

REPORT OF THE UNAIDS STRUCTURED FUNDING DIALOGUE

1. The Dialogue aligned with the United Nations (UN) General Assembly Resolution 71/243 of 21 December 2016 on the Quadrennial Comprehensive Policy Review (QCPR) of operational activities for development of the UN system, and with the UN Funding Compact, formally agreed by ECOSOC in May 2019 (A/74/73/Add.1-E/2018/4/Add/1). The SFD also accords with PCB Decision Point 6.6 from the 50th PCB meeting calling for increased and multiyear contributions to close the UNAIDS budget shortfall, and PCB Decisions Points 6.7 and 6.8 from the 50th meeting authorizing establishment of an informal inclusive multistakeholder Task Team to explore options for resolving the immediate funding crisis for the 2022-2023 biennium and to develop in advance of the SFD recommendations for voluntarily based sustainable funding of the UNAIDS Unified Budget, Results and Accountability Framework (UBRAF), to be presented and discussed at the 51st PCB meeting in December 2022.
2. The purpose of the Dialogue was to consider resource trends, current and future funding situations and recommendations of the Informal Task Team, with the aim of fully funding the UBRAF. Specific objectives of the Dialogue were to:
 - Provide programmatic and financial updates of UNAIDS.
 - Present and discuss the Informal Task Team recommendations to resolve the immediate UNAIDS funding crisis for the 2022-2023 biennium, and on the voluntarily based sustainable funding of the UBRAF ahead of the December 2022 PCB meeting.
 - Table the new UNAIDS resource mobilization strategy .

Welcome by the Chair of the Programme Coordinating Board

3. PCB Chair H.E. Mr. Rongvudhi Virabutr, Ambassador, Permanent Mission of the Kingdom of Thailand to the United Nations office in Geneva, welcomed PCB members and observers to the Dialogue, noting that substantial efforts have been undertaken over the last year to get the AIDS response on track to end AIDS as a public health threat by 2030. Despite some progress, the AIDS response is in danger, as the UNAIDS Global Report warned earlier in 2022. The Chair encouraged participants in the Dialogue to approach the challenge of fully funding the UBRAF with a sense of urgency, as the Joint Programme is essential to the global AIDS response. He cited recommendations developed by the Informal Task Team to ensure a fully funded UBRAF and reported that the PCB Bureau would meet on 10 November 2022 to finalize its report to the full PCB on the funding situation. The Chair asked participants to explore whether finite AIDS funding is going where it is most needed and to examine strategies for closing the UNAIDS resource gap.

Remarks by the UNAIDS Executive Director

4. UNAIDS Executive Director Winnie Byanyima echoed the Chair's warning that the AIDS response is not currently on track to reach the 2030 target. Noting that the COVID-19 crisis has had a major negative effect on the response, she reminded PCB members that a person dies of AIDS every minute and that new HIV infections are rising in 38 countries.
5. UNAIDS plays a pivotal role in the broader AIDS response, including supporting more than 80% of HIV-related proposals to the Global Fund during the last funding round, generating more than US\$5 billion in essential HIV funding. UNAIDS helps countries use evidence to develop tailored responses and to overcome bottlenecks to accelerate effective implementation.

6. Ms. Byanyima stressed that the gains of the AIDS response are at risk due to the UNAIDS funding shortfall, which has worsened since the Executive Director's report to the 50th PCB meeting. UNAIDS is now expecting a shortfall of US\$ 35 million against the lower core funding threshold of US\$ 187 million for the UBRAF in 2022. Currency fluctuations have reduced the dollar value of many contributions, especially from the European donors that account for two-thirds of UBRAF funding. Importantly, a number of European donors have increased their support for UNAIDS, only to see the real value of their investments diminished due to currency fluctuations.
7. UNAIDS has taken steps to ensure budget discipline and maximise resources, but the size of budget shortfall means it cannot be addressed solely by budget discipline or efficiency gains. These shortfalls are forcing difficult decisions, with some scenarios envisaging cuts that would have devastating effects on real people. Both PEPFAR and the Global Fund, the Joint Programme's closest strategic partners, have urged full funding of the UBRAF.
8. Ms. Byanyima thanked the PCB for its intensive engagement in working to resolve the UNAIDS funding situation. She called on all board members (including members of board constituencies) to advocate for more UBRAF funding and specifically to commit to mobilize US\$ 35 million in new funding by the end of 2022. The Executive Director issued a call for solidarity among PCB members and constituencies to grow and sustain funding to deliver the US\$ 210 million in annual funding set by the UBRAF and approved by the PCB. In the meantime, the Secretariat intends to engage with the Global to renegotiate their relationship, with an eye towards helping ensure full funding of the UBRAF.

Presentations by Secretariat

9. Following a brief video highlighting UNAIDS' impact on the global AIDS response and on the people and communities affected by AIDS, Mr Efraim Gómez, UNAIDS Chief of Staff, reviewed the objectives of the Dialogue and previewed the presentations from the Secretariat that would inform and frame the Dialogue.

Programmatic update

10. Mr. Matthew M Kavanagh, UNAIDS Deputy Executive Director a.i., Policy, Advocacy and Knowledge Branch, provided an update on the Joint Programme's efforts to catalyse full and effective implementation of the Global AIDS Strategy. UNAIDS is leveraging movements across the world to deliver on the Strategy and working with partners to remove societal and legal impediments to further progress, including supporting 30 countries to remove punitive and counterproductive laws and policies. The Joint Programme is working to strengthen gender-transformative policies, financing and programmes.
11. High priority is being placed on expanding access to comprehensive, person-centred and inclusive HIV services and outreach to those left behind. UNAIDS has led efforts to elevate action and investments to expand an intensified, better targeted HIV prevention effort, including support for a 2022 meeting of 26 high-burden countries to develop national HIV prevention action plans. The Joint Programme works to promote equitable access to HIV testing and treatment services. A Global Alliance on Ending AIDS in Children has been launched, with 12 countries signing up as members. UNAIDS has supported 29 countries in developing national strategic plans to improve HIV treatment cascade outcomes.

12. UNAIDS generates and disseminates strategic data to drive impact. UNAIDS sets global AIDS targets, publishes essential reports (including the 2022 Global AIDS Report, which attracted media coverage in 27 languages), and provides models that are used by 139 countries to understand their national epidemics.
13. UNAIDS leverages its millions in funding to generate billions in financing for the broader AIDS response. During the last Global Fund round, UNAIDS supported Global Fund applications in 61 countries. In October 2022, UNAIDS trained partners in 14 countries in sub-Saharan Africa (which together account for more than 50% of Global Fund grants) to produce prioritized and evidence-informed Global Fund proposal. Numerous evaluations have underscored the unique, added value of UNAIDS, which is focused on further developing as a knowledge-sharing and knowledge-driven organization.
14. The UBRAF funding gap imperils the Joint Programme's ability to deliver in support of the Global AIDS Strategy. Eighty per cent of Secretariat staff is in regional and country offices, and funding shortfalls threaten the ability of UNAIDS to provide the support that countries need. With projections that 7 million people will be lost in the coming years to AIDS, full UBRAF funding is vital to enable the Joint Programme to lead efforts to alter the trajectory of the pandemic.

Financial update

15. Mr. Tim Martineau, UNAIDS Director of Management a.i., recalled that the PCB endorsed the Global AIDS Strategy and the UBRAF, including annual UBRAF funding of US\$ 210 million (US\$ 146 million for the Secretariat and \$64 million for Cosponsors). The UBRAF envisages US\$ 604 million annually in non-core funding, including US\$ 554 million in non-core funding for Cosponsors. The bare minimum funding provided under the UBRAF (base funding) amounts to US\$ 187 million annually (US\$ 47 million for Cosponsors and US\$ 140 million for the Secretariat). Mr. Martineau reported that currency fluctuations had resulted in losses of more than US\$22 million in 2022 to the Joint Programme.
16. Mr. Gomez noted that quite modest investments were needed to close the UNAIDS budget gap. UNAIDS funding, he said, amounts to less than 1% of total international funding of the AIDS response. He said that UNAIDS is appealing to the PCB to honour its duty of care to help ensure full UBRAF funding.

QCPR and the UN Funding Compact 2021 report

17. Ms. Marie-Odile Emond, UNAIDS Senior Planning and Monitoring Advisor, described the Joint Programme's efforts to optimize coordination and coherence, in line with the QCPR. Work to ensure alignment to QCPR recommendations is ongoing, with QCPR adherence embedded in the UBRAF and biennial workplans. UN reform, Ms. Emond noted, is part of the Joint Programme's DNA, and the Joint Programme has made longstanding and successful efforts to contribute to and to shape UN reform efforts.
18. Ms. Emond noted that the lean Joint Programme prioritizes the Agenda 2030's emphasis on leaving no one behind, with focused work on human rights and gender equality. UNAIDS contributes to the Resident Coordinator system, with advisors now placed in five Resident Coordinator offices. According to ECOSOC monitoring of UN system delivery for the Sustainable Development Goals, the Joint Programme scores high on most indicators.

Recommendations of the Informal Task Team

19. Mr. Theo van de Sande of the Netherlands, acting co-chair of the Informal Task Team, presented the Task Team's recommendations to address the UNAIDS funding situation (in the absence of Task Team co-chairs Dr Mohamed Chakroun, Tunisia, and Ms Julia Martin, United States of America). Mr van de Sande recalled that the UN funding compact reflects a commitment by UN member states to increase the financial sustainability of the UN system in exchange for greater accountability for results. He noted that the Informal Task Team met five times and that a final report on the funding situation from the PCB Bureau will be posted by 24 November 2022 ahead of the December PCB meeting.
20. The Informal Task Team's options to addressing the short-term funding crisis have been endorsed by the PCB Bureau. These included actions to address the impact of currency fluctuations, to ensure co-investment to the Global Fund and UNAIDS and to generate end-of-year funding from PCB members.
21. The Informal Task Team has identified longer-term options for voluntary sustainable funding (still to be finalized) in a number of areas. To promote PCB solidarity, the Informal Task Team recommends that the end-of-year funding sought for 2022 become permanent, effectively increasing the Joint Programme's funding baseline. It is recommended that PCB members and constituency members from high-income and upper-middle-income countries increase their giving to UNAIDS by at least US\$ 1 million annually and that low- and lower-middle-income countries increase their giving by US\$ 500 000. To smooth out and protect against currency fluctuations, the Informal Task Team recommends that donors make multi-year contributions, aligned either to the UNAIDS Strategy or to the Global Fund replenishment cycle, and with preferential currency rates. Using a fair share approach that takes into account the level of assessed percentages to the WHO, donors are encouraged to raise their contributions to UNAIDS or to start supporting UNAIDS if they do not currently do so.
22. Several recommendations by the Informal Task Team focus on leveraging the Joint Programme's relationship with the Global Fund. Options include prioritizing funding for UNAIDS for its technical support of the Global Fund (including through the technical support set-asides that several donors currently make). Other options include developing a new funding mechanism with the Global Fund to generate US\$ 31 million a year in core UBRAF funding or for the Global Fund to act as a guarantor of UBRAF funding.
23. The Informal Task Team recommends that the Secretariat and Cosponsors engage in joint fundraising in government, foundations and private sector markets. To generate new resources from foundations and the private sector, the Informal Task Team recommends active support for implementation of the UNAIDS resource mobilization strategy. It is also recommended that UNAIDS ask Programme Countries to provide matching funds for UNAIDS core country-level allocations.
24. Mr van de Sande emphasized that ownership by the PCB, the Joint Programme and the Secretariat will be essential to mobilize full, reliable UBRAF funding. The Joint Programme will require the capacity to fully implement the new resource mobilization strategy. Advocacy to parliamentarians, governments, socially responsible private sector entities and the public at large will be needed. The boards and secretariats of UNAIDS and the Global Fund will need to work together urgently to resolve the UNAIDS funding shortfall

UNAIDS resource mobilization strategy

25. Mr Gomez said that the Secretariat used a collaborative and consultative process, including with Co-sponsors, to develop its new resource mobilization strategy, with the aim of ensuring a fully funded UBRAF. The new strategy introduces an account philosophy to UNAIDS resource mobilization, to enable the Secretariat to be fully responsive to different sectors and types of donors. The Secretariat will tend to key accounts, aim to grow accounts that are currently making insufficient contributions, cultivate new donors, maintain existing donors and leverage work with multilateral agencies (such as the African Union and the Gulf Cooperation Council) to influence other donors.
26. The new resource mobilization plan calls for resource mobilization to be prioritized across the organization. There will be intensified focus on the development of compelling value propositions. Key process improvements will be made to strengthen the Joint Programme's resource mobilization efforts.
27. The resource mobilization strategy identifies strategic fundraising targets, including governments, foundations and others. Civil society will be engaged to support advocacy for robust and sustainable UNAIDS funding. The strategy calls for exploration of new ways of working with the Global Fund to mobilize essential resources for the Joint Programme.
28. The strategy will be mainstreamed across the Joint Programme, with different parts of the Secretariat designated to take the lead in implementing different aspects . Currently, Mr Gomez noted, the Secretariat has only seven staff dedicated to resource mobilization. UNAIDS recently concluded recruitment of the next resource mobilization director.

Dialogue and discussion, reflecting on presentations

29. PCB members welcomed the presentations and thanked UNAIDS for hosting the Dialogue. PCB members emphasized the essential role that UNAIDS plays in the global AIDS response and noted that amounts needed to address the UBRAF funding shortfall are modest. Particular appreciation was expressed for the Joint Programme's leadership on human rights and sexual and reproductive health and rights. Kenya expressed thanks to UNAIDS for its support for the development of successful funding proposals to the Global Fund.
30. Several PCB members expressed openness to consideration of the request by the Task Team and the Executive Director to make special end-of-year contributions to the Joint Programme. France noted a desire to engage in further dialogue with the Joint Programme to explore an increase in its contribution to UNAIDS. Support was expressed for the notion of "fair share" contributions among countries. A number of donors also noted that they already make multi-year contributions to UNAIDS and recommended that other donors consider doing so. The Netherlands, among other donors, said they had already taken steps to increase their contributions to UNAIDS. With respect to the proposal for matching funds Brazil noted that it has made multiple contributions to the UNAIDS country office.

31. The need to broaden the UNAIDS donor base was cited by PCB members. Support was also expressed for continued efforts to promote efficiency in the use of UBRAF resources. PCB members also encouraged the Joint Programme to contribute to the strength and resilience of health systems.
32. One efficiency-promoting step mentioned by PCB members during the Dialogue was possible consolidation of smaller UNAIDS offices into multi-country offices. In response, Mr Kavanagh reported that several offices had already been consolidated – including the offices of Gabon and Cameroon; the offices of Cambodia, Laos and Malaysia and a single office to cover all countries in the east Caribbean. Ms Byanyima cautioned that the decision to withdraw from a country should be taken carefully, as it can be challenging to address difficult human rights issues from afar and that the Joint Programme’s withdrawal could leave people vulnerable.
33. Both Mr. Gomez and Mr. Kavanagh addressed the complementarity between UNAIDS and the Global Fund. Mr. Kavanagh noted that the Joint Programme’s support for Global Fund proposals involves much more than grant-writing, in that UNAIDS helps countries use evidence to plan how resources will be used, to understand which programmes are working and which are not, and to assist countries in fully and effectively implementing their grant programmes. The Joint Programme has played key roles in intervening to aid countries in difficult situations, including helping Nigeria address challenges regarding its Principal Recipient and aiding Pakistan in understanding and effectively addressing a recent HIV outbreak. UNAIDS is also helping Mozambique use its Global Fund grant to increase the number of people living with HIV who are diagnosed in a timely manner.
34. Mr Martineau described a number of cost-saving measures that UNAIDS has taken in the midst of the difficult funding situation. As part of the alignment process, the Joint Programme has made cuts of around US\$ 10-11 million to the Secretariat and of US\$ 5 million to Cosponsors. A key aim of the alignment process is to improve efficiency, through a flatter organizational structure, delocalizing, grade changes and other measures including reducing office sizes in some of the larger UNAIDS offices.
35. Ms Byanyima thanked PCB members for their strong and warm expressions of support for the Joint Programme. She especially appreciated the openness of PCB members to making end-of-year contributions to UNAIDS and cited the importance of a fund balance in providing catalytic support to Cosponsors. The amounts needed to fully fund the UBRAF are relatively small, but Ms. Byanyima said that political will must be summoned to mobilize them.
36. Ms. Byanyima observed that the Joint Programme’s work in support of the success of the Global Fund, including in the area of human rights and the provision of technical support, requires continuous engagement and the development of strong bonds of trust. Citing the Joint Programme’s recent intervention in the case of a trans woman who had been imprisoned, she noted that UNAIDS is often the first human rights defender on the ground in countries.
37. Ms Byanyima emphasized that the Joint Programme’s work is in support of strong health systems. Vertical health programmes, she said, do not contradict broader health systems strengthening efforts but instead bolsters them. In this regard, she cited Thailand’s recent success in responding to COVID-19, demonstrating that vertical programming complements broader health systems.

38. The Chair thanked the PCB members for their engagement and expressed appreciation to the Secretariat for the presentations. He noted that the many issues that have been discussed during the Dialogue would be examined by the full PCB at its December meeting. Reminding PCB members that the PCB Bureau will submit a report on the funding situation to the full PCB ahead of the December meeting, he encouraged PCB members to study and examine the Task Team's recommendations.

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