

**REPORT OF THE PCB BUREAU ON UNAIDS'  
FUNDING SITUATION BASED ON THE  
RECOMMENDATIONS OF THE INFORMAL  
MULTISTAKEHOLDER TASK TEAM**

**Report prepared by the PCB Bureau**

**Additional documents for this item:**

Joint United Nations Programme on HIV/AIDS- Resource Mobilization Strategy (2022-2026) UNAIDS/PCB (51)/CRP1

Report of the UNAIDS Structured Funding Dialogue UNAIDS/PCB (51)/CRP2

**Action required at this meeting—the Programme Coordinating Board is invited to:**

See draft decision points in the paragraphs below.

46. *Take note* of the report of the PCB Bureau and welcome with appreciation the work and recommendations of the informal multistakeholder task team on UNAIDS funding situation as endorsed by the PCB Bureau;
47. *Acknowledge* the efforts of the Executive Director, jointly with the Committee of Cosponsoring Organizations, and the progress made since the 50th PCB meeting in implementing urgent measures and solutions to mitigate the risk of the immediate core UBRAF funding shortfall, including the development of an ambitious Joint Programme Resource Mobilization Strategy;
48. Building on the work of the Task Team, *request* the PCB Bureau to establish a PCB Working Group to support the Executive Director in the implementation of the recommendations presented in the report of the Bureau (PCB/51/22.33); and
49. *Request* the Executive Director to:
  - a. continue implementation of the recommendations put forward by the PCB Bureau on UNAIDS's funding situation, based on the recommendations of the informal multistakeholder task team; and
  - b. report to the PCB at the 52nd PCB meeting on UNAIDS's funding situation, including the outcome of the work of the PCB Working Group and the remaining challenges to ensure a fully-funded UBRAF.

**Cost implications for the implementation of the decisions:** *none*

## Table of contents

<b>Executive summary .....</b>	<b>4</b>
<b>Introduction.....</b>	<b>6</b>
<b>An update on the Joint Programme funding situation .....</b>	<b>6</b>
<b>The work of the Task Team and the review of Task Team recommendations by the PCB Bureau.....</b>	<b>8</b>
<b>Addressing the immediate funding crisis for the 2022–2023 biennium: the Task Team’s recommendations and options, and follow-up actions to date .....</b>	<b>9</b>
Currency fluctuations .....	9
Co-investment to the Global Fund and the Joint Programme.....	9
Urgent resource mobilization efforts to close the immediate budget gap.....	10
<b>The Task Team’s recommendations and options for sustainable funding for the Joint Programme.....</b>	<b>11</b>
Making end-of-year increases in PCB members’ support to UNAIDS permanent.....	11
Smoothing currency fluctuations to reduce the long-term risk of loss of funds .....	11
Co-investment in the Joint Programme and the Global Fund .....	11
Increasing the engagement of Cosponsors in mobilizing full funding for the UBRAF ...	12
Mobilization of funding from the private sector .....	12
Matching funds from Programme countries.....	12
<b>The UNAIDS Structured Funding Dialogue .....</b>	<b>13</b>
Key actions to implement the Task Team recommendations as endorsed by the PCB Bureau.....	13
<b>Conclusion .....</b>	<b>14</b>
<b>Proposed decision points .....</b>	<b>14</b>
<b>Annex 1.....</b>	<b>16</b>
<b>Annex 2.....</b>	<b>18</b>
<b>Annex 3.....</b>	<b>23</b>

## Executive summary

1. UNAIDS confronts a financial crisis that threatens its ability to lead efforts to fully and effectively implement the Global AIDS Strategy. After multiple biennia in which core funding for the Joint Programme fell short of the amounts budgeted, the funding gap has become especially severe in 2022, with annual funding projected to fall US\$ 58 million short of full funding of the Unified Budget, Results and Accountability Framework (and US\$ 35 billion short of minimum base core funding). An important contributing factor to the 2022 funding gap has been the volatile fluctuations in currency exchange rates, which have sharply diminished the dollar value of contributions to the Joint Programme.
2. At a time when intensified efforts are needed to address the inequalities and gaps in the HIV response that slow progress towards ending AIDS, the UNAIDS funding crisis has potentially dire implications for the broad HIV response. As an example, the UNAIDS shortfall has the potential to undermine the success of funds made available to countries through the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), which depends heavily on the Joint Programme for the technical support that is required to ensure that HIV-related grants are sound, strategic and effectively implemented to achieve their intended results.
3. Recognizing the serious threat posed by the funding crisis, the Programme Coordinating Board at its 50th meeting requested the PCB Bureau to urgently convene an informal, multistakeholder task team to identify options and formulate recommendations for addressing both the immediate funding crisis and the longer-term challenge of ensuring sustainable funding for the Joint Programme. The Task Team, co-chaired by Tunisia and the United States of America, held five hybrid meetings between July and November 2022. During these meetings, the Task Team received periodic reviews of the Joint Programme's financial situation, requested financial analyses to inform its work and reviewed the updated Joint Programme Resource Mobilization Strategy for 2022–2026. In July 2022, the Task Team submitted an initial set of recommendations to address the immediate funding crisis, which the PCB Bureau endorsed. This report summarizes the breadth of the Task Team's recommendations, covering both the immediate crisis and sustainable funding options.
4. The Task Team's options and recommendations for closing the Joint Programme's resource gaps are summarized in **Annex 1**. Options to address the immediate funding crisis include:
  - actions to protect the Joint Programme from the effects of currency fluctuations;
  - leveraging the Joint Programme's unique added value to the Global Fund by encouraging co-investment to the Global Fund and the Joint Programme; and
  - ensuring solidarity and engagement by the Programme Coordinating Board, and encouraging Board members to exercise a duty of care to the Joint Programme by increasing their voluntary contributions (by US\$ 1 million for Board members of countries in the high- and upper-middle-income category and by US\$ 500 000 for Board members of countries in the low- and lower-middle-income category).
5. To ensure sustainable funding for the Joint Programme, the Task Team recommends the following actions:
  - encourage Board members to make the proposed, enhanced end-of-year contributions in 2022 permanent;
  - encourage donors to enter into multiyear funding agreements with UNAIDS, with the aim of effective, long-term management of currency fluctuations, thereby improving the reliability and stability of resources to the Joint Programme;

- further leverage the Joint Programme's relationship with the Global Fund by (a) encouraging donors to make balanced contributions to the two organizations, with a particular focus on mobilizing UNAIDS funding from donors that currently make substantial contributions to the Global Fund but minimal contributions to the Joint Programme, and (b) seeking various forms of financial contributions to the Joint Programme from the Global Fund;
  - enhance the engagement of Cosponsors in supporting resource mobilization for full funding for the Unified Budget, Results and Accountability Framework;
  - intensify resource mobilization targeting the private sector; and
  - encourage Programme Countries to match the Joint Programme's core country investments.
6. The Task Team has determined that these options and recommendations, taken together, offer promising avenues for mobilizing funding for the Joint Programme. Fully realizing the potential of these options and recommendations will require smart and effective implementation of the new Joint Programme Resource Mobilization Strategy 2022–2026, as well as the active engagement and solidarity of the full Programme Coordinating Board.

## Introduction

7. The UNAIDS Programme Coordinating Board (PCB), at its [50th meeting](#) in June 2022, requested the Bureau to urgently convene an informal multistakeholder task team consisting of PCB members, observers, cosponsors, the PCB NGO delegation, and other stakeholders to explore options for resolving the immediate funding crisis for the 2022–2023 biennium. The PCB asked the Bureau to report back to the full PCB electronically by 30 July 2022 on outcomes and recommendations of those discussions. The PCB further asked the Bureau to use the informal multistakeholder task team to develop recommendations, prior to the UNAIDS Structured Funding Dialogue at the end of October 2022, and for submission to and consideration by the full PCB at its December 2022 meeting, for voluntary-based sustainable funding for the Joint Programme.
8. This report from the PCB Bureau summarizes the recommendations and options for addressing the Joint Programme's funding crisis. Following an update on the funding situation and a description of how the Task Team undertook its work, the report describes the recommendations and options for addressing the immediate funding crisis, as well as steps taken by the Secretariat and the Task Team to implement these recommendations. The report also identifies the Task Team's recommendations and options for mobilizing voluntary-based sustainable funding for the Joint Programme (Annex 2).
9. As the report explains, addressing the immediate funding crisis and mobilizing full, sustainable funding for the UBRAF will require active engagement in and ownership of resource mobilization responsibilities by the Board, the Joint Programme, and the Secretariat. Swift and full implementation of the new Joint Programme Resource Mobilization Strategy is essential. Full and reliable funding of the Unified Budget, Results and Accountability Framework (UBRAF) must build on the advocacy of people living with HIV, communities and civil society. It is especially important that the boards and secretariats of UNAIDS and the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) work together urgently to resolve the Joint Programme's funding situation, which threatens the ability of UNAIDS to support countries and ensure robust implementation of Global Fund grants.

## An update on the Joint Programme funding situation

10. The UBRAF 2022–2026, approved by the PCB at its 49th meeting, sets out a budget for the Joint Programme of US\$ 210 million in annual funding, including US\$ 187 million in base funding. The UBRAF identifies 10 results areas and 10 strategic outcomes (with clear outputs and associated indicators for UNAIDS), which are explicitly linked to the Global AIDS Strategy that will catalyse actions needed to end HIV-related inequalities and close gaps in the HIV response and contribute to getting the global response on-track by 2025 to end AIDS as a public health threat by 2030. The UBRAF provides the operational framework for the Joint Programme's contribution to implementation of the Global AIDS Strategy, endorsed by the PCB at its 48th meeting.
11. Since the PCB was briefed at its 50th meeting, the UNAIDS funding situation has further deteriorated. As of 1 November 2022, the Joint Programme had mobilized US\$ 126.9 million in core UBRAF funding, with a number of expected contributions from consistent donors still outstanding. UNAIDS estimates that it will receive core contributions in 2022 of only US\$ 150 million, which would leave the Joint Programme US\$ 37 million below the base funding target and US\$ 60 million below the approved budget of US\$ 210

million. Numerous multilateral organizations are struggling with similar dynamics, as the continuing effects of the COVID-19 pandemic, the war in Ukraine and an escalating debt crisis are combining to place considerable stress on many global entities.

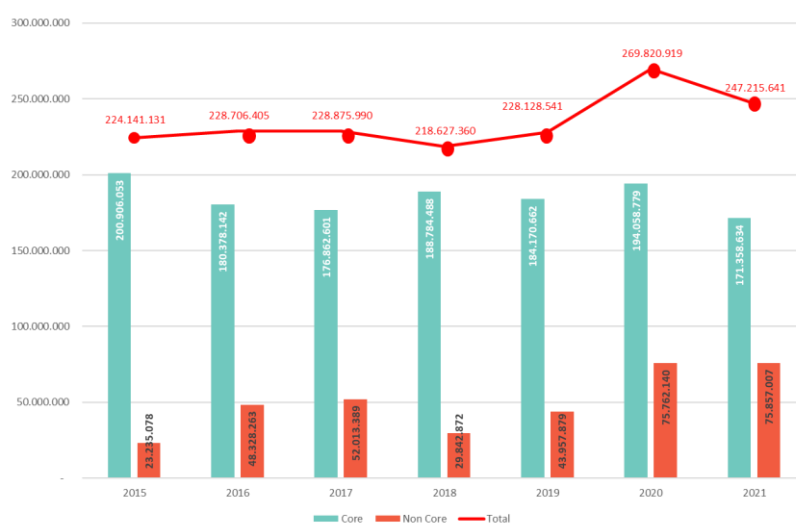
12. Arguably the most important factor in the Joint Programme's worsening financial situation has been the volatility of currency exchange rates as a result of the war in Ukraine and the markedly increased strength of the US dollar. As of October 2022, UNAIDS had experienced a loss of US\$ 22 million as a result of exchange rates (compared to June 2021). In fact, the top 10 donors to the core UBRAF in 2021 all maintained or increased the level of their contributions to the 2022 UBRAF in their domestic currencies, but currency fluctuations have reduced the dollar value of these contributions.
13. Overall, the current situation reflects a continuation of longer-term trends, as core UBRAF funding has remained below budgeted levels for several biennia. In 2021, amounts mobilized amounted to 70.8% of the UBRAF resource mobilization target.
14. In response to the funding shortfalls, UNAIDS has taken steps to do more with less. It continues to implement a refined operating model, with the aim of deploying human and financial resources where they are needed most, reinvigorating country-level work and contributing to United Nations (UN) System-wide coherence and effectiveness. The organizational realignment has reduced staff costs, accelerated the relocation of staff closer to the people we serve and optimized the efficient use of finite resources. UNAIDS has expanded its multicountry offices, particularly in locations experiencing a lower burden of HIV. Leveraging opportunities from ongoing UN reform, UNAIDS is partnering with the Resident Coordinator system in new ways, notably by embedding HIV advisors in Resident Coordinator Offices in five strategic locations. UNAIDS has implemented a hiring freeze and has successfully reduced travel costs.
15. However, on their own these cost-saving measures are insufficient to address the breadth and depth of the funding crisis. The acute shortfall in UBRAF funding has confronted the Joint Programme with difficult choices and has jeopardized UNAIDS's ability to deliver on the goals and targets set forth in the UBRAF. As a result of the funding crisis, the Secretariat has withheld a portion of this year's allocation to the Cosponsors, which, while necessary in the current financial situation, has inevitably diminished the Cosponsors' global-level capacity. In the aftermath of the world's failure to achieve of the 2020 Fast-Track targets, the UBRAF the Global AIDS Strategy on which it is based both recognize the need for even greater and more intensive action to close HIV-related inequalities and get the response on-track. The failure to fully fund the UBRAF and the further deterioration of the Joint Programme's financial situation imperil the Joint Programme's ability to continue and further intensify its vital roles in the global HIV response.
16. While core funding has declined since 2015, non-core funding to the Secretariat has increased, rising from US\$ 40 million in 2014 to US\$ 73.5 million in 2021 (see Figure 1). Although the increased availability of non-core funding has supported important programming in various country and epidemic contexts, non-core funding is not a substitute for predictable, sustainable core funding. Core funding supports the Joint Programme's recognized strengths: leadership, advocacy, partnerships, convening power, strategic information (including global monitoring of progress), community mobilization, UN coordination (including through Joint UN Teams on AIDS for country implementation), inclusive governance and mutual accountability and the backbone of the administration and operation of the organization. Non-core funding fluctuates considerably from one year to the next and is typically earmarked for specific purposes. Non-core funding received by the Secretariat is frequently tightly earmarked for specific

donor priorities, but UNAIDS takes steps to ensure that it is aligned with the strategic directions and output results of the UBRF. These funds rarely become available to Cosponsors. The combination of the decline in core funding with the increase in non-core funding risks the uniqueness of UNAIDS as a joint programme.

**Figure 1. Core and non-core funding for the Joint Programme, 2015–2021**

### How much? Core and Non-Core Funding

UNAIDS Revenue 2015-2021 (core and non-core) USD



Note: The Non Core funding received is aligned to the UBRF.

2030 | Ending the AIDS epidemic



### The work of the Task Team and the review of Task Team recommendations by the PCB Bureau

17. Drawing on previous experiences of the Secretariat in establishing working groups, the [UNAIDS PCB Bureau](#) developed Terms of Reference (Annex 3) and issued an open call for nominations from the various constituencies and external partners with fundraising expertise and experience. Following the open call for nominations, the [Bureau](#) selected 18 members to participate in the geographically and gender balanced informal multistakeholder task team ([Biographical statements for members of the Task Team](#)).
18. The Task Team held five virtual meetings, the first on 15 July 2022 and the final one on 1 November 2022. During the five meetings, the Task Team received updates on UNAIDS's financial situation, as well as reports on the development of the Joint Programme Resource Mobilization Strategy 2022–2026. At its first meeting, the Task Team elected Dr Mohamed Chakroun from Tunisia and Ms Julia Martin from the United States of America (USA) to serve as co-chairs. The Task Team approved its [working modalities](#).



19. The first two meetings of the Task Team focused on options for addressing the Joint Programme's immediate funding crisis. On 28 July 2022, the [PCB Bureau](#) issued a report summarizing the Task Team's recommendations and options. In subsequent meetings, it followed up on its recommendations and developed recommendations and options for longer-term, sustainable funding for the Joint Programme. The PCB reviewed the Task Team's recommendations on 10 November 2022 and finalized this report, which reflects the PCB Bureau's endorsement of the action steps outlined in this report.

### **Addressing the immediate funding crisis for the 2022–2023 biennium: the Task Team's recommendations and options, and follow-up actions to date**

20. In its interim report of 28 July 2022 on the immediate funding crisis, the Task Team identified and the PCB Bureau endorsed options on three sets of issues. After the interim report had been issued, Task Team co-chairs worked with the Secretariat to follow up on those options.

#### **Currency fluctuations**

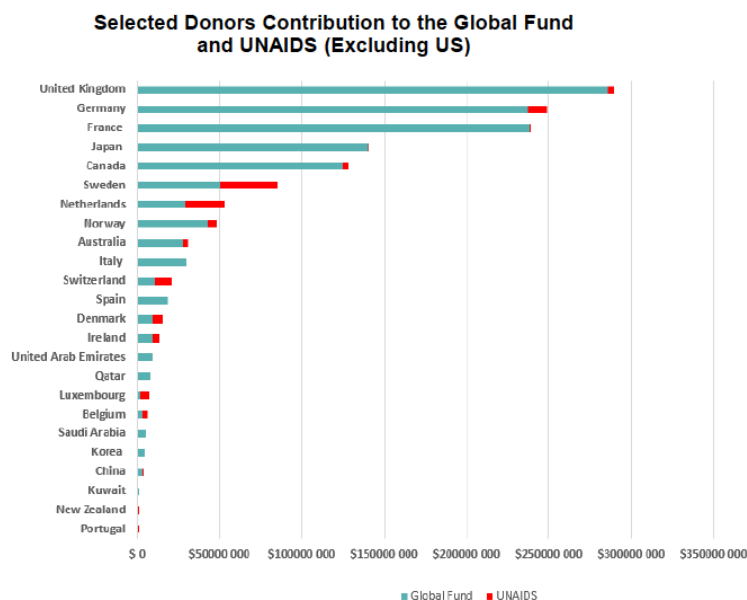
21. To compensate for and protect against losses in contributions to the Joint Programme due to currency fluctuations, the Task Team identified and the PCB endorsed two recommendations. The first is to request governments to increase their 2022 and 2023 contributions to the Joint Programme with amounts equal to the loss of funds received by UNAIDS as a result of changes in foreign currency exchange rates. In addition, the Task Team recommended that the Secretariat develop a memorandum of understanding with donors to ensure that contributions to UNAIDS are made using preferential currency rates (as determined by each donor).
22. Following the PCB Bureau's interim report of 28 July 2022, the Secretariat engaged in conversations with numerous donors regarding the feasibility of these options. Neither of the options are likely to generate substantial additional funding in 2022, as most donors have already made their contributions and would have difficulty altering contributions that have already been finalized. However, the Task Team determined and the PCB Bureau agreed that these options should guide resource mobilization efforts beginning in 2023.

#### **Co-investment to the Global Fund and the Joint Programme**

23. Although the Global Fund is heavily dependent on technical support from UNAIDS, contributions by most donors to the two organizations are seldom linked. Indeed, a number of major donors to the Global Fund, including some who participate in the PCB (either as board members or as part of constituencies represented on the PCB), make minimal contributions to UNAIDS.
24. The PCB Bureau endorsed the Task Team's recommendation that the Secretariat encourage simultaneous announcements by donors of co-investments to the Joint Programme. At the Global Fund replenishment earlier this year, a number of donors expressly linked their contributions to the Global Fund to support for UNAIDS. The Joint Programme had high visibility at events associated with the Global Fund replenishment, raising the UNAIDS profile among donors.
25. In addition, the Task Team recommended that governments take immediate steps to ensure proportionate contributions to both the Global Fund and the Joint Programme.

Following up on this recommendation, the Secretariat has undertaken analyses comparing the percentage of overall funding from individual donors for the Global Fund and the Joint Programme.

**Figure 2. Selected donors' contributions to the Global Fund and UNAIDS (excluding the USA)**



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

26. A separate analysis compares each donor's percentage of funding to the Joint Programme with their assessed contribution to the World Health Organization (WHO; see Figure 3). In line with the emphasis in the new Joint Programme Resource Mobilization Strategy for 2022–2026 on strong value propositions, the Task Team stressed the importance of a clear and compelling narrative regarding the added value of UNAIDS to the success of the Global Fund.

[Place holder for Figure 3]

### Urgent resource mobilization efforts to close the immediate budget gap

27. Consistent with the common understanding of the duties of governing boards, the Task Team agreed that PCB members have a duty of care to ensure the solvency and sustainability of the Joint Programme. The Task Team emphasized the importance of a "fair share" approach to funding of the Joint Programme. At a time of financial peril for the Joint Programme, the Task Team determined that PCB members could do more to address the immediate funding crisis.
28. The PCB Bureau endorsed the Task Team's recommendation that each of the 11 donor PCB members, as well as individual high-income members of PCB donor constituencies, each increase their voluntary commitment to UNAIDS by US\$ 1 million. The Task Team also recommended that the 11 low- or lower-middle-income PCB Member States be asked to contribute US\$ 500 000 to the Joint Programme.
29. Following up on these recommendations, the Task Team co-chairs joined with the UNAIDS Executive Director in sending letters to the permanent missions in Geneva of

these countries, requesting the increases in voluntary contributions. Similar letters are being sent to Member States that belong to PCB constituencies, but do not sit on the PCB itself. The Secretariat and Task Team co-chairs are currently engaged in discussions with various donors to advocate for these additional year-end contributions. The PCB Bureau recommended that the Executive Director send letters seeking end-of-year funding to all UN Member States.

### **The Task Team's recommendations and options for sustainable funding for the Joint Programme**

30. The Task Team has developed a series of recommendations to buttress longer-term funding of the Joint Programme, with the aim of ensuring the sustainability of UNAIDS. After reviewing and providing feedback on the Task Team's recommendations, the PCB Bureau endorsed the following recommendations and it invites the full PCB to discuss them at its 51st meeting in December 2022.

Making end-of-year increases in PCB members' support to UNAIDS permanent

31. The Task Team recommended that the urgent increases in PCB members' support through end-of-year fundraising in 2022 be made permanent. This would effectively increase the standard, going contribution of donors to UNAIDS and help reduce the long-term funding gap and contribute towards full funding of the UBRAF throughout the period covered by the current Global AIDS Strategy (2022–2026).

Smoothing currency fluctuations to reduce the long-term risk of loss of funds

32. The Task Team recommended additional efforts to encourage donors to enter into multiyear funding agreements with UNAIDS. Options for the pertinent multiyear period include the Global AIDS Strategy cycle or the Global Fund replenishment cycle. In alignment with its recommendations to address the short-term funding crisis, the Task Team recommended that UNAIDS enter into a memorandum of understanding with donors for the use of preferential currency rates or other steps in such multiyear agreements to reduce the effects of currency fluctuations. Upon endorsement of this recommendation by the full PCB, it is recommended that the Executive Director make formal requests to all UNAIDS donors to enter into multiyear agreements with preferential currency provisions.

### **Co-investment in the Joint Programme and the Global Fund**

33. As the Joint Programme plays a key role in the success of the Global Fund, the Task Force agreed that the Joint Programme should leverage this relationship to generate additional funding for the UBRAF. One option in this regard is to ask Global Fund donors that currently set aside a portion of their allocation to the Fund for technical assistance needs (e.g. Australia, France, Germany, United Kingdom and the USA) to prioritize a portion of those funds to the Joint Programme as a provider of technical assistance to countries. Recognizing that the status of technical set-asides is fluid and evolving, the Task Team encouraged the Secretariat to collaborate with Cosponsors on how best to position the Joint Programme for these discussions and to determine who might be best suited to take the lead in engaging donors in such discussions. Regarding donors to the Global Fund that do not currently have a technical set-aside as part of their contribution to the Fund, the Task Team recommended that they commit funds to the Joint Programme that would be used specifically to support Global Fund grant recipient countries. It proposed a funding level equivalent to at least 5% of their annual contribution to the Global Fund.

34. The Task Team also identified several options for further evolving the Joint Programme's relationship with the Global Fund, with the aim of ensuring the long-term viability of the Joint Programme as an essential contributor to the Global Fund's success. The Task Team recommended that UNAIDS engage in discussions with the Global Fund regarding a new funding mechanism or arrangement between the Global Fund and UNAIDS to mobilize at least US\$ 31 million in new funding for a jointly-agreed set of activities under the core UBRAF, in support of effective development and implementation of Global Fund grants.
35. Another option is to develop a new funding mechanism or arrangement between the Global Fund and UNAIDS that would direct funding to support country allocations for specific UNAIDS technical support activities under the UBRAF. Yet another option is for the development of a funding mechanism whereby the Global Fund would act as a guarantor to ensure that the UBRAF is fully funded each year, ensuring the capacity of the Joint Programme to support the success of the Global Fund.
36. The Task Team recommended that the UNAIDS Executive Director engage directly in discussions with the Global Fund Executive Director prior to the December PCB meeting to explore possible options for additional funding for the UBRAF core budget. As the proposed changes to the Joint Programme's relationship with the Global Fund would require decisions by the Global Fund board, the Task Team agreed that progress towards implementing these recommendations will ultimately require direct communications between the two organizations' governing boards.

#### Increasing the engagement of Cosponsors in mobilizing full funding for the UBRAF

37. Although mobilization of core funding for the UBRAF is primarily a Secretariat responsibility, the Task Team noted that there are substantial resources and good fundraising practices within the broader UN system on which the Joint Programme can draw. Taking into account the varying sizes of Cosponsor budgets and the complexity of core funding in many Cosponsor agencies, the Task Team encouraged Cosponsors to access their central budgets and resource mobilization mechanisms to meet Cosponsors' base allocation under the UBRAF. The Task Team also encouraged the Secretariat and Cosponsors to engage in joint fundraising efforts in all markets.

#### **Mobilization of funding from the private sector**

38. The Task Team expressed its appreciation for the fact that the new Joint Programme Resource Mobilization Strategy for 2022–2026 specifically prioritizes intensified work to mobilize resources from private foundations and that the Secretariat is taking steps to increase its organizational capacity to cultivate foundation donors. The Task Team encouraged full and effective implementation of the new Joint Programme Resource Mobilization Strategy and recommended that the Secretariat take a holistic approach to the philanthropic sector, including strategic approaches to foundations that are based in and/or prioritize giving to the global South. While certain sections of private business and industry are likely to be unacceptable donors to the Joint Programme under WHO's [Framework of engagement with non-state actors](#), the Task Team emphasized that there are also many socially responsible businesses that should be prioritized in UNAIDS fundraising efforts. The Task Team particularly emphasized the importance of encouraging specific country-level private sector partnerships.

#### **Matching funds from Programme countries**

39. The Task Team recommended that the Joint Programme approach programme countries in a strategic and targeted manner to obtain matching domestic or other forms of enhanced support for UNAIDS' core investments in these countries. The Task Team noted that there is precedent for this approach, as Kazakhstan currently matches UNAIDS' programme investments in the country. A potentially promising approach would be to position the Joint Programme as a broker for mobilizing resources from diverse sources for robust implementation of UN country plans.

### The UNAIDS Structured Funding Dialogue

40. In finalizing this report to the PCB, the PCB Bureau took into account the outcomes of the hybrid UNAIDS Structured Funding Dialogue on 3 November 2022, which attracted more than 150 participants by PCB members, donors and other HIV stakeholders. A report of the proceedings of the Structured Funding Dialogue has been provided to the PCB as a conference room paper for its 51st meeting.
41. Participants in the Structured Funding Dialogue heard presentations regarding the current funding situation and challenges associated with sustainable funding for the UBRAF. They heard and discussed presentations on how funding shortfalls threaten the ability of UNAIDS to catalyse action to get the AIDS response on-track, on efforts made by the Joint Programme to cut costs and enhance its strategic coherence and coordination, and on recent performance monitoring and external evaluations that have confirmed the centrality of the Joint Programme to an effective global AIDS response. Attendees at the Structured Funding Dialogue also reviewed the Task Team's findings and recommendations.
42. Participants in the Structured Funding Dialogue emphasized the unique and indispensable role that UNAIDS plays in the global HIV response, with expressed particular appreciation for the Joint Programme's technical support and its leadership on human rights, gender equality, sexual and reproductive health and rights, and inclusive responses that address the needs of marginalized populations.
43. PCB members expressed commitment to work with the Secretariat and Cosponsors to close the Joint Programme's funding gap and mobilize the full annual funding of US\$ 210 million approved for the UBRAF. UNAIDS was applauded for its efforts to improve efficiency and it was encouraged to continue its work to maximize the impact of finite funding. PCB members encouraged the Joint Programme to continue its efforts to make a compelling case to donors and to expand its donor base. Support was expressed for immediate efforts to mobilize US\$ 35 million in end-of-year funding in 2022. Participants also called for the PCB's ongoing solidarity and increased financial contributions to ensure full, sustainable funding for UNAIDS. Fully leveraging the Joint Programme's critical support to the Global Fund to mobilize funding for the Joint Programme was cited as an urgent necessity.

Key **actions** to implement the Task Team **recommendations** as endorsed by the PCB Bureau

44. After considering and endorsing the Task Team's recommendations, the PCB Bureau discussed actions that are needed to implement the recommendations, including:
- formal requests to all donor governments on sustaining core contribution to UBRAF including multiyear agreements/commitments starting in 2023;
  - the UNAIDS Executive Director to follow up on formal letters sent to current UNAIDS PCB Member States with requests for end-of-year funding;

- the UNAIDS Executive Director to send all UN Member States similar letters requesting end-of-year funds;
- the UNAIDS Executive Director and Chair of the Committee of Cosponsoring Organizations (CCO) to target discussions with 5 to 8 Member States that are significant donors to the Global Fund and that have disproportionately lower funding levels to UNAIDS;
- the UNAIDS Executive Director to approach UNAIDS donor Member States that have designated technical set-aside funds for the Global Fund on use of funds and utilization of UNAIDS as a technical partner in execution of the funds;
- the UNAIDS Executive Director to discuss with Global Fund leadership the development of a new relationship with financial obligations to full funding of the UBRAF, taking into account the Joint Programme's role as the lead technical partner for HIV, community mobilization, gender and human rights;
- countries and partners to support UNAIDS in the implementation of the newly developed Joint Programme Resource Mobilization Strategy, including the approach to private sector and foundations;
- the UNAIDS Executive Director, in collaboration with the Chair of the CCO, to discuss with governments of programme countries to consider matching funds from domestic resources to expand available funds for prioritized activities under the UBRAF;
- the Joint Programme, at the Heads of Agency level and through the CCO, to engage and commit to implementing the Joint Programme Resource Mobilization Strategy to ensure a fully funded UBRAF; and
- Cosponsors and UNAIDS Secretariat, with the support of a working group, to continue discussions regarding core and non-core UBRAF funding.

## Conclusion

45. The chronic shortfall in core UBRAF funding and the especially serious funding gap in 2022–2023 pose critical threats to the Joint Programme's ability to continue to lead the global HIV response. As requested by the PCB, the Task Team has identified a series of short- and longer-term measures to place the Joint Programme on a sound financial footing and ensure its capacity to catalyse the actions needed to end AIDS as a public health threat by 2030. After study and consideration, the Task Team believes that these measures, taken together, have the potential to generate new resources for the Joint Programme, especially if PCB members actively support the Secretariat's implementation of its new Joint Programme Resource Mobilization Strategy for 2022–2026.

## Proposed decision points

46. *Take note* of the report of the PCB Bureau and welcome with appreciation the work and recommendations of the informal multistakeholder task team on UNAIDS funding situation as endorsed by the PCB Bureau;
47. *Acknowledge* the efforts of the Executive Director, jointly with the Committee of Cosponsoring Organizations, and the progress made since the 50th PCB meeting in implementing urgent measures and solutions to mitigate the risk of the immediate core UBRAF funding shortfall, including the development of an ambitious Joint Programme Resource Mobilization Strategy;

48. Building on the work of the Task Team, request the PCB Bureau to establish a PCB Working Group to support the Executive Director in the implementation of the recommendations presented in the report of the Bureau (PCB/51/33); and
49. *Request* the Executive Director to:
  - a. continue implementation of the recommendations put forward by the PCB Bureau on UNAIDS's funding situation, based on the recommendations of the informal multistakeholder task team; and
  - b. report to the PCB at the 52nd PCB meeting on UNAIDS's funding situation, including the outcome of the work of the PCB Working Group and the remaining challenges to ensure a fully-funded UBRAF.

*[Annexes follow]*

## Annex 1

## Consolidated table with the informal Task Team recommendations on UNAIDS's funding situation (immediate and sustainable) and proposed actions for PCB Bureau's consideration

Measure/intervention	Short term	Longer term	Proposed actions for consideration by the PCB Bureau
<p><b>1. Address currency fluctuations</b></p> <p><b>Rationale:</b> To smooth swings in currency exchange (hedging across the majority versus minority of donors) and ensure predictable and stable core funding.</p>	<p>1.1 Request donor governments to increase 2022 and 2023 funding with funds equal to the loss of funds as a result of the significant change in foreign currency exchange.</p> <p>1.2 Institute use of preferential currency rates (as determined by the donor governments) to reduce the depreciation of annual contribution.</p>	<p>1.3 Request donors to UNAIDS to adopt multiyear funding commitments/agreements for the full Strategy period for any of the following:</p> <ul style="list-style-type: none"> <li>• 2-year budget cycle,</li> <li>• 5-year UBRAF &amp; Global AIDS Strategy (2022–2026),</li> <li>• 3-year Global Fund Replenishment cycle (2023–2025),</li> </ul> <p>1.4 Institute MOUs between donor governments and UNAIDS to utilize preferential currency rates on an annual or multiyear basis.</p>	<p>Formal requests to all donor governments on sustaining core contribution to UBRAF, including multiyear agreements/commitments starting in 2023.</p>
<p><b>2. PCB governance duty of care to close the urgent funding shortfall and long-term funding solidarity</b></p> <p><b>Rationale:</b> Request for end-of-year 2022 funds to help close the immediate funding gap and ensure long-term predictable, stable funding.</p>	<p>2.1 Request 11 donor PCB Member States to increase their 2022 contributions by US\$1 million or more (than their current planned or anticipated contributions).</p> <p>2.2 Request 11 non-donor Member States LIC or LMIC programme countries to contribute US\$ 500 000; other UMIC &amp; HIC to contribute US \$ 1 million.</p> <p>2.3 Request PCB observer Member States to contribute US\$ 500 000 – 1 million.</p>	<p>2.4 Request 11 donor PCB Member States to increase their ongoing contributions to their current planned or anticipated contribution.</p> <p>2.5 Request 11 non-donor Member states LIC or LMIC programme countries to contribute to the core UBRAF.</p> <p>2.6 Request all Member States to contribute to the UBRAF on a yearly basis, taking into account the level of assessed percentages to the WHO to calculate their "fair share" of core contributions to the overall budget of UNAIDS as approved by its members.</p>	<p>The UNAIDS Executive Director to follow-up on formal letters sent to current UNAIDS PCB Member States with request for end-of-year funds.</p> <p>The UNAIDS Executive Director to send all UN Member States similar letters making the request for end of year funds.</p>
<p><b>3. Co-investment in UNAIDS and the Global Fund</b></p> <p><b>Rationale:</b> UNAIDS is the lead technical partner to the Global Fund for HIV, community engagement, gender and human rights. An under-funded UNAIDS limits the impact of Global Fund resources.</p>	<p>3.1 Raise the profile of the UNAIDS Global Fund partnership: Encourage donor government announcements at the Global Fund 7th Replenishment Conference on the necessity of the institutional partnership between UNAIDS and the Global Fund.</p> <p>3.2 Request donor governments to make simultaneous funding announcements or commitments to UNAIDS and the Global Fund at the 7th Replenishment Conference.</p>	<p>3.3 Request donor governments to make investments in UNAIDS proportionate to their investments in the Global Fund.</p> <p><b>3.4 Access Global Fund Technical Set-Aside funding from donor countries:</b></p> <ul style="list-style-type: none"> <li>• For donor countries with Global Fund Technical Set-Aside funding, seek to prioritize UNAIDS as a recipient of funding when best-placed to provide the technical support to countries; and</li> <li>• For donor countries who are unable to direct Technical Set-Aside funding to UNAIDS from their Global Fund contributions, provide supplemental funding to UNAIDS for work done to support Global Fund country grants. <i>(Note: As a guide, this should be at least 5% of the Donor Investment to the Global Fund)</i></li> </ul> <p>Note: 3.3 and 3.4 may overlap/duplicate</p> <p><b>3.5 Access funding from Global Fund resources directly:</b></p> <ul style="list-style-type: none"> <li>• Develop a new funding mechanism between the Global Fund and UNAIDS, providing US\$ 31 million per year to UNAIDS core funding (UBRAF);</li> <li>• develop a new funding mechanism between the Global Fund and UNAIDS to provide funding to support the implementation of country grants (non-core directed funding); and</li> <li>• develop an MOU with the Global Fund to act as a guarantor for the UNAIDS budget and to ensure budget gaps are covered on an annual basis.</li> </ul>	<p>The UNAIDS Executive Director and Chair of the CCO to target discussions with 5 to 8 Member States that are significant donors to the Global Fund and have disproportionately lower funding levels to UNAIDS.</p> <p>The UNAIDS Executive Director to approach UNAIDS donor Member States who have designated Technical Set-Aside funds for the Global Fund on uses of funds and utilization of UNAIDS as a technical partner in execution of the funds.</p> <p>The UNAIDS Executive Director to discuss with Global Fund leadership the development of a new relationship with financial obligations to the financial health of UNAIDS as the lead technical partner for HIV, community mobilization, gender and human rights.</p>



		<p><b>3.6 Accessing funds via Global Fund country grants</b></p> <ul style="list-style-type: none"> <li>At an individual country grant level, UNAIDS receives funding to provide technical support for specific scopes of work as determined by the grant recipient.</li> </ul>	
<p><b>4. Private Sector/Foundation financing</b></p> <p><b>Rationale:</b> The private sector offers unique opportunities to match institutional mandate and/or country specific needs with private sector interests.</p>		<p>4.1 Develop specific/targeted "asks" of private foundations for either core or earmarked funding that advances the goals of the UBRAF and the specific interests of foundations. Consider mobilization of resources with a central and country-level focus.</p> <p>4.2 Develop a targeted list of private companies, matching corporate social responsibility with UBRAF programming areas of focus. Target country specific private sector partnerships.</p> <p>4.3 Seek in-kind private sector support to off-set costs under the UBRAF.</p>	Countries and partners to support UNAIDS in the implementation of the newly developed resource mobilization strategy, including the approach to private sector and foundations.
<p><b>5. UNAIDS Programme Country financial matches</b></p> <p><b>Rationale:</b> Seek to increase country support and commitment to specific scopes of work.</p>		<p>5.1 For programme activities funded through the UNAIDS country envelopes, seek matching funds from domestic resources to expand available funds for prioritized activities under the UBRAF.</p>	The UNAIDS Executive Director, in collaboration with the Chair of the CCO, to discuss with governments of programme countries the option of matching funds from domestic resources to expand available funds for prioritized activities under the UBRAF.
<p><b>6. Cosponsor resource mobilization</b></p> <p><b>Rationale:</b> Maximize the strengths of Cosponsors in the Joint Programme.</p>		<p>6.1 For Cosponsors with large central budgets, develop a business case/value proposition based on the Resource Mobilization Strategy for increased funding to Cosponsors' central, core allocations.</p> <p>6.2 Engage in joint fundraising for specific programming areas of the UBRAF.</p>	The Joint Programme, at the Heads of Agency level and through the CCO, to engage and commit to implementing the UNAIDS Resource Mobilization Strategy to ensure a fully funded UBRAF.
<p><b>7. Active PCB support for the implementation of the UNAIDS Resource Mobilization Strategy</b></p> <p><b>Rationale:</b> Components of the Resource Mobilization Strategy depend on strong and consistent investment by PCB members in the Joint Programme.</p>		<p>7.1 Stand fully behind and implement the Resource Mobilization Strategy and—importantly—continue to develop the Secretariat and Joint Programme capacity to implement the Strategy.</p>	Countries and partners to support UNAIDS in the implementation of the newly developed resource mobilization strategy.
<p><b>8. Redefining UNAIDS core and non-core resources and targeted funding</b></p> <p><b>Rationale:</b> Reach a balance between core and non-core funds that ensures smooth implementation of the UBRAF.</p>		<p>8.1 Redefine the parameters for what can be included in non-core funding. Where possible, promote specified core funding for specific programmatic activities within the core UBRAF.</p> <p>8.2 Call for full transparency of all non-core resources within the Secretariat and Cosponsors.</p> <p>8.3 Enable Member State donors to contribute to the Joint Programme with the intent to financially support specific programmatic areas within the UBRAF. ee commitments beyond unrestricted funding.</p>	Cosponsors and UNAIDS Secretariat with the support of a working group to continue the discussion on core and non-core UBRAF funding.

## Annex 2

### **Informal Multistakeholder Task Team on UNAIDS's funding situation: Report submitted to the PCB bureau on options for resolving UNAIDS's funding situation (immediate and short term) for the 2022–2023 biennium**

#### Introduction

1. The Informal Multistakeholder Task Team to provide recommendations to the PCB Bureau on the UNAIDS funding situation (immediate and short term) submits this first report of its work. In accordance with [PCB decision point 6.7](#) and the Task Teams' [terms of reference](#), this first report identifies options for resolving the immediate UNAIDS funding crisis for the 2022–2023 biennium.

#### Background

2. The Joint United Nations Programme on HIV/AIDS (UNAIDS) is experiencing a serious shortfall in its core operational funding, commonly referred to as the UBRAF (Unified Budget, Results and Accountability Framework). Against a full UBRAF funding level of US\$ 210 million for 2022, as of 1 June 2022, expected contributions for the year were only expected to total US\$ 162 million. This is due to a combination of factors, but it also reflects longer-term funding trends that have left the UBRAF notably underfunded for a number of years. These shortfalls have curtailed the Joint Programme's operations and most recently resulted in the Secretariat not providing the full funding to Cosponsors of their annual core allocations of US\$ 2 million. The same funding shortfalls are also tied to significant financial constraints at the Secretariat, which is in the midst of implementing a realignment of its staff and operations to align with the new Global Strategy and reduce operating costs.
3. The UNAIDS Programme Coordinating Board (PCB), at its 50th meeting in June 2022, took note of the Joint Programme's alarming funding situation and reiterated its commitment to UNAIDS's work. The PCB requested the Bureau to urgently convene an informal Task Team consisting of PCB members, observers, Cosponsors, the PCB NGO delegation and other stakeholders to explore options for resolving the immediate funding crisis. The PCB asked the Bureau to report back to the full PCB electronically by 30 July 2022 on outcomes and recommendations of those discussions. The PCB further asked the Bureau to use the informal multistakeholder Task Team to develop recommendations for voluntary-based sustainable funding for the Joint Programme prior to the UNAIDS Structured Funding Dialogue at the end of October 2022 and to submit them for consideration by the full PCB at its December 2022 meeting.
4. Drawing on previous experiences of the Secretariat on establishing working groups, the UNAIDS PCB Bureau developed terms of reference and issued an open call for nominations from the different constituencies and external partners with fundraising expertise and experience. Following the open call for nominations, the Bureau selected 18 members to participate in the geographically- and gender-balanced informal Multistakeholder Task Team. (Click [here](#) for biographical statements for members of the Task Team.)
5. The Task Team has held two virtual meetings—the first on [15 July 2022](#) and the second on [21 July 2022](#). At its first meeting, the Task Team elected Mohamed

Chakroun from Tunisia and Julia Martin from the United States of America (USA) to serve as co-chairs. The Task Team approved its working modalities.

### **Options to address the Joint Programme's immediate funding crisis**

6. During its two meetings, the Task Team examined in detail the current UNAIDS funding crisis, including the serious effects on the broader HIV response of a failure to fully fund the UNAIDS Unified Budget, Results and Accountability Framework (UBRAF) 2022–2026. The Task Team also examined a series of resource mobilization options for the Joint Programme. For the options it endorsed, the Task Team differentiated between short- and longer-term options for sustainability. In accordance with PCB decision point 6.7 and the Task Team's terms of reference, this report highlights resource mobilization options which the Task Team has endorsed and which warrant immediate action to address the Joint Programme's short-term funding crisis, particularly to help close the UBRAF funding gap.

**Option 1.** *Address the impact of currency fluctuations on the Joint Programme's funding.*

7. The Secretariat informed the Task Team that recent currency fluctuations resulted in a loss of US\$ 12 million to UNAIDS. Addressing currency fluctuations is feasible with multiyear agreements, but few donors in 2022 have multiyear agreements in place. The Task Team endorsed two options for addressing the impact of currency fluctuations.

**Option 1.1.** *Governments are requested to augment their planned 2022 and 2023 funding commitments to the Joint Programme with funds equal to the loss of funds as a result of the significant change in foreign currency exchange (as an estimate or actuals at the end of the fiscal year).*

**Option 1.2.** *UNAIDS donors consider the use of a memorandum of understanding with preferential currency rates (as determined by the donor) with the Joint Programme.*

8. It was agreed that the Secretariat would prepare a letter by 29 July 2022 requesting donors whose contributions have been negatively affected by currency fluctuations to compensate for the lower US dollar value of their contributions. It was further agreed that the Netherlands and USA would work with the Secretariat to schedule calls with these donors encouraging them to address the effects of currency fluctuations.

**Option 2.** *Promote co-investment in the Global Fund and the Joint Programme.*

9. Task Team members acknowledged that UNAIDS plays a critical role in support of the Global Fund and activities carried out throughout the grant cycle, including creating pathways for meaningful engagement with communities, the development of funding applications, and support to implementation, monitoring, and evaluation. They noted that the Task Team had highlighted 8–10 countries that currently provide significant funding to the Global Fund, but little funding to the Joint Programme. UNAIDS currently receives no core funding from the Global Fund, although it does receive catalytic funding for the provision of various forms of technical support as part of Global Fund strategic initiatives. For immediate action, the Task Team has endorsed two resource mobilization options related to co-investment in the Global Fund and the Joint Programme.

**Option 2.1.** *Encourage simultaneous announcements of co-investment to the Joint Programme and the Global Fund.*

10. The Task Team recommends that the Joint Programme ask countries to announce their support for the Joint Programme at the same time that they announce their contributions or pledges to the Global Fund. Simultaneous announcements would increase the visibility of the work of the Joint Programme at the seventh Global Fund replenishment (19–21 September, 2022) and remind stakeholders that a healthy, fully funded Joint Programme is essential to the Global Fund's success. As countries are currently making decisions about Global Fund contributions for the seventh replenishment, the timing is fortunate for implementation of this option. A dual announcement at the Replenishment Conference could either be a new announcement on funding to the Joint Programme or a recall and highlight of funding commitment already made in 2022. In both cases, an announcement provides visibility to the interconnectedness of the Global Fund and UNAIDS.

**Option 2.2.** *Take immediate steps to encourage balanced contributions to both the Global Fund and the Joint Programme.*

11. Although the Task Team agreed that defining proportionality between contributions to the Global Fund and the Joint Programme requires continued study by the Task Team, specific steps are needed to mobilize funding from donors that provide significant funds to the Global Fund and limited contributions to UNAIDS. The Task Team recommends immediate outreach to the countries that provide strong support to the Global Fund, but provide less support to the Joint Programme, seeking an additional US\$ 3 million in immediate UBRAF funding from each of this subset of UNAIDS donors to help address the current funding crisis.
12. Note that the longer-term agenda would be to identify optimal levels of funding to UNAIDS based on potential approaches: compare the core contributions to UNAIDS and to the Global Fund; or compare each donor's percentage of UBRAF funding using its assessed share of contributions to WHO as a benchmark. This work will continue in September/October 2022.
13. It was agreed that, for option 2.1, Global Fund and UNAIDS Secretariat staff would jointly identify the following: countries that have neither pledged to the Global Fund nor contributed to UNAIDS (joint new announcement potential); and countries that have contributed to UNAIDS already, but which could be asked, at the Global Fund's seventh replenishment event, to highlight UNAIDS's contribution when they address the event or make their Global Fund pledges.
14. It was agreed that, for option 2.2, immediate and specific advocacy and resource mobilization outreach to the 8–10 donors, acknowledging that this dialogue may extend beyond the date of the seventh Global Fund replenishment.

**Option 3.** *Build solidarity and engagement by the PCB.*

15. All Member States are committed to the mission and purpose of the Joint Programme and they approved the 2022–2026 UBRAF. Not all 22 PCB Member States currently contribute to the UBRAF. Recent developments, such as the 2021 Political Declaration on HIV and AIDS and the culture transformation within UNAIDS, afford opportunities to cultivate new donors and recover ground lost with some older donors in order to help close the UBRAF funding gap. In this regard,

the recent announcement by the United Kingdom to restore to UNAIDS some of the funding it had previously cut was promising. To build on this momentum, the Task Team endorses two specific funding options.

**Option 3.1.** *Each of the 11 donor PCB Member States<sup>1</sup> (2022) be requested to increase its voluntary commitment to the Joint Programme UBRAF.*

16. If each current donor PCB Member State were to increase its contribution to UNAIDS by US\$ 1 million, an additional US\$ 11 million in funding would be generated to help close the UBRAF funding gap. Note that the 11 countries would be cross-referenced with those countries identified in option 2.2 (Global Fund donors) and only a single request for additional resources will be made.

**Option 3.2.** *For the other current 11 PCB Member States,<sup>2</sup> the PCB members categorized as low-income<sup>3</sup> or lower-income countries<sup>4</sup> are requested to contribute US\$ 500 000 to the Joint Programme, while those categorized as upper-middle-income<sup>5</sup> or high-income countries are requested to contribute US\$ 1 million to the Joint Programme.*

17. The Secretariat projects that enhanced resource mobilization outreach to programme countries could generate US\$ 3 million to mitigate the current funding crisis by helping to close the UBRAF funding gap.
18. To implement options 3.1 and 3.2, the Task Team asked the Secretariat to produce two sets of letters—one to donor PCB members and PCB members qualifying as upper-middle-income and high-income countries, requesting from each an increase or first contribution of at least US\$ 1 million to the Joint Programme, and another letter requesting low- and lower-middle-income programme countries to contribute US\$ 500 000 in support of the Joint Programme. The Task Team co-chairs will then work with the Secretariat to schedule calls with countries (including multiple countries at once, as appropriate) to explain and make this request.

### Further work planned by the Task Team

19. The Task Team will have two additional hybrid meetings in late 2022 to develop recommendations for the longer-term sustainability of the Joint Programme prior to the Structured Funding Dialogue in October. The Task Team will continue discussions on various options that were discussed during its first two meetings and deemed promising but not ready for an immediate, actionable recommendation. These include various proposals to funnel increased funding to the Joint Programme for the substantial technical support it provides for Global Fund programmes, exploring discussions to have the Global Fund act as a

<sup>1</sup> Canada, China, Germany, Japan, Netherlands, Norway, Russian Federation, Switzerland, Thailand, United Kingdom and the United States of America.

<sup>2</sup> Belarus, Botswana, Iran (Islamic Republic), Cameroon, Côte d'Ivoire, Dominican Republic, El Salvador, Guyana, India, Kenya and Tunisia.

<sup>3</sup> See World Bank <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>.

<sup>4</sup> Note that none of the current PCB members falls in low-income country category. Lower-middle-income countries that are currently PCB members include Cameroon, Côte d'Ivoire, El Salvador, India, Iran, Kenya and Tunisia.

<sup>5</sup> Note that the current PCB members in the upper-middle-income category are Belarus, Botswana, Dominican Republic, Guyana, Thailand and the Russian Federation.

"guarantor" for a fully funded UBRAF, and various options to increase funding commitments to UNAIDS from programme companies.

20. In addition, the Task Team will analyse other possible strategies for sustainable, longer-term funding, including the potential to recruit new donors from governments, foundations and the private sector; innovative partnerships to improve collaboration between key HIV response stakeholders; making the case for investments, including through compelling value propositions; engaging with Cosponsors to explore the possibility of shifting their internal resources to fund the UBRAF; joint approaches for resource mobilization among PCB members and fully leveraging the voice of UNAIDS ambassadors, celebrities and influencers; and ensuring timely and quality communication on the return on UNAIDS investments.

## Annex 3

### Terms of reference

#### **Informal Multistakeholder Task Team to provide recommendations to the Bureau on UNAIDS funding situation (immediate and sustainable)**

#### **Background**

1. In the report of the Joint United Nations Programme on HIV/AIDS (UNAIDS) Executive Director to the 50th Programme Coordinating Board (PCB) meeting in June 2022, she stressed to the Board that, while the PCB had approved the new Unified Budget, Results and Accountability Framework (UBRAF) in 2021 with the threshold of US\$ 210 million per year, current projections estimated that declining contributions, currency fluctuations and announced or anticipated Official Development Assistance reallocations meant an amount of US \$157 million for 2022 was likely to be raised. She highlighted that there already had been a decrease compared to the previous biennium, following a period of stagnant budgets and a consistent drive towards greater efficiency and cost-containment.
2. The Executive Director stressed that the situation was not sustainable and that the lack of predictable and sustainable funding for the UBRAF was putting the achievements of past decades at risk.
3. For 2022, current estimates show that UNAIDS is facing a gap of approximately US\$ 50 million against the PCB-approved higher threshold for the UBRAF of US\$ 210 million, and a gap of about US\$ 30 million in relation to UNAIDS's investment and expenditure in 2021. While this represents a very small fraction of the US\$ 21 billion that is available annually for the HIV response in low- and middle-income countries, it is extremely significant gap for the Joint Programme and the countries and partners it works with, and it threatens the core work of the Joint Programme. Countries and civil society organizations underscored the pivotal role of UNAIDS in bringing together their governments with the Global Fund, the United States President's Emergency Plan for AIDS Relief (PEPFAR), civil society partners and communities to ensure that their responses are evidence-based, well-coordinated and effective.
4. At this same Board meeting, the UNAIDS Executive Director expressed her gratitude to donors who were working together towards a collective effort to close this funding gap, including the firm pledges maintaining the level of their 2021 core contributions in local currency from Denmark, Luxembourg and Norway for a total of US\$ 17.1 million, which brings to US\$ 60.2 million the contributions thus far received towards the core budget. The United States Government also continued its leadership and generous support for the Joint Programme with an expected increase of US\$ 5 million, for a total of US\$ 50 million. The Executive Director underscored that the current economic crisis and UNAIDS's latest resource outlook were deeply concerning. She added that new cuts and the unpredictability that came with them would hamper the Joint Programme's ability to deliver on the goals of the Global AIDS Strategy 2021–2026. The funding deficit would also negatively impact national responses (many of them already off-track) and jeopardize attainment of key milestones and goals.
5. At the 50th PCB meeting, the External Auditor, and Independent External Oversight Advisory Committee also alerted the PCB to the tenuous funding situation and the urgent need for sustainable financing for the UNAIDS Joint Programme to continue

to operate.

6. At the 50th session of the PCB, the Board took note of the alarming funding situation of the Joint Programme and reiterated its full trust and commitment to UNAIDS's work. In view of the pressing funding situation, the PCB requested the PCB Bureau to urgently convene an informal inclusive multistakeholder task team consisting of PCB members, observers, Cosponsors, the PCB NGO Delegation and other stakeholders on options for resolving the immediate funding crisis for the 2022–2023 biennium. The Bureau would report back to the PCB electronically by 30 July 2022 on outcomes and recommendations from these discussions. Furthermore, the PCB called on the Bureau to utilize the informal multistakeholder task team to develop, in advance of the UNAIDS Structured Funding Dialogue at the end of October 2022, recommendations on voluntary-based sustainable funding of the UBRAF, and to present those for discussion at the December 2022 PCB meeting.

### **Composition of the task team**

7. Drawing on previous experiences of the Secretariat of establishing working groups and in accordance with decision point 6.7 of the 50th meeting of the PCB, the membership of the task team shall be geographically- and gender-balanced and shall include no more than 15 members. The task team shall be open to all PCB members, observers, Cosponsors, the PCB NGO Delegation and other stakeholders.

### **Process for the establishment of the task team**

8. The PCB Bureau, supported by the UNAIDS Secretariat, will facilitate the establishment of the informal multistakeholder task team through the development of Terms of Reference and an open call for nominations from the different constituencies and external partners with fundraising expertise and experience. Members of the informal multistakeholder task team are recommended to have the following competencies and experience:
  - good understanding of HIV, health and/or related development issues and familiarity with the work of the UNAIDS Secretariat and Cosponsors, at country, regional and/or global levels;
  - excellent knowledge and understanding and/or experience of international and/or national funding architecture for HIV/health responses;
  - expertise and experience in resource mobilization;
  - understanding of the GIPA (Greater Involvement of People Living with HIV/AIDS) principle and its application in national HIV responses; and
  - working knowledge of English and/or French (the two official working languages of UNAIDS; interpretation will be provided if required).
9. The PCB Bureau will select the final composition of the Task Team and communicate this list to PCB stakeholders. The task team shall elect co-chairs from within its membership and define the modalities of work.
10. The Task team should be composed of no more than 15 members with variable experience to be efficient in delivering urgent recommendations to the PCB Bureau. The task team is expected to complete their work by the end of 2022.

### **Scope of work**

- Discuss options and actions for resolving the immediate funding crisis for the 2022–



2023 and provide recommendations to the PCB Bureau on these discussions. The PCB Bureau will subsequently communicate these recommendations electronically to the PCB.

- Develop recommendations, ahead of the Structured Funding Dialogue, on voluntary-based sustainable funding of the UBRAF, to be presented and discussed at the December 2022 PCB.

### **Role of the informal multistakeholder task team**

#### *Proposed modalities of work of the task team*

- Possibility of four hybrid meetings to be held in Geneva, Switzerland (meetings may be held virtually if circumstances require). In view of the short time-frame, participants present in Geneva will be invited to participate in-person, while those outside Geneva will be invited to participate virtually.
- Communication via e-mail, video conference, telephone calls.
- Meetings of the PCB Bureau.

#### *Deliverables*

- Report on options for resolving the immediate UNAIDS funding crisis for the 2022–2023 biennium submitted electronically to the PCB by 30 July 2022.
- Develop recommendations on voluntary-based sustainable funding of the UBRAF and submit these to the PCB at the December 2022 PCB meeting.

### **Proposed timeline**

<b>Timeline</b>	<b>Actions</b>
28 June 2022	PCB Bureau meeting to review and finalize the terms of reference for the Task Team
30 June 2022	Call for expression of interest circulated to PCB stakeholders
7 July 2022	Expressions of interest submitted to the PCB Bureau for consideration and establishment
8 July 2022	PCB Bureau meeting to finalize establishment of task team (TBC)
15 July 2022	First meeting of the task team to develop recommendations on options for resolving the immediate funding crisis

21 July 2022	Second meeting of the Task Team to develop recommendations on options for resolving the immediate funding crisis
22 July 2022	Task Team co-chairs submit recommendations of the Task Team to the PCB Bureau
25 July 2022	PCB Bureau meeting to finalize recommendations to the wider PCB
30 July 2022	Final report submitted to the wider PCB electronically by the PCB Bureau
September 2022	Third meeting of the task team ahead of the Structured Funding Dialogue
October 2022	Fourth meeting of the task team with electronic submission of recommendations to the PCB Bureau ahead of the Structured Funding Dialogue
End of October 2022	Structured Funding Dialogue
November 2022	Development of the task team's final report to the December PCB meeting
November 2022	PCB Bureau meeting on the upcoming report of the task team to the PCB (TBC)

### Estimated budget

Items	Estimated cost
4 hybrid meetings (in-person option for Geneva participants and virtual for those outside Geneva)	Covered by core Secretariat staff
Independent report writer (10 days)	US\$ 6,500
Any other costs as required	TBC
<b>Total</b>	US\$ 6,500

*[End of document]*