

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

**Third meeting
Summary Report**

The third meeting of the Informal Multistakeholder Task Team to provide recommendations to the PCB Bureau on the UNAIDS funding situation was held on 15 September 2022. The meeting was virtual.

Welcome, Objectives of the third meeting of the Task Team & adoption of meeting agenda

Task Team co-chair Ms Julia Martin of the United States of America presided as co-chair Dr Mohamed Chakroun had sent apologies. Ms Martin welcomed members of the Task Team and outlined the proposed agenda of the meeting, which was approved by Task Team members. The meeting aimed to further the Task Team's discussion and consideration of various options for resource mobilization and to analyse other possible strategies for sustainable, longer-term funding.

Recalling options discussed during the first two Task Team meetings and deemed promising for sustainable funding of the UBRAF

George Farhat, UNAIDS Director of Finance and accountability, updated the Task Team on the Joint Programme's current financial situation. He reported modest changes in the funding situation since the Task Team was updated at its first and second meetings, although he noted that the negative effect of currency fluctuations had increased over the summer, with the Euro now effectively at parity with the US dollar. The Joint Programme continues to project US\$162 million in contributions, leaving a gap of US\$25 million for the base resource mobilization target and US\$47 million for the approved UBRAF. The Joint Programme awaits actual receipt of funds from a number of countries that have made pledges, and the change of government in the United Kingdom has made it difficult to project the UK's ultimate contribution.

Addressing currency fluctuations

Ms Martin recalled that the PCB Bureau had endorsed the Task Team's recommendation to ask governments to increase their contributions to the Joint Programme in 2022 and 2023, including to offset the loss of funds resulting from the substantial change in foreign exchange rates. Ms Martin noted that advocacy regarding currency-related actions would focus primarily on governments that have yet to transfer their contributions to UNAIDS, as adjusting contributions retroactively often is more complex. The PCB Bureau further endorsed the Task Team's alternative recommendation to consider a Memorandum of Understanding with governments to use a preferred currency rate (as determined by the donor) for contributions to the Joint Programme to protect against future fluctuations of exchange rates.

In addition to adjustments by donors to account for currency fluctuations, it was also recalled that the PCB Bureau had endorsed the Task Team's recommendation that each of the 11 donor PCB Member States be asked to increase its voluntary commitments to the Joint Programme by US\$ 1 million. The Task Team has also recommended that the other 11 PCB Member States from low-income or lower-middle-income countries be asked to contribute US\$ 500 000 to the Joint Programme, and that other PCB members from upper-middle-income countries or high-income countries be asked to contribute US\$ 1 million. Ms Martin reported that letters to UNAIDS PCB Member States (donors and non-donors) seeking action to address the Joint Programme's immediate funding shortfall have been drafted, circulated for comments, and revised. The letters, which were scheduled to be sent to PCB Member States the week of the third meeting, are to be signed by the Task Team co-chairs and the UNAIDS Executive Director. Efraim Gómez, UNAIDS Chief of Staff, reported that letters are addressed to the heads of mission in Geneva, although following discussions by the Task Team it was agreed that letters to the mission may be copied to the capital on a case-by-case basis. Follow-up phone calls will be made by the Task Team co-chairs. Ms Martin reported that Ambassador Bathsheba Nell Crocker, permanent representative of the USA government to the Office of the United Nations and other international organizations in Geneva, had agreed to make phone calls to colleagues from other governments regarding UNAIDS funding. Ms Martin noted that the opening of the 77th session of the United Nations General Assembly in September 2022, coinciding with the replenishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), would provide an opportunity for reinforcement of UNAIDS funding messages with governments.

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

It was recalled that the PCB Bureau had endorsed the Task Team's recommendation to encourage simultaneous announcements of co-investment to the Joint Programme and the Global Fund. The PCB Bureau also endorsed the Task Team's recommendation to request governments to take immediate steps to ensure balanced contributions to both the Joint Programme and the Global Fund.

Ms Martin noted that Germany, in recently announcing its contribution to UNAIDS, specifically linked investments to the Joint Programme and the Global Fund. The Global Fund representative on the Task Team suggested that it would be preferable to call for full funding for both the Joint Programme and the Global Fund rather than balanced funding. The Task Team agreed that a minimum contribution to the Joint Programme of US\$ 3 million was reasonable for countries that make important contributions to the Global Fund but give little to UNAIDS. The Task Team requested that the Secretariat revisit at the Task Team's fourth meeting its projections for the amounts of additional funding that could be yielded through the various options endorsed by the Task Team.

Ms Martin reminded Task Team members of the various possible longer-term options for funding that the Task Team had identified at previous meetings. It was noted that the Task Team would examine each of these possible options for sustainable financing before making its final report to the PCB Bureau. The Task Team suggested that it might be fruitful to explore the idea of identifying “fair share” allocations among countries, with particular attention to countries that are not currently supporting UNAIDS.

Presentation of key elements of the draft Joint Programme Resource Mobilization Strategy 2022-2026

Ms Rosemary Museminali, UNAIDS Director of External and Donor Relations, outlined the Joint Programme’s work to develop a resource mobilization strategy to raise US\$210 million per year for a fully funded UBRAF. The new strategy builds on lessons learned from the earlier strategy for 2017-2021 and has been informed by the input of Cosponsors and partners.

The strategy calls for tailored approaches for different categories of accounts. An important element of the strategy is to maintain robust support from *key accounts*, which consist of current major donors to the Joint Programme. UNAIDS will work to provide the information needed for these donors to make their decisions and also focus on exerting political influence in these countries to secure strong support for the Joint Programme.

Watch-and-grow accounts include countries that are supporting UNAIDS but could do more. In some cases, these countries have reduced funding to UNAIDS over time. More granular analysis will be needed to develop strategic approaches to recover this funding.

The Joint Programme will need to *acquire* new sources of funding. These would be from potential funding sources which are not currently contributing to the Joint Programme. Foundations represent one group of potential new donors, and the Joint Programme is recruiting an expert to work on resource mobilization from foundations. Foundations that currently support the Joint Programme or have done so in the past include the Bill & Melinda Gates Foundation, Open Society Foundation, and the Ford Foundation.

The strategy identifies four areas of change that will be required to reach resource mobilization targets. An *enabling environment* will be needed, with resource mobilization prioritised across the Secretariat. Communications and power analyses will be needed to target efforts to *influence and engage* donors. Compelling *value propositions* will need to be developed, both for broad consumptions and to be tailored for specific resource mobilization targets. *Key process improvements* will be needed, including enhanced capacity for the development of proposals and for grant management.

Implementing the new strategy will require a whole-of-organization approach. The Executive Director and other senior staff will provide broad leadership, and the

Resource Mobilization Office will drive relationship management and work closely with different parts of the Secretariat. Partnerships will need to be maintained and strengthened, including with the Global Fund. Key regions and country programmes will also play a role in resource mobilization, and the Department of Management will ensure process improvement and delivery, especially with respect to grant management.

In the Task Team's discussion of the presentation of the resource mobilization strategy, it was submitted that the vast majority of UNAIDS funding is provided by six donors representing an important weakness and vulnerability that should be addressed. Ms Museminali expressed agreement and cited the new strategy's emphasis on cultivating new donors and on increasing contributions by current donors who could be contributing more.

There was agreement that the Joint Programme needs to strengthen its business case in order to attract new donors and mobilize new resources. It was suggested that the business case for UNAIDS needs to be sharp and compelling and avoid dilution by addressing too many issues, especially those that are not central to the Joint Programme's mission. Task Team members advised that the business case should reflect the substantial evolution of the global health and development environment and architecture over the last 10-20 years and not rely on arguments that may have resonated two decades ago but are less compelling today.

The Task Team discussed the differences between core and non-core funding, indicating that these two categories sometimes created uncertainty. Ms Martin suggested that the Task Team might request that the Secretariat provide a backgrounder summarizing all non-core resources and the activities they support, in order to allow the Task Team and the PCB to obtain a clearer picture of non-core funding. One member of the Task Team cautioned against allowing the agendas of individual donors to take the Joint Programme, through non-core funding, into work that was not clearly aligned with the Joint Programme's primary areas of work. Ms Museminali said that non-core funding was articulated within the UBRAF, and core contributions received were all to advance its objectives. While the primary focus of the new resource mobilization strategy is on core UBRAF funding, Ms Museminali noted that non-core funding can include strategic initiatives that promote the aims and desired impact of the UBRAF. Mr Gómez said UNAIDS would welcome recommendations from the Task Team on how best to balance resource mobilization efforts for core and non-core funding.

The Task Team had a brief discussion regarding the wisdom and feasibility of seeking funding for the Joint Programme from the pharmaceutical industry. One Task Team member said that pharmaceutical industry contributions could potentially compromise the Joint Programme's advocacy on equitable access to medicines and other health commodities. It was agreed that further thinking and discussion was needed regarding the pharmaceutical industry as a possible donor to UNAIDS.

Discussion on sustainable financing for the Joint Programme

The final part of the third meeting launched the Task Team's examination of possible options for longer-term, sustainable financing for the Joint Programme. Specifically, the Task Team discussed whether countries that receive UBRAF envelope funding might be asked to match these funds, effectively leveraging UNAIDS funding to maximize the impact of country envelopes. It was argued that country envelopes are relatively small, and catalytic in nature, and while matching funding would enhance the impact of country envelopes, it would not increase core UNAIDS funding. The findings from the evaluation of the country envelopes are forthcoming by the end of the year and will likely provide useful guidance for improving envelope funding. The Task Team agreed that the Joint Programme should not uniformly request matching funding from all country envelope recipients but that matching funds might be sought on a case-by-case basis, especially in countries with sufficient fiscal space.

Next steps

The fourth meeting of the Task Team, which will be held in October, will focus on (1) leveraging the Joint Programme's relationship with the Global Fund to mobilize new resources for the Joint Programme; (2) options for sustainable financing, including the cultivation of new donors; and (3) strategies for mobilizing new resources from Member States.