

**REPORT OF THE PCB WORKING
GROUP ON THE JOINT INSPECTION
UNIT MANAGEMENT AND
ADMINISTRATION REVIEW OF THE
JOINT UNITED NATIONS
PROGRAMME ON HIV/AIDS**

Additional documents for this item:**Action required at this meeting—the Programme Coordinating Board is invited to:**

1. *Take note of the report*
2. *Agree to the clarification of the oversight and accountability roles of the Programme Coordinating Board, and approve the annex “Oversight and accountability roles of the Programme Coordinating Board” as an addition to the Modus Operandi;*
3. *Agree to establish an independent, external oversight advisory committee, and approves the terms of reference as outlined in annex 3 to the report;*
4. *Agree that the independent, external oversight advisory committee will review and recommend further strengthening of risk management to the PCB as part of its first plan of work after its establishment;*
5. *Acknowledge that the Secretary-General holds the oversight role of the UNAIDS Executive Director position whereas the PCB is responsible for the oversight of the UNAIDS Joint Programme with ECOSOC as the bridge between the two bodies;*
6. *Calls on the UNAIDS Executive Director to provide a periodic report on the status of JIU recommendations and their implementation to the oversight committee as part of their plan of work, and that the oversight committee would provide an update to the PCB;*
7. *Take note of the revised guiding principles of the cosponsors; and acknowledge the importance of clear communication to cosponsor governing boards on PCB decision points and recommendations relevant to their participation to the Joint Programme; and*
8. *Agree to recommend in their upcoming report to ECOSOC that a dialogue be opened with the SG to establish two four-year term limits and performance expectations for the position of UNAIDS Executive Director in line with the best practices of the UN system as recommended by the JIU.*

Cost implications for implementation of the decisions: USD 70 000 (cost of external, independent oversight advisory committee).

Introduction

1. At its 45th session, the Programme Coordinating Board (PCB) established, through its Bureau, a geographically balanced, time-bound Working Group with a non-extendable mandate to review relevant recommendations of the Joint Inspection Unit (JIU) on the Management and Administration of the Joint United Nations Programme on HIV/AIDS, as contained in UNAIDS/PCB (45)/19.37. The JIU is the only independent external oversight body of the United Nations (UN) system that is mandated to conduct evaluations, inspections and investigations system-wide.

2. Ten of the JIU recommendations regarding UNAIDS focused on actions, policies and practices of the Board.
 - *Formal Recommendation 1:* Beginning in 2020, the PCB Board should develop a long-term strategy to achieve the targets and goals of UNAIDS with regard to the 2030 Agenda.
 - *Formal Recommendation 3:* By the beginning of 2021, the PCB should revise its Modus Operandi to clarify its roles and responsibilities and imbed oversight and accountability mechanisms in the oversight of UNAIDS and the Secretariat.
 - *Formal Recommendation 5:* The PCB should consider creating an independent and external oversight committee to provide independent expert advice to the PCB and to the Executive Director in fulfilling their governance and oversight responsibilities.
 - *Informal Recommendation 4:* The relevance and validity of the guiding principles [for cosponsoring organizations] should be re-evaluated, and stronger linkages between the PCB and the governing bodies of the Cosponsors should be explored.
 - *Informal Recommendation 5:* [The PCB should bring further definition to its responsibilities] in handling allegations against the Executive Director or any other official handling oversight issues (e.g. ethics officers, investigators, auditors, other senior officials, etc.) that could pose a conflict of interest in handling such issues.
 - *Informal Recommendation 6:* The PCB may wish to revise Paragraph 5 of the Modus Operandi, which covers the functions of the PCB to establish [the practice of reports of the auditors and data and information on ethics activities and investigations being more critically assessed by the PCB].
 - *Informal Recommendation 7:* The PCB is encouraged to open a dialogue with the United Nations Secretary-General on [the term limits of the Executive Director and explicit performance expectations for the position] to assist in providing more clarity and transparency on its expectations of UNAIDS, and more certainty in succession planning.
 - *Informal Recommendation 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 the PCB and answer any questions or concerns which the PCB members may have, which will also enhance the oversight responsibility of the PCB.
 - *Informal Recommendation 18:* The Inspectors suggest that the 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.
 - *Informal Recommendation 19:* A report to the 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.

3. In decision point 9.2¹ from the 45th PCB meeting, the Board directed the Working Group to provide an initial report on progress at the Board's 46th meeting and to provide its final report with implementation options for the Board's consideration at its 47th meeting.
4. Pursuant to the Board's directives, this report summarizes the Working Group's conclusions regarding implementation options for the Board-directed JIU recommendations. Following a brief history of the Working Group's formation and working process, the report examines each of the three formal JIU recommendations and the seven informal JIU recommendations that focused on actions, policies and practices of the Board.
5. The Working Group considered all elements regarding each recommendation and, on that basis, has provided a way forward for the implementation of the recommendations. For each JIU recommendation, the report indicates whether the Working Group fully or partially concurs with the recommendation, summarizes the key issues considered by the Working Group in its analysis of the recommendation and clarifies its recommendation to the Board. As appropriate, the Working Group has proposed language for Decision Points for consideration by the Board.

The formation, working arrangements and meetings of the Working Group

6. The PCB Bureau on 21 February 2020 finalized terms of reference for the Working Group for consideration by the Board through intersessional decision-making. Approval from the Board followed on 4 March 2020.
7. On the basis of the discussion of the PCB Bureau, drawing on the experience of the establishment of previous PCB working groups and consistent with the Board's mandate for a geographically-balanced membership of the Working Group, it was determined that the Working Group would be composed of: two Member States per region (for a total of 10 Member States); two representatives from the NGO delegation and two representatives from the Cosponsors. Member States were invited to propose two consensus nominees through their ECOSOC regional groups (Africa, Asia, Eastern Europe, Latin America and the Caribbean, Western Europe and other Group) to the PCB Bureau.
8. The PCB Chair and Bureau sent, through the UNAIDS Secretariat, a call to PCB members to nominate representatives to the Working Group. The PCB Bureau announced in April 2020 the composition of the Working Group. (A list of members of the Working Group and the Terms of Reference are provided in Annex 1.) The PCB Chair designated Julia Martin, senior health advisor for the United States of America, to serve as a neutral Chair of the Working Group.
9. The Working Group held its first meeting "virtually" on 30 April 2020. During this first meeting, the Working Group agreed on its working procedures and timeline for fulfilling the Board's mandate to recommend options for implementation of Board-focused JIU recommendations.

¹ Decision 9.2 from the 45th PCB meeting: "Decides, to establish, through its Bureau, a geographically balanced, time-bound PCB working group with a non-extendable mandate to review the relevant JIU recommendations addressed to the Programme Coordinating Board, and to provide an initial report on progress to the 46th meeting of the Programme Coordinating Board and to provide its final report with implementation options for the consideration of the Programme Coordinating Board at its 47th meeting."

10. The Working Group held a total of five meetings to examine, analyse and develop implementation options for the 10 JIU recommendations directed to the Board. Due to local lockdown and quarantine rules in Switzerland and associated restrictions on the ability of several Working Group members to travel (due to the COVID-19 pandemic), all the Working Group's meetings were held online. In addition to its initial meeting, the Working Group met on 12 June, 14–15 September, 8 October and 2 November 2020.
11. In examining each of the JIU recommendations and in formulating implementation options, the Working Group considered a broad range of information, including: JIU recommendations on best practices for strategy, governance, oversight and accountability; pertinent policies and practices of other UN entities; and the advice of PCB legal counsel regarding the scope of the Board's latitude to take the actions recommended by the JIU.
12. For the 46th meeting of the PCB, the Working Group submitted a report summarizing its early progress in satisfying the PCB tasks related to the JIU recommendations. At its 46th meeting, the PCB took note of the report and participants were invited to provide comments to the Working Group. In their comments, participants reaffirmed the importance of the Working Group and awaited the final report, due in December 2020. On 15 October 2020, the Working Group briefed the PCB on its work to date, including identifying likely recommendations regarding implementation options for consideration by the Board at its 47th meeting. In finalizing its recommendation on implementation options, the Working Group took into account responses at the PCB briefing.

Implementation options for JIU recommendations directed to the PCB

Formal Recommendation 1

13. The Working Group concurs with the JIU recommendation that the PCB should “develop a long-term strategy to achieve the targets and goals of UNAIDS with regard to the 2030 Agenda.” As the Working Group informed the PCB at its 46th meeting, the Working Group determined that the Board has already implemented Formal Recommendation 1, noting the Board's decision point 3.2 from its December 2019 meeting, which requests the Executive Director to:
 - a) “Undertake a review of the current strategy and its implementation, and the results obtained;
 - b) “Convene a multistakeholder consultation, with participation of Member States, to present the results of the review and consider the strategic priorities beyond 2021;
 - c) “Present, for consideration, by the Board at its 46th meeting in June 2020, options, and their respective processes and timelines, to ensure that the UNAIDS strategy remains ambitious, visionary, and evidence-based beyond 2021; and
 - d) “Consult the United Nations Secretary-General to consider options for the timing of the UN General Assembly High-Level meeting on HIV and AIDS and advise the 46th meeting of the Programme Coordinating Board in June 2020.”

Accordingly, the Working Group determined that no additional action is required by the PCB to implement Formal Recommendation 1.

Formal Recommendation 3

14. The Working Group concurs with the JIU recommendation that the PCB “should revise its Modus Operandi to clarify its roles and responsibilities and embed oversight and accountability mechanisms in the oversight of UNAIDS and its secretariat.” The Working Group determined that the optimal means for implementing Formal Recommendation 3

would be for the PCB to approve an annex to the Modus Operandi which clarifies the Board's roles and responsibilities with respect to oversight and accountability of the Joint Programme. The Working Group has drafted a proposed annex to the Modus Operandi, attached to this report as Annex 2, and invites the Board to review and approve this new annex.

15. In reaching its decision to propose implementation of Formal Recommendation 3 through the addition of an annex, the Working Group considered a number of issues. The Working Group examined the strengths, weaknesses and gaps in current PCB oversight of the Joint Programme and identified areas where the PCB oversight and accountability functions should be clarified and/or strengthened. Legal counsel advised the Working Group that the PCB possesses the legal authority to amend the Modus Operandi. However, legal counsel also advised that the PCB lacked the ability to amend paragraphs 4 and 5 of the Modus Operandi, as this language was directly taken from the original ECOSOC resolutions (1994/24 and 1995/2) which had created the Joint Programme. Revisions to the language of paragraphs 4 and 5, legal counsel advised, could suggest an intention to revise the sense of the original ECOSOC resolutions, which the PCB is legally unable to do.
16. Taking into account legal counsel's guidance regarding the PCB's scope of authority with respect to changes to the Modus Operandi, the Working Group determined that the best means for implementing Formal Recommendation 3 would be through an annex to the Modus Operandi.
17. The draft annex addresses numerous areas of PCB oversight, including regular reporting from the Joint Programme, strategy development and implementation, financial management, ethics reporting, evaluation, human resource management and risk management, as well as a proposed new independent, external advisory committee to aid the Executive Director and the PCB in their governance functions (addressed below in the discussion of Formal Recommendation 5). The draft annex also clarifies the PCB's ability to approach ECOSOC in cases where a serious allegation against the Executive Director constitutes a governance issue (see discussion below regarding JIU Informal Recommendation 5). Approval of the proposed annex to the Modus Operandi would have no implications for ECOSOC resolutions 1994/24 and 1995/2, as only ECOSOC has the authority to modify or update these resolutions.

Formal Recommendation 5

18. The Working Group concurs with the JIU recommendation that the PCB "consider creating an independent and external oversight committee to provide independent expert advice to the PCB and to the Executive Director in fulfilling their governance and oversight responsibilities." The Working Group recommends that the PCB create such an independent, external oversight committee and invites the PCB to consider terms of reference for this committee, which the Working Group has drafted.
19. In examining Formal Recommendation 5, the Working Group was informed by legal counsel that there is no legal barrier to the PCB creating such a committee. Legal counsel informed the Working Group that the PCB could create an independent, external oversight advisory committee or create such a committee comprised solely of PCB members. The Working Group examined the relative value of these possible approaches and determined that the optimal approach would be to have an oversight body composed of experts who are independent of the Joint Programme or the PCB. On this question, the Working Group considered the practices and experiences of other UN bodies which have advisory oversight bodies in place, as well as the JIU documentation of best practices on oversight committees within the UN system. The Working Group has

provided the PCB with a draft term of reference for an advisory committee (provided in Annex 3). The draft terms of reference for an independent, external oversight advisory committee takes into account similar terms of reference governing oversight bodies within the UN system, as well as best practices identified by the JIU. As these terms of reference indicate, it is anticipated that the independent, external oversight advisory committee would be tasked with handling certain issues addressed in JIU recommendations, such as tracking and reporting on the implementation status of JIU recommendations and advising on the appropriate degree of audit coverage. The Working Group recommends that the proposed independent, external oversight advisory committee report to both the PCB and the Executive Director, in line with common (although not universal) practice within the UN system.

20. In drafting the proposed terms of reference for an independent, external oversight advisory committee, the Working Group took a number of considerations into account. The Working Group noted the need for this oversight advisory body to broadly mirror representation of the PCB and include factors such as geographic regions, gender and levels of national economic development, as well as inclusion of civil society. Language in the draft terms of reference aims to ensure that the oversight advisory committee is genuinely independent of the Joint Programme and that it avoids conflicts of interest.
21. The draft terms of reference provide that the no fewer than five and no more than seven members of the oversight body will have full and unrestricted access through the PCB Bureau to the information it needs to provide advice and guidance on oversight and accountability. The Working Group proposes that the initial term of oversight committee members be a mix of two and three years in order to stagger the transition to new members in and avoid a wholesale turnover in membership. Under the draft terms of reference, the oversight committee will report to the PCB and to the Executive Director on the operational implications for the Joint Programme on the issues or trends which the committee identifies through its work.

Informal Recommendation 4

22. The Working Group concurs with the JIU recommendation that “[t]he relevance and validity of the guiding principles [for cosponsoring organizations] should be re-evaluated, and stronger linkages between PCB and the governing boards should be explored.” An updated set of guiding principles, approved by the Committee of Cosponsoring Organizations, is attached as Annex 4. The Working Group recommends that the PCB consider these updated guiding principles. The Working Group also agreed on the importance of strong communication between the PCB and Cosponsor governing boards, and encourages action to be taken to improve linkages.
23. After examining the current guiding principles, the Working Group agreed that editorial changes to the guiding principles would allow for updated language that would align with current Joint Programme terminology (e.g. deleting reference to the Unified Budget and Workplan, which has been superseded by the Unified Budget, Results and Accountability Framework). The Working Group also agreed that modifications to the guiding principles would be advisable in light of important changes in the allocation of funding within the Joint Programme, implementation of a new operating model for UNAIDS, and changes in the broader HIV and global health environment.
24. The Working Group agreed that the language in the guiding principles could be streamlined, synthesized and made more action-oriented. Since Cosponsors had developed the current set of guiding principles, the Working Group looked to Cosponsors members to propose changes, which the entire Working Group then discussed. The revised set of guiding principles will be before the Board for discussion at the 47th

meeting before their final endorsement and implementation by the Committee of Cosponsoring Organizations.

25. With respect to linkages between the PCB and the governing boards of Cosponsors, the Working Group agreed that the PCB has an important role to play in highlighting the importance of HIV and the Joint Programme on the agendas of Cosponsors' governing boards. The Working Group articulated the need for continued efforts to sharpen and draft action-oriented PCB decision points, providing sufficient context and guidance to support Cosponsors' governing boards in their consideration of the implications of PCB decisions in their respective work. The Working Group agreed that Member States should work to ensure that relevant PCB discussions and decisions are referenced and raised at Cosponsors' governing board meetings, with the objective of keeping HIV on the agenda of each Cosponsor governing board.

Informal Recommendation 5

26. The Working Group partially concurs with Informal Recommendation 5, which provides that, "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."
27. Based on the advice from legal counsel, the Working Group discussed the roles of the PCB and the Secretary-General in relation to the handling of allegations against the position of the Executive Director. The Working Group agreed that the legal authority to implement Informal Recommendation 5, as written, rests with the Secretary-General. In reviewing legal counsel advice, the Working Group found that the PCB has oversight of the Joint Programme, but not of the Executive Director, and that ECOSOC is the body to which the PCB may report concerns affecting the integrity of UNAIDS. As a board, the PCB is not legally entitled to approach the Secretary-General directly regarding allegations against the Executive Director or other issues regarding the performance of the Executive Director. In the case that allegations or other performance issues relating to the Executive Director constitute a governance issue, the Working Group determined that the PCB's appropriate recourse is to raise these issues with ECOSOC. The Working Group found that processes and procedures available to the PCB in the event of a serious allegation against the Executive Director require greater clarity.
28. The proposed annex to the Modus Operandi clarifies the PCB recourse in situations where an allegation against the Executive Director constitutes a governance issue and thus could be raised with ECOSOC. The Working Group proposes that the PCB seek clarification from ECOSOC on processes and procedures in the event of a serious allegation against the Executive Director.

Informal Recommendation 6

29. The Working Group discussion on the JIU recommendation that the "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]" yielded partial support for the recommendation. The Working Group did not fully concur with Informal Recommendation 6, based on legal counsel's input that the language of paragraph 5 of the Modus Operandi is drawn verbatim from the original ECOSOC resolution on the Joint

Programme, and as such, any changes to the language may be seen as altering the intent of ECOSOC.

30. The Working Group determined that the intent of Informal Recommendation 6 could be realized through the proposed annex to the Modus Operandi, which specifies PCB oversight of regular reporting on internal and external audits and ethics matters. The Working Group also noted that the PCB regularized reporting to the PCB regarding audits and ethics issues, through decision 9.4 from the 45th PCB meeting, which provides that the PCB “[w]elcomes and affirms the commitment of the Executive Director to establish a regular stand-alone agenda item, in consultation with the Bureau of the Programme Coordinating Board, to cover internal and external audits, ethics, and other topics on accountability presented by the appropriate independent functions of their respective reports to the Board starting at the 46th Programme Coordinating Board meeting.” At its 46th meeting, the PCB considered as a formal agenda item (Agenda Item 9) organizational oversight reports, and asked the Executive Director in decision point 11.4 “to submit a written management response to external and internal auditors’ reports for all future PCB meetings within the agenda item ‘organizational oversight reports’”.

Informal Recommendation 7

31. The Working Group partially concurs with the JIU recommendation for the PCB 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.” Based on the advice of legal counsel, the Working Group determined that the PCB does not have the legal authority to petition the Secretary-General directly to establish term limits or to clarify performance expectations for the Executive Director. However, the Working Group concluded that alternate mechanisms are available to carry forward the substantive aims of Informal Recommendation 7, namely through ECOSOC and the Executive Director position directly.
32. With respect to term limits for the Executive Director, the Working Group reviewed the policies and practices of other UN bodies and found that most limit executive heads to no more than two terms of four to five years per term. The Working Group agreed that UNAIDS should align its practices with those within the broader UN system with respect to term limits of its executive head. Based on the advice of legal counsel, the Working Group proposes that the PCB recommend in its upcoming report to ECOSOC that a dialogue be opened with the Secretary-General to establish two four-year term limits, in line with best practices of the UN system.
33. The Working Group agreed with the JIU that additional clarity regarding performance expectations for the position of the UNAIDS Executive Director would be useful for oversight and accountability of the Joint Programme. The Working Group reviewed the practices of other UN entities and found that a number of agencies and organizations within the UN system have performance compacts in place which outline the performance expectations for executive heads. Agreeing that this approach offers a mechanism to clarify performance expectations for the executive head position of UNAIDS, the Working Group proposes that the PCB recommend in its upcoming report to ECOSOC that a dialogue be opened with the Secretary-General to establish performance expectations for the position of UNAIDS Executive Director, in line with the best practices of the UN system

Informal Recommendation 17

34. The Working Group concurs with the JIU's recommendation that, "In fulfilling the responsibility as chief representative of the financial status 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." The Working Group deemed this recommendation to have been effectively adopted in PCB Decision Point 9.4 at its 45th meeting. The Working Group determined that no additional action is needed from the PCB with respect to Informal Recommendation 17.

Informal Recommendation 18

35. The Working Group did come to a final position on the JIU recommendation that "[t]he Secretariat would benefit from the expansion of audit coverage to better reflect the Secretariat's field operations, where risks are higher compared with headquarters-based operations. The inspectors suggest [that the] 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."
36. The Working Group agreed with the JIU that the Secretariat's audit coverage should be as robust and strategic as possible. However, the Working Group felt that the determination of the optimal level of audit coverage, as the third line of defense in risk management, should be considered by those with expertise in the field of audit, and with more time to debate the merits of an increased number of country audits over time and cost investment into conducting audits. The Working Group has made the recommendation for consideration by the PCB that would direct the proposed independent, external oversight advisory committee to undertake a full assessment of the Secretariat's risk management strategy, including audit coverage, and make a formal recommendation to the PCB and the Executive Director on this matter.
37. In its consideration of Informal Recommendation 18, the Working Group took a number of issues into consideration. These included the financial and reputational risks which potentially could affect the Joint Programme, with particular attention to its operations in countries. The Working Group reviewed the Secretariat's three lines of defense against risk (management controls, compliance with reporting requirements and internal audits), including the possible effects on audit coverage of actions to strengthen the first and second lines of defense. The Working Group examined the Joint Programme mechanisms for assessing risks on an ongoing basis and for categorizing offices of functions based on degree of risk. The scope and limitations of current internal audit coverage were considered, and the Working Group also studied the costs of expanded audit coverage (estimated at USD 15 000 to USD 18 000 per country audit).
38. After considering the multiple, interdependent factors influencing the appropriate level of audit coverage, the Working Group determined that the independent, external oversight advisory committee would be best placed to make a recommendation to the PCB and the Executive Director regarding the optimal scope of audit coverage for the Secretariat.

Informal Recommendation 19

39. The Working Group agreed on the value of the JIU recommendation, with the caveat of partial concurrence that, "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.” In assessing Informal Recommendation 19, the Working Group agreed on the importance of a mechanism to track implementation of JIU recommendations and implementation of the UNAIDS response, but also took account of the potential for excessive reporting which could overburden the PCB. The JIU publishes recommendations not only on the operations of specific programmes such as UNAIDS, but also on broad thematic areas that apply to UN agencies more generally. The Working Group agreed that regular reporting on JIU recommendations is warranted, but that such reports should not be a regularized, stand-alone agenda item; they instead should be subsumed under broader oversight reporting. The Working Group discussed the suitability of the recommended independent, external oversight advisory committee as a mechanism by which updates on UNAIDS response to JIU recommendations could be reviewed and discussed and thereafter reported on to the PCB.

40. The Working Group recommends that the PCB requests regular reporting on implementation of JIU recommendations as a part of broader oversight reporting. The draft terms of reference for the independent, external oversight advisory committee, which the PCB is invited to consider, tasks the committee with the responsibility for monitoring and reporting on implementation of JIU recommendations.

[Annexes follow]

Annex 1: Working Group terms of reference and members



TERMS OF REFERENCE

Working Group of the Programme Coordinating Board (PCB) to propose options to implement the recommendations of the Joint Inspection Unit (JIU) to the PCB

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Working Group of the Programme Coordinating Board (PCB)

INTRODUCTION

In accordance with decision 9.2 of the 45th meeting of the UNAIDS Programme Coordinating Board (PCB), which took place from 10-12 December 2019, **9.2 Decides to establish, through its Bureau, a geographically balanced, time-bound PCB working group with a non-extendable mandate to review the relevant JIU recommendations addressed to the Board, and to provide an initial report on progress to the 46th Programme Coordinating Board and to provide its final report with implementation options for the consideration of the Programme Coordinating Board at its 47th meeting**, a working group is established.

BACKGROUND

The Joint Inspection Unit (JIU) is the only independent external oversight body of the United Nations system mandated to conduct evaluations, inspections and investigations system wide.

Its mandate is to look at cross-cutting issues and to act as an agent for change across the United Nations system. JIU works to secure management and administrative efficiency and to promote greater coordination both between UN agencies and with other internal and external oversight bodies. For the past 50 years, the Unit has been dedicated to assisting the legislative bodies of numerous United Nations organizations in meeting their governance responsibilities. JIU provides support in the context of these agencies' oversight function regarding human, financial and other resources. In its reports and notes, the Unit identifies best practices, proposes benchmarks and facilitates information-sharing throughout the organizations of the UN system that have adopted its Statute.

The review of the management and administration of the Joint United Nations Programme on HIV/AIDS (UNAIDS) (JIU/REP/2019/7) was conducted as part of the JIU's 2018 programme of work but was suspended in July 2018 due to the overlap of two other independent reviews, which were commissioned at that time. 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.

The response was completed on 13 November 2019, following receipt by the Executive Director of the JIU's final report.

The objective of the review was to provide an independent assessment of the regulatory frameworks and related practices concerning the management and administration of UNAIDS, with a view to highlighting areas for improvement. The review focused on the following areas:

- Strategic and operational planning;
- Governance;
- Oversight and accountability; and
- Human resource management and administrative services.

Based on the review, the Inspectors made formal and informal recommendations for improvement. Three (highlighted below) of the eight formal recommendations are to be considered by the Programme Coordinating Board (PCB) and five by the UNAIDS Executive Director. The Inspectors proposed an additional 25 informal recommendations. The compiled formal and informal recommendations are included in annex 1.

FORMAL RECOMMENDATIONS OF THE JIU

The review contains eight formal recommendations and twenty-five informal recommendations aimed at clarifying the strategic vision of UNAIDS, its secretariat and cosponsors by filling several critical gaps – in governance, oversight and accountability, human resources management and administrative services – to make it more efficient, effective and accountable. While all the recommendations are presented in annex 1, the Working Group is only expected to propose implementation options for those recommendations directed to the PCB. The formal recommendations are cited below for ease of reference. Relevant informal recommendations are highlighted in boxes in annex 1 for consideration by the Working Group.

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 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 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.

SCOPE OF WORK OF THE PCB WORKING GROUP

The Working Group is tasked to review the above **JIU recommendations 1, 3 and 5 as well as the relevant informal recommendations directed to the PCB and:**

- Provide a progress report to the Programme Coordinating Board at its 46th meeting in June 2020;
- Provide a final report with implementation options for the consideration of the Programme Coordinating Board at its 47th meeting in December 2020.

ESTABLISHMENT OF THE WORKING GROUP

Role of the PCB Bureau

As required by decision 9.2 of the 45th PCB meeting that the Working Group is established “through its Bureau”, the PCB Bureau, at its first and second meetings, discussed draft terms of reference of the Working Group including its composition and options for the chairing of the Working Group ([Bureau meeting notes](#)).

The PCB Bureau finalized the terms of reference for consideration by the PCB through intersessional decision making and selection of its membership.

In alignment with the Modus Operandi, the PCB Bureau may provide guidance and feedback as requested by the Working Group. The PCB Bureau is “intended to maximize the effectiveness and efficiency of the PCB.” As per the Modus Operandi, the PCB Bureau is charged with “facilitating the smooth and efficient functioning of PCB sessions, facilitating transparent decision making at the PCB, and providing guidance on PCB documentation as needed.”

Composition of the PCB Working Group

On the basis of the discussion of the PCB Bureau and drawing on the experience of the establishment of previous PCB working groups with reference to decision 6.5 of the 27th meeting of the PCB and decision 9.2 of the 45th PCB meeting as well as the exceptional discussions on the composition of this group at the 45th meeting of the PCB, the membership of the Working Group:

- shall be geographically balanced, timebound with a non-extendable mandate;
- composed of two Member states per region (for a total of ten Member states); two representatives from the NGO delegation; two representatives from the cosponsors;
- Member States through their ECOSOC regional groups (Africa, Asia, Eastern Europe, Latin America and the Caribbean, Western Europe and other Group), PCB NGOs and Cosponsors will put forth two consensus nominees to the PCB Bureau;
- the PCB Chair and Bureau will send, through UNAIDS Secretariat, a call to PCB members to nominate their representatives as per the above description of the membership;
- the PCB Bureau will announce the composition of the PCB Working Group. All information on the meetings of the Working Group will be available on the [PCB website](#); and
- To ensure that the Working Group is “geographically-balanced” (as each representative will maintain an advocacy role) and in accordance with the role mandated by the Modus Operandi to serve as a neutral moderator of the Board, the PCB Chair will serve as Chair of the Working Group. The Chair will facilitate the work of the Working Group and serve in a neutral capacity.

Recommended knowledge and skills for members of the Working Group:

- Familiarity with the work of UNAIDS, particularly at the Secretariat, at country, regional and/or global levels;
- Experience in UN Governance Bodies;
- In-depth knowledge and experience in:
 - Audit and ethics reviews;
 - International organisations and multi-cultural environments;
 - Risk management oversight; and
 - Oversight of public bodies.

Deliverables

In accordance with decision 9.2 of the 45th meeting of the Programme Coordinating Board, the Working Group is expected to:

- Present a progress report at the 46th PCB meeting in June 2020;
- Hold a PCB briefing on the options to be proposed at the 47th meeting of the PCB
- Present the final report with implementation options at the 47th PCB meeting in December 2020.

The Working Group is expected to have four meetings and one PCB briefing on the options that would be proposed in the final report for the consideration of the Board in December 2020. Background documentation as well as reports of the meetings of the Working Group will be posted on the [PCB website](#). As part of the process for all PCB documentation, the Working Group will provide regular updates to the PCB Bureau following each meeting. The methodology of these updates will be determined by the Working Group and the PCB Bureau.

Timeline

1. **Finalisation of draft TOR:** end January – fourth week of February 2020.
2. **Final approval of the TOR:** fourth week of February 2020 through intersessional decision-making process.
3. **Call for Membership:** first week of March 2020.
4. **Announcement of Composition of Working Group:** first week of March 2020
5. **First meeting:** mid-March 2020
Initial discussion and agreement on methodology of work
6. **Second meeting:** mid-April 2020
Discussion and agreement on approach to propose options for the implementation of the JIU recommendations to the Board.
7. **Presentation of the progress report to the 46th PCB meeting:** 23-25 June 2020
8. **Third meeting (Virtual):** mid-September 2020
Discuss the feedback of the Board on the progress in the review. Discussion and agreement on final proposed options.
9. **PCB briefing:** mid-October 2020
Briefing on the options proposed.

10. Fourth meeting: late-October 2020

Meeting to finalise PCB report based on feedback from PCB briefing

11. Presentation of the final report to the 47th PCB meeting: 15-17 December 2020

12. Review and endorsement of the final report by the PCB at the 47th PCB in December 2020.

Estimated Budget

Meetings of the Working Group	Estimated Costs
Meeting Costs (for a total of three in person-meetings- assuming they are held in Geneva)	\$9,000
Travel (six people for three meetings- flights @ \$ per person	\$50,400
Per diem (Six people for three meetings – 6 days @ \$ per day)	
Contingencies	\$6,500
PCB Briefing	\$5,300
Independent PCB Reports Writer	\$5,000
Total	\$76,200

Annex 1. Recommendations of the JIU

The recommendations relevant to the Working Group are in the bolded boxes below.

Formal Recommendations:

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.

Informal Recommendations:

Chapter II: strategic and operational planning

Informal Recommendation 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)

Informal Recommendation 2 The secretariat should designate a high-level official to be a central point of contact for the cosponsors, to coordinate communication and rebuild relationships at the global and technical levels. (para. 33)

Informal Recommendation 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

Informal Recommendation 4 The relevance and validity of the guiding principles [for cosponsoring organizations] should be re-evaluated, and stronger linkages between the PCB and the governing bodies of the cosponsors should be explored. (para 51)

Informal Recommendation 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 official handling oversight issues (e.g. ethics officers, 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)

Informal Recommendation 6 PCB may wish to revise paragraph 5 of the Modus Operandi, which covers the functions of PCB to establish [the practice of reports of the auditors and data and information on ethics activities and investigations being more critically assessed by the PCB. (para 75)

Informal Recommendation 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 UNAIDS, and more certainty in succession

Chapter IV: oversight and accountability

Informal Recommendation 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)

Informal Recommendation 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)

Informal Recommendation 10 [Training on risk management] needs to be conducted as a matter of priority. (para. 91)

Informal Recommendation 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)

Informal Recommendation 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)

Informal Recommendation 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 reexamine the MOU signed in 2008 and update its scope and arrangements, taking into consideration the implications for risks and resources. (para. 109)

Informal Recommendation 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)

Informal Recommendation 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)

Informal Recommendation 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)

Informal Recommendation 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 the PCB and answer any questions or concerns that the PCB members may have, which will also enhance the oversight responsibility of PCB. (para 122)

Informal Recommendation 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)

Informal Recommendation 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

Informal Recommendation 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)

Informal Recommendation 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)

Informal Recommendation 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)

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

Informal Recommendation 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

Informal Recommendation 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)

PCB WORKING GROUP

**Working Group of the Programme Coordinating Board (PCB)
to propose options to implement the recommendations of the
Joint Inspection Unit (JIU) to the PCB**

List of Participants

As at: 16 October 2020

MEMBER STATES - ETATS MEMBRES

African States - Etats d'Afrique

Liberia - Libéria

Mr Abraham Kurian Kamara
Second Secretary/Vice Consul, Permanent Mission of Liberia to the United Nations Office and other international organizations in Geneva, Switzerland

Namibia - Namibie

Ms Xungileni Chitundu
Second Secretary, Permanent Mission of Namibia to the United Nations Office and other international organizations in Geneva, Switzerland

Asian States - Etats d'Asie

India - Inde

Mr Sadre Alam
First Secretary, Permanent Mission of India to the United Nations Office and other international organizations in Geneva, Switzerland

Thailand – Thaïlande

Ms Cha-aim Pachanee
Researcher, International Health Policy Program (IHPP)
Ministry of Public Health

Eastern European States - Etats d'Europe orientale

Belarus - Bélarus

Mr Vadim Pisarevich
Deputy Permanent Representative, Permanent Mission of Belarus to the United Nations Office at Geneva and other international organizations in Geneva, Switzerland

Russian Federation – Fédération de Russie

Mr Eduard Salakhov
Health Attaché, Counselor, Permanent Mission of the Russian Federation to the United Nations Office at Geneva and other international organizations in Geneva, Switzerland

Latin American and Caribbean States - Etats d'Amérique latine et des Caraïbes

Brazil - Brésil

Mr Victor Campos Cirne
Third Secretary, Permanent Mission of Brazil to the United Nations Office at Geneva and other international organizations in Geneva, Switzerland

El Salvador – El Salvador

Ms Rosibel Menendez Espinoza
Minister Counsellor, Permanent Mission of El Salvador to the United Nations Office at Geneva and other international organizations in Geneva, Switzerland

Western European and Other States - Etats d'Europe occidentale et autres Etats

Canada - Canada

Mr Tim Poletti
Health Advisor, Permanent Mission of Australia to the United Nations Office at Geneva and other international organizations in Geneva, Switzerland

France - France

Mr François Gave
Deputy Permanent Representative, Permanent Mission of France to the United Nations Office at Geneva and other international organizations in Geneva, Switzerland

COSPONSORING ORGANIZATIONS – ORGANISMES COPARRAINANTS

United Nations Development Programme (UNDP) – Programme des Nations Unies pour le développement (PNUD)

Mr Ludo Bok
Manager SDGs and UNAIDS HIV, Health, & Development Group, United Nations Development Programme (UNDP)

International Labour Organization (ILO) – Organisation internationale du travail (OIT)

Ms Shauna Olney
Chief Gender, Equality and Diversity & ILO AIDS Branch, International Labour Organization (ILO)

REPRESENTATIVES OF NONGOVERNMENTAL ORGANIZATIONS/PEOPLE LIVING WITH HIV – REPRESENTANTS DES ORGANISATIONS NON GOUVERNEMENTALES / PERSONNES VIVANT AVEC LE VIH

Europe - l'Europe

Mr Alexander Pastoors
Representative international affairs, HIV Vereniging Nederland, Amsterdam, Netherlands

Latin America and the Caribbean - Etats d'Amérique latine et des Caraïbes

Mr Jumoke Patrick
Executive Director, The Jamaican Network of Seropositives, St. Andrew, Jamaica

Annex 2: PCB role in oversight and accountability of UNAIDS

Annex ... The Oversight and Accountability Roles of the Programme Coordinating Board

This annex supplements the modus operandi (MO) to clarify the oversight and accountability roles of the Programme Coordinating Board (PCB),² which are central to mitigating risks and strengthening the Joint United Nations Programme on HIV/AIDS (UNAIDS Joint Programme) so that it can better deliver on its critical role in the global HIV response.

In line with its mandate as the governing body of the UNAIDS Joint Programme, which is broadly defined in ECOSOC resolutions 1994/24 and 1995/2, the PCB has oversight and accountability responsibilities on all issues within the UNAIDS Joint Programme relating to:

1. Strategy development and implementation;
2. Resource allocations;
3. Performance monitoring;
4. Policy development and implementation;
5. Financial management; and,
6. Risk management.

To facilitate executing on its oversight and accountability responsibilities, the PCB has created an Independent External Oversight Advisory Committee (IEOAC) that will advise the PCB on the quality and level of financial reporting, governance, risk management, and internal controls within the UNAIDS Secretariat.

Processes and reporting to enable the PCB to fulfil its oversight and accountability roles include, but are not limited to:

1. Reports from the UNAIDS Joint Programme
 - Biannual reports from the Executive Director to the PCB;
 - Reports of the Committee of Cosponsoring Organisations to the PCB; and,
 - Intersessional communication from the Executive Director to the PCB on time-critical emergent issues of relevance to the PCB oversight and accountability roles (e.g. the detection of an incidence of major fraud). Further action on such communications will then be considered, as necessary, by the PCB Bureau during the intersessional period consistent with the MO.
2. Strategy Development and Implementation
 - Review and approval by the PCB of global UNAIDS strategies and their associated performance monitoring frameworks, noting that Cosponsor specific HIV strategies fall outside of the remit of PCB review and approval;
 - Reports and recommendations from the UNAIDS Joint Programme scientific and technical advisory committees;
 - Review and approval by the PCB of the UNAIDS Joint Programme operational plans and budgets for each financial period;

² Article 32 of the MO specifies that “The PCB may amend or supplement its modus operandi”.

- Regular financial and performance reporting to the PCB, with clear linkages between investments, outcomes and impact;
 - PCB field visits; and
 - The annual NGO Report to the PCB.
3. Financial Management
- The audited financial reports submitted annually to the PCB by the UNAIDS Joint Programme;
 - Review of direct reports submitted annually to the PCB on the UNAIDS Joint Programme from:
 - The External Auditor;
 - The Internal Auditor; and,
 - The Independent External Oversight Advisory Committee (IEOAC) – in addition to financial matters, this report will also cover other oversight areas.
4. Ethics
- The annual report of the UNAIDS Secretariat's Ethics Office
5. Evaluation
- The annual report of the UNAIDS Joint Programme Evaluation Office, as well as all reports on specific evaluations.
6. Human Resources
- The UNAIDS Secretariat annual update on strategic human resources management issues; and
 - The annual statement of the UNAIDS Secretariat Staff Association.
7. Risk management
- Regular reporting on risks, including the evolution of risks over time, and risk mitigation strategies.
8. Oversight of the UNAIDS Executive Director
- The Secretary-General holds the oversight role of the UNAIDS Executive Director position whereas the PCB is responsible for the oversight of the UNAIDS Joint Programme. Should matters arise where the PCB finds the UNAIDS Joint Programme mandate or its implementation is placed at risk by the performance of the Executive Director, the PCB may, with consensus of the PCB, raise any issue regarding the actions or performance of the UNAIDS Executive Director with ECOSOC.

In the exercise of its oversight and accountability functions, the PCB may make recommendations to the Executive Director and the cosponsoring organizations. The implementation of these recommendations shall be tracked through regular progress updates by the Executive Director to the PCB, with relevant inputs from the CCO. Where relevant and appropriate the recommendations will also be brought by the executive heads of the cosponsoring organizations to the attention of their governing boards. The individual Members of the PCB may also seek to bring the recommendations to the attention of the governing bodies of the cosponsoring organizations.

As standard practice, all reports and recommendations from independent oversight bodies approved by the PCB will receive formal management responses detailing agreed management actions (AMAs) with specified implementation timelines, which will be shared with the PCB. The PCB will hold the Executive Director, as appropriate, accountable for implementing all AMAs. The implementation of these AMAs will be tracked, with regular progress updates including reporting to the PCB.

Annex 3: Terms of reference of an external, independent oversight advisory committee

Terms of Reference

Independent External Oversight Advisory Committee of the Joint United Nations Programme on HIV/AIDS

Background

In 2019, the United National Joint Inspection Unit completed a review of the Joint United Nations Programme on HIV/AIDS (UNAIDS) and produced a report entitled “Review of the Management and Administration of UNAIDS” with a series of recommendations.

The JIU Formal Recommendation 5 reads: “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.”

[Placeholder if agreed: In December 2020 at the 47th meeting of the UNAIDS PCB, the PCB approved the creation of an independent oversight committee.]

Purpose

1. The Independent External Oversight Advisory Committee (IEOAC) is a subsidiary body of the UNAIDS Programme Coordinating Board (PCB) created under the authority of the PCB as set out by ECOSOC and outlined in the UNAIDS Modus Operandi (MO). The IEOAC is an advisory body mandated to provide independent, external, expert advice to the PCB and to the UNAIDS Executive Director in fulfilling their governance and oversight responsibilities, including assessing the effectiveness of the internal control systems, risk management and governance processes of UNAIDS. The IEOAC role is to strengthen accountability and oversight within UNAIDS.
2. The IEOAC provides advice to the PCB and the Executive Director on:
 - a) the quality and the level of financial reporting, governance, risk management, and internal controls within the UNAIDS Secretariat;
 - b) the responses and actions taken by the UNAIDS Secretariat management on internal and external audit recommendations;
 - c) the independence, effectiveness and objectivity of the internal and external audit functions; and
 - d) the interaction and communication between the PCB, the External Auditor, the Internal Auditor, the Ethics Officer, and UNAIDS Secretariat management.

Responsibilities

3. The specific responsibilities of the IEOAC include advising the PCB and the Executive Director on the following:

- a) Financial and performance reporting: consider issues arising from the audited financial statements and financial and performance reports produced for the PCB.
- b) Accounting: consider the appropriateness of accounting policies, standards and disclosure practices and any changes and risks thereto.
- c) External audit: review the scope, plan and approach of the External Auditor's work, and follow-up on external audit recommendations.
- d) Internal audit: review the scope, plan, resources, performance of the internal audit function and the Internal Auditor, and the appropriateness of the independence of this function, and follow-up on internal audit recommendations.
- e) Risk management and internal controls: review the effectiveness of UNAIDS Secretariat internal control systems, including management and internal governance practices.
- f) Financial regulations and rules: consider the operation and effectiveness of the financial regulations.
- g) Compliance: review the systems established by the UNAIDS Secretariat to maintain and promote compliance with laws, regulations, policies and high standards of integrity and ethical conduct to prevent conflicts of interest.
- h) Monitor issues and trends arising from UNAIDS Secretariat financial and performance reporting, including audit reports, and advise the PCB on implications to UNAIDS;
- i) Review and advise on the ethics function, investigation function, and measures taken to prevent fraud;
- j) Track all JIU reports issued, and recommendations relevant to UNAIDS;
- k) Review the reports of the internal auditor and monitor the number of open investigations and progress on completion of investigations on allegations of misconduct against UNAIDS Secretariat staff;
- l) Establish an annual work plan including the follow-up and monitoring of any internal and external oversight recommendations;
- m) Provide annual update to the PCB; and
- n) Perform any other duties consistent with the mandate as requested by the PCB.

Authority

4. Through the PCB Bureau, the IEOAC shall have the necessary authority, including, full access to information and records within the UNAIDS Secretariat in order to fulfil its responsibilities, subject to issues of privacy and confidentiality. Access to information and records will be requested through the PCB Bureau.
5. The IEOAC will have unrestricted and confidential access to the Internal Auditor, the External Auditor and the Ethics Officer.
6. The IEOAC Terms of Reference may be reviewed and revised as necessary in order to best respond to emerging priorities and new challenges. Any proposed amendment to the Terms of Reference shall be submitted to the PCB through its Bureau for approval.

7. The IEOAC, as an advisory body, has neither executive authority nor other operational responsibilities.

Composition

8. The IEOAC shall be comprised of not fewer than five and up to seven independent expert members serving in their personal capacity in an ethical manner.
9. To undertake their role effectively, members of the IEOAC must possess knowledge, skills and senior-level experience in at least one of the following areas:
 - (a) finance and audit;
 - (b) organization governance and accountability structure;
 - (c) risk management and internal control;
 - (d) investigations; and
 - (e) senior-level management.Collectively, the committee shall possess knowledge, skills and senior-level experience in all of the above areas.
10. Membership should reflect the composition elements of the PCB with due regard to:
 - (a) geographic distribution according to ECOSOC;
 - (b) gender balance;
 - (c) public, private and not-for-profit sector experience; and
 - (d) levels of country economic development.
11. All IEOAC members must possess a strong understanding of UN and/or intergovernmental organizations.
12. All IEOAC members shall be proficient in at least one of the two working languages of UNAIDS.
13. Members should have an understanding of the mandate, values and objectives of the UNAIDS Joint Programme, the accountability structure, the relevant rules governing it, and its organizational culture and control environment.

Independence

14. Since the role of the IEOAC is to provide objective advice, members shall remain independent and free of any real or perceived conflict of interest.
15. Members of the IEOAC shall:
 - a) not engage in activity that could pose a conflict of interest that could impair their independence with UNAIDS;
 - b) not currently be, or have been within the three years prior to appointment to the IEOAC, employed or engaged in any capacity by the UNAIDS Secretariat or have an immediate family member working for, or having a contractual relationship with, the UNAIDS Secretariat; nor shall the member have been

- an applicant for employment at the UNAIDS Secretariat within the same time period;
- c) not currently be, or have been within the three years prior to appointment to the IEOAC, member of a delegation to the UNAIDS PCB nor have an immediate family member serving as a member of a delegation to the PCB;
 - d) not currently be, or have been within the three years prior to appointment to the IEOAC, an employee of a member of the United Nations Panel of External Auditors or a member of the Joint Inspection Unit; and
 - e) not be eligible for any senior employment with the UNAIDS Secretariat for three years immediately following the last day of their tenure on the IEOAC.
16. IEOAC members shall serve in their personal capacity and shall not seek or accept instructions concerning their work on the IEOAC from any government, constituent or other authority internal or external to UNAIDS.
17. Prior to the first scheduled meeting of the IEOAC in each calendar year, members of the IEOAC shall sign an annual declaration of independence and statement of financial interests. Members shall also inform the Chair of the PCB of any change in their professional situation, or any other matter that could be perceived to influence their independence or capacity to act. In addition, members shall sign a declaration of confidentiality regarding their work as a member of the IEOAC.

Selection, Appointment and Term

18. Members of the IEOAC shall be appointed by the PCB following a selection process as set out in the following paragraphs.
19. The UNAIDS Executive Director shall in consultation with the PCB Bureau:
- a) place a call for expressions of interest from suitably qualified and experienced individuals through advertisements in reputable international magazines and/or newspapers with wide geographical circulation, and on the Internet;
 - b) inform the PCB members and observers of the search process.
 - c) engage an external consultant or a professional search firm specialized in the recruitment for senior positions, to screen all applications, interview candidates deemed suitable, and prepare a shortlist of the most suitable candidate based on the criteria for recruitment. In finalizing the shortlist due regard will be given to the diversity referred to in Paragraph 10. The consultant shall provide a report containing a brief assessment of the unsuccessful candidates; and
 - d) constitute a selection panel; decisions of the selection panel will be made by consensus; if consensus cannot be reached, the issue will be referred to the PCB Bureau.
20. The PCB Bureau shall review the final selection of candidates and, if in full agreement, refer it to the PCB for final consideration and approval. If full agreement cannot be reached by the Bureau, the issue will be referred to the PCB.

21. Members of the IEOAC are appointed to serve a term of two years. Terms are renewable for a second and final term of two years, which need not be consecutive. However, in the inaugural IEOAC, half of the Committee members will be asked to serve a single three-year term so as to allow for a staggered replacement of members at the time of renewal, thereby ensuring that all members do not complete their terms at the same time. Thereafter, all renewable terms will be for two years only.
22. The position of Chair will be rotational and shall be selected by the IEOAC members from among their number; the Chair shall serve in this capacity for a maximum of one term of their membership of the IEOAC.
23. A member of the IEOAC may resign his/her membership by giving notice in writing to the Chair of the PCB. A special temporary appointment for the remainder of the outgoing member's term shall be made in accordance with the provisions set out in paragraph 19 to cater for such a vacancy.
24. A member appointed by the PCB as laid down in paragraph 23 shall be eligible for reappointment to the IEOAC for a second and final term.
25. An appointment to the IEOAC may only be revoked by the PCB.

Meetings

26. The IEOAC shall meet, in principle two times per year, normally in March and September. A third meeting may be called in the intervening months if deemed necessary. The exact number of meetings per year will depend on the agreed workload for the IEOAC and the most appropriate timing for consideration of specific matters. Interpretation shall be provided during the meetings, as necessary, in the two working languages of UNAIDS.
27. Subject to these terms of reference, the IEOAC may establish its own rules of procedure to assist its members in executing their responsibilities. The IEOAC rules of procedure shall be communicated to the PCB for its information.
28. The IEOAC deliberations shall be through group discussion. As such members are expected to attend all scheduled sessions of the Committee. As members serve in a personal capacity, alternates are not permitted.
29. UNAIDS officials with functions relevant to the items on the agenda of the IEOAC may be invited to join a meeting by the IEOAC.

Reporting

30. The Chairperson of the IEOAC will present an annual report containing advice, observations and recommendations as appropriate, in writing for consideration by the PCB; an in-person report by the Chairperson of the IEOAC may be requested by the PCB.

31. Interim reports addressing key findings and matters of importance may be submitted to the PCB Bureau at the discretion of the IEOAC or request of the PCB Bureau at any time. The Chairperson of the IEOAC may inform the Bureau at any time of any serious governance issue.
32. To promote transparency, IEOAC meeting notes will be posted publically on the UNAIDS website. If agreed by the PCB Bureau, meeting notes may be redacted to remove private and confidential information.

Administrative Arrangements

33. Members of the IEOAC will provide their services pro bono.
34. Members of the IEOAC shall, in accordance with the travel procedures applying to members of the PCB:
 - a) receive a daily subsistence allowance for periods of attendance at IEOAC meetings or when on other official IEOAC business; and
 - b) for those not residing in Geneva or the Geneva/France border communities, be entitled to reimbursement of travel expenses to attend the IEOAC sessions.
35. The UNAIDS Secretariat shall provide logistical and administrative support to the IEOAC.
36. Periodic external review of the IEOAC performance should be conducted self-assessment every year and independent evaluation 2 years with a report to the PCB.

Annex 4: Cosponsor guiding principles

1. The organization brings an identifiable comparative advantage to the Joint UN Programme on HIV/AIDS and has a mandate to carry out activities related to HIV.
2. The organization is a United Nations system body.
3. The organization's Executive Head and its senior leadership regularly engage in the development and review of the policies and frameworks of the Joint UN Programme on HIV/AIDS through the Committee of Cosponsoring Organizations (CCO).
4. There is a commitment to participate in the Unified Budget Results and Accountability Framework (UBRAF) or any other future iteration, including assistance in mobilizing resources for this.
5. The organization has a strategy and framework that contributes to the goals of the Joint UN Programme on HIV and AIDS.
6. The organization's governing body considers how the organization is addressing HIV within its mandate and policies.
7. The organization designates its own resources to fund HIV-related issues, including through dedicated staff.
8. The organization has resources and capacity at regional and country levels available to support the implementation of HIV-related activities.
9. In countries with a Cosponsor presence the organization actively participates in Joint UN Teams on HIV/AIDS at the country level.
10. The organization implements a clear, well-disseminated stand-alone or integrated HIV workplace policy.

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