

Informal Multistakeholder Task Team on United Nations Joint Programme on AIDS (UNAIDS) funding situation

July-December 2022

Concept note for the First Meeting 15 July 2022

1. Background and rationale

Further to the 50th PCB meeting and as requested by the PCB, the PCB Bureau called for interested PCB members, observers, Cosponsors, PCB NGO delegation and other stakeholders to express their interest in being part of the Informal Multistakeholder Task Team on options and recommendations to address UNAIDS' funding situation, sustainable financing, and immediate funding shortfall.

This was in accordance with **decision 6.7** "*Requests the PCB Bureau to urgently convene an Informal inclusive Task Team of interested PCB members, observers, cosponsors, PCB NGO delegation and other stakeholders on options for resolving the immediate funding crisis for the 2022-2023 biennium and report back to the PCB electronically by 30 July 2022 on outcomes and recommendations of these discussions*" and **decision 6.8** "*In advance of the next UNAIDS Structured Financing Dialogue, calls on the PCB Bureau to utilize the Informal Multistakeholder Task Team to develop recommendations on voluntarily based sustainable funding of the UBRAF, to be presented and discussed at the December 2022 PCB*".

The Informal Multistakeholder Task Team will report its work to the PCB Bureau supported by the Secretariat. Meetings will be held virtually.

2. Objectives and deliverables of the Informal Task Team

The purpose of the Task Team is to identify options to solve the immediate funding crisis for the 2022-2023 biennium, making recommendations to the PCB Bureau on this as well as the sustainable funding of the UBRAF 2022-2026.

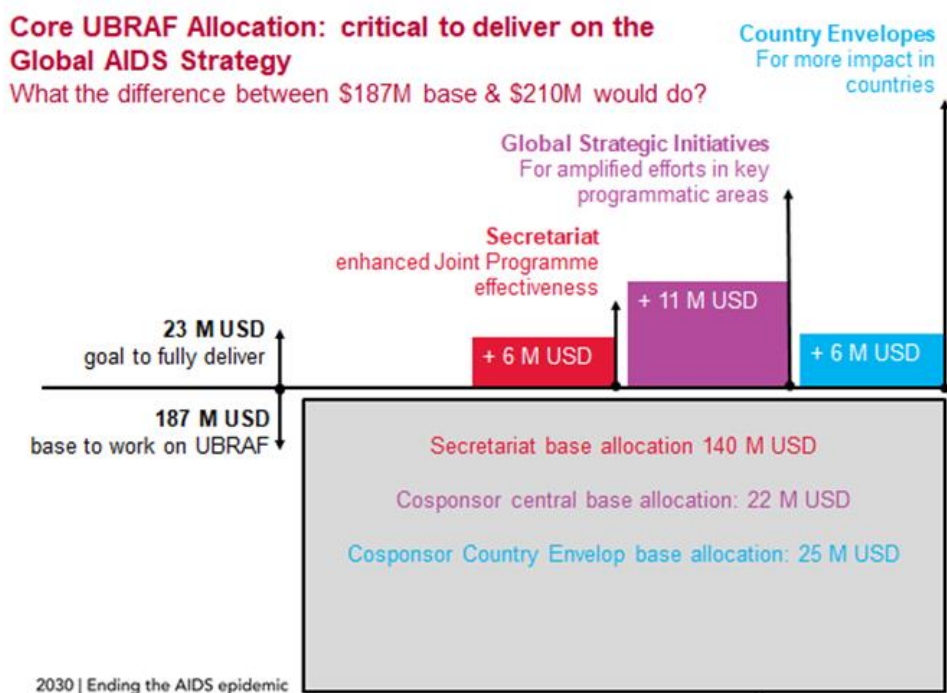
Deliverables are as follows:

1. Report on options for resolving the immediate UNAIDS funding crisis for the 2022-2023 biennium submitted electronically to the PCB by 30 July 2022.
2. In advance of the UNAIDS structured funding dialogue at the end of October 2022, develop recommendations on voluntarily based sustainable funding of the UBRAF, to be presented and discussed at the December 2022 PCB meeting.

3. The UNAIDS funding gap analysis

At the time of the Structured Funding Dialogue in November 2021, UNAIDS had estimated that US\$175 million in core funding would be raised in 2022. Based on latest developments and forecasts, this level of funding will not materialize because of significant depreciation of major currencies against the US dollar, the uncertainty of programme country funding, and ODA shifts by some countries in response to the Ukraine war.

The revised estimate is that we will raise US\$ 162 million¹, still US\$ 25 million below the base resource mobilization target of US\$ 187 million, and US\$ 47 million below the approved budget of US\$ 210 million.



4. Illustrative Options for Action to resolve the immediate UNAIDS funding crisis

The UNAIDS Secretariat has developed some illustrative options for action to resolve the immediate funding crisis. Members are encouraged to create their own actions, or to take one or more of these actions. Pursuing one of these four options independently may not yield the results that the PCB hopes to achieve in terms of addressing this funding shortfall. In an uncertain and unpredictable environment, a combination of different options may deliver the best results.

Options for action	Possible Estimated Income
<p>Address the adverse effects of the currency fluctuations through:</p> <ul style="list-style-type: none"> • Governments increasing their funding commitment to UNAIDS to compensate for the FX shortfall (as an estimate or actuals at the end of FY) • Government instituting an MOU (Memorandum of Understanding) with preferential currency rates with UNAIDS 	\$12M USD

¹ Including resource increases of UK, and Germany.

<p>Respond to the call to fully fund the Global Fund and fully fund the Joint Programme through:</p> <ul style="list-style-type: none"> • Co-investing in UNAIDS and the Global Fund i.e Governments that fund the Global Fund to consider at least providing 5% of their pledge to the Joint Programme, which is a bare minimum to cover partly the technical, data and other support services that UNAIDS provides. • Announcing proportionate pledges to the Global Fund and the Joint Programme at the next replenishment. 	\$26M USD
<p>Solidarity and engagement by the Programme Coordinating Board through:</p> <ul style="list-style-type: none"> • Ensuring that members that are committed to the mission and purpose of UNAIDS, and the goal of ending the AIDS epidemic, make contributions that are commensurate with the political commitments. • Strongly recommending that each member of a Regional Group commits to a minimum contribution. Increasing this contribution would have an immediate and ongoing effect on the core budget. <ul style="list-style-type: none"> ○ Suggested voluntary commitment of WEOG members: approx. \$1M USD ○ Suggested voluntary commitment Other Regions: Approx. \$500k USD 	\$15M USD
<p>Commitment by the Programme Countries through:</p> <ul style="list-style-type: none"> • Funding the Joint Programme, in recognition of the value of the work delivered, in support of their efforts, particularly in contexts where prevalence is highest. • Commitment of programme countries to match the country envelope funding, to ensure that countries benefit from the full value of the Joint Programme. 	\$3M USD
<p>Advocate for and replicate current best practices, as described in the section below</p>	
<p>Other options suggested by the members of the Task Team</p>	

5. A selection of current best practices for consideration by the PCB

- **Multiyear agreements** enhance predictability of funding, support rational organizational planning and protect against currency fluctuations through hedging of funds. In 2021, 61% of UNAIDS core contributions were covered through ongoing

agreements for two or more years with 12 countries²³. As of June 2022, however, only the core contributions of Belgium, Flanders, Luxemburg, and Australia were still part of such multiyear agreement, while the multiyear agreements with the Netherlands, Canada, US, UK (United Kingdom), Switzerland, Australia and China are up for renewal.

- **5% withhold in addition to the “usual” core funding to UNAIDS:** UNAIDS plays a critical role in support of the Global Fund and activities carried out throughout the grant cycle, including meaningful engagement with communities, the development of funding applications, and support to implementation, monitoring, and evaluation. However, resources from the Global Fund focus on funding countries’ gaps in their HIV national responses, and there is no formal allocation to UNAIDS for this work. Global Fund donors such as the United States withhold 5% of their contributions to fund technical support for countries implementing Global Fund grants, and they chose to channel some of these funds through UNAIDS. Other critical work beyond technical assistance to countries, such as the generation of strategic information, policy development and adoption, and knowledge sharing, must also be funded by other governments.
- **Joint pledge of funding to UNAIDS and the Global Fund** ahead of the Global Fund’s replenishment: Over the past few years, Switzerland has championed the practice to pledging at the same time for UNAIDS and the Global Fund, which sends a strong message articulating the complementarity of UNAIDS and Global Fund actions to support national responses to the epidemic.
- **Matching funds from Programme Countries:** The UNAIDS core allocation to the UNAIDS Country Office in Kazakhstan are matched 100% by an allocation from the Government to the work of the Office.

² UNAIDS Conference Rood Paper submitted to the 50th session of the PCB, p 21
[PCB50_CRP2_QCPR_Update.pdf](#).

³ In 2021, the countries with more than two-year agreements were Australia, Belgium, Belgium Flanders, Canada, China, Luxemburg, the Netherlands, New Zealand, Switzerland, the United Kingdom, the United States of America and Vietnam.

6. Guiding questions for the discussion

The following questions are offered to spark conversation and shape the discussion:

- What do you think about the proposed options to explore? Which combined options would make the most sense to you?
- Are there any other options you would like to recommend for filling the immediate funding gap?
- Which options would you be best able to take up with your leadership and constituency members once adopted?
- Are there any data you are missing to take forward any of the options?
- How would you take the options forward and would you need anything from the PCB, the Joint Programme, or a partner to support you?

7. Background documentation

- Strategic Funding Dialogue background document [UNAIDS Structured Funding Dialogue - Background Paper Final 09112021 \(1\).pdf](#)
- Financial analysis GF- UNAIDS [UNAIDS EDR Comparison btw GF Contribution and UNAIDS 2.pdf](#)
- [50th PCB financial report Presentation- agenda item 4.2 pcb 22 June 2022.pptx](#)
- Brochure on Global Fund and UNAIDS partnership [UNAIDS More than money.pdf](#)