

## **Informal Multistakeholder Task Team on Joint Programme funding situation**

### **Concept note for the Second Meeting 21 July 2022**

#### **1. Introduction**

The First Meeting of the Informal Multistakeholder Task Team (Task Team) that was held on 15 July 2022 discussed the funding situation, and the different options provided as part of the Concept Note prepared by the UNAIDS Secretariat for the first meeting of the Task Team.

The Task Team will have a second meeting on Thursday, 21 July to continue the work towards developing recommendations on options for resolving the immediate UNAIDS funding crisis for the 2022-2023 biennium, to be submitted electronically to the PCB by 30 July 2022.

At its second meeting, the Task Team will dive deeper into each immediate funding option, identifying a timeline for action, clarifying roles and responsibilities between the Secretariat, the Task Team and the PCB, and identifying and addressing any risks associated with each funding option. Also, during the second meeting, Task Team members will examine which of these options are most likely to be successful to fill the immediate funding gap. By the meeting on 21 July, the Secretariat will provide information on potential new donors as part of the longer-term options for discussion at a later stage.

The Co-Chairs have requested that the UNAIDS Secretariat provides additional information to support the discussion.

#### **2. Options for resolving the immediate Joint Programme funding crisis for the 2022-2023 biennium**

The revised estimate is that we raise US\$ 162 million<sup>1</sup>, still US\$ 25 million below the base resource mobilization target of US\$ 187 million, and US\$ 47 million below the approved threshold budget of US\$ 210 million.

During the first Task Team meeting on July 15, participants discussed the options proposed in the concept note and created a few additional options that are further developed below. Pursuing one of these options independently may not yield the results that the PCB hopes to achieve in terms of meeting this funding shortfall. In an uncertain and unpredictable environment– a combination of different options – may deliver the best results.

All options except one are for immediate action that in combination can resolve the immediate UNAIDS funding crisis for the 2022-2023 biennium.

The Task Team could consider and further prioritise by scoring options to solve the immediate funding crisis against Impact on the funding (column I) and feasibility in the short term ( column F) and the sum ( column T), rated from “ no contribution or extremely high contribution 1 to 7 “ with a break off point at 10.

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<sup>1</sup> Including resource increases of UK, and Germany.

3. Options for Action								
Description	Countries participating	Estimated income	Timeline	TT responsible actors for reach out	Requirements from the Joint Programme	I	F	T
<b>1. Addressing currency fluctuations – US 12 Mio</b>								
<b>1.1. Governments increase their funding commitment to Joint Programme to compensate for the FX shortfall (as an estimate or actuals at the end of FY)</b>								
Donor countries might have in Q4 unspent funds to allocate before the end of the financial year. The option is to actively engage WEOG countries that have such flexibilities.	Canada, Denmark, Norway, Sweden, Germany, Luxemburg, UK, Switzerland, Netherlands	Full compensation for such loss would provide 12 Mio US\$, see annex 1 for country and amounts	August- Dec	US and Netherlands	A formal request  Sharing UN currency rates (Rate on the Month)			
<b>1.2. Institute an MOU with preferential currency rates with Joint Programme</b>								
The Netherlands gave permission to transfer the amount (20 MIO EUR) in USD according to the internal corporate rate (i.e., 21.978 MIO in USD), which given the UN rate provides us July UN exchange rate for the Euro is 0.949 to 1US\$ (Euro 20 million will be only US\$ 21,074,816), therefore the MoU makes us gain 900 000 US\$. This does not make up entirely for the exchange rate losses, but it is more in USD than what you would get at the current market rate.	The Netherlands can inspire other countries Canada, Denmark, Norway, Sweden, Germany, Luxemburg, UK, Switzerland to search for creative solutions		July - Dec	Netherlands	A formal request  Sharing UN currency rates (Rate on the Month)			
<b>2. Co-Investment to the Global Fund and to the Joint Programme – US\$ 27 Mio</b>								
<b>2.1. Joint announcement of co-investment into the Joint Programme and into the Global Fund</b>								
in the lead up to the 7 <sup>th</sup> Replenishment Donor Countries and Program Countries are considering their commitment to the Global Fund. Over the past few years, Switzerland has championed the practice to pledging at the same time for Joint Programme and Global Fund, which is a strong message articulating the complementarity of Joint Programme and Global Fund.	Countries that are preparing to pledge to the Global Fund, to simultaneously announce a co-investment to the Joint Programme.		July - Sept	Donor Countries and the Global Fund – collaboration CSO networks	Talking points and Key messages. Examples. Selling documents.			

<b>2.2. Commit the proportionate co-investment to the Joint Programme</b>									
The Task Team agreed that UNAIDS should ask donors for proportionate contribution to the UBRAF, linked with each donor's contribution to the Global Fund.	All current donors to the Global Fund, and to the Joint Programme. (For example, France, Japan, UK, Norway, Canada, Germany, Australia). All Programme Countries who contribute to the Global Fund. All other current donors to the Global Fund.	\$27Mio - See Annex 2 for Selected Donor and Programme Countries current investment in the Global Fund compared with the Joint Programme	Sept (in line with the Global Fund Replenishment)	US and Netherlands  Tunisia, Thailand and Kenya (Bureau members)  Advocacy CSO	Talking Points and Key Messages				
<b>2.3. Commit the 5% Global Technical Assistance Facility to the Joint Programme – US\$ 27 Mio</b>									
Some donors (France, UK, Germany, Italy, Australia) have or are planning a Technical Assistance Facility as part of their Global Fund contribution. Other donors could assign their Technical Assistance Facility (or a part of this) to the Joint Programme.  Example: In addition to its core contribution to the Joint Programme, the US currently channels 5% for the Technical Assistance Facility related to the HIV component of its Global Fund contribution.	Australia, Germany, Canada, France, UK, Japan, Spain, Italy	\$27Mio	Sept-ongoing.	US and Netherlands	Joint message from the Joint Programme and the Global Fund to the donors.				
<b>2.4. Global Fund acts as a 'Guarantor' for the Fully Funded UBRAF – the funding gap</b>									
The Global Fund to provide a guarantee to a bank or any other financing institution to be able to fund any financial gaps identified at the start of the two-year UBRAF under the requirement that the UN Joint Programme would commit to do its utmost to mobilise resources to fill in those gaps within an agreed period. This would allow full implementation of the UBRAF from the start and ensure agreed results are achieved without programme disruptions or delays, including the support provided to the Global Fund country programmes. However, if any funding gaps remain at the end of the period, the Global Fund would finance those gaps with any unused funds or savings obtained. Key features: - Helps to mobilize additional investment by providing a "AAA" guarantee to banks or financial institutions.	The Global Fund and its Donors	Variable, the funding gap	Nb. Note this a longer-term Resource Mobilisation	US, Netherlands and the Global Fund  Board members	Continue discussing this proposal with the Global Fund Secretariat. Table this discussion at the next Global Fund Board meeting. Operationalization to take place in the last quarter of 2022, covering the 2023 annual period.				

-	Balanced risk mitigation to secure the Joint Programme's financial viability and bankability whilst ensuring the attainment of HIV programme performance (UBRAF targets), including direct support to Global Fund countries' HIV programmes.					This might need to be extended to cover Tuberculosis and Malaria partners given the Global Fund's mandate.			
<b>3. Solidarity and engagement by the Program Co-ordinating Board</b>									
<b>3.1. Commitment from the PCB Member States – US\$15 Mio</b>									
	All Members States are committed to the mission and purpose of Joint Programme, we are asking contributions to be commensurate with the political commitments. The 22 PCB Member States initiate or increase contributions. This would have an immediate effect on the funding of the core budget. It is suggested that donor PCB Member States increase their voluntary commitment with US\$ 1 million to their current Joint Programme contributions and that programme countries should be asked to contribute US\$ 500 000 to the Joint Programme.  Benchmark provided in Assessed Contributions simulation– see Annex 2.	The 22 PCB Members States	\$15Mio, based on in PCB <a href="#">PCB Member s 1January 2022 en.pdf (unaid.org)</a>  Donors PCB Members \$8M, Programme Countries in PCB \$7M	July – Dec	Thailand, Kenya, Germany	PCB Recommendation			
<b>4. Commitment by the Program Countries – US\$ 3 Mio</b>									
<b>4.1. Commitment by the Program Countries to the Joint Programme Country Workplan</b>									
	Contribution to Country Workplan in recognition of the value of the Joint Programme presence in country. “  Example: Kazakhstan with its matching funds; Brazil contributes to the UNAIDS country workplan.	Program Countries	\$ 3 Mio	Sept	Tunisia, Thailand, Kenya	PCB Recommendation, followed as per the required documentation/ program countries.			
<b>4.2. Commitment by the Program Countries to UNAIDS Core Budget</b>									
	Commitment by Program Countries for funding to Joint Programme in recognition that these governments appreciate and value the work of Joint Programme and their commitment to multilateralism. Example: Thailand commitment to the core budget.	Program Countries	Variable	Sept - Dec	Tunisia, Thailand, Kenya	As above in 3.2			

4.3 Accessing Global Fund technical assistance financing at country level									
<p>UNAIDS could expand its funding base at country level working in partnership with country implementers of Global Fund grants through helping Principal Recipients implement technical assistance to access and implement Global Fund grants or helping address HIV-related policy and practice bottlenecks.</p> <p>UNAIDS already finances and provides rapid and short-term technical support to countries and has a strong mechanism to do so at global level.</p> <p>Principal Recipients, however, struggle to plan and implement quality technical support at country level. Therefore, there is scope for UNAIDS to serve as an intermediary and facilitate the use of these funds by providing latest data, quality assurance, and follow up. This could be a win-win solution. There would be cases where UNAIDS could match technical assistance funding or align its support and presence in country.</p>	Program Countries	TBD	Sept-ongoing	GF and the Joint Programme	<ul style="list-style-type: none"> <li>- Discuss with GF/UNAIDS the possibility of an MOU to facilitate partnering with Principal Recipients to receive/implement TA funds at country level.</li> <li>- Explore for future GF proposals, TA planning at the onset with a role for UNAIDS to facilitate and provide TA throughout grant implementation, either financed under the GF grants or with joint funds</li> </ul>				

#### **4. Longer Term Options, including the exploration of new donors**

The Task Team discussed several options to address the funding situation which were longer term in nature. The nurturing of new donor relationships that will deliver a return on investment for the Joint Programme is a long-term option.

The Joint Programme is currently developing a resource mobilisation strategy which will cover the 2022-2026 period.

The strategy will include an examination of current and new donors with a focus on Governments, foundations and an investigation of alignment and engagement with the Private Sector. This examination will include Government donors that are not yet donors to the Joint Programme, foundations who are aligned and engaged in the HIV response (for example, Bill and Melinda Gates Foundation and others). Joint approaches with PCB members incl donors and PCB NGO such as joint letters asking for support and/or capitalizing on the voice of UNAIDS ambassadors, celebrities and influencers will be explored.

The strategy will also re-examine the partnerships and investigate the different ways that key stakeholders within the HIV Response can work creatively together.

The Global Fund 'Guarantee' option is an example of one of the actions that would likely take some time to develop and involve multi-stakeholder discussions. Engagement with the Co-sponsors regarding the shifting of their internal resources to fund the Joint Programme is another example of working differently with each other to deliver a fully funded UBRAF.

The strategy will also include the development of cases for investment (also known as value propositions) with elements of the core programme to engage and secure funding from donors.

## Currency Fluctuations 2022

Donors	Estimated Contributions in local currencies		May 2022 UN exchange rates	June 2021 UN exchange rates	Exchange rate loss
	Currency	Amount in local currencies	Amount in US dollars	Amount in US dollars	Amount in US dollars
Canada	CAD	5 000 000	3 888 025	4 055 150	( 167 125)
Denmark	DKK	40 000 000	5 646 527	6 416 426	( 769 899)
Germany	EUR	6 000 000	6 302 521	7 159 905	( 857 384)
Luxembourg	EUR	3 500 000	3 676 471	4 176 611	( 500 140)
Netherlands	EUR	20 000 000	21 008 403	23 866 348	(2 857 945)
Norway	NOK	45 000 000	4 784 689	5 283 551	( 498 862)
Sweden	SEK	300 000 000	30 835 646	35 423 309	(4 587 663)
Switzerland	CHF	10 000 000	10 277 492	10 881 393	( 603 901)
United Kingdom of Great Britain and Northern Ireland	GBP	8 000 000	9 937 888	11 126 565	(1 188 676)
<b>Total</b>			<b>96 357 663</b>	<b>108 389 257</b>	<b>(12 031 594)</b>

Co-Investment to the Global Fund and to the Joint Programme

These comparison graphs have been provided as a benchmark to current and new donors to inform the level of investment to the Joint Programme.

**Selected Donors Contribution to the Global Fund and UNAIDS (Excl. US) as a % of contributions**



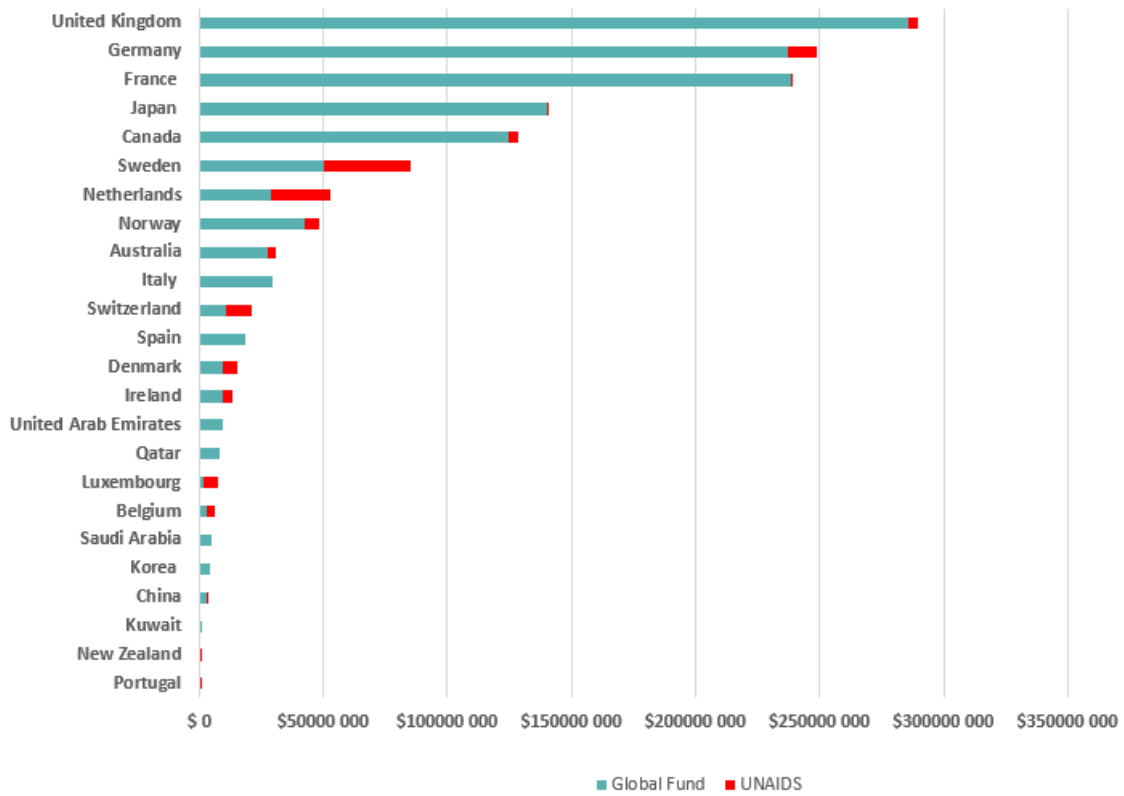
Total Donor Contributions to the Global Fund and UNAIDS (excluding US) based on 2021 Data.

2030 | Ending the AIDS epidemic





## Selected Donors Contribution to the Global Fund and UNAIDS (Excluding US)

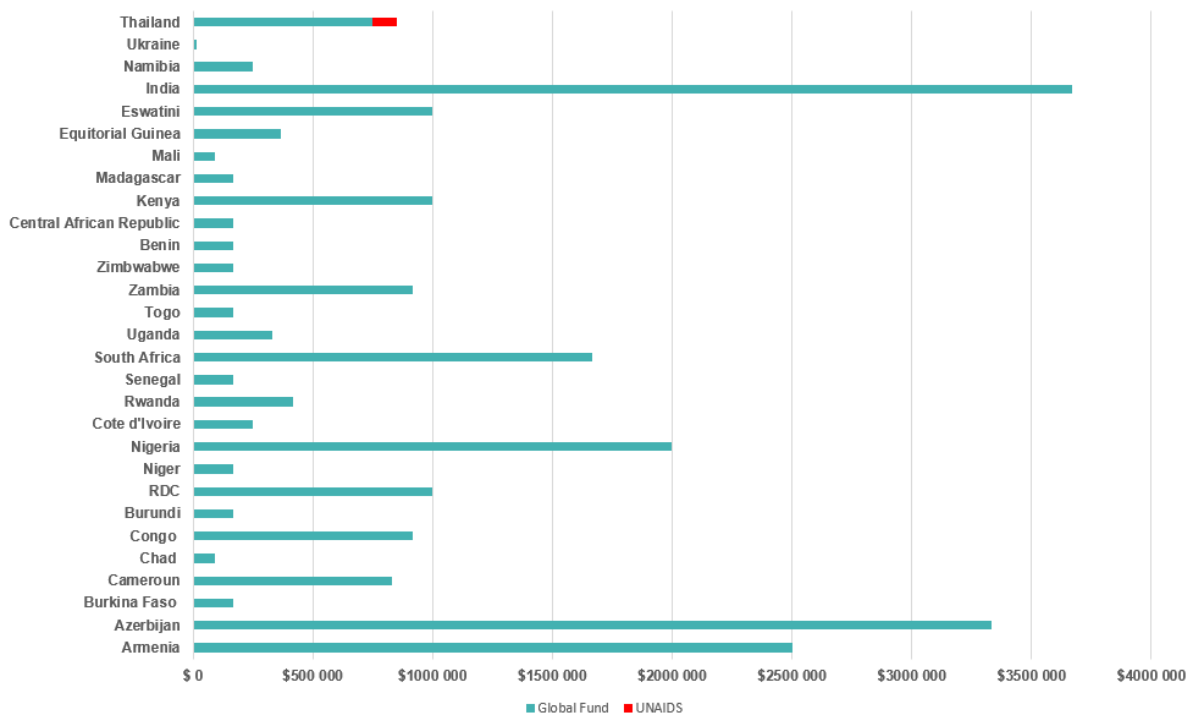


Total Donor Contributions to the Global Fund and UNAIDS (excluding US) based on 2021 Data.

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## Selected Program Countries contribution to Global Fund and UNAIDS

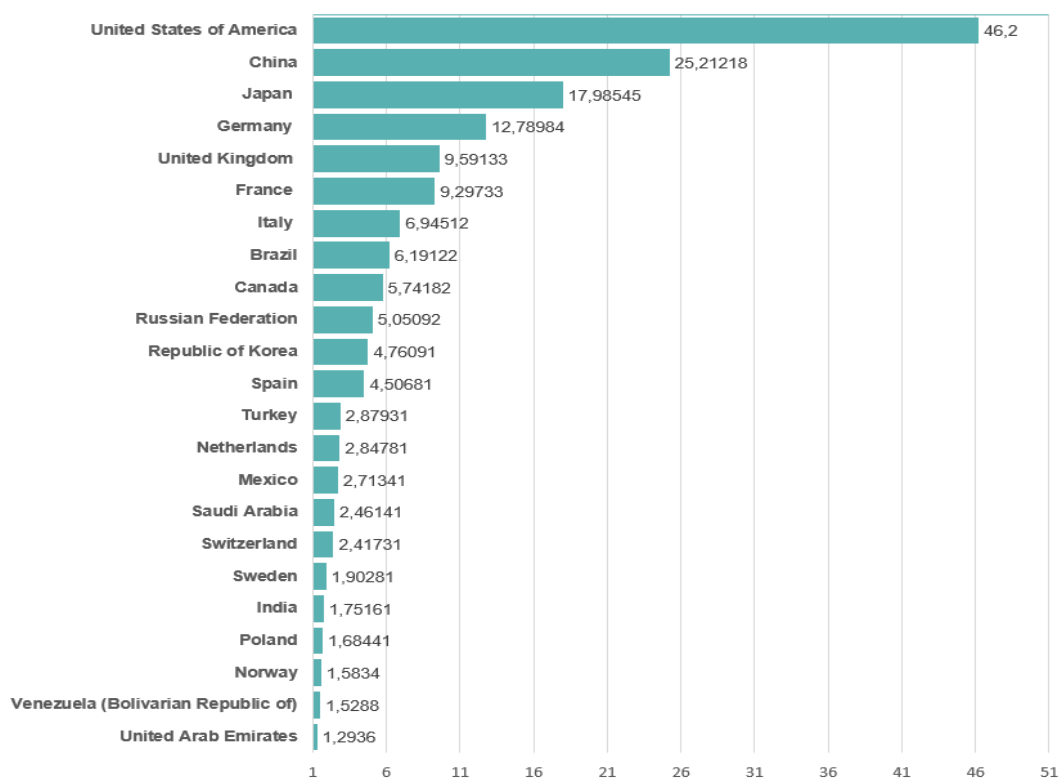


Total Donor Contributions to the Global Fund and UNAIDS based on 2020-21 Data.

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**The % of a donor country's contributions to the UBRAF  
- based on assessed % for funding to WHO as benchmark**



**The % of a donor country's contributions to the UBRAF  
- based on assessed % for funding to WHO as benchmark  
(Continued)**

