financial setbacks.**

**Findings:**

- ✓ The governance structure of UNAIDS was set up in such a way to respond to a global health crisis and allow the secretariat to act quickly, and PCB reflected this context by focusing on programmatic and financial issues;
- ✓ Although the context of the HIV/AIDS response has changed, as has the role of the co-sponsors, the governance of UNAIDS has not and lacks basic oversight and accountability for UNAIDS and its secretariat, including substantive interactions by PCB with oversight functions and the Executive Director on accountability issues;
- ✓ The gaps in oversight and accountability and how they were dealt with have had financial implications and caused reputational damage;
- ✓ The term limit and performance expectations of the Executive Director position are unclear.

**Recommendations:**

- ✓ PCB must exercise oversight responsibilities over UNAIDS and its secretariat and reflect it by updating its Modus Operandi (recommendation 3);
- ✓ PCB should engage with the United Nations Secretary-General to consider establishing a term limit for the position of Executive Director for more certainty in succession planning and a compact to provide transparency with regard to performance expectations.

#### A. History of UNAIDS governance

45. Deficiencies in governance – and specifically the lack of oversight and accountability of PCB have been pointed out in at least four independent reports<sup>68</sup> on UNAIDS. While efforts were made to address some of the governance issues mentioned in these reports, recommendations pointing to PCB oversight and accountability were, by and large, not addressed. The present report reframes governance in UNAIDS to provide structural and procedural recommendations (in this chapter and the next) to PCB in order for it to better organize itself to exercise its oversight and accountability roles and responsibilities in line with other United Nations system organizations.

46. Governance is defined in the United Nations context as “the combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives”.<sup>69</sup>

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<sup>68</sup> Five-Year Evaluation of UNAIDS, 2002; JIU/REP/2007/12; UNAIDS Second Independent Evaluation 2002–2008; and UNAIDS/PCB (43)/CRP1, “Report on the work of the Independent Expert Panel on prevention of and response to harassment, including sexual harassment, bullying and abuse of power at UNAIDS Secretariat” (2018).

<sup>69</sup> United Nations Office of Internal Oversight Services, “List of key oversight terms” (2013), p. 7.

47. As stated in chapter I, UNAIDS was established as a joint and co-sponsored United Nations programme in 1994 by resolution 1994/24 of the Economic and Social Council,<sup>70</sup> and launched in January 1996. In its resolutions and decision, the Economic and Social Council determined that UNAIDS should be guided by PCB with representatives of 22 governments from all regions elected from among the member States of the co-sponsoring organizations, as well as fully participating but non-voting representatives of the now 11 co-sponsoring organizations and a delegation of 5 members from NGOs active in the HIV/AIDS response. Figure II provides an overview of the UNAIDS governance structure and the composition of PCB.

48. PCB is unique in the United Nations system in that it includes both NGOs as well as other United Nations system organizations, along with member States. In its composition and practices, PCB is a “light” governance structure, which corresponded to the “urgent need to make the Programme operational as soon as possible”<sup>71</sup> to respond to an ongoing global crisis. Therefore, UNAIDS needed a secretariat, management structure and an executive head with the ability to act quickly and with agility.

49. Other reasons for a light governance structure were likely reinforced by the original plans for the staffing and field presence proposed in 1995 (185 staff in 50 field locations)<sup>72</sup> and the focus on the contributions of co-sponsors. The resolution of the Economic and Social Council envisioned the inception of UNAIDS “on the basis of co-ownership, collaborative planning and execution, and an equitable sharing of responsibility”.<sup>73</sup> This may have also led to PCB focusing primarily on programmatic and budgetary matters instead of on management and oversight.

50. As noted in chapter II, the current context could not have been envisaged in 1995 when the HIV/AIDS crisis was at its apex. Today, the roles and responsibilities of the co-sponsors and the secretariat have changed to serve a new context, with co-sponsors integrating their HIV/AIDS response into other programming activities, and the secretariat playing a much larger role than originally planned. Consequently, this shift in context and the role of the secretariat requires a more mainstream view of governance than is currently in place.

## **B. Components of PCB**

51. The components of PCB, displayed in figure II, are also covered below with a brief description of each, together with their respective roles and responsibilities.

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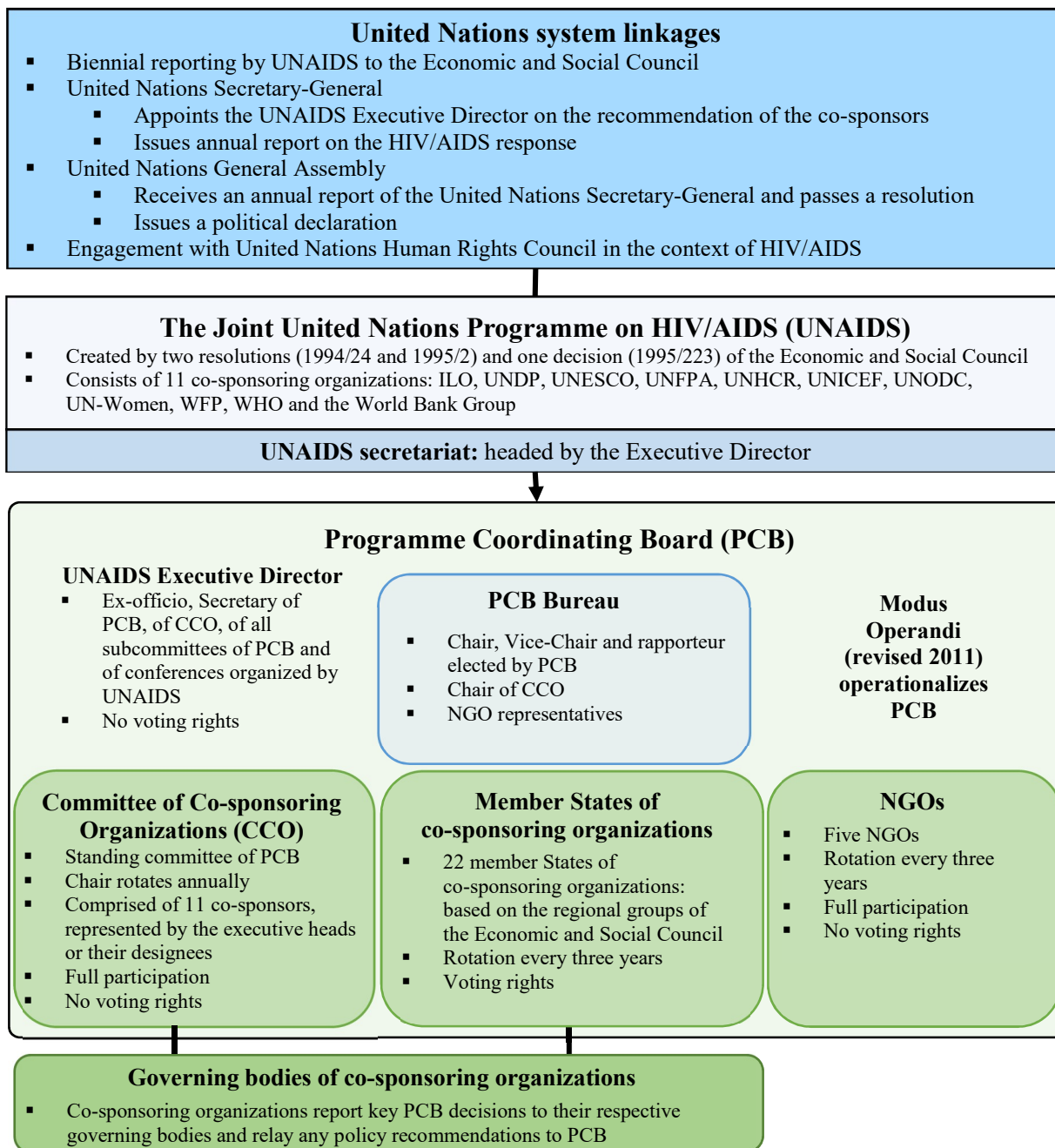
<sup>70</sup> The Economic and Social Council cannot create organizations, only programmes according to the Charter of the United Nations, see chap. X, arts. 62–64 and 68.

<sup>71</sup> Resolution 1995/2 of the Economic and Social Council.

<sup>72</sup> UNAIDS/PCB (1)/95.4, “UNAIDS proposed structure and staffing plan” (1995).

<sup>73</sup> Economic and Social Council resolution 1994/24.

**Figure II**  
**Governance structure of UNAIDS**



Source: JIU research.

- **Committee of Co-sponsoring Organizations (CCO):** the Committee is comprised of the executive heads of the 11 co-sponsoring organizations. In addition to providing the United Nations Secretary-General with a consensus recommendation on the selection of the UNAIDS Executive Director, the Committee was envisioned to be essential in providing guidance on the management,

budget and operations of UNAIDS.<sup>74</sup> Each of the 11 co-sponsoring organizations put in place staffing and structures to support their participation in UNAIDS. An early report noted that: “A balance is needed in which the co-sponsors are actively involved in major decisions, while recognizing fully the [Executive] director’s responsibility for management of the joint programme”.<sup>75</sup> The guiding principles for co-sponsoring organizations (see annex II) were intended to provide guidance for potential United Nations organizations to join UNAIDS and ensure consistency of standards across the co-sponsors. These criteria, for the most part, are met by all 11 co-sponsors, although weaknesses can be found in their links to their respective governing bodies. For example, not all governing bodies of co-sponsors approve a specific budget for HIV/AIDS response activities or put HIV/AIDS activities under regular consideration. Also, some co-sponsors no longer have core resources dedicated to HIV/AIDS or dedicated staff units. Given the changes in the HIV/AIDS response and the reduced budgets and staffing of the co-sponsors, **the relevance and validity of the guiding principles should be re-evaluated, and stronger linkages between PCB and the governing bodies of co-sponsors should be explored.**

- **NGOs:** NGO delegates, representing civil society, as well as those working with key populations, contribute substantively at many levels – including in their role within PCB. This has been characterized by co-sponsors and other stakeholders as demonstrating the “inclusivity of PCB and providing “much needed balance” at PCB meetings and committees. As one co-sponsor noted: “The inclusion of civil society in PCB and recognition of their critical role and contribution is a key facet of UNAIDS and a widely recognized good practice. Overall, the broad multi-sectoral approach of UNAIDS and shared ownership by a diverse set of co-sponsors, civil society and member States is a unique system that is not always easy to implement, but that is more adapted to addressing the era of the Sustainable Development Goals than a ‘siloed’ system.” NGO representatives serve on committees and add their voice on many topics within PCB, often providing balance. As noted by another co-sponsor: “One of the unique and good features is having civil society around the table. You have a key population; you have people living with HIV. It is very positive.” *The Inspectors note the involvement and role of NGOs in UNAIDS to be a good practice worthy of further study.*
- **Member States:** resolutions of the Economic and Social Council determine which member States have representation on PCB, and there are 22 seats. Member States elect a PCB Bureau, which includes a Chair, Vice-Chair and rapporteur for one-year terms. PCB primarily uses a consensus model for its decision-making and has only voted once in its history.<sup>76</sup> Member States are largely represented in PCB by delegates from the foreign and/or health ministries. PCB members themselves have characterized the culture of PCB as “little governance” and “a lot of consultation”. As one stated: “A lot is centred on consensus opinion in a very diverse set-up of member States and may be to the detriment of good governance”.<sup>77</sup>

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<sup>74</sup> E/1995/71.

<sup>75</sup> Ibid., para. 103.

<sup>76</sup> The vote was to determine if the Independent Expert Panel report was to be released publicly, which it was (UNAIDS/PCB (43)/CRP1, “Report on the work of the Independent Expert Panel on prevention of and response to harassment, including sexual harassment, bullying and abuse of power at UNAIDS Secretariat” (2018)).

<sup>77</sup> Based on interviews with PCB members.

### C. Good governance in the United Nations context

52. Good governance requires a clear division of responsibilities between the governing body, which sets the policies, strategies, budgets and plans for achieving the entity's purpose, and the management team, which has the responsibility of implementing the policies, strategies, budgets and plans approved by the governing body.<sup>78</sup> A 2008 study further identified eight characteristics of good governance, including: participatory; consensus-oriented; accountable; transparent; effective and efficient; equitable and inclusive; and follows the rule of law.<sup>79</sup>

53. In terms of the governance of UNAIDS, PCB seems to meet most of the characteristics mentioned above, except for what the study defined as "accountable" and following the "rule of law", which for UNAIDS, is its Modus Operandi, which was most recently updated in 2011.

54. The Second Independent Evaluation of UNAIDS pointedly noted that there were governance issues, particularly the lack of accountability of PCB for the secretariat and the performance of the Executive Director. The PCB established a task force on governance-related matters, which deliberated on the issues identified in the Second Independent Evaluation. However, the Modus Operandi, which was updated following the Second Independent Evaluation, was not substantively revised or clarified in order to address these issues.<sup>80</sup>

55. All versions of the Modus Operandi contain the same purpose statement for PCB: "The Programme Coordinating Board ... acts as the governing body on all programmatic issues concerning policy, strategy, finance, monitoring and evaluation of UNAIDS".<sup>81</sup> This emphasis on "programmatic" may have been interpreted to mean *only* programmatic and exclude secretariat, oversight and accountability.

56. These narrow governing parameters have been reinforced in various ways, including in the statements of the first two Executive Directors and PCB Chairs. In his first PCB meeting as Executive Director in June 2009, the second Executive Director said: "I appreciate the comments of the Chair, who expressed concern that the number of issues arising from the PCB is leading to micromanagement of processes, which reduces the efficiency and effectiveness of the [s]ecretariat and makes the Executive Director less focused on strategic issues. I am working with the Chair to ensure that the PCB will lighten its procedures and remain a high-impact decision-making body."<sup>82</sup>

57. The first Executive Director also set narrow limits on the role of PCB.<sup>83</sup> These types of statements and subsequent acquiescence by PCB has placed the locus of control for all operational and administrative decisions squarely with the Executive Director, while the typical oversight and accountability measures found in other United Nations system organizations and their governing bodies are lacking in UNAIDS and its secretariat (see next chapter for more details). As one PCB delegate commented: "The role of PCB feels like a stakeholder engagement exercise instead of a real oversight body. PCB gets informed about policies,

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<sup>78</sup> A/60/883/Add.1 and A/60/883/Add.1/Corr.1.

<sup>79</sup> United Nations Economic and Social Commission for Asia and the Pacific, "What is good governance" (2008).

<sup>80</sup> UNAIDS, "Modus operandi of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS (UNAIDS)" (1995), para. 5 (v), (vi) and (viii) and annex 1, para. 4.

<sup>81</sup> UNAIDS, "Modus operandi of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS (UNAIDS)" (2011), para. 4.

<sup>82</sup> Speech by Michel Sidibé, "Crisis, opportunity, and transformation: AIDS response at a crossroads", 23 June 2009, p. 12. UNAIDS/PCB (23)/08.34, "Report of the twenty-third meeting of the PCB" (2009).

<sup>83</sup> UNAIDS/PCB (22)/08.22, "Report of the twenty-second meeting of the UNAIDS Programme Coordinating Board, Chiang Mai, Thailand, 23–25 April 2008" (2008). See also the speech by Peter Piot, UNAIDS Executive Director, at the 23rd meeting of the UNAIDS Programme Coordinating Board, 16 December 2008, p. 14.

through performance and human resources reporting, but there is no real response of PCB in regard to those issues. The Executive Director has a lot of room to manoeuvre because PCB has limited oversight.”

58. The vast majority of actions by PCB in their two meetings each year are, for the most part, passive. This includes taking note of actions by the secretariat, recalling previous actions or recognizing an action or its result. This stands in contrast to active and engaged governance, such as approving or deciding. Two standard actions that PCB does perform is to accept financial reports and audited statements, approve budgets and the allocations to the co-sponsors. The majority of PCB requests to the secretariat, though, are typically on actions that the secretariat has presented and was going to do anyway.

59. Two notable exceptions are recent decisions at the 43rd meeting, in which PCB “decided” to hold a special session to further discuss an expert panel’s report and to establish a working group to oversee implementation of the recommendations to strengthen the PCB’s monitoring and evaluation role in the secretariat regarding sexual harassment issues.<sup>84</sup> This may have been a rare attempt to play an oversight and accountability role as envisioned in the definitions of good governance.

60. PCB should: (a) reconsider how it handles oversight and accountability reporting rather than “taking note” of the information that is provided by the secretariat; (b) ensure that the Executive Director acts on the issues raised by oversight functions; and (c) ensure that functions delivering oversight and accountability reports to PCB are independent and impartial (covered below and in the next chapter). To bring further definition to PCB’s oversight responsibilities, a committee might need to be set up (recommendation 5 in the next chapter) to interpret the information contained in various reports and point to trends and/or areas of concern that PCB should be aware of and/or address. **This also includes the PCB’s roles and responsibilities in handling allegations against the Executive Director or any other officials handling oversight issues (e.g. ethics officer, investigators, auditors, other senior officials, etc.) that could pose a conflict of interest in handling such issues, which is a best practice that is not currently reflected in the policies or procedures of UNAIDS or its secretariat.**<sup>85</sup>

#### **D. Holding UNAIDS accountable**

61. In resolution 1994/24 of the Economic and Social Council, WHO was tasked with being “responsible for the administration in support of the programme”. WHO lists UNAIDS, as well as five other entities,<sup>86</sup> as “other programmes, facilities and secretariats hosted by WHO”. Governance, oversight and accountability are not covered by such a task. More to the point, the terms of reference of the oversight committee of WHO<sup>87</sup> are limited to WHO programmes and interests. Therefore, the governing body of WHO does not review the accountability and oversight issues of UNAIDS or its secretariat and cannot be expected to do so in the future.<sup>88</sup>

62. The interests of the Economic and Social Council are primarily centred on programmatic activities. It does not provide oversight of UNAIDS or its secretariat. In its resolution (1994/24) it clearly states that PCB “will serve as the governance structure for the programme”. Furthermore, in its most recent resolution (2019/33), it requests that the PCB “discuss governance issues of the Joint Programme ... with a view to

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<sup>84</sup> 43rd meeting of the Programme Coordinating Board (December 2018), decisions 5.13 and 5.14.

<sup>85</sup> JIU/REP/2018/4, indicator 1.4 and recommendation 1.

<sup>86</sup> United Nations International Computing Centre, WHO Framework Convention on Tobacco Control, Special Programme for Research and Training in Tropical Diseases, Special Programme of Research, Development and Research Training in Human Reproduction and Global Polio Eradication Initiative.

<sup>87</sup> Revised terms of reference for the Independent Expert Oversight Advisory Committee, EB132.R12 (2019).

<sup>88</sup> Based on interviews with WHO officials.



evaluating such issues, in order to have an effective, efficient and accountable Joint Programme”.<sup>89</sup> This request clearly indicates and substantiates that it believes that the PCB, as the governing body of the Joint Programme, is also responsible for holding UNAIDS and its secretariat accountable.

63. The fact that PCB should be exercising more oversight of UNAIDS and its secretariat is indisputable as there is no other entity that is in a position to do so. This is also evident in the statement that appears in all versions of the Modus Operandi: “The Executive Director shall be subject to the authority of PCB”.<sup>90</sup> Additionally, with close to 700 staff members currently (and as many as approximately 1,000 in 2008),<sup>91</sup> the secretariat has evolved into what many would consider an “organization”, albeit a small one in United Nations system terms, with staff numbers comparable with those of the International Telecommunication Union (680), and still larger than the United Nations Industrial Development Organization (617), the International Trade Centre (287), the Universal Postal Union (178), the World Meteorological Organization (324), the International Maritime Organization (270) and the World Tourism Organization (87).<sup>92</sup> However, UNAIDS and its secretariat have fewer accountability channels, compared with most other United Nations system organizations, in which governing bodies provide proper governance and oversight.

64. This accountability gap was pointed out by JIU in two recommendations in a 2007 report<sup>93</sup> and in both Independent Evaluations of UNAIDS in 2002<sup>94</sup> and 2009.<sup>95</sup> However, it remains unaddressed. Even with the handling of the recent misconduct allegations documented in the Independent Expert Panel report<sup>96</sup> and to some extent in the subsequent working group, expanded governance by PCB was and continues to be considered by some on PCB as “overreach”. And the current Modus Operandi is being interpreted to limit the oversight and accountability role of PCB by not even allowing it to meet in the absence of the Executive Director or one of his or her delegates. Consequently, such a limitation does not allow PCB to discuss the performance of the Executive Director.<sup>97</sup>

65. Further actions and interpretations by the respective Executive Directors and PCB itself of the resolutions and decision of the Economic and Social Council have reinforced the limited role of PCB, including advice provided by the former legal adviser of PCB at the special session in March 2019, stating that that PCB could not communicate directly with the United Nations Secretary-General on matters related to system-wide issues, and that any messages to the Secretary-General should go through the Economic and Social Council.<sup>98</sup> *It is not necessary for the Economic and Social Council to clarify its resolutions of 25 years ago or create new ones related to the governance of UNAIDS; it is for PCB to more appropriately implement the existing ones.*

66. The PCB exercising oversight and accountability would entail – perhaps through a specialized committee format or within the PCB Bureau– regular and substantive interactions with oversight and accountability entities (auditors, oversight, ethics, etc.) and analysis of their reports. Interactions with the Executive Director to ensure accountability in acting on relevant recommendations is also essential. This

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<sup>89</sup> Resolution 2019/33 of the Economic and Social Council, para. 12.

<sup>90</sup> Modus Operandi, versions 1995, 2010 and 2011.

<sup>91</sup> UNAIDS/PCB (25)/09.18, “UNAIDS Second Independent Evaluation 2002–2008: final report” (2009).

<sup>92</sup> Staffing numbers from CEB/2018/HLCM/HR/10.

<sup>93</sup> JIU/REP/2007/12.

<sup>94</sup> UNAIDS/PCB (13)/02.2, “Five-year evaluation of UNAIDS” (2002).

<sup>95</sup> UNAIDS/PCB (25)/09.18, “UNAIDS Second Independent Evaluation 2002–2008: final report” (2009).

<sup>96</sup> UNAIDS/PCB (43)/CRP1, “Report on the work of the Independent Expert Panel on prevention of and response to harassment, including sexual harassment; bullying and abuse of power at UNAIDS Secretariat” (2018).

<sup>97</sup> UNAIDS, “Modus operandi of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS (UNAIDS)” (2011), annex 1, para. 5.

<sup>98</sup> UNAIDS/PCB (EM)/2.3, “Report of the special session of the Programme Coordinating Board meeting” (2019), annex 3.

responsibility was highlighted in the 2006 JIU report on oversight lacunae: “Member States have the responsibility for oversight in the organizations of the United Nations system and delegate some authority for oversight to the secretariats of the organizations and some to the external oversight bodies”.<sup>99</sup>

67. These proactive and engaged interactions would result in a more informed PCB and one better placed to appropriately handle accountability issues. More details on what and how PCB can exercise oversight and accountability are contained in the next chapter and specifically in the “third line of defence” and dealing with external oversight bodies (including recommendations 5 and 6).

### **Cost of not acting**

68. United Nations system organizations face misconduct allegations, and with an effective accountability framework, the allegations can be properly handled and adjudicated. The accountability framework of UNAIDS and its secretariat does not include sufficient PCB oversight and accountability. This shortcoming has resulted in not just reputational damage but has had financial implications as well. Overall legal costs between 2016 and 2018 more than doubled. The recent misconduct cases within the secretariat have been estimated to have cost the secretariat nearly \$1.3 million between 2018 and 2019, including legal fees and investments in new management practices.<sup>100</sup>

69. This figure, however, does not include the cost of the decline in staff productivity within the secretariat, which, based on interviews, was extensive and dispiriting. It also does not include the cost to PCB itself, in terms of members’ participation in working groups, and the additional and considerable time spent on the topic at several PCB meetings. Additionally, it also does not take into account the impact on UNAIDS resource mobilization efforts, which may be substantial.<sup>101</sup> *PCB must be proactive in exercising its governance in terms of the oversight and accountability of UNAIDS and its secretariat as the costs are not just borne out in reputational damages, but also in real terms.*

### **Revise the Modus Operandi**

70. The Modus Operandi is the “rule of law” for PCB and provides an interpretation of the relevant resolutions and decision of the Economic and Social Council, outlines functions, roles and responsibilities and provides rules of procedure. It is the blueprint for governance of UNAIDS, and it can and must be revised to meet the current context of UNAIDS and more appropriately clarify the roles and responsibilities in oversight and accountability of PCB and to harmonize it with other United Nations system organizations. These responsibilities should include accountability measures and interactions (as mentioned above) that are typically in place across the United Nations system. They will be covered in more detail in the next chapter.

71. To be clear, decisions regarding human resources in the secretariat should not be conflated with oversight and accountability by PCB, as some delegates have suggested in recent PCB meetings. The Inspectors are not calling on PCB to insert itself into operational and staff management decisions, which are typically in the realm of executive management. Oversight and accountability mean establishing a strategic vision for UNAIDS (as outlined in chapter II), holding it accountable in terms of implementing

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<sup>99</sup> JIU/REP/2006/2, para. 4.

<sup>100</sup> Costs were provided to JIU by the secretariat and are calculated to include the Independent Experts Panel report and its associated costs; Management Action Plan development costs of 360-degree reporting, travel, retreats, training and external consultancy for the five-point plan and working group, and staffing for the Management Action Plan; WHO investigation costs, the Legal Service of the Human Resources Management Department for 2018–2019 and external legal services.

<sup>101</sup> UNAIDS/PCB (44)/19.14, “Unified Budget, Results and Accountability Framework (UBRAF): performance monitoring report 2018 – organizational report” (2019).

that vision, and providing a closer and more critical view of the reports of oversight and accountability functions, as well as who presents this crucial information (see chapter IV for more details).

72. By exercising paragraph 32 of the Modus Operandi, which allows PCB to amend or supplement it, PCB can clearly and succinctly lay the foundation for implementing oversight and accountability measures and, at the same time, continue to allow UNAIDS to operate with agility. Providing clarity to paragraphs 4 and 5 and components of annex I of the Modus Operandi, as well as adding a section to allow for and provide structure to the interactions described in paragraphs 66 and 67 above, can imbed practical and proactive accountability mechanisms into the governance structure of UNAIDS in a sustainable and consistent manner.

73. The following recommendation is intended to improve the oversight and accountability duties of PCB.

### **Recommendation 3**

**By the beginning of 2021, the Programme Coordinating Board should revise its Modus Operandi to clarify its roles and responsibilities and imbed oversight and accountability mechanisms in the oversight of UNAIDS and its secretariat.**

## **E. Reports to PCB and who delivers them**

74. The secretariat is required to submit reports on various aspects of UBRAF, including reporting on finance and human resources, ahead of PCB meetings. Such reports are reviewed during the meetings. What is covered and by whom in PCB meetings – i.e. required reports and who delivers them – is an area of concern.

75. Currently, the secretariat's Directors of Human Resources and Finance deliver oversight and accountability data and information in the context of their respective reports to PCB, including the reports of the internal and external auditors and data and information on ethics activities and investigations. Without prejudice to the competencies and integrity of the secretariat staff delivering these reports, this type of information should be contained in stand-alone reports and not integrated into other reports, additionally these reports should be delivered by independent functions. As stated above, these reports should also be more critically assessed by the governing body, which is a best practice across the United Nations system.<sup>102</sup> This may require more structure and focus attached to oversight and accountability reporting to PCB (see recommendation 6 in the next chapter). The Inspectors wish to point out that this is not to add more formality to PCB meetings but to add accountability for and credibility to information that is currently not conveyed properly or appropriately. **PCB may wish to revise paragraph 5 of the Modus Operandi, which covers the functions of PCB to establish this practice.** More on this topic is covered in chapter IV, including recommendation 6.

## **F. Additional measures for strengthening governance**

76. Two additional areas to consider in order to strengthen oversight and accountability within UNAIDS are the term limit of the Executive Director and explicit performance expectations for the position.

77. The term of office of the Executive Director, which is a United Nations Under-Secretary-General position, is not explicitly stated in the Modus Operandi or in other documents that JIU studied for this review. Term limits for positions appointed by the United Nations Secretary-General are considered a grey

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<sup>102</sup> JIU/REP/2016/8 (recommendation 1).

area with the prevailing practice being to tie the term to that of the United Nations Secretary-General and/or up to five years.<sup>103</sup> Yet the practice of setting explicit terms has become more prominent in the United Nations system, especially in specialized agencies and some other entities.

78. The majority of United Nations system organizations have an explicit term limit for its leaders, who serve for either four- or five-year terms. It should be noted that establishing term limits is in the realm of most governing bodies.<sup>104</sup> In 2009, the governing bodies of the Food and Agriculture Organization of the United Nations (FAO) and the International Labour Organization (ILO) amended the conditions of service for their respective executive heads to two successive terms. For governing bodies and the United Nations Secretary-General, it provides a predictable path for succession planning. In the case of UNAIDS, PCB could certainly begin the process by opening a dialogue with the United Nations Secretary-General.

79. Additionally, clear expectations about accountability and delivering on results have become a best practice in the United Nations Secretariat for senior leadership positions (typically staff at the level of Under-Secretary-General)<sup>105</sup> through the use of compacts. In addition to using resources effectively and implementing oversight recommendations, the 2019 version of the United Nations Secretariat compacts also included commitments to integrity and honesty within the organization, effective delegation of authority, transparency of performance and alignment of activities and practices with reform initiatives and the 2030 Agenda.<sup>106</sup> While the most recent compacts are limited to senior management staff within the United Nations Secretariat, PCB may wish to discuss how this mechanism could be extended to the position of the UNAIDS Executive Director as well.

**80. PCB is encouraged to open a dialogue with the United Nations Secretary-General on these two additional measures to assist in providing more clarity and transparency on its expectations of the leadership of UNAIDS, and more certainty in succession planning.**

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<sup>103</sup> ST/SGB/2018/1, regulation 4.5.

<sup>104</sup> JIU/REP/2009/8 (recommendation 6).

<sup>105</sup> This applies to staff at the Under-Secretary-General level serving in the United Nations Secretariat, but does not apply to staff at that level appointed by the United Nations Secretary-General.

<sup>106</sup> Secretary-General, “Compacts with Senior Managers ‘an important tool’ for accountability, transparency, results, Secretary-General says at signing ceremony”, press release, March 2019 (SG/SM/17606-HQ/705-ORG/1628); and Senior Manager’s Compact 2019 with the Executive Secretary of the United Nations Economic Commission for Europe.

## IV. OVERSIGHT AND ACCOUNTABILITY

**While UNAIDS has a new accountability framework in place, it has several gaps that need to be addressed. These include reassessing critical functions, establishing a disciplined approach towards oversight reports and who delivers them, and fully exercising the PCB's role in the oversight and accountability of UNAIDS and its secretariat.**

### **Findings:**

- ✓ Key decision-making processes within the secretariat are overcentralized. More decentralized reporting lines and comprehensive delegations of authority are essential to empower managers and hold them accountable;
- ✓ Fragmented legal counsel has been uncoordinated and costly;
- ✓ The ethics function in the secretariat is not fully independent and performs more duties than most in the United Nations system without a backstop;
- ✓ No regular meetings are held by the Executive Director with internal and external auditors to discuss emerging risks and issues, and the current coverage of such auditors is minimal.

### **Recommendations:**

- ✓ Recent secretariat initiatives, in particular the Management Action Plan, should be implemented within the set timeline and be regularly audited and reported to PCB;
- ✓ The Executive Director should issue an annual statement on the effectiveness of internal controls, as also recommended by the External Auditor;
- ✓ The Executive Director should consider setting up an in-house legal advisory function (recommendation 4);
- ✓ The Executive Director and PCB should consult with the internal and external auditors to review the adequacy of the audit coverage, and the Executive Director should meet with the auditors at least annually;
- ✓ PCB should consider creating an independent and external oversight committee that examines oversight and accountability issues and reports, and provides expert advice to PCB and the Executive Director (recommendation 5);
- ✓ The Executive Director should establish a regular, stand-alone agenda item at PCB meetings on auditing, ethics and other accountability topics, presented by the appropriate independent functions with their respective reports to PCB (recommendation 6).

### **A. UNAIDS through the lens of the “three lines of defence” model**

81. Although UNAIDS is a programme and lacks an independent legal standing,<sup>107</sup> it operates for all intents and purposes as an organization, requiring the same accountability mechanisms as other United Nations system organizations. Accountability is defined as the obligation of every member of an organization to be

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<sup>107</sup> Response to the JIU corporate questionnaire from WHO and subsequent interviews with legal officers at WHO and the United Nations Secretariat.

answerable for his or her actions and decisions, and to accept responsibility for them.<sup>108</sup> As such, this chapter looks at UNAIDS as an “organization” and, in particular, what mechanisms are necessary for accountability in the United Nations context.

82. The secretariat has adopted and adapted the “three lines of defence” model of the Institute of Internal Auditors<sup>109</sup> and the Committee of Sponsoring Organizations of the Treadway Commission<sup>110</sup> in the UNAIDS Management Accountability Framework<sup>111</sup> and Internal Control Framework.<sup>112</sup> The model identifies three separate lines of defence within an organization for effective management of risk and control.<sup>113</sup> In figure III, there is an analysis of how UNAIDS has adapted the model, as well as how it applies to best practices within the United Nations system context.

83. As defined in the UNAIDS Management Accountability Framework, management and staff provide the first line of defence, as they are responsible for maintaining the effective management of resources and internal controls, as well as for ensuring compliance with policies and procedures on a day-to-day basis. The functional leads, such as the Director of Planning, Finance and Accountability and the Director of Human Resources Management, serve as the second line of defence. Internal oversight services, ethics and evaluation provide the independent assurance and the third line of defence.<sup>114</sup> The present chapter outlines the key elements of each line of defence and provides an analysis of how UNAIDS, along with its secretariat, is performing in each line, as well as the gaps that currently exist.

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<sup>108</sup> WHO Accountability Framework (March 2015) and UNAIDS Management Accountability Framework (February 2018).

<sup>109</sup> Institute of Internal Auditors, “IIA position paper: the three lines of defence in effective risk management and controls” (2013).

<sup>110</sup> Committee of Sponsoring Organizations of the Treadway Commission, “Leveraging COSO across the three lines of defense” (2015).

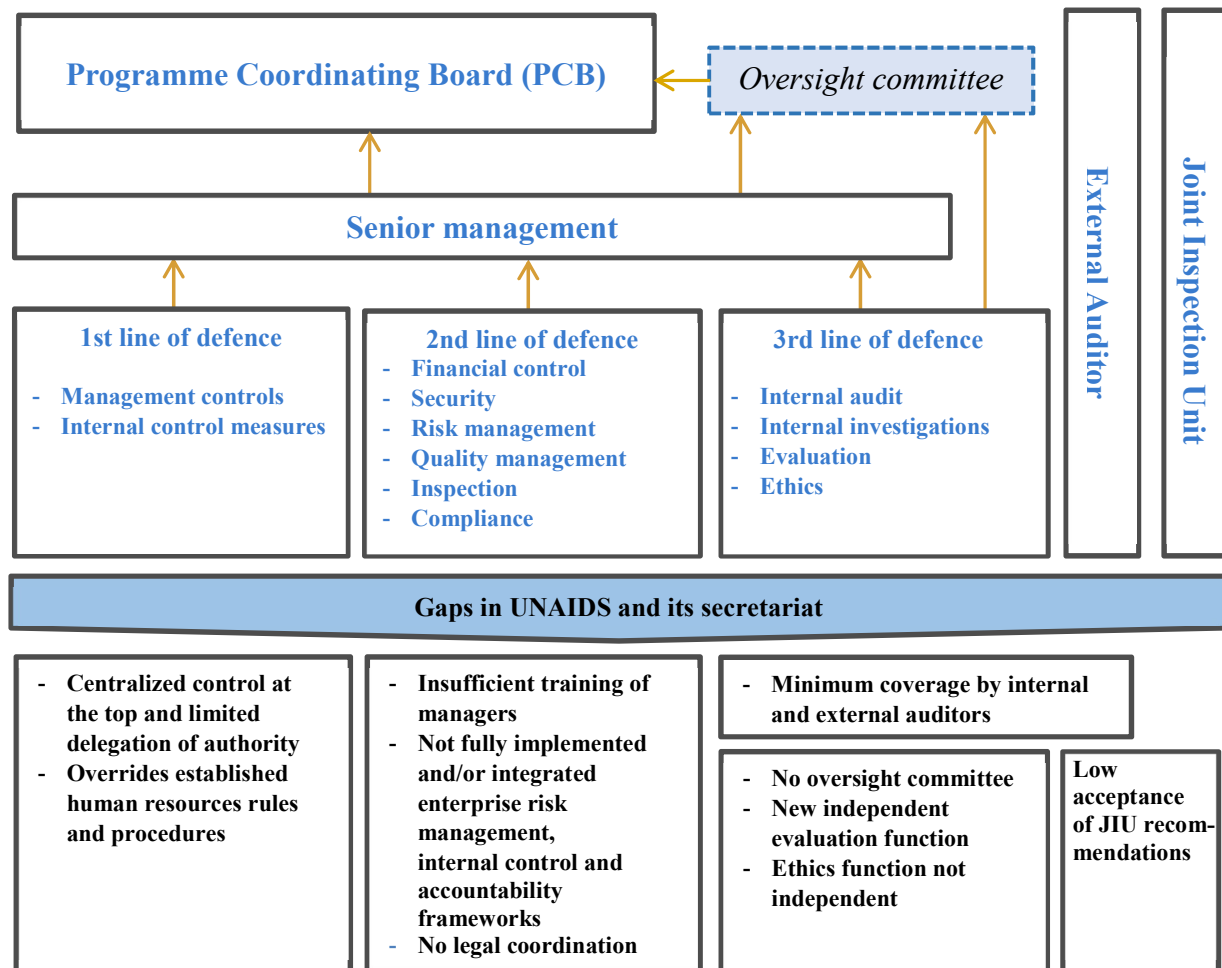
<sup>111</sup> UNAIDS Management Accountability Framework.

<sup>112</sup> UNAIDS Internal Control Framework.

<sup>113</sup> Ditto.

<sup>114</sup> UNAIDS Management Accountability Framework.

**Figure III**  
**UNAIDS “three lines of defence” model**



Source: Analysis by JIU of the UNAIDS Management Accountability Framework, 2018.

### **B. First line of defence**

84. All managers are responsible for the identification of risks and the management thereof within their respective areas of responsibility. Hence, they are responsible for ensuring that the appropriate organizational procedures and support systems are implemented for a sufficient system of internal controls. This responsibility should cascade down to all staff, in all locations. Examples of this include a comprehensive delegation of authority, as well as adequate managerial and supervisory controls in place, including policies and procedures to provide checks and balances at all levels. Delegation of authority would typically affect the first line as well as the second line of defence.

## Delegation of authority

85. The assignment of responsibilities, segregation of duties and corresponding delegated authorities are prerequisites for the successful implementation of results-based management.<sup>115</sup> To be accountable for results, managers have to be duly empowered through a clear delegation of authority in all areas.

86. The organigram of the “UNAIDS secretariat HQ and Global 2019” (see annex III) demonstrates the need for the secretariat to consider comprehensive delegations of authority, as well as more decentralized reporting lines. In the organigram, the Executive Director is the first reporting line of all 6 Regional Support Team Directors and the second line of all 74 UNAIDS Country Directors/Managers.<sup>116</sup> The Inspectors note the efforts of the secretariat’s management to address concerns about overcentralized decision-making and to develop a consolidated delegation of authority framework with enhanced transparency and internal controls for compliance with policies and other standards, as mentioned in a recent statement by the secretariat’s management.<sup>117</sup> A recent internal memorandum distributed to all secretariat staff<sup>118</sup> outlined moving the reporting lines for all six Regional Support Team Directors to the Deputy Executive Director, Programme, but this plan has not been implemented.

**87. The Inspectors strongly encourage the secretariat to implement more decentralized reporting lines and develop comprehensive delegations of authority to clarify the authority and responsibilities of all managers.**

## Human resources management

88. Human resources policies and procedures are a key element of the first line of defence. A disciplined approach is necessary for staff to have confidence that performance management is fair and that promotions are based on merit. Several interviews with secretariat staff and management revealed that human resources management across the secretariat has not been consistent or disciplined in terms of managing the performance, selection or promotion of staff, and that there have been overrides by the top management of the established procedures, which has made strategies, policies and rules susceptible to criticism. (Human resources management is covered in greater detail in chapter V).

89. The Inspectors take note of several secretariat initiatives to address these issues, as covered in the recent management statement<sup>119</sup> and in the update on progress in the implementation of the Management Action Plan.<sup>120</sup> **The Inspectors strongly support the full implementation of these initiatives. The Executive Director should ensure that all areas for change listed in the update are implemented within the set timeline and are regularly audited and reported to PCB.**

## C. Second line of defence

90. According to the Internal Control Framework,<sup>121</sup> the second line of defence is in place to support management by monitoring the functions of the internal control system, performing reviews and providing specialist expertise in quality assurance and risk management, financial control, security and compliance

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<sup>115</sup> In JIU/REP/2017/6, JIU defines “results-based management” as management strategies in individual United Nations system organizations based on managing for the achievement of intended organizational results by integrating a results philosophy and principles into all aspects of management and, most significantly, by integrating lessons learned from past performance into management decision-making.

<sup>116</sup> As at March 2019 based on data provided to JIU by the secretariat.

<sup>117</sup> UNAIDS/PCB (43)/18.22, “Management response” (2018).

<sup>118</sup> EXO/2019/Q2/01.

<sup>119</sup> UNAIDS/PCB (43)/18.22, “Management response” (2018).

<sup>120</sup> UNAIDS/PCB (44)/19.6, “Update on progress in the implementation of the Management Action Plan” (2019).

<sup>121</sup> UNAIDS Internal Control Framework.



with the regulatory framework. The functions of the second line of defence are separate from the first line of defence but are still under the control and direction of senior management and typically perform some management functions. To this extent, they are advisory and subject-matter expertise functions that are distinct from line management.

91. The Management Accountability Framework, the Risk Management Policy of 2018 and the Internal Control Framework are all relatively new policy documents and procedures for the secretariat. All three are substantively influenced by WHO policies and procedures and will take time and effort to gain momentum and take hold in UNAIDS and its secretariat. It will also require training and orientation for managers. Although risk management training is available to all secretariat staff, half of the Regional Support Team Directors confirmed in their responses to the JIU questionnaire that they had not participated in any training on risk management to date. **This type of training needs to be conducted as a matter of priority.**

92. According to the Internal Control Framework, the Executive Director appends a statement on the effectiveness of internal controls to the financial statement,<sup>122</sup> which has yet to be implemented. **As recommended by the External Auditor in his recent report,<sup>123</sup> the Executive Director should append such an annual statement to the financial statements in order to provide assurance of internal controls.**

### **Legal advisory function**

93. Legal advisory functions across the United Nations system are typically situated in the Executive Office and are part of the second line of defence, advising leadership on a variety of issues with the best interests of the organization at the forefront of its mandate. Within UNAIDS and its secretariat, there are several staff who provide advice and related legal services, including legal advisers based in the Department of Human Resources Management, the WHO Legal Office, a legal adviser for the PCB Bureau, and individuals with legal expertise within the secretariat's Executive Office, as well as an external law firm. These legal advisers play a critical role in ensuring that activities are carried out in accordance with rules, regulations, the Modus Operandi and other legal frameworks.

94. The presence of several legal advisers without clear coordination can and has created confusion. One example, based on interviews with legal advisers, is the practice of developing UNAIDS host country agreements in cases in which it may be inconvenient to abide by an existing one through WHO.<sup>124</sup> As UNAIDS lacks an independent legal standing, these types of agreements may put secretariat field staff at risk if the privileges and immunities of the staff members are not duly recognized.

95. The UNAIDS arrangement with WHO for legal services has been in place since its inception and is based on the 1995 memorandum of understanding between its co-sponsoring organizations, which established that WHO would provide administrative services to the UNAIDS secretariat. The WHO Legal Office provides, and is viewed as, the legal counsel for the secretariat. While the arrangement has benefited from experienced and competent legal advice from a senior legal adviser and has provided legal advice and counsel for a wide variety of secretariat issues, it does have its limitations, though, which were evident in 2018. During this period of crisis, the WHO Legal Office was advised not to represent UNAIDS for a case that might have created a previously unforeseen reputational risk for WHO.<sup>125</sup> Ultimately, the WHO Legal

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<sup>122</sup> Ibid, p. 10.

<sup>123</sup> UNAIDS/PCB (44)/19.15, "Report of the External Auditor for the year ended 31 December 2018" (2019), para. 33.

<sup>124</sup> Based on interviews with UNAIDS and WHO officials.

<sup>125</sup> Ibid.

Office must put its interests ahead of that of UNAIDS and its secretariat, which is quite understandable. UNAIDS should do the same.

96. UNAIDS would benefit from having its own in-house legal function to manage a wide spectrum of legal advice and protect the best interest of UNAIDS. This may also be a sound financial solution for UNAIDS given the dramatic increase in legal costs between 2016 and 2018 (as mentioned in the previous chapter) and the growing number of internal justice issues, including: requests for administrative review<sup>126</sup> and appeals to the Global Board of Appeals,<sup>127</sup> as well as a number of misconduct and retaliation cases.<sup>128</sup> This is not to preclude UNAIDS from continuing to use the legal services of WHO since it may be necessary for a variety of issues.

97. A legal function that reports to the Executive Office of the UNAIDS secretariat could provide coordination of legal advice and consistency across legal opinions from the Department of Human Resources Management and WHO, and respond to questions from PCB, as well as manage various internal justice issues, which are growing in number and frequency.

98. The recommendation below is expected to enhance the second line of defence of UNAIDS.

#### **Recommendation 4**

**The Executive Director should consider setting up an in-house legal advisory function that reports to the Executive Office and centrally coordinates legal matters.**

### **D. Third line of defence**

99. The third line of defence provides independent assurance to the governing bodies and senior management concerning the effectiveness of the management of risk and control.<sup>129</sup> These functions usually report to an organization's governing body and/or senior management to enable them to perform their oversight and accountability activities responsibly, independently and impartially.<sup>130</sup>

100. The gaps in this line and those covering external bodies may have had detrimental consequences, which put UNAIDS and its secretariat at risk and resulted in not just reputational damage for UNAIDS, but financial implications as well. The functions, processes and procedures of the third line of defence have the highest level of independence for an organization in order to ensure effective governance, risk management and internal controls, as well as to ensure the first and second lines are held accountable.

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<sup>126</sup> UNAIDS secretariat staff requests for administrative review went from 3 in 2016 to 10 in 2017 and 16 in 2018. In addition, there were a further 47 in 2018 related to the implementation of the International Civil Service Commission compensation review.

<sup>127</sup> UNAIDS secretariat staff appeals to the Global Board of Appeals went from 2 in 2016 and 2017, respectively, to 9 in 2018.

<sup>128</sup> The number of allegations of misconduct reported between 2012 and 2016 was 10, 1 in 2017 and 14 in 2018. The number of cases investigated during 2012-16 was 10; 1 in 2017 and 14 in 2018. The number of allegations of retaliation between 2012 and 2016 was 5, 2 in 2017 and 3 in 2018.

<sup>129</sup> UNAIDS Internal Control Framework.

<sup>130</sup> In JIU/REP/2019/6, JIU defines "independence" as "the freedom from conditions that threaten the ability of an oversight activity to carry out oversight responsibilities in an unbiased manner and with enough autonomy and in the absence of external influence" (para. 17). "Impartiality refers to a state of mind rather than an affiliation. It requires an objective evaluation of facts at hand without any subjectivity or preconceived bias in favour of one party or another" (para. 18).

## Ethics function

101. The secretariat created an ethics function in 2009 with the objective “to assist the Executive Director in ensuring that all staff members observe and perform their functions in consistency with the highest standards of integrity, as required by the Charter of the United Nations, and in accordance with the Standards of Conduct for the International Civil Service”.<sup>131</sup> In April 2015, the secretariat’s ethics guide was published in order to encourage and promote ethical behaviour throughout the secretariat.

102. In a similar manner to other ethics offices in the United Nations system, the secretariat’s Ethics Office provides guidance to staff on ethics issues, oversees ethics training and implements its policy on protection against retaliation. Unlike most other offices, however, the Ethics Office also handles all reports coming into the integrity hotline, which is one of the primary mechanisms for confidential reporting of misconduct within the secretariat. Furthermore, the Ethics Office is staffed with only one person with no backup, and the position is subject to the secretariat’s mobility policy. According to the independence indicators for the head of ethics, this function lacks operational independence.<sup>132</sup> Term limits are a basic component of operational independence, however, there is no such term limit for the UNAIDS ethics function, as a mobility rotation does not qualify as a term limit. Additionally, while the Ethics Office contributes to the report on strategic human resources management issues submitted to PCB, it does not present a separate report to PCB, which is also an independence indicator.

103. The Inspectors note the efforts of the secretariat’s management to strengthen its ethics function, as stated in the Management Action Plan for a healthy, equitable and enabling workplace for all UNAIDS staff<sup>133</sup> and its updated progress report,<sup>134</sup> as well as the decision taken at the 44th PCB meeting.<sup>135</sup> **The Inspectors further encourage the Executive Director to review and strengthen the secretariat’s ethics function and establish one that is fully independent by following JIU recommended best practices,<sup>136</sup> as well as consider how to best support the office with appropriate staffing and/or backup. Additionally, the Ethics Office should submit an annual report, or a summary thereof, unchanged by the management, directly to PCB.**

104. The current secretariat’s Ethics Officer has regular meetings with senior management, for example, at least twice a year with the Executive Director, and at least twice a month with the Deputy Executive Director for Management and Governance. This practice should be continued.

## Evaluation function

105. Responding to multiple recommendations from PCB and others,<sup>137</sup> the secretariat has developed the UNAIDS Evaluation Policy<sup>138</sup> and established an independent Evaluation Office by utilizing best practices and advice from the United Nations Evaluation Group network. The Director of the Evaluation Office reports directly to PCB. The Evaluation Expert Advisory Committee, appointed by PCB, is an independent external body that reports to PCB. It provides advice and guidance on the evaluation function. The

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<sup>131</sup> UNAIDS, Executive Office, Office of Organizational Performance and Ethics, “Ethics function in UNAIDS”, circular 20.

<sup>132</sup> In JIU/REP/2018/4, JIU lists four independence indicators of the head of an ethics function in table 7: (a) term limited; (b) stand-alone function; (c) reports to and evaluated by executive head or governing body; and (d) produces annual report and presents to governing body.

<sup>133</sup> UNAIDS/PCB (EM)/2.2.rev1, “Update on prevention of and response to harassment, including sexual harassment; bullying and abuse of power at UNAIDS secretariat” (2019).

<sup>134</sup> UNAIDS/PCB (44)/19.6, “Update on progress in the implementation of the Management Action Plan” (2019).

<sup>135</sup> 44th meeting of the Programme Coordinating Board (June 2019), decision 6.2.

<sup>136</sup> JIU/REP/2010/3.

<sup>137</sup> Recommendations of external reviews, such as by the Multilateral Organisation Performance Assessment Network and the United Kingdom Department for International Development.

<sup>138</sup> UNAIDS/PCB (44)/19.7, “UNAIDS Evaluation Policy” (2019).

Executive Director is responsible for safeguarding the integrity and independence of the evaluation function. *The Inspectors commend the way in which the policy was developed and moved forward.*

106. The Executive Director should have regular meetings with the Director of the Evaluation Office to fulfil his or her responsibilities, as listed in the Evaluation Policy.

### **Oversight services by WHO**

107. The Office of Internal Oversight Services of WHO (WHO/IOS) provides oversight services to UNAIDS and its secretariat in accordance with the “arrangement regarding the cost reimbursement for the provision of administrative and financial services by WHO to UNAIDS” of December 2004 and the subsequent memorandum of understanding (MOU) of January 2008 on the internal audit of the UNAIDS secretariat between WHO/IOS and UNAIDS. One senior auditor post, based in WHO/IOS, is financed by UNAIDS and is dedicated to the internal audits of UNAIDS and its secretariat.

108. As mentioned in chapter III, audit reports and reports on independent internal oversight and ethics activities should be stand-alone reports and should be delivered by independent functions directly to PCB. Since 2011, the report of the Internal Auditor has been presented to PCB as an annex to one of the financial reports<sup>139</sup> (with one exception, for the year 2014, in which it was presented as the fourth part of the interim financial management update).<sup>140</sup> This is not a typical oversight practice, which could adversely affect the objectivity and independence of the Internal Auditor’s report. Additionally, the report should be presented by an independent and impartial function (e.g. the head of WHO/IOS) to enhance the report’s credibility and directly address the questions and concerns of PCB. This will also serve to enhance the oversight responsibility of PCB by providing an annual internal audit report, access to the Internal Auditor for questions and concerns and an opportunity to closely follow up on the implementation of audit recommendations.

### **Internal audit coverage and scope**

109. On average, five detailed audit reports have been issued each year, including approximately three country office audits. Each regional office audit is planned to be performed every four years. **The Inspectors are of the opinion that the current coverage by the Internal Auditor is insufficient to cover the activities of the secretariat’s headquarters, 6 regional offices, 3 liaison offices and 78 country offices worldwide. The Inspectors recommend that WHO/IOS and the UNAIDS secretariat re-examine the MOU signed in 2008 and update its scope and arrangements, taking into consideration the implications for risks and resources.**

110. WHO/IOS monitors the implementation of all UNAIDS-related recommendations, with the assistance of a recommendations tracking database maintained by WHO/IOS. The implementation rate of the recommendations has slowed down since the mid-2018 due to lack of resources.<sup>141</sup> **The Executive Director should ensure that the recommendations by the Internal Auditor are prioritized and high-risk and high-impact recommendations implemented without delay.** The Self-Assessment Checklist,<sup>142</sup> which includes an item on implementing recommendations, should serve as a good basis for the heads of field

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<sup>139</sup> For the 2011–2012 biennium, UNAIDS/PCB (30)/12.6, “Financial report and audited financial statements for the financial period 1 January 2010 to 31 December 2011” (2012), annex 1. Since 2012, as an annex to the report of the Internal Auditor on the interim financial management update of UNAIDS/PCB (32)/13.7, UNAIDS/PCB (34)/14.12, UNAIDS/PCB (36)/15.9, UNAIDS/PCB (38)/16.9, UNAIDS/PCB (40)/17.9, UNAIDS/PCB (42)/18.11 and UNAIDS/PCB (44)/19.16.

<sup>140</sup> UNAIDS/PCB (36)/15.9, “Financial reporting: interim financial management update for the 2014–2015 biennium for the period 1 January 2014 to 31 March 2015” (2015).

<sup>141</sup> UNAIDS/PCB (44)/19.16, “United Budget, Results and Accountability Framework (UBRAF) – Financial reporting: interim financial management update for the 2018–2019 biennium for the period 1 January 2018 to 31 March 2019” (2019).

<sup>142</sup> UNAIDS Internal Control Framework, annex 3.

offices and the headquarters departments to achieve results more effectively and efficiently. Furthermore, the Executive Director should consider adding the implementation status of audit recommendations that are relevant to the heads of field offices and headquarters departments to their workplans.

111. The Internal Auditor has meetings with the Deputy Executive Director for Management and Governance, the Director of Planning, Finance and Accountability and the relevant operational staff in the secretariat. The Internal Auditor systematically seeks inputs from the Executive Director in drawing up the annual audit workplan of the secretariat, however, the Internal Auditor does not routinely meet with the Executive Director to review the findings in the audit reports, which is not an advisable practice. **The Executive Director should meet with the Internal Auditor at least once a year as one of the roles of the Internal Auditor is to provide independent, objective assurance and advice to the Executive Director and apprise him or her of any emerging risks and trends that would have an impact on secretariat operations. In addition, the Executive Director plays a critical role in setting the “tone at the top” and should show commitment to the issues raised by the Internal Auditor and implement the accepted recommendations.**

### **Investigation services**

112. WHO/IOS also provides investigation services to the secretariat on a cost-recovery basis. As pointed out earlier in this chapter, the independence criteria for oversight functions include the production of an annual report and its delivery to the governing body. A report on investigations is included in the report of the Internal Auditor, which has been presented to PCB as an annex to the financial reports, as mentioned earlier. Data on disciplinary cases and requests for review that may have resulted from WHO/IOS investigations are also covered in the update on strategic human resources management issues, which is presented by the secretariat’s Director of Human Resources Management. Again, this type of information should be delivered by an independent function.

### **Securing confidential information**

113. The Inspectors are aware of a few cases in which confidential information was leaked to the media. The secretariat should develop standard operating procedures and policies for communicating and handling sensitive information, such as investigation reports, in order to ensure confidentiality and professionalism. **The Executive Director should ensure that confidential information of any type is properly handled and secured to avoid further damage to the reputation of UNAIDS.**

## **E. External oversight bodies**

114. External oversight bodies, such as oversight committees, external auditors and JIU, play important roles in the overall governance and control structures of United Nations system organizations and are considered additional lines of defence.

### **Oversight committee**

115. UNAIDS is one of only five JIU participating organizations<sup>143</sup> without an independent oversight committee, which could act as a valuable bridge between PCB and executive management by providing guidance and advice on oversight and accountability issues and reports. Although oversight committees are mentioned in various documents of PCB, these mostly relate to ad hoc committees established for specific engagements, for example for the implementation of recommendations of the Second Independent Evaluation. A more relevant model and closer to what other United Nations system organizations have is

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<sup>143</sup> The other four are: the International Atomic Energy Agency, the International Maritime Organization, the Universal Postal Union and the World Tourism Organization.

the Evaluation Expert Advisory Committee, approved at the 44th PCB meeting in June 2019, which reports to PCB and provides advice to the Executive Director. Although the Committee only focuses on evaluation, a similar technical committee, focused substantively on oversight and accountability issues, could assist PCB in fulfilling its governance role (as mentioned in chapter III). The Inspectors note that this may have resource implications. The financial and human resource costs may be partially offset by leveraging the experience and expertise of the co-sponsors, as all 11 have oversight committees.

116. A proposed oversight committee for UNAIDS could fill some accountability gaps identified in the previous chapter by providing advice to PCB as well as to the Executive Director, on: (a) roles and responsibilities of internal oversight functions; (b) trends and implications for UNAIDS and its secretariat from the financial statements, internal and external audit reports and other oversight reports, as well as accounting policies and disclosure practices, and; (c) handling allegations that may create a conflict of interest through normal reporting channels. The proposed committee should follow the good practices of similar United Nations oversight committees by meeting with ethics and oversight officials and requiring reporting to PCB on an annual basis. The JIU report on the review of audit/oversight committees in the United Nations system (JIU/REP/2019/6) can provide a basis for setting up a sound oversight committee for UNAIDS.

117. The recommendation below is expected to enhance the oversight and accountability role of PCB by providing a necessary bridge between PCB and the oversight and accountability functions.

#### **Recommendation 5**

**The Programme Coordinating Board should consider creating an independent and external oversight committee to provide independent expert advice to the Programme Coordinating Board and to the Executive Director in fulfilling their governance and oversight responsibilities.**

#### **External Auditor**

118. The External Auditor of WHO, appointed by the World Health Assembly, also serves as the External Auditor of UNAIDS. The Chairperson, the Commission on Audit, Republic of the Philippines, has performed the external audit function of UNAIDS since the financial year ending 31 December 2012.<sup>144</sup> Prior to 2012, the Comptroller and Auditor General of India and the Auditor-General of South Africa conducted external audits of UNAIDS.

119. The scope of the external audit is defined in regulation XIV of the Financial Regulations of WHO and the Additional Terms of Reference Governing the External Audit of WHO. While the primary focus of the audit is the review of financial statements of UNAIDS and the compliance with rules and regulations, the current External Auditor also provides a few observations and recommendations on corporate governance and management issues identified through the audit work at the headquarters of the secretariat. In line with those recommendations, the secretariat has developed, for example, its Risk Management Policy, Management Accountability Framework and Internal Control Framework. The current External Auditor consistently recognizes the secretariat for its responsiveness regarding the recommendations.

120. The letter of transmittal of the external audit and the opinion of the External Auditor are included in the second part of the financial report of UNAIDS, which is submitted to PCB for review under the agenda item on financial reporting. In addition to the letter of transmittal and the opinion, the current External

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<sup>144</sup> The Commission on Audit of the Philippines was elected at the sixtieth session of the World Health Assembly as the External Auditor of WHO for the financial periods 2012–2013 and 2014–2015, and re-elected for the financial periods 2016–2019 at the sixty-eighth session.

Auditor provides a long-form report, which constitutes the fourth part of the financial report of UNAIDS. Similar to the recommendation above for the Internal Auditor's report, the report of the External Auditor, with an annex detailing the implementation status of previous external audit recommendations, should be presented to PCB as a separate report in order to direct the PCB's attention to the report and its follow up on the implementation of such recommendations.

121. The current External Auditor and his team communicate with the secretariat's Director of Planning, Finance and Accountability in the course of the audit, and meet with the Deputy Executive Director for Management and Governance at the exit meeting. However, the current External Auditor has never met with the Executive Director, nor been invited to present reports at PCB meetings, while he has regular meetings with the Director-General of WHO once a year and reports to its legislative body, the World Health Assembly.

**122. In fulfilling the responsibility as chief representative of the financial statements of UNAIDS, the Executive Director should meet with the External Auditor at least once a year. In addition, the External Auditor should present his or her report directly to PCB and answer any questions and concerns that the PCB members may have, which will also enhance the oversight responsibility of PCB.**

123. As mentioned above, there have been limited internal audits of the secretariat's field network and no field visits have been made by External Auditors, even though 70 per cent of secretariat staff are primarily in the field. **The secretariat would benefit from the expansion of the audit coverage to better reflect the secretariat's field operations, where risks are higher compared with headquarters-based operations. The Inspectors suggest PCB and the Executive Director review and determine the appropriate level of audit coverage, in consultation with the Internal and External Auditors, while respecting their independence.**

124. In order to streamline and add context to oversight and accountability reports, a standing agenda item should be set for annual reporting to PCB. This agenda item should include internal and external audit reports, oversight activities, ethics activities and reports. The standing agenda item could also include a report on the activities of the independent Evaluation Office. In accordance with paragraphs 15 and 16 of the Modus Operandi, the Executive Director, in consultation with the PCB Bureau prepares an agenda for each PCB meetings. The following recommendation is expected to enhance the oversight roles and responsibilities of PCB.

#### **Recommendation 6**

**By the end of 2020, the Executive Director, in consultation with the Bureau of the Programme Coordinating Board, should establish a regular stand-alone agenda item at one of the Board's meetings each year to cover internal and external audits, ethics and other topics on accountability presented by the appropriate independent functions, in their respective reports to the Board.**

#### **JIU recommendations and engagement**

125. UNAIDS became a JIU participating organization in 2012. In 2016, JIU conducted a review on the acceptance and implementation by UNAIDS of its recommendations, and issued a management letter for action to the Executive Director.<sup>145</sup> In the management letter, it was recommended that the Executive

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<sup>145</sup> JIU, "Review of the acceptance and implementation of JIU recommendations by the Joint United Nations Programme on HIV/AIDS (UNAIDS)" (2016) (JIU/ML/2016/23).

Director set up a system to report to PCB on JIU reports and recommendations of relevance, in line with the relevant provisions of the JIU statute, by the end of 2017. However, PCB has not systematically considered JIU documents at its meetings, and only recently referenced JIU recommendations.<sup>146</sup> The rate of acceptance by UNAIDS of the JIU recommendations between 2012 and 2018 was 39.6 per cent and the rate of implementation was 57.5 per cent, both of which are far below the average of all the 28 JIU participating organizations.<sup>147</sup>

126. The Inspectors reiterate that the Executive Director should institute reporting to PCB on JIU reports of relevance addressed for action to UNAIDS, as currently done by most of the JIU participating organizations, in order to comply with the relevant provisions of the JIU statute (articles 11.4 and 12). **A report to PCB should contain a status matrix indicating the acceptance or rejection of the JIU recommendations and the implementation status of previous recommendations, in order to enhance transparency, accountability and system-wide coherence.**

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<sup>146</sup> PCB requests that the Executive Director ensure (a) that the secretariat ethics function conforms to the standards recommended by JIU; and (b) the annual publication of a list of disciplinary cases and actions taken, in conformity with the relevant JIU recommendation. See 44th meeting of the Programme Coordinating Board (June 2019), decisions 6.2–6.3.

<sup>147</sup> The average rate of acceptance among the 28 participating organizations between 2012 and 2018 was 64.08 per cent and the average rate of implementation was 76.81 per cent according to the JIU web-based tracking system.



## V. HUMAN RESOURCES MANAGEMENT AND ADMINISTRATIVE SERVICES

**Human resources management in the secretariat has suffered from a credibility gap and needs to be guided by a new and more comprehensive strategy, supported by disciplined processes and procedures. Various agreements govern the administrative services provided by WHO and should be reviewed.**

### **Findings:**

- ✓ Secretariat decisions on recruitment, selection and mobility have been centralized, and inconsistent human resources practices, including in position grading, staff training and performance management, have had an impact on its credibility;
- ✓ Secretariat staff mobility is costly and does not always reflect the best interests of UNAIDS;
- ✓ There are multiple and fragmented agreements in place for the administrative services provided by WHO.

### **Recommendations:**

- ✓ The secretariat's mobility policy and the intended purpose and implementation thereof should be assessed, taking into consideration the organizational needs and costs and matching staff skills with post profiles;
- ✓ A new human resources strategy for the secretariat needs to be developed and implemented to reflect the strategic direction of UNAIDS and include details relating to workforce planning, position profiles and grades, appropriate delegation of authority and reporting lines (recommendation 7).
- ✓ The administrative and financial services agreement between the secretariat and WHO should be updated to reflect the current realities into a comprehensive agreement with appropriate performance expectations, where appropriate.

### **A. Human resources management in the secretariat**

127. The secretariat's Human Resources Strategy 2016–2021 builds on the previous five-year strategy, extending it to align with the timeline of the UNAIDS 2016–2021 Strategy. The current strategy has four pillars, namely: (a) investing in people; (b) strengthening performance culture; (c) ensuring an enabling workplace; and (d) inspiring collective leadership.<sup>148</sup>

128. In terms of the secretariat's human resources management issues, there is one regular report to PCB: "An update on strategic human resources management issues". The annual update on the secretariat's strategic human resources management issues started in 2013 in response to a PCB request made in 2012.<sup>149</sup> In 2019, the annual update was enhanced with an annex on the secretariat's internal justice system, as well as another report entitled "A fit-for-purpose workforce: UNAIDS in 2018", which contains a range of data about the secretariat's workforce.<sup>150</sup> The UNAIDS Secretariat Staff Association has reported annually to

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<sup>148</sup> UNAIDS, "UNAIDS secretariat Human Resources Strategy 2016–2021".

<sup>149</sup> UNAIDS/PCB (30)/12.15, "Report of the 30th meeting of the Programme Coordinating Board" (2012), para. 39.

<sup>150</sup> UNAIDS/PCB (44)/19.8, "Update on strategic human resources management issues" (2019), and UNAIDS/PCB (44)/CRP1, "Update on strategic human resources management issues – a fit-for-purpose workforce: UNAIDS in 2018" (2019).

PCB since its establishment in 2004. It addresses conditions of service, staff well-being and human resources policy, based on the priorities voiced by staff.

129. About a half of the UBRAF budget is for the secretariat staff at headquarters, and field and liaison offices.<sup>151</sup> In the recent past, the secretariat's human resources management was criticized due to issues relating to decisions on recruitment, selection and mobility, inconsistent grading of positions, and insufficient training and coaching for managers. Much is needed to strengthen confidence in this area. The Staff Association reported in December 2018 that "staff have been calling for increased transparency, especially in recruitment, mobility and promotions" and "increasing transparency and promoting a sense of fairness is probably one of the most significant changes needed right now".<sup>152</sup>

### **Decisions on recruitment, selection and mobility in the secretariat**

130. Decisions on recruitment and selection of secretariat staff are based on recommendations by a Selection Advisory Panel, which is comprised of a hiring manager or head of office, a neutral staff member and a representative of the Department of Human Resources Management. The recommendations of the Panel are subject to review by the secretariat's Mobility and Reassignment Committee, an advisory body to the Executive Director. Based on the terms of reference of the Committee,<sup>153</sup> it is composed of the secretariat's two Deputy Executive Directors, the Chief of Staff, Directors at headquarters, Regional Support Team Directors and the Chair of the Staff Association. A final decision is taken by the Executive Director (for staff members in the professional and higher categories at grade P-5 and above) or the Deputy Executive Directors (at P-4 and below).<sup>154</sup>

131. While processes are undertaken by panels and committees, final decisions have appeared to be centralized regardless of the outlined procedures, leading to real or perceived concerns about the transparency and objectivity of the processes. In 2018, out of a total of 68 appointments of professional staff members, 10 were filled by decisions of the Executive Director, while 28 were filled through vacancy announcements and 30 in the annual mobility exercise.<sup>155</sup> One interviewee described the secretariat as "a very pyramidal organization, with many decisions taken at the top". Unilateral decisions appear to lack discipline and also speak to the need for building credibility for proper human resources management.

132. A mobility policy for secretariat staff was introduced in 2004,<sup>156</sup> for the effective implementation of the evolving mandate of UNAIDS, which requires a dedicated, country-oriented, multi-skilled, versatile, diverse and mobile workforce. A reasonable balance of hardship postings has been sought. Currently, the secretariat follows the mobility policy and procedures of December 2014,<sup>157</sup> which applies to all secretariat staff members in the professional and higher categories serving on fixed-term appointments, with limited exceptions for specialized positions, such as security adviser. There is also a process for seeking managerial or personal waivers, for example, due to a medical condition of a staff member or his or her family. Decisions on mobility and reassignment are made by the Executive Director at all professional grades, based on the review and recommendations of the Mobility and Reassignment Committee.

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<sup>151</sup> UNAIDS/PCB (44)/19.15, "Unified Budget, Results and Accountability Framework (UBRAF): financial reporting" (2019), p. 44.

<sup>152</sup> UNAIDS/PCB (43)/18.23, "Statement by the representative of the UNAIDS Staff Association" (2018), para. 22.

<sup>153</sup> HRM/IN 2014-5, "Mobility and Reassignment Committee (MRC) terms of reference", UNAIDS information note (2014).

<sup>154</sup> HRM/IN 2015-4, "Recruitment at UNAIDS", UNAIDS information note (2015).

<sup>155</sup> UNAIDS/PCB (44)/CRP1, "Update on strategic human resources management issues" (2019).

<sup>156</sup> UNAIDS/PCB (15)/04.3, "Report of the Executive Director, 2002–2003: overview and challenges" (2004).

<sup>157</sup> HRM/IN 2014-4, "Mobility policy and procedures", UNAIDS information note (2014).

133. A mobility exercise is costly in general<sup>158</sup> and should therefore have clear priorities and purposes. Positions should be carefully evaluated to determine whether or not they should be subject to mobility, especially those that need specialized skills or professional accreditations (for example, information and communications technology specialists, accounts staff and staff performing oversight functions, such as ethics and evaluation). Also, in the course of mandatory mobility exercises, some secretariat staff members have moved several times and a subset of these staff may no longer be in their best career fit. Several interviewees expressed a concern with the mobility policy and whether certain positions should be exempted, as well as if the policy was serving the best interests of UNAIDS and its secretariat.

134. The Inspectors have noted that the secretariat's Department of Human Resources Management is undertaking its first comprehensive review of the mobility policy and its implementation as committed in the Management Action Plan for a healthy, equitable and enabling workplace for all UNAIDS staff.<sup>159</sup> **The Inspectors fully support the comprehensive review of the mobility policy and its implementation, taking into consideration the organizational needs, costs and matching staff skills with post profiles. Considering the cost implication of the mobility policy, such a review should include input from the Department of Planning, Finance and Accountability.**

### **Secretariat position grading**

135. Stakeholders mentioned during interviews that the secretariat staff appear to be “over-graded”. This can create a disparity, especially in the field, in the hierarchy-conscious United Nations context in terms of coordination and collaboration. For example, compared with WHO and the United Nations Population Fund (UNFPA), which are larger but, like the UNAIDS secretariat, are both health-issue focused with a large field presence, the UNAIDS secretariat has a higher percentage of D2-graded staff than WHO or UNFPA.<sup>160</sup> In addition, according to the data provided to JIU, as of April 2019, the majority of D2-graded secretariat staff, that is staff holding a personal grade of D2, are actually filling positions graded as D1.

136. In this regard, the Inspectors support the ongoing efforts by the secretariat's Department of Human Resources Management of using “OneHR”,<sup>161</sup> the United Nations Global Centre for Human Resources Services, for classification reviews. This should promote consistency of grading within the secretariat and alignment across the United Nations system, which is essential for the credibility of UNAIDS and its secretariat and its alignment with co-sponsors. In addition, **the Inspectors suggest that the Executive Director re-examine job profiles and grading, starting with the secretariat's Director-level posts, to align the grades on similar positions in the United Nations system.**

### **Training and coaching for secretariat managers**

137. Regardless of grade, training and coaching for those who are managing is indispensable. As described in the Human Resources Strategy 2016–2021, staff in managerial and representational roles must be equipped with the competencies and knowledge to lead a coordinated United Nations response to HIV/AIDS, while managing staff and offices effectively at the same time. The Human Resources Strategy states that “supervisors play a key role in creating a performance culture in their teams” and also that “they

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<sup>158</sup> According to the addendum of report of the Secretary-General on Mobility (A/71/323/Add.1), the average direct cost of mobility was approximately \$40,000 in 2014 for staff members of the United Nations Secretariat who changed duty stations, with an additional \$6,000 for subsequent moves.

<sup>159</sup> UNAIDS/PCB (44)/19.6, “Update on progress in the implementation of the Management Action Plan” (2019).

<sup>160</sup> 3.7, 4.6 and 4.1 per cent for UNAIDS in 2015, 2016 and 2017, respectively; 1.6, 1.9 and 1.4 per cent for WHO; and 2.4, 2.3 and 2.2 per cent for UNFPA. Figures based on data in the United Nations system human resources statistics reports for 2015–2017 (CEB/2016/HLCM/HR/20, CEB/2017/HLCM/HR/21 and CEB/2018/HLCM/HR/10).

<sup>161</sup> <http://onehr.webflow.io>.

need targeted training on topics such as work planning, provision of feedback, coaching, evaluation and courageous conversations”.<sup>162</sup>

138. New and returning UNAIDS Country Directors and Managers complete a five-day, in-person orientation programme, which aims to equip participants with the knowledge, tools and competencies required to manage a country office. There is no senior leadership training programme, however, the Department of Human Resources Management is working towards developing a coaching programme. **It is essential for the secretariat to continue and enhance induction support for first-time heads of office, as well as the provision of managerial training, as listed in the four pillars of the Human Resources Strategy.**

### **Secretariat performance management**

139. One of the four pillars of the Human Resources Strategy is to strengthen the performance culture. All staff need to be held accountable for setting results-based work objectives and all supervisors are encouraged to provide a fair and constructive assessment of staff performance. The importance of the uniform application of the rating system is also emphasized in the Human Resources Strategy to make performance management useful for managers.

140. A supervisee assessment mechanism for managers was introduced recently, as a pilot, against the five secretariat managerial competencies: (a) delivering results; (b) applying expertise; (c) working in teams; (d) developing and empowering others; and (e) managing performance and resources. This pilot initiative is possibly leading towards a 360-degree anonymous feedback mechanism in management appraisals for Director-level staff.<sup>163</sup>

141. In accordance with the United Nations Development Group Management and Accountability System, all UNAIDS Country Directors solicit formal performance feedback from the resident coordinators in the country in which they serve on standard competencies, such as leadership and advocacy, coordination of the joint United Nations system response to HIV/AIDS, and resource mobilization. Feedback from resident coordinators is reviewed by Regional Support Team Directors as the first-level supervisors of UNAIDS Country Directors.<sup>164</sup>

142. The Inspectors fully support these ongoing efforts and initiatives, which increase the awareness of managers and staff of their accountability. As suggested in chapter IV, the implementation status of audit recommendations could become part of the workplans of the relevant heads of offices and departments, too. It is also critically important to set up a mechanism to provide recognition for those who perform well, as well as coaching and training for those who need to improve, which will also enhance a performance culture.

### **Monitoring secretariat staff engagement**

143. Periodic staff surveys with clear and transparent objectives, coupled with a plan for sharing and using results, can provide leaders and management with, among other information, much needed insight into the “temperature” of the organization, how accountability frameworks and reform efforts are working and how the “tone at the top” is being perceived.

144. Currently, the only surveys that are carried out within the secretariat are administered by the Staff Association. It has carried out annual staff surveys since 2011, and reports annually to PCB on staff views,

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<sup>162</sup> UNAIDS, “UNAIDS secretariat Human Resources Strategy 2016–2021”, p. 11.

<sup>163</sup> UNAIDS/PCB (44)/19.8, “Update on strategic human resources management issues” (2019).

<sup>164</sup> Ibid.

experiences and priorities based on findings in the surveys.<sup>165</sup> Staff surveys that are not sponsored by the administration risk being dismissed if they point to issues and problems that the leadership may not want to acknowledge. This may have been the case with harassment issues, which had been reported by the Staff Association to PCB since 2011. However, the subsequent actions taken were insufficient.<sup>166</sup>

145. Secretariat staff surveys should be sponsored and undertaken by the administration of the secretariat in close consultation and collaboration with the Staff Association. This is not to undermine the work of the Staff Association or diminish its role in staff relations; they can and should be consulted and involved and perhaps continue with their own survey. The administration's survey should be designed to elicit specific feedback on the "tone at the top" across the secretariat and provide the administration of UNAIDS with data on current and future initiatives aimed at reforming the climate and culture and acting on its results. Reiterating a recommendation made in the report "Review of whistle-blower policies and practices in United Nations system organizations" (JIU/REP/2018/4), the Inspectors encourage the leadership of UNAIDS to undertake a survey mechanism to monitor the corporate culture, integrity and accountability initiatives with a purposeful design that includes a strategy for operationalizing the results.

### **Human Resources Strategy**

146. The secretariat is aware of the need for increasing transparency and promoting a sense of fairness, which was not only voiced during several interviews but is evident in recent management statements, the update on strategic human resources management issues and statements by the representative of the Staff Association.<sup>167</sup> The purpose of the Management Action Plan for a healthy, equitable and enabling workplace for all secretariat staff is "to enhance a positive organizational culture, encourage desired behaviours and increase the awareness of managers and staff of their accountability, including by promoting systemic responses to substandard or unacceptable behaviour and performance".<sup>168</sup> Action areas for change are listed in the Plan itself and its update reported to PCB in June 2019, with descriptions of each action, timelines and key expected outcomes.

147. The Inspectors reiterate that full implementation of these actions is essential for the secretariat in moving towards a more transparent and accountable state. Proactive and constant internal communication from the leadership to staff is necessary to promote and maintain trust and confidence between staff and management, which contributes to a positive organizational culture and enhances staff motivation, morale and productivity. **The Executive Director should be attentive and responsive to concerns raised by secretariat staff and take swift actions as appropriate.**

148. Recommendation 2 in chapter II calls on the development of operational plans that include appropriate organizational structures, staffing, financial resources and field presence. A new human resources management strategy for the secretariat will be a necessary and integral component of these operational plans as well. Such a strategy should be based on a review of current policies and practices, position profiling and grading. The strategy should include appropriate delegation of authority and reporting lines, as mentioned in chapter IV for an effective and transformative approach to human resources management.

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<sup>165</sup> UNAIDS/PCB (44)/19.9, "Statement by the representative of the UNAIDS Secretariat Staff Association" (2019).

<sup>166</sup> Ibid.

<sup>167</sup> UNAIDS/PCB (43)/18.22, "Management response" (2018); UNAIDS/PCB (EM)/2.2.rev1, "Update on prevention of and response to harassment, including sexual harassment; bullying and abuse of power at UNAIDS secretariat" (2019); UNAIDS/PCB (44)/19.6, "Update on progress in the implementation of the Management Action Plan" (2019); UNAIDS/PCB (44)/19.8, "Update on strategic human resources management issues" (2019); and statements by the representative of the Staff Association, December 2018 (UNAIDS/PCB (43)/18.23) and June 2019 (UNAIDS/PCB (44)/19.9).

<sup>168</sup> UNAIDS/PCB (EM)/2.2.rev1, "Update on prevention of and response to harassment, including sexual harassment; bullying and abuse of power at UNAIDS secretariat" (2019), para. 2.

149. The following recommendation is expected to enhance human resources management in the secretariat.

**Recommendation 7**

**By no later than 2022, the Executive Director should develop and implement a new human resources strategy for the secretariat that aligns with and supports the strategic direction of UNAIDS and sets out initiatives related to workforce planning, position profiling and grading, and appropriate delegation of authority and reporting lines.**

**B. Administrative and financial services agreement with WHO**

150. According to resolution 1994/24 of the Economic and Social Council, WHO is responsible for providing administrative services to UNAIDS.<sup>169</sup> The Memorandum of Understanding on a Joint and Co-sponsored United Nations Programme on HIV/AIDS stipulates in article XI on the administration of UNAIDS that WHO shall be entitled to apply a charge covering its costs in providing administrative services to the secretariat.

151. The first letter of agreement between WHO and the UNAIDS secretariat, regarding administrative and financial services, was signed in 1995 for the implementation of article XI of the MOU.<sup>170</sup> The letter of agreement was updated in 2001 to reflect changes and modifications for the financial period 2000–2001. Since then, the letter of agreement has not been updated, although there were several exchanges of memorandums between the secretariat’s Director of Planning, Finance and Accountability and the WHO Comptroller, from 2016 to 2017, to introduce certain adjustments to the management and administration costs, as well as the new cost recovery methodology of WHO. For specific administrative services, there is a one-page MOU on the internal audit of the secretariat signed in 2008, and a one-page letter of agreement for the provision of legal services signed in 2016.

152. Operationally, there seems to be no major issues for not having updated the letter of agreement since 2001, except that it was pointed out by both staff from the UNAIDS secretariat and WHO that not all WHO service providers are aware that the UNAIDS secretariat pays for their services and some are under the impression that WHO provides its services for free, occasionally resulting in a misunderstanding regarding the level and priority of services WHO should be providing. It is advisable to have an updated and consolidated agreement duly signed by both parties. Such a comprehensive overarching agreement should include performance expectations, where appropriate, to enhance the formal administrative relationship between the secretariat and WHO. **The Executive Director, in consultation with WHO, should consider updating its 2001 letter of agreement to reflect the current realities and consolidate subsequent agreements, MOUs and exchanges of memorandums into a comprehensive agreement with appropriate performance expectations, where appropriate.**

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<sup>169</sup> See the preamble.

<sup>170</sup> Certain functions, such as human resources management, finance, procurement and information and communications technology services, are shared between the UNAIDS secretariat and WHO.

## VI. GOING FORWARD

**The UNAIDS joint and co-sponsored programme model is unique and may offer some valuable good practices and lessons learned for the current efforts to reform the United Nations development system. While the model is unique and worthy of further study, over the last two years the gaps in governance, oversight and accountability have generated several recommendations from different independent review bodies that should be catalogued and addressed in a transparent way.**

### **Findings:**

- ✓ Much can be learned from UNAIDS in terms of its model and some of its structures and processes, as well as gaps and challenges – especially in light of current United Nations reform efforts and particularly at the country level;
- ✓ Over the last two years, several recommendations around oversight, accountability and governance have been directed at UNAIDS and its secretariat by independent review bodies. Although some are overlapping, taken together they require a genuine and sustained investment of time, and human and other resources.

### **Recommendations:**

- ✓ UNAIDS should document the joint programme model for its lessons learned and good practices to inform United Nations reform efforts, especially at the country level;
- ✓ To enhance transparency and accountability, the Executive Director should add an annex to the next biennial report of UNAIDS to the Economic and Social Council on its responses to the relevant and substantive recommendations and a timeline for their implementation (recommendation 8).

153. The model of UNAIDS as a joint and co-sponsored programme is, because of its structure and processes, unique in the United Nations system. It can offer valuable lessons for the reform of the United Nations development system. While some characteristics of the model might be replicable for the reform process and can serve as good practices, others can offer insight into what can be improved or designed differently when considering similar programmatic efforts and models. The present chapter assesses UNAIDS as a “joint programme” through the lens of the United Nations reform initiative, as well as how it can move forward with the myriad recent recommendations that have been made around governance, oversight and accountability.

### **A. UNAIDS model and reform of the United Nations development system**

154. UNAIDS, which was created to respond to a global health crisis, has been working to advocate, coordinate and mobilize around a key issue for more than two decades. This model, its response to an epidemic and its collaboration at the field level could be replicated for other cross-cutting and key issues, such as gender and climate change. This was a theme echoed by several resident coordinators and co-sponsors in interviews.

155. The current reform of the United Nations development system<sup>171</sup> involves a set of six main aims: (a) implement a new generation of United Nations country teams; (b) reinvigorate the role of the resident coordinator system; (c) revamp the regional approach (and enhance collaboration at that level); (d) improve strategic direction, oversight and accountability for system-wide results (including the need to improve

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<sup>171</sup> In accordance with General Assembly resolution 72/279.

system-wide monitoring and reporting); (e) improve the funding of the United Nations development system, and; (f) follow up on the repositioning efforts of the United Nations development system at the global, regional and country levels.

156. Additionally, the United Nations Sustainable Development Cooperation Framework (UNSDCF), formerly known as the United Nations Development Assistance Framework),<sup>172</sup> seen as “a centrepiece for the reform process”, calls for a renewed push in collective action and partnership with a focus on country priorities and tailored responses. This message was reinforced by the United Nations Deputy Secretary-General during a visit to UNAIDS headquarters, when she said that “Working together in partnerships is at the heart of reforms”.<sup>173</sup>

157. Many of the elements and structures in place at UNAIDS can serve as good practices and lessons learned for the reform aims of the United Nations development system and can be a resource for future programme development. This was confirmed at multiple levels of UNAIDS (co-sponsors and the secretariat staff at headquarters, regional and country levels) as well as in interviews with resident coordinators. As one co-sponsor put it: “The model of inter-agency collaboration has been a huge success .... Inter-agency collaboration is well aligned with the United Nations reform system and helps deliver the 2030 Agenda by placing sustainable development and programming at the centre of our work to deliver change and impact. Supporting action, especially at the country level, has been a hallmark of UNAIDS.”

158. An evaluation of UBRAF<sup>174</sup> is being undertaken, which will include an area of enquiry on UNAIDS and United Nations reform efforts. The following areas could be further studied and disseminated to inform the United Nations reform efforts about the good practices and lessons learned of UNAIDS.

- **Focus on country priorities and tailored responses** (as stated in the UNSDCF guidance)

UNAIDS has a distinct focus on country priorities and directing resources to the country level. The 70/30 realignment initiative, which was completed in 2013 and placed 70 per cent of the secretariat staff outside Geneva, aimed at “delivering results closer to people living and affected by HIV, key populations, civil society and governments, as well as achieving maximum cost efficiencies”.<sup>175</sup> The introduction of country envelope funding for the co-sponsors from the UBRAF core budget, starting in 2017, also directed resource allocations directly to countries in order to put resources where “they are most needed”.<sup>176</sup>

This is further strengthened by an effort to put people at the centre. As the United Nations Deputy Secretary-General stated in a speech at UNAIDS headquarters in March 2019, “the Sustainable Development Goals would not have had the ambition to put people at the centre if you had not shown it can be done with the AIDS response. Good things come in small packages and UNAIDS’ role is essential.”<sup>177</sup> As interviews with co-sponsors supported, UNAIDS does address the HIV/AIDS response in a “people-centred approach [that] involves addressing the multiple needs of

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<sup>172</sup> United Nations Sustainable Development Group, “United Nations Sustainable Development Cooperation Framework: internal guidance” (2019).

<sup>173</sup> UNAIDS, statement by the Deputy Secretary-General during a visit to UNAIDS headquarters, 2019 (video). Available at [www.youtube.com/watch?v=WaSfv1gFPLs&feature=youtu.be](https://www.youtube.com/watch?v=WaSfv1gFPLs&feature=youtu.be).

<sup>174</sup> UNAIDS, “Contribution of the UNAIDS Joint Programme to the goals and targets in the 2016–2021 UNAIDS Strategy: joint evaluation of the 2016–2021 Unified Budget, Results and Accountability Framework (UBRAF)” (2019).

<sup>175</sup> UNAIDS secretariat response to the JIU questionnaire.

<sup>176</sup> Ibid.

<sup>177</sup> UNAIDS, “Feature story: a vision of a reformed United Nations” (2019).



people, and the Joint Programme’s multi-sectoral approach is surely one effective way of addressing development problems.”

- **Interagency collaboration and partnerships** (United Nations reform aims (a), (b) and (c))

Interagency collaboration is at the heart of UNAIDS as it is comprised of 11 co-sponsoring organizations. It is organized at multiple levels – global, regional and country levels. Tools for joint work, such as the Division of Labour, the country envelope process and the Joint United Nations Teams on AIDS at country and regional levels, demonstrate processes that could be replicable in tackling elements of the United Nations reform. As one resident coordinator commented: “The way UNAIDS is structured is a good example. We talk about coordination at different levels, and UNAIDS provides a good building block for bigger coordination.”

As stated in chapter II, the relationship of UNAIDS with its strategic partners (such as PEPFAR and the Global Fund) is seen as essential. As another resident coordinator put it: “The convening role of UNAIDS, its facilitation through joint teams and mobilization of different actors of government, civil society, etc., is important. UNAIDS is at the forefront of United Nations reforms.” While it does offer a structural map for joint and collaborative work, the UNAIDS model also offers lessons learned that should not be ignored, including those pointed out in chapter II and referenced in previous evaluations and assessments.

- **Accountability (of funding)** (United Nations reform aim (d))

UBRAF outlines the role of UNAIDS, as a business plan and a results, accountability and budget framework. According to interviews at the country level, there is also an awareness of aligning the UBRAF work with the UNSDCF priorities. These tools serve to monitor the results of the secretariat and the agency-wide work of the 11 co-sponsors in their joint efforts. As one co-sponsor noted: “I sit on many other interagency groups, but we do not have a clear division of labour [in these other groups]. It is completely different with UNAIDS. There is a clear division of labour, a mandate for each organization. That is why we succeeded – this is one of the success factors of UNAIDS and the interagency work.”

Furthermore, strategic resource mobilization demonstrates another example of a joint United Nations approach, as another co-sponsor noted: “Resource mobilization, the use of pooled funding for common results, that is a good practice that the United Nations system can learn from – both challenges and successes. It is a clear indication that it is possible. It can be operationalized in the field.”

## **B. Capturing lessons learned from the UNAIDS model**

159. With the positive attributes of UNAIDS model and its potential for replication to inform other cross-cutting development issues also come the challenges, some of which have been pointed out in this report. While the joint model seems to work well at the country level, especially in high-burden countries, there are clear gaps and tensions at the global level. As stated in chapter II, more needs to be done to ensure effective collaboration at all levels if a model like UNAIDS is to be considered as a good practice for United Nations reform. Concerns have been raised by some co-sponsors about overstating the gains of the model. “It can be a good model. How it works in practice, it really depends on the country context. I hear both things from the field, good and bad. But we see that a joint programme can be a good model.”

160. The critique of the UNAIDS model can be seen as an opportunity to further develop and refine it, thus providing it with the necessary tools to continue the support for the HIV/AIDS response. In addition, it also

provides a source of knowledge, particularly at the country level, for the United Nations system while it undergoes its reform process.

161. The structures and processes of the UNAIDS model should be documented and shared with the United Nations system, and particularly the United Nations Secretariat, to inform its ongoing reform processes towards “One UN”. This should be done in a multi-stakeholder process – including secretariat, co-sponsors, key partners, the Economic and Social Council and NGOs – to assess UNAIDS as a whole, lessons learned, good practices and areas in need of improvement.

**162. The Inspectors encourage the secretariat and co-sponsors to document the valuable lessons learned and good practices of UNAIDS as a model to inform future programmatic and United Nations reform efforts currently under way, especially at the country level.** The documentation of the Joint Programme model should also be shared with ECOSOC to inform their consultation on the long-term strategy for UNAIDS (recommendation 1) and if any further programmatic actions are necessary.

### **C. Following up on multiple recommendations on governance, oversight and accountability**

163. UNAIDS and its secretariat has undergone multiple reviews in the past two years, with approximately 18 recommendations focused on governance, oversight and accountability,<sup>178</sup> as well as 8 recommendations in the present report. It is expected that UNAIDS will need time, resources and political will to implement the substantive and sometimes overlapping recommendations. In order to provide transparency and accountability for UNAIDS, the Economic and Social Council should be aware of the status of the substantive recommendations in the various reviews, and those specifically involving governance, oversight and accountability. In fact, the Economic and Social Council, in its resolution 2019/33 (para. 12), requested that the PCB discuss the governance of UNAIDS as well as other issues related to “an effective, efficient and accountable Joint Programme”.

164. Reporting on its response to multiple recommendations would provide UNAIDS with a forum to update the Economic and Social Council and a transparent way to address multiple recommendations. This can best be done in the biennial report of UNAIDS to the Economic and Social Council, which is largely centred on programmatic activities and is limited to 8,500 words, and can include an annex to serve as a platform for providing an update on governance, oversight and accountability recommendations. The following recommendation is intended to enhance accountability and transparency:

#### **Recommendation 8**

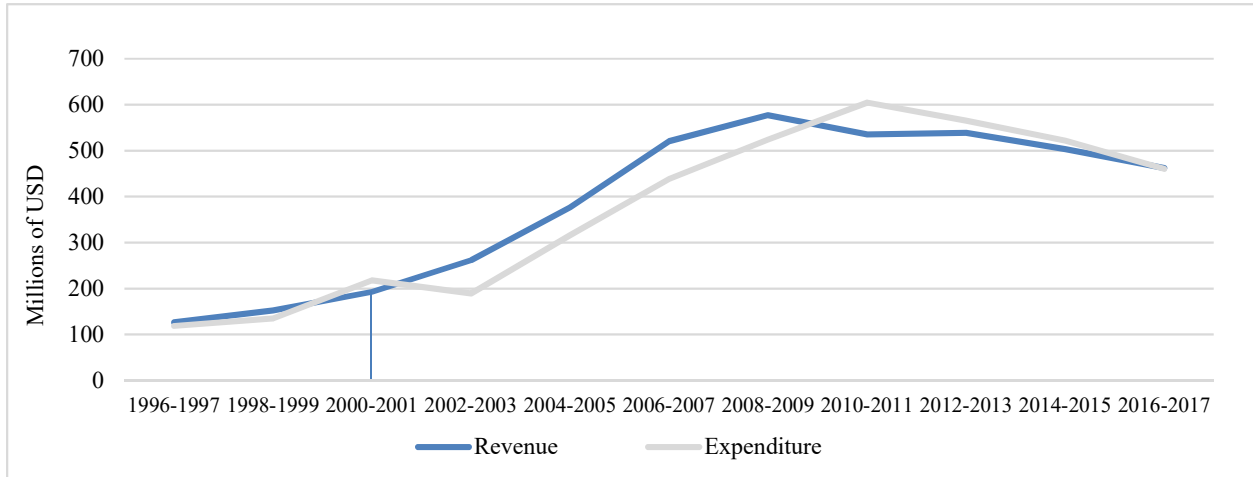
**The Executive Director should include an annex to the 2021 biennial report to the Economic and Social Council, outlining the substantive recommendations that have been made in the areas of governance, oversight and accountability and providing a status update on their implementation.**

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<sup>178</sup> Total recommendations: 12 recommendations (together with more detailed sub-recommendations) in the report of the Independent Expert Panel and 6 recommendations from its working group.

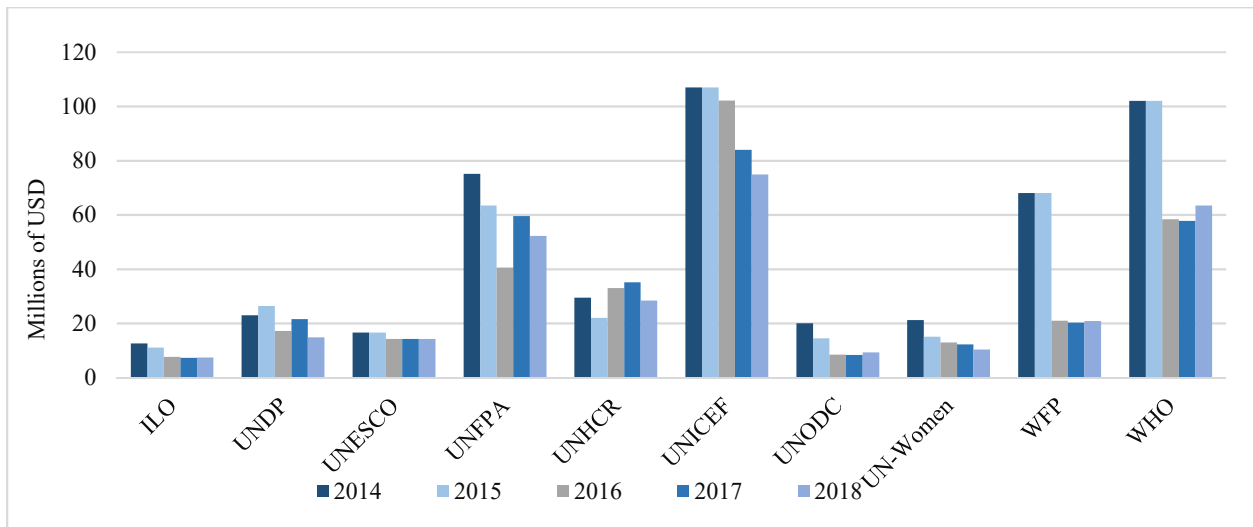
## ANNEX I

**Figure I**  
**Biennial revenue and expenditure of UNAIDS, 1996–1997 to 2016–2017**



*Source:* Financial reports and audited financial statements.  
*Note:* Allocations to the co-sponsors within the approved budget started in 2000.

**Figure II**  
**Co-sponsors own financial resources for the HIV/AIDS response**



*Source:* Responses to JIU questionnaire from co-sponsoring organizations.  
*Notes:* 1. See guiding principles 7 and 8 in annex II.  
 2. The World Bank Group is not included due to methodological differences and a lack of comparability with other co-sponsors.  
 3. For UNDP, the Global Fund grant managed by UNDP is not included.  
 4. For UNFPA, data for 2014–2017 reflect annual HIV expenses reported to UNAIDS, which include both HIV-direct and HIV-related expenses; expenses for 2018 are provisional.

## ANNEX II

### Adherence of the 11 co-sponsors to the guiding principles

Guiding principles	ILO	UNDP	UNESCO	UNFPA	UNHCR	UNICEF	UNODC	UN-Women	WFP	WHO	World Bank
1. The organization must bring an identifiable comparative advantage to the UNAIDS partnership and have a mandate to carry out activities related to HIV/AIDS.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. The organization must be a United Nations system body.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3. The governing body should approve a specific budget for HIV/AIDS activities and put HIV/AIDS on its agenda for regular consideration under the institutional and policy framework of UNAIDS.	O <sup>a</sup>	✓	O <sup>b</sup>	O <sup>c</sup>	✓	✓	✓	O <sup>d</sup>	✓	O <sup>e</sup>	✓

<sup>a</sup> To date, five papers on HIV/AIDS have been presented to the ILO governing body, the latest being in 2015. The governing body approves the ILO programme and budget, which includes provisions for funding and implementing the HIV/AIDS programme of ILO. ILO indicated that it would present a paper to its governing body on a new HIV strategy in November 2019.

<sup>b</sup> HIV/AIDS is integrated as part of the UNESCO Strategy on Education for Health and Well-being. It is budgeted for in the Education Sector's expected result 6. The governing body does not see a distinct budget line for that work, but UNESCO still receives distinct budget funds.

<sup>c</sup> The Executive Board of UNDP, UNFPA and UNOPS has a standing item on follow-up to PCB decisions and recommendations, which is held during the joint segment every September. The current Strategic Plan 2018–2021 integrates HIV throughout, thus a “specific budget” for HIV is not identified.

<sup>d</sup> The UN-Women Strategic Plan 2014–2017 included HIV/AIDS in impact area 5 (governance and national planning) of the Development Results Framework. UN-Women Strategic Plan 2018–2021 includes HIV/AIDS in outcome 2 (women lead, participate in and benefit equally from governance systems).

<sup>e</sup> The work of WHO on HIV/AIDS is guided by the Global Health Sector Strategy on HIV 2016–2021, adopted by the World Health Assembly. It is fully aligned with the UNAIDS multi-sectoral strategy. The General Programme of Work HIV/AIDS budget line will end in 2019 and HIV activities will be funded across WHO General Programme of Work outputs.

Guiding principles	ILO	UNDP	UNESCO	UNFPA	UNHCR	UNICEF	UNODC	UN-Women	WFP	WHO	World Bank
4. The organization should designate its own core resources to backstop HIV/AIDS issues, including a dedicated unit headed by senior staff.	O <sup>f</sup>	✓	✓	O <sup>g</sup>	✓	✓	O <sup>h</sup>	✓	✓	✓	✓
5. There should be a commitment to participate in the Unified Budget and Workplan on HIV/AIDS processes at the global and regional levels, including assistance in mobilizing resources for the same.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6. The organization must implement a clear, well-disseminated HIV/AIDS workplace policy.	✓	✓	✓	✓	✓	✓	✓	✓	✓	O <sup>i</sup>	✓
7. No less than \$4 million of the organization's own resources (at global and regional levels) must be devoted to HIV/AIDS-related activities.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8. For sustained membership, the organization should have its own resources for HIV/AIDS-related activities (at global and regional levels), greater than what is received from the Unified Budget and Workplan.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9. HIV/AIDS activities should be under way in at least 40 per cent of countries in which the organization has a presence.	✓	✓	✓	✓	O <sup>j</sup>	✓	✓	✓	✓	✓	✓
10. The organization must have a track record of active participation in United Nations Theme Groups on HIV/AIDS at the country level.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Key: ✓ = fully addressed; O = partially addressed.

<sup>f</sup> ILO supports four regular budget professional category staff who work mainly on HIV/AIDS and many other regular budget staff who combine HIV work with other areas. The ILO AIDS Unit has been merged with the Gender, Equality and Diversity Branch to take HIV/AIDS out of isolation and strengthen integration and mainstreaming.

<sup>g</sup> The dedicated HIV/AIDS Branch merged with the Sexual and Reproductive Health Branch in 2017. Four senior technical advisers remain at headquarters and work as a virtual team across multiple disciplines, together with advisers and focal points in the regional and country offices. Posts are becoming increasingly integrated.

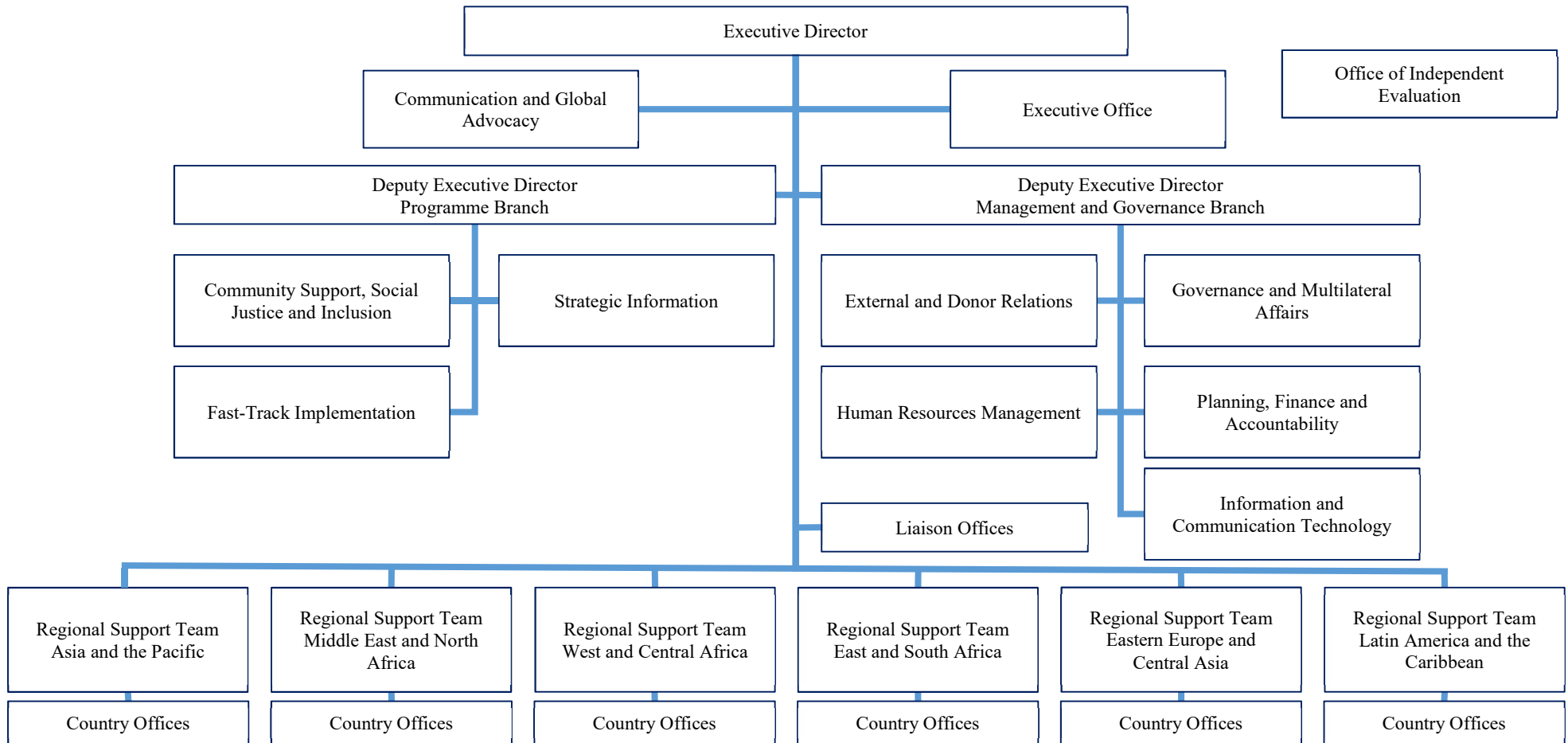
<sup>h</sup> All HIV/AIDS activities and posts are extrabudgetary funded. UNODC has a dedicated HIV/AIDS Section, headed by a chief at the P-5 level.

<sup>i</sup> HIV/AIDS is integrated into a range of policies.

<sup>j</sup> Of the 62 countries with a health budget, 31 have specific HIV and reproductive health-related expenditures.

### ANNEX III

#### Organigram of UNAIDS Secretariat HQ and Global (2019)



Source: UNAIDS secretariat (2019).

## ANNEX IV

### List of informal recommendations

#### Chapter II: strategic and operational planning

1. UNAIDS should independently evaluate the country envelope process to determine its efficiency and effectiveness, either within the current UBRAF evaluation or as a stand-alone effort. (para. 25)
2. The secretariat should designate a high-level official to be a central point of contact for the co-sponsors, to coordinate communication and rebuild relationships at the global and technical levels. (para. 33)
3. The executive heads of the co-sponsoring organizations should determine if their involvement in UNAIDS is still aligned with their respective organization's mandate, mission and strategy, as well as their commitments in relation to the 2030 Agenda. (para. 34)

#### Chapter III: governance

4. The relevance and validity of the guiding principles [for co-sponsoring organizations] should be re-evaluated, and stronger linkages between PCB and the governing bodies of co-sponsors should be explored. (para. 51)
5. This [i.e. bringing further definition to its responsibilities] also includes the PCB's roles and responsibilities in handling allegations against the Executive Director or any other officials handling oversight issues (e.g. ethics officer, investigators, auditors, other senior officials, etc.) that could pose a conflict of interest in handling such issues, which is a best practice that is not currently reflected in the policies or procedures of UNAIDS or its secretariat. (para. 60)
6. PCB may wish to revise paragraph 5 of the Modus Operandi, which covers the functions of PCB to establish [the practice of the reports of the auditors and data and information on ethics activities and investigations being more critically assessed by PCB]. (para. 75)
7. PCB is encouraged to open a dialogue with the United Nations Secretary-General on [the term limit of the Executive Director and explicit performance expectations for the position] to assist in providing more clarity and transparency on its expectations of the leadership of UNAIDS, and more certainty in succession planning. (para. 80)

#### Chapter IV: oversight and accountability

8. The Inspectors strongly encourage the secretariat to implement more decentralized reporting lines and develop comprehensive delegations of authority to clarify the authority and responsibilities of all managers. (para. 87)
9. The Inspectors strongly support the full implementation of [the initiatives covered in the recent management statement and in the update on progress in the implementation of the Management Action Plan for a healthy, equitable and enabling workplace for all UNAIDS staff]. The Executive Director should ensure that all areas for change listed in the update are implemented within the set timeline and are regularly audited and reported to PCB. (para. 89)
10. [Training on risk management] needs to be conducted as a matter of priority. (para. 91)
11. As recommended by the External Auditor in his recent report, the Executive Director should append [an annual statement on the effectiveness of internal controls] to the financial statements in order to provide assurance of internal controls. (para. 92)
12. The Inspectors further encourage the Executive Director to review and strengthen the secretariat's ethics function and establish one that is fully independent by following JIU recommended best practices, as well as consider how to best support the office with appropriate staffing and/or backup.

Additionally, the Ethics Office should submit an annual report, or a summary thereof, unchanged by the management, directly to PCB. (para. 103)

13. The Inspectors are of the opinion that the current coverage by the Internal Auditor is insufficient to cover the activities of the secretariat's headquarters, 6 regional offices, 3 liaison offices and 78 country offices worldwide. The Inspectors recommend that WHO/IOS and the UNAIDS secretariat re-examine the MOU signed in 2008 and update its scope and arrangements, taking into consideration the implications for risks and resources. (para. 109)

14. The Executive Director should ensure that the recommendations by the Internal Auditor are prioritized and high-risk and high-impact recommendations implemented without delay. (para. 110)

15. The Executive Director should meet with the Internal Auditor at least once a year as one of the roles of the Internal Auditor is to provide independent, objective assurance and advice to the Executive Director and apprise him or her of any emerging risks and trends that would have an impact on secretariat operations. In addition, the Executive Director plays a critical role in setting the "tone at the top" and should show commitment to the issues raised by the Internal Auditor and implement the accepted recommendations. (para. 111)

16. The Executive Director should ensure that confidential information of any type is properly handled and secured to avoid further damage to the reputation of UNAIDS. (para. 113)

17. In fulfilling the responsibility as chief representative of the financial statements of UNAIDS, the Executive Director should meet with the External Auditor at least once a year. In addition, the External Auditor should present his or her report directly to PCB and answer any questions and concerns that the PCB members may have, which will also enhance the oversight responsibility of PCB. (para. 122)

18. The secretariat would benefit from the expansion of the audit coverage to better reflect the secretariat's field operations, where risks are higher compared with headquarters-based operations. The Inspectors suggest PCB and the Executive Director review and determine the appropriate level of audit coverage, in consultation with the Internal and External Auditors, while respecting their independence. (para. 123)

19. A report to PCB should contain a status matrix indicating the acceptance or rejection of the JIU recommendations and the implementation status of previous recommendations, in order to enhance transparency, accountability and system-wide coherence. (para. 126)

## **Chapter V: human resources management and administrative services**

20. The Inspectors fully support the comprehensive review of the mobility policy and its implementation, taking into consideration the organizational needs, costs and matching staff skills with post profiles. Considering the cost implication of the mobility policy, such a review should include input from the Department of Planning, Finance and Accountability. (para. 134)

21. The Inspectors suggest that the Executive Director re-examine job profiles and grading, starting with the secretariat's Director-level posts, to align the grades on similar positions in the United Nations system. (para. 136)

22. It is essential for the secretariat to continue and enhance induction support for first-time heads of office, as well as the provision of managerial training, as listed in the four pillars of the Human Resources Strategy. (para. 138)

23. The Executive Director should be attentive and responsive to concerns raised by secretariat staff and take swift actions as appropriate. (para. 147)

24. The Executive Director, in consultation with WHO, should consider updating its 2001 letter of agreement to reflect the current realities and consolidate subsequent agreements, MOUs and exchanges of memorandums into a comprehensive agreement with appropriate performance expectations, where appropriate. (para. 152)



## **Chapter VI: going forward**

25. The Inspectors encourage the secretariat and co-sponsors to document the valuable lessons learned and good practices of UNAIDS as a model to inform future programmatic and United Nations reform efforts currently under way, especially at the country level. (para. 162)

