
Unified Budget, Results and Accountability Framework

Agenda 4.2

FINANCIAL REPORTING

UNAIDS

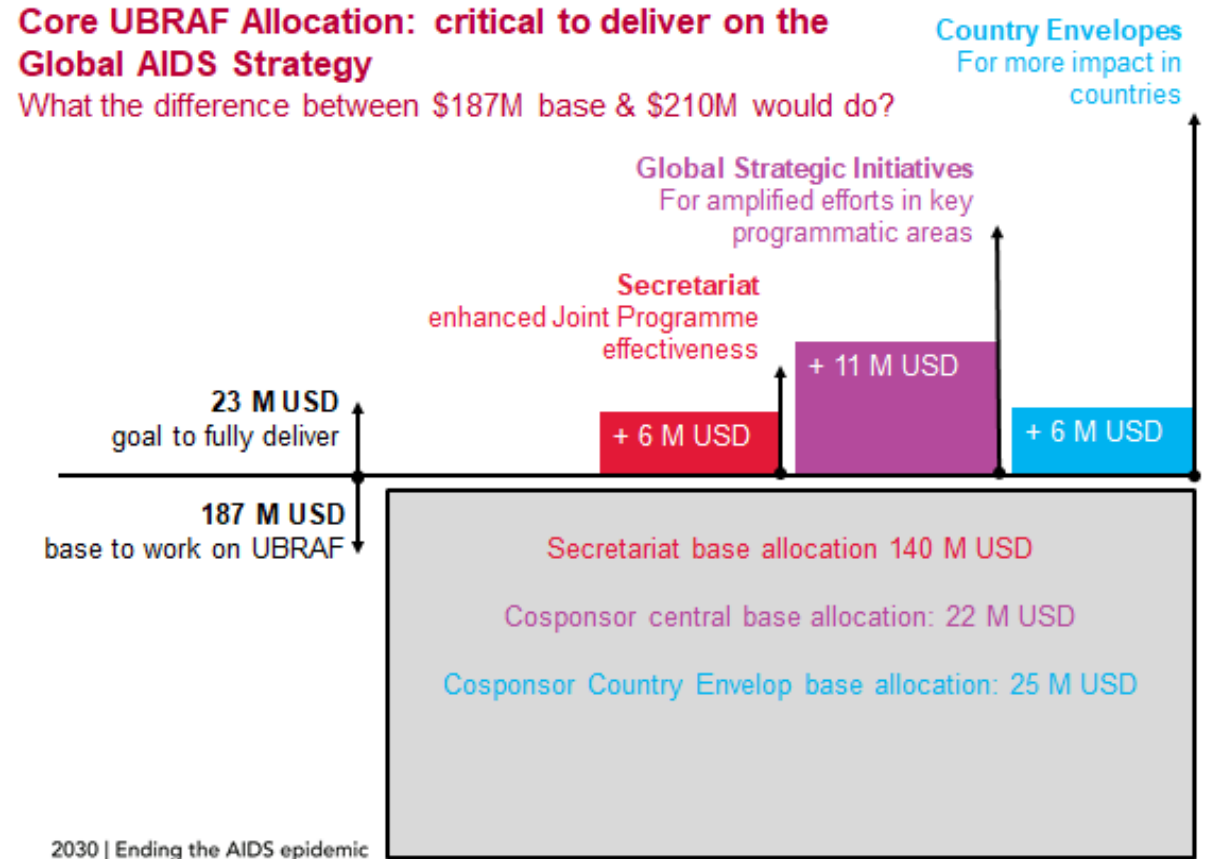
52nd PCB Meeting



UBRAF 2022-2023 (Core and non-core Budget)

2023 Core UBRAF Allocation

- 2nd year of First biennial workplan and budget of 2022-2026 UBRAF
- Annual approved core budget of US\$ 210 million, with a base set at US\$ 187 million
- **Allocation of US\$ 187 million:**
Cosponsors US\$ 47 million and US\$ 140 million for the Secretariat)
- **Allocation of US\$ 210 million:**
Cosponsors US\$ 64 million and US\$ 146 million for the Secretariat)



2030 | Ending the AIDS epidemic

UBRAF Annual allocation for 2022-2023 Budget by Result Areas and Sec. Core functions (Core and Non-core)

Results Areas / Core Functions	Core Budget			Non-core	Total core and non-core
	Core central funds	Country envelopes	Total US\$		
I. Results Areas					
1 HIV prevention	4 509 000	8 257 850	12 766 850	46 447 600	59 214 450
2 HIV testing and treatment	1 606 500	4 067 150	5 673 650	46 585 000	52 258 650
3 Paediatric AIDS and vertical transmission	1 364 000	4 427 900	5 791 900	13 964 500	19 756 400
4 Community-led response	929 500	2 302 850	3 232 350	8 113 800	11 346 150
5 Human rights	1 845 000	2 672 950	4 517 950	10 266 600	14 784 550
6 Gender Equality	2 238 500	2 375 400	4 613 900	27 402 700	32 016 600
7 Young people	2 519 000	2 453 750	4 972 750	22 656 700	27 629 450
8 Fully-funded HIV Response	1 265 000	947 100	2 212 100	6 516 000	8 728 100
9 Integration and social protection	2 428 500	2 333 000	4 761 500	17 550 900	22 312 400
10 Humanitarian setting and pandemic Global Strategic Initiatives	3 295 000 11 000 000	1 162 050	4 457 050 11 000 000	49 204 700	53 661 750 11 000 000
Total Cosponsors	33 000 000	31 000 000	64 000 000	248 708 500	312 708 500 ⁽¹⁾
II. Core Functions					
1 Leadership, advocacy and communications	32 412 000		32 412 000	10 857 000	43 269 000
2 Partnerships, mobilization and innovation	30 256 000		30 256 000	13 510 000	43 766 000
3 Strategic information	20 892 000		20 892 000	4 161 000	25 053 000
4 Coordination, convening and country implementation support	34 377 000		34 377 000	20 338 000	54 715 000
5 Governance and mutual accountability	28 063 000		28 063 000	1 134 000	29 197 000
Total Secretariat	146 000 000		146 000 000	50 000 000	196 000 000
Grand Total	179 000 000	31 000 000	210 000 000	298 708 500	508 708 500

(1) Excludes projection for UNDP - Global Fund partnership amounting to US\$ 305 million per annum

UBRAF 2022-2023 Annual budget estimates of core and non-core funds by Organization

Organization	Core Central funds including GSIs	Country Envelopes	Total Core	Non-core funds	Total Core and Non-core
UNHCR	3 000 000	1 108 188	4 108 188	37 550 000	41 658 188
UNICEF	3 000 000	5 684 408	8 684 408	42 627 900	51 312 308
WFP	3 000 000	1 800 480	4 800 480	15 174 000	19 974 480
UNDP	3 000 000	3 522 468	6 522 468	6 100 000	12 622 468
UNFPA	3 000 000	5 152 076	8 152 076	34 300 000	42 452 076
UNODC	3 000 000	2 517 324	5 517 324	15 146 100	20 663 424
UN WOMEN	3 000 000	1 634 072	4 634 072	15 000 000	19 634 072
ILO	3 000 000	1 177 876	4 177 876	4 000 000	8 177 876
UNESCO	3 000 000	1 964 656	4 964 656	17 390 500	22 355 156
WHO	3 000 000	6 171 604	9 171 604	55 000 000	64 171 604
WB	3 000 000	266 848	3 266 848	6 420 000	9 686 848
TOTAL COSPONSORS	33 000 000	31 000 000	64 000 000	248 708 500	312 708 500 ⁽¹⁾
Secretariat Funds	146 000 000		146 000 000	50 000 000	196 000 000
Grand Total	179 000 000	31 000 000	210 000 000	298 708 500	508 708 500

⁽¹⁾ Excludes projection for UNDP - Global Fund partnership amounting to US\$ 305 million per annum

2022 Financial Highlights

Financial Highlights

- 11th set of financial statements prepared according to IPSAS accounting standards
- Unmodified **audit** opinion provided by the external auditors
- UNAIDS **Statement of Internal Control (SIC)** included in the 2022 Audited Financial Statements.
- Financial situation has been tight but relatively stable during 2022



2022 Financial Highlights (Core Income and Expenditure)

- Core **income** including financial revenue amounted to **US\$ 165.5 million** in 2022 compared to US\$ 171.4 million mobilized in 2021
- *US\$ 21.5 million below the base resource mobilization target of US\$ 187 million. And US\$ 44.5 million below approved budget of US\$ 210 million*
- Total core **expenditures** (expenses and encumbrances) amounted to **US\$ 176.7 million** compared to US\$ 185 million in 2021
 - Core Secretariat expenditure and encumbrances amounted to **US\$ 134.1 million** against an approved core budget of US\$ 140 million.
 - Cosponsors transfers of US\$ 42.6 million against approved budget of US\$47 million
- The net **fund balance** on 31 December 2022 amounted to **US\$ 86 million** (US\$ 102 million end of 2021)



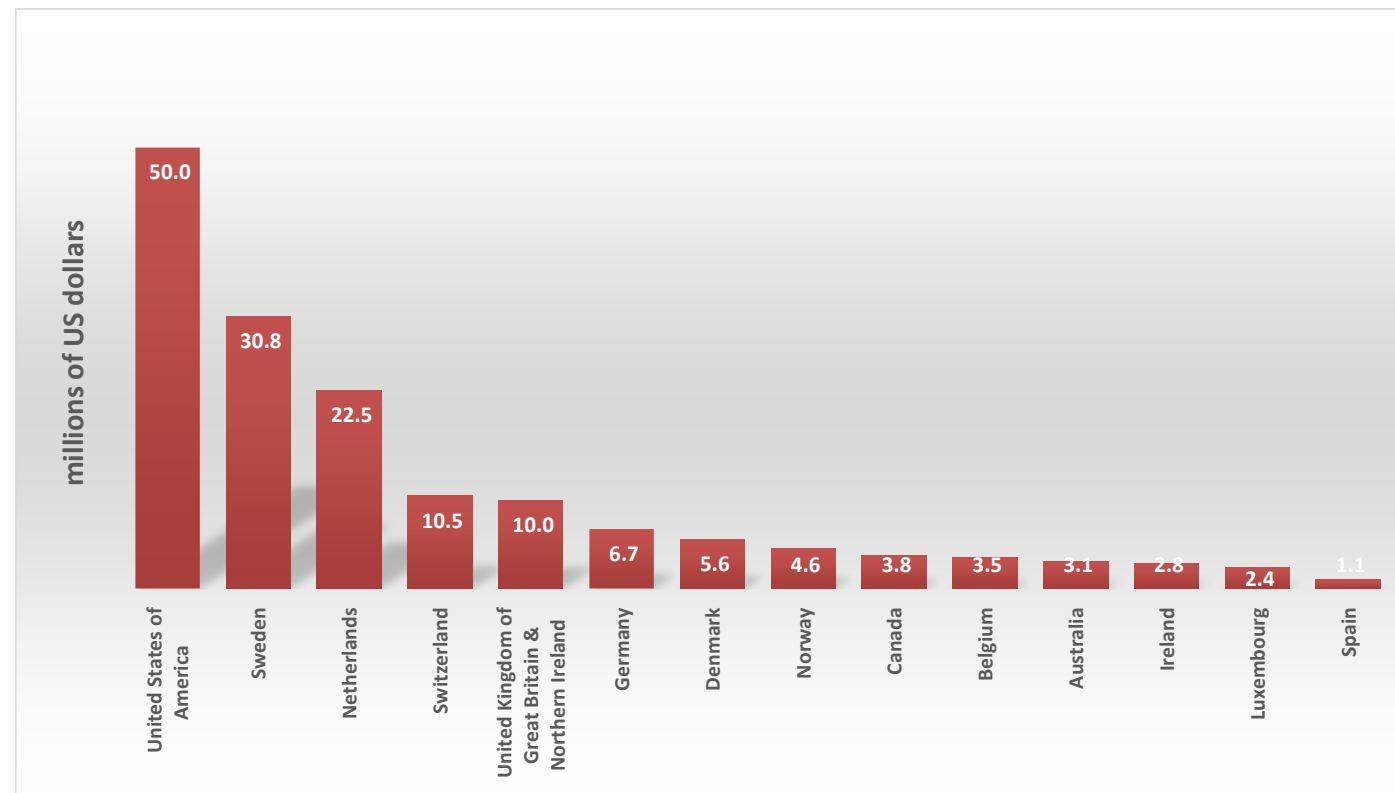
REVENUE



EXPENDITURE

Core UBRAF - details of revenue for the period 01 January 2022 to 31 December 2022

Voluntary contributions	2022 Core UBRAF
Governments	
Andorra	31 949
Australia	3 109 882
Belgium	3 537 736
Belgium Flanders	884 434
Canada	3 765 060
Denmark	5 614 035
France	405 680
Germany	6 734 679
Ireland	2 847 380
Japan	600 000
Liechtenstein	26 151
Luxembourg	2 409 639
Monaco	160 219
Netherlands	22 466 265
New Zealand	636 537
Norway	4 559 271
Poland	45 110
Portugal	100 402
Russian Federation	500 000
Spain	1 064 963
Sweden	30 835 646
Switzerland	10 493 179
Thailand	100 005
Turkey	10 000
United Kingdom of Great Britain & Northern Ireland	9 950 249
United States of America	50 000 000
Vietnam	5 000
Sub-total Governments	160 893 471
Other	
UNFCU	16 975
Others	11 420
Sub-total - Other	28 395
Miscellaneous	607 280
Total operating revenue	161 529 146
Finance revenue	3 967 837
TOTAL	165 496 983



2022 Financial Highlights - continued (Non-core Income and Expenditure)

- Non-core UBRAF **income** including in-service contribution totaling **US\$ 58.8 million** mobilized in 2022 compared to US\$ 73.5 million mobilized in 2021.
- 71% or US\$ 40.4 million is from the US Government;
- Total non-core **expenditures** (expenses and encumbrances amounted to **US\$ 68.3 million** compared to US\$ 71.2 million in 2021
- Available non-core balances carried forward into 2023 amounted to **US\$ 65.7 million**

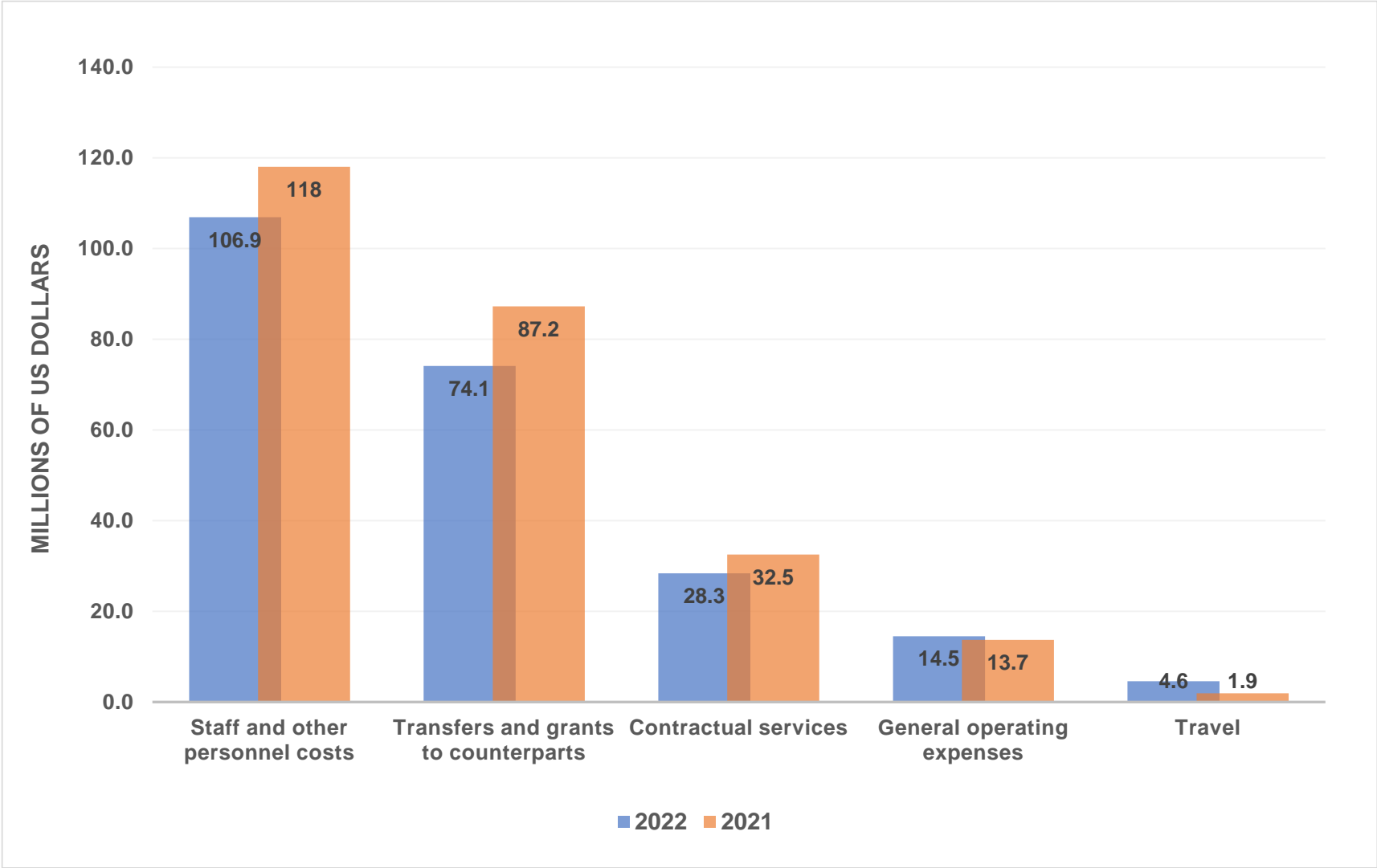


UBRAF Non-Core funds - details of revenue for the period 01 January 2022 to 31 Dec 2022

- US\$ 58.6 million received towards UBRAF non-core (in-cash US\$ 57 and in-service US\$1.8 million).
- US Government funding accounts to 71% or US\$ 40.4 million

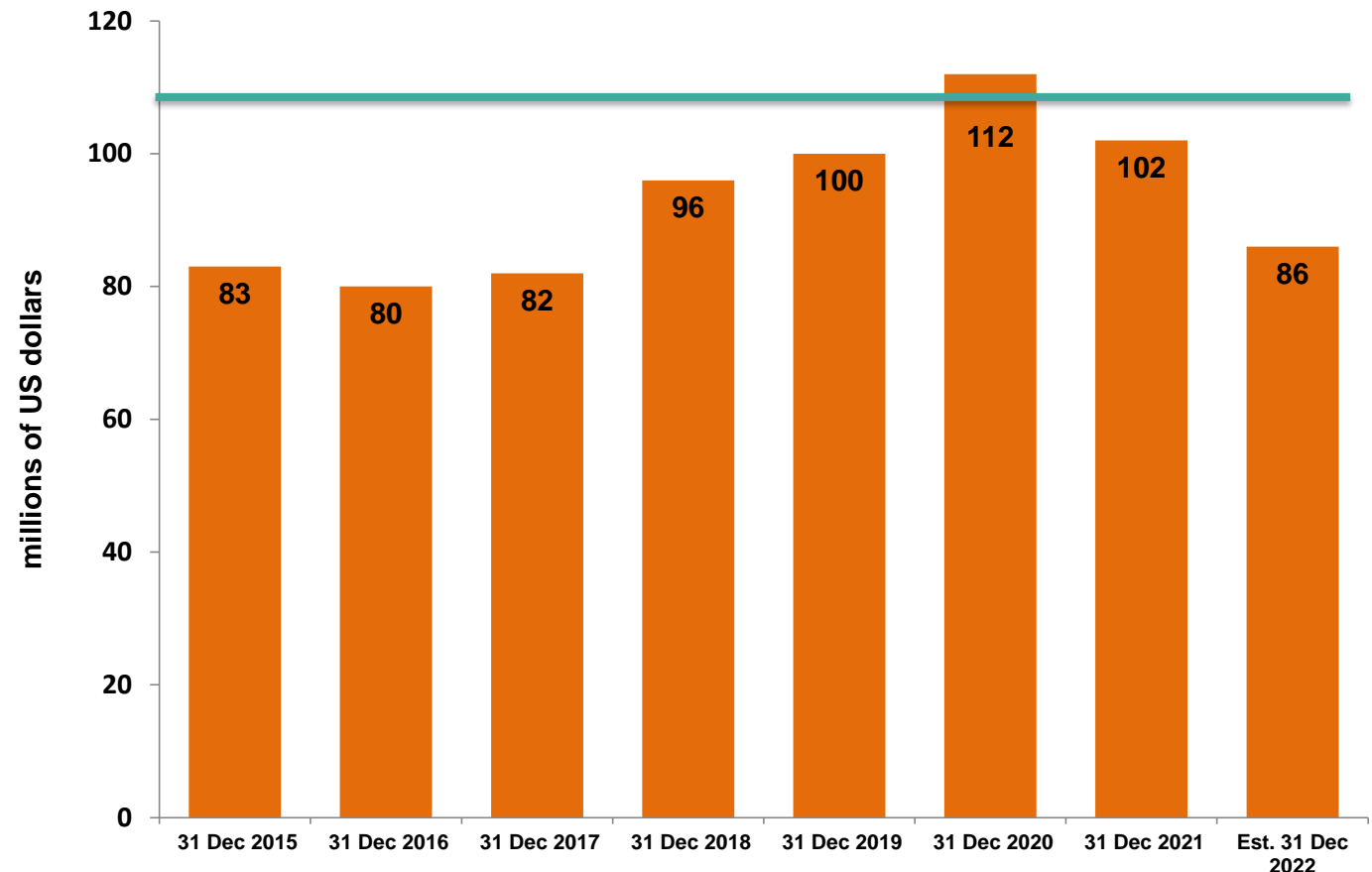
Voluntary contributions	In- Cash	In-Service	Total
Governments			
Australia	3 760 417		3 760 417
Belgium		158 000	158 000
Denmark		13 917	13 917
France		303 833	303 833
Germany	4 153 012	329 500	4 482 512
Italy		13 917	13 917
Japan	250 000		250 000
Kazakhstan	35 000		35 000
Luxembourg	1 104 418	23 500	1 127 918
Netherlands	489 636	468 500	958 136
Sweden	313 200	196 333	509 533
Switzerland		20 875	20 875
Thailand	250 000		250 000
United States of America (CDC)	10 696 172		10 696 172
United States of America (USAID)	29 741 970		29 741 970
Canton de Genève, Switzerland		248'394 ⁽¹⁾	248 394
Sub-total Governments	50 793 825	1 776 769	52 570 594
Cosponsoring Organizations			
UNDP	285 964		285 964
UNFPA	1 233 496		1 233 496
UNICEF	12 000		12 000
WFP	49 577		49 577
WHO	133 952		133 952
Sub-total Cosponsors	1 714 989		1 714 989
Other			
Bill and Melinda Gates Foundation	2 652 195		2 652 195
Global Fund	1 413 164		1 413 164
Monaco Red Cross	27 174		27 174
MPTF Office	115 560		115 560
Oak Foundation	86 750		86 750
Save the Children Fund	93 200		93 200
UNOPS	194 431		194 431
Miscellaneous			
Refund to donors	(19 252)		(19 252)
Adjustments	(32 821)		(32 821)
Sub-total	4 530 401		4 530 401
Total operating revenue	57 039 215	1 776 769	58 815 984
TOTAL	57 039 215	1 776 769	58 815 984

Expenditure by cost category – All sources of funds



Management of the core fund balance

- At the end of December 2021, the net fund balance stood at **US\$ 102 million** compared to US\$ 112 million end 2020 and US\$ 100 million end of 2019.
- The net **fund balance** on 31 December 2022 stood at **US\$ 86 million** end of 2022 compared to US\$ 102 million end of 2021)
- **US\$ 21 million below** the PCB approved minimum level of US\$ 107 million approved in 2015.
- Ability to operate



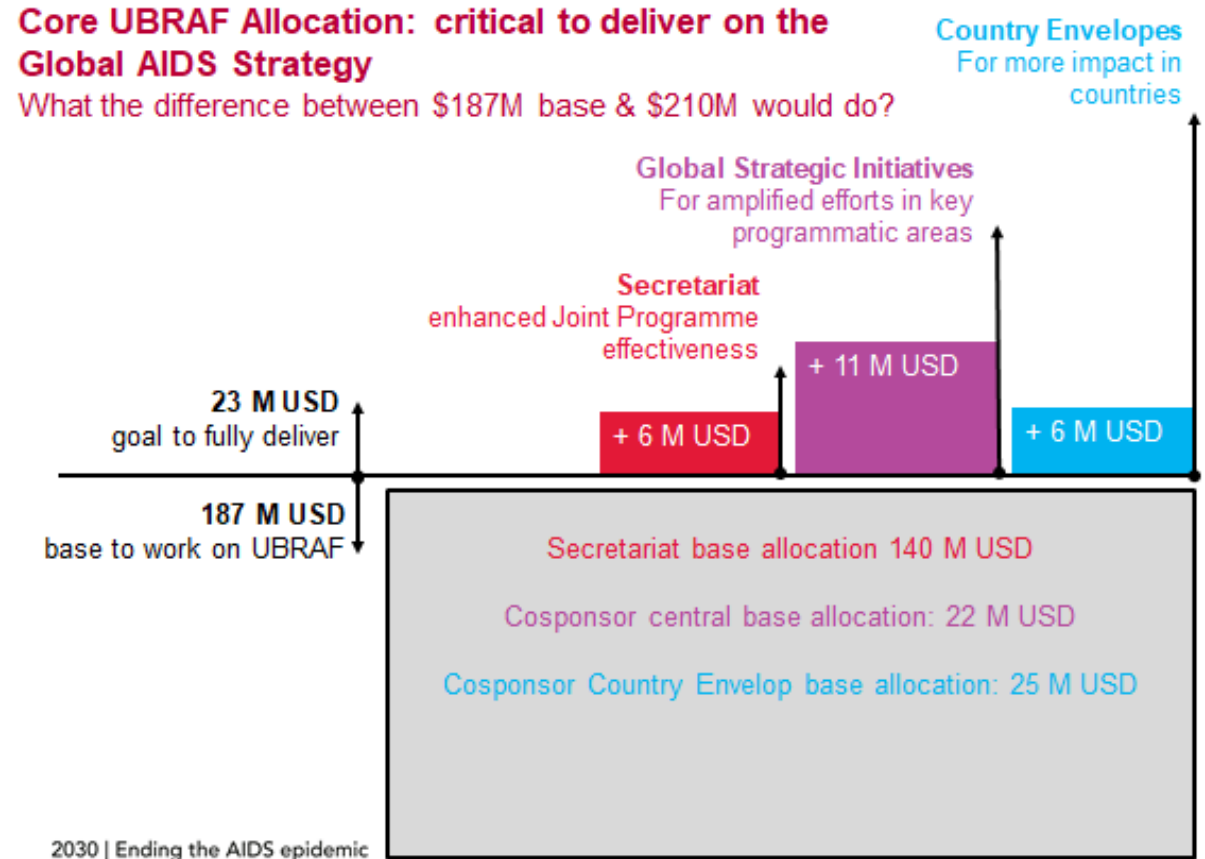
Management of the Operating Reserve Fund (ORF)

- At its sixth meeting in May 1998 the PCB approved the level of the ORF at US\$ 33 million and endorsed the rules and procedures guiding the use of the ORF by the Executive Director
- The primary purpose of the ORF is to ensure that cash will be available for the financing the UNAIDS approved biennial budget, pending the receipt of contributions
- Furthermore, at its sixteenth meeting in June 2005 the Programme Coordinating Board endorsed the proposed revised the level of the ORF of US\$ 35 million.
- During the financial year 2022, no advances were made from the ORF.

2023 Financial outlook (income /Expenditure)

2023 Core UBRAF Allocation

- 2nd year of First biennial workplan and budget of 2022-2026 UBRAF
- Annual approved core budget of US\$ 210 million, with a base set at US\$ 187 million
- **Allocation of US\$ 187 million:**
Cosponsors US\$ 47 million and US\$ 140 million for the Secretariat)
- **Allocation of US\$ 210 million:**
Cosponsors US\$ 64 million and US\$ 146 million for the Secretariat)



Developments in 2023 – Core Expenditure

- The net fund balance 2022 enabled the smooth start up and implementation of the UBRAF
- As of today, total core expenditure and encumbrances amounted to **US\$ 93.4** million broken down as follows:
 - Transfers to Cosponsors US\$ 34 million
 - Secretariat core expenditure and encumbrances amounted to **US\$ 59.4 million**



Developments in 2023 – Core Income

- The financial outlook is still not promising as
 - Significant depreciation of major currencies against the US dollar
 - Several donor countries shifting ODA
- So far in 2023, **US\$ 47.3 million** has been recorded as core income
- It is estimated that **US\$ 159 million** core will be raised in 2023
- **US\$ 28 million** below the base resource mobilization target of US\$ 187 million. And US\$ 51 million below approved budget of US\$ 210 million

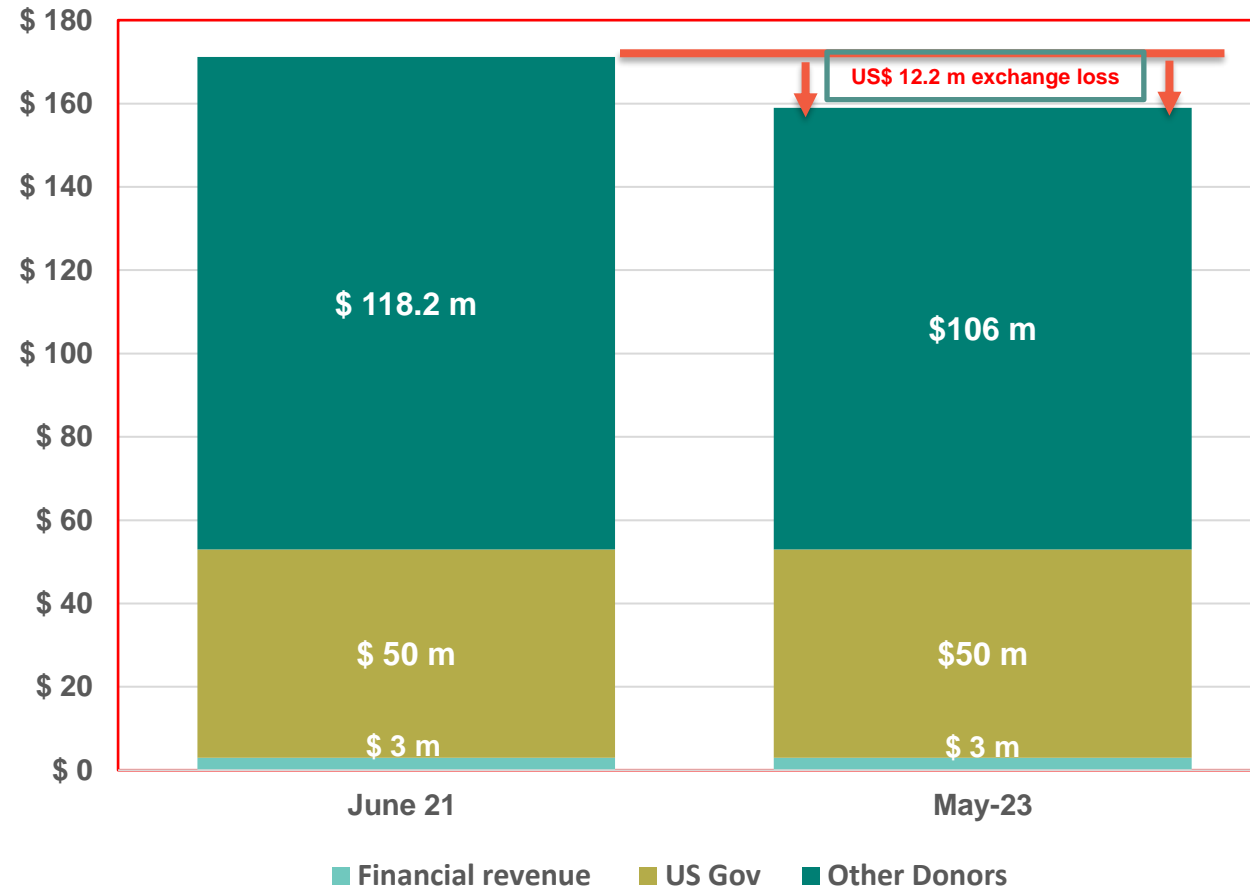


Core UBRAF - details of revenue for the period 01 January 2023 to 31 May 2023

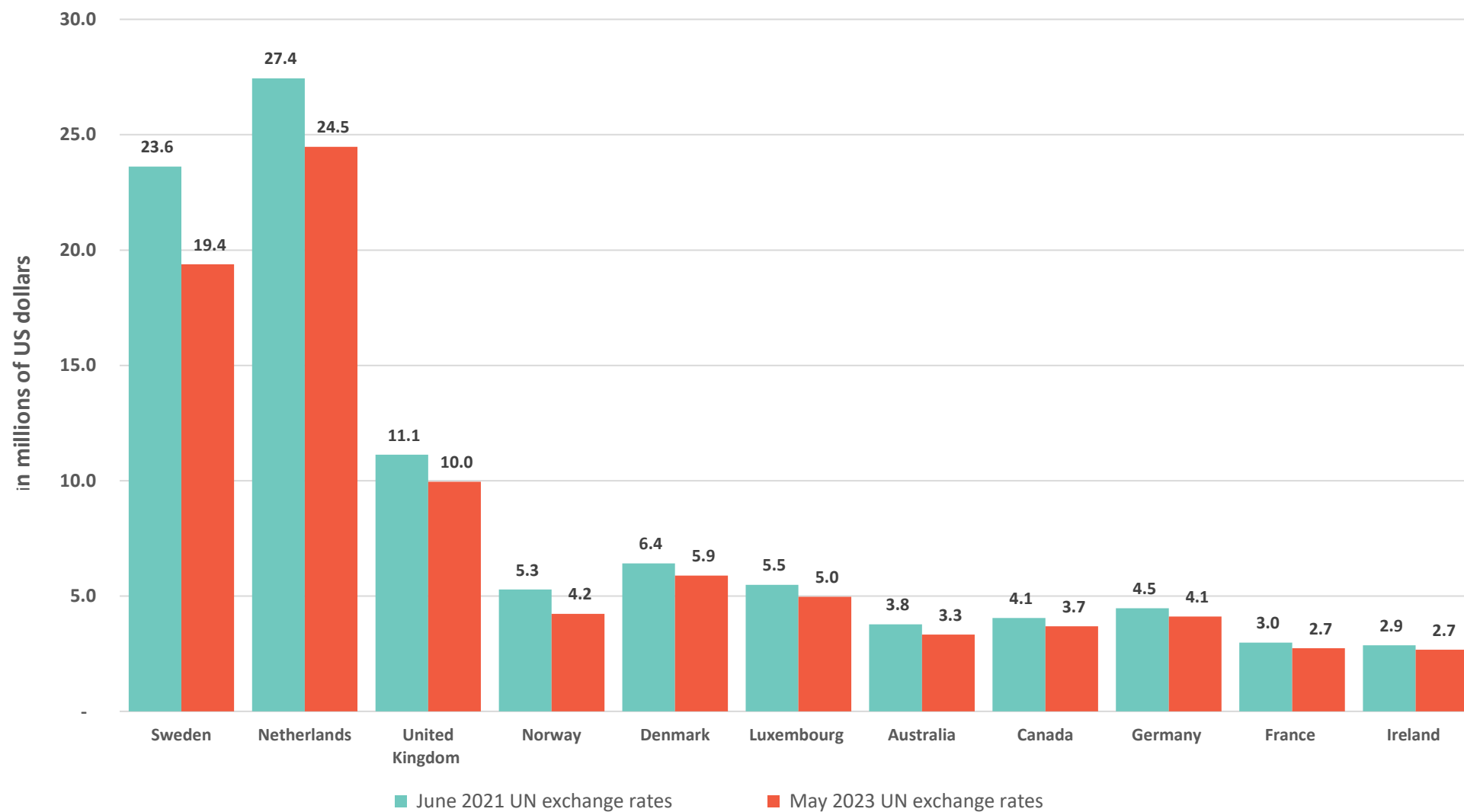
Voluntary contributions	Funds made available towards 2023 Core UBRAF
Governments	
Australia	3 331 113
Belgium	3 537 736
Canada	3 692 762
Cote d'Ivoire	563 141
Equatorial Guinea	1 000 000
Ireland	2 676 660
Japan	600 000
Luxembourg	4 992 780
Monaco	160 600
Netherlands	21 186 441
New Zealand	616 903
Norway	4 233 700
Portugal	109 769
Russian Federation	500 000
Thailand	94 920
TOTAL	47 296 524

The Impact of exchange rates on the 2023 estimated core income

Continuing donor commitment



2023 Impact of Exchange rate fluctuations on major donor contributions



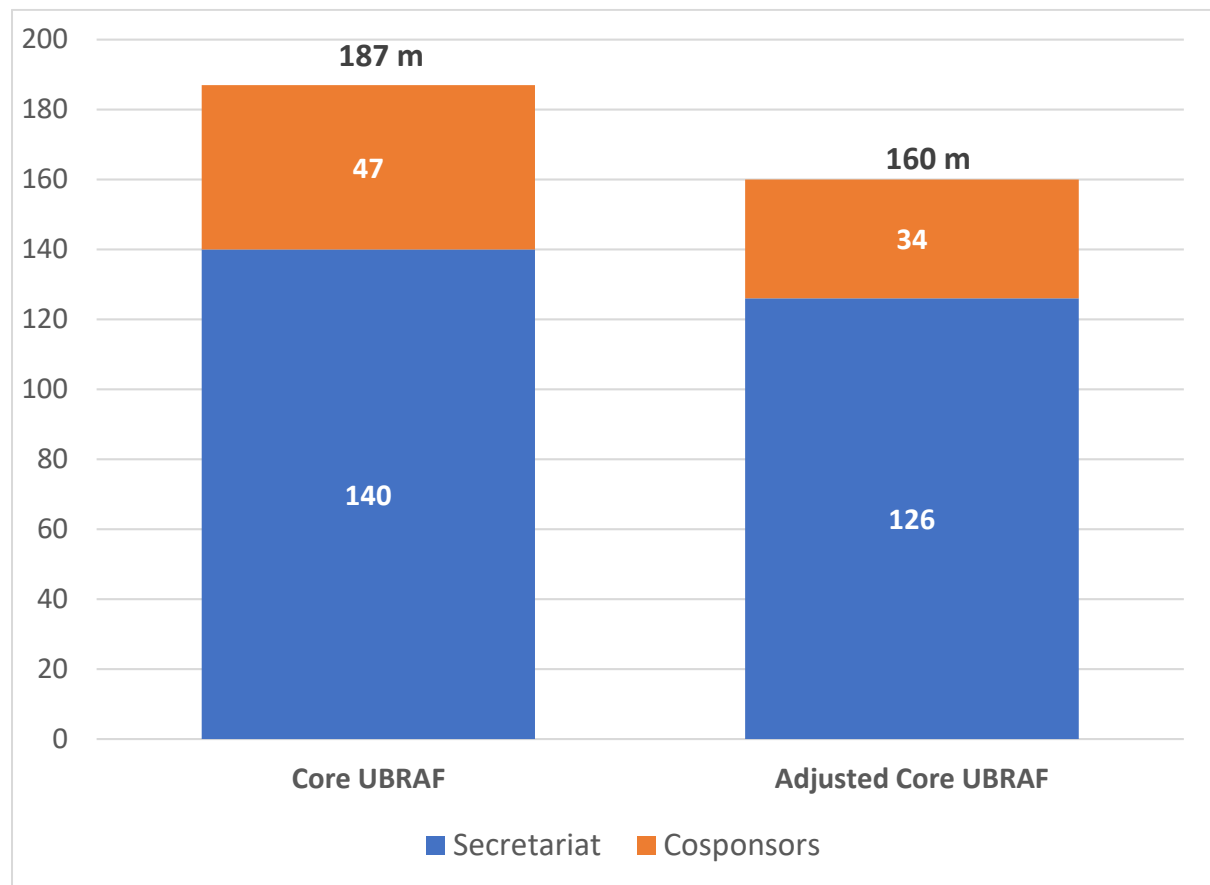
UBRAF Non-Core funds - details of revenue for the period 01 January 2023 to 31 May 2023

- US\$ 9.1 million received towards UBRAF non-core
- Estimated to raise around US\$ 50 million during 2023.
- Majority of the funds are from US Government

Voluntary contributions	Funds made available towards 2023 Non-core UBRAF
Governments	
Japan	250 000
Sweden	417 600
United States of America (CDC)	1 806 250
United States of America (USAID)	2 579 210
<i>Sub-total Governments</i>	<u>5 053 060</u>
Cosponsoring Organizations	
UNDP	49 455
UNFPA	58 437
<i>Sub-total Cosponsors</i>	<u>107 891</u>
Other	
Bill and Melinda Gates Foundation	1 067 797
Croix Rouge Francaise	331 227
Global Fund	2 178 178
Institute of Nutrition of Central America and Panama (INCAP)	22 312
MPTF Office	137 686
Save the Children Fund	160 024
<i>Sub-total</i>	<u>3 897 223</u>
TOTAL	<u>9 058 175</u>

Impact of less funding and stark choices taken

The Impact of lower core income level for 2023



Moving forward with a cautious core budget level of **US\$ 160 million for 2023**.

Representing a planned **reduction of US\$27 million** from approved base core budget of US\$ 187 million.

Reduction of **US\$ 14 million** for the Secretariat
and
Reduction of **US\$ 13 million** for the Cosponsors

Stark Choices with a lower core budget for 2023

Being prudent: Measures taken to stay within an adjusted core budget of US\$ 160 million

Secretariat

- Freezing of **35 core positions** for 2023 closure of the MENA Regional office -estimated saving of US\$ 6 million
- Programme core activity budget set at **80% of the 2022** level including - Limiting international travel, and setting travel ceiling estimated reduction of US\$ 6 million
- Targeted actions to enhance operational cost efficiency including reducing office space, renting of vacant Geneva office space estimated savings of US\$ 2 million

Cosponsors

- Transferred **US\$ 1.5 million** per Cosponsors instead of the approved amount of US\$ 2 million (i.e. reduction of US\$ 5.5 million)
- Transferred **70%** of the annual Country Envelope allocation of US\$ 25 million or US\$ 17.5 million to Cosponsors (i.e reduction of US\$ 7.5 million)

Key messages - looking forward

Current Context Challenges for the Joint Programme

- HIV infections still rising in several regions and major inequalities and gaps for some populations and locations: children, adolescent girls and young women, key populations – often less likely to be prioritized in national HIV responses.
- New health technologies (self-testing, PrEP, ring...) and innovations such as virtual and other community-led HIV services hold great potential but are not at scale/fully integrated into national responses.
- National healthcare systems are still recovering from COVID-19 and in some countries, also face combined challenges of other emergencies/ local outbreaks.
- Increasingly frequent and intense impacts of climate change and conflict have led to a record number of refugees and humanitarian crises.
- Deteriorating human rights, gender equality and civil society space - impedes progress against HIV/AIDS and threatens public health.

Programme and Operational Challenges for the Joint Programme

Cost efficiencies and savings...

Personnel: reduced staff capacities across board (decentralized/relocation) ; reduced footprint in Geneva; cut our operations capacity; bundled positions; reduced higher-level P 5 staff

Geographic: closure of some operations/ country and regional offices

Operational: reduced travels, ability to convene, country missions; shared/ reduced office space, reduced equipment

...Programmatic Impacts

Political Action: Reduced capacity for political action and policy change for HIV

Frontline Engagement: Reduced direct support to countries and communities; Reduced direct financial support for community-led response, CSOs and key networks

Structural Barriers: reduced ability for advocacy and dialogue on human rights, gender equality and structural barriers, less support for crises situations

HIV Services: Less strategic information, granular data and analyses to guide HIV response; less targeted HIV technical support (e.g., HIV prevention and testing challenges); less direct operational engagement, analytical expertise and advocacy in integration and sustainability of HIV response

Thank you