

# OUTLINE OF THE REPORT OF THE EXECUTIVE DIRECTOR

**Additional documents for this item:** N/A

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

- *Take note* of the report of the Executive Director;

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

## The crisis in the HIV response

1. We are seeing massive geopolitical shifts upend the world we operate in. Violent conflicts. Blatant human rights abuses. Economic turmoil. And a collapse in the foundations of global solidarity.
2. Donors are walking away at a critical moment. In 2024, there was a 7% decline in ODA according to the OECD. That left us vulnerable. And now, the sudden withdrawal of our biggest donor, followed by further cuts from other countries, has sent a shockwave through the HIV response.
3. Before this crisis, we had 3,500 new HIV infections and 1,700 AIDS-related deaths every day around the world. Today, our modelling estimates it could have gone up to 5,800 new HIV infections and 2,400 deaths every day.
4. If this continues unchecked, there will be an additional 6 million people newly infected with HIV in the next 4 years in 2029. And there will be an additional 4 million people who will die of AIDS-related illnesses by 2029.
5. In other words, we would see a resurgent epidemic, and we would fail in our collective mission to end AIDS as a public health threat by 2030.
6. This comes amid a global backlash against human rights.

## How governments and communities are responding

7. Across the Global South – communities are going above and beyond for people living with HIV and key populations; governments are rising to the challenge of aid cuts.
8. UNAIDS is walking in lockstep with them, convening, providing technical advice, advising how to get the most from Global Fund grants, working with governments and communities on the data, and helping them to achieve their goals.
9. Already, before this latest crisis, UNAIDS was working with more than 35 low and middle-income countries to develop sustainability roadmaps – detailed plans to move towards greater domestic ownership of HIV responses. That work is more essential now than ever.
10. This is also a replenishment year for the Global Fund, which will now be more critical than ever. Thank you to South Africa and the United Kingdom for co-hosting at this vital time.
11. But to get through this moment, we also need to go beyond traditional understandings of health financing. If we want low and middle-income countries to take on ever-greater ownership, we need to make sure they have the fiscal space to invest in their HIV responses.

## New opportunities

12. The US Food and Drug Administration has approved lenacapavir from Gilead Sciences, which can be administered just once every six months. Trials of annual lenacapavir shots have passed their first hurdle.

13. But I am concerned about the exorbitant cost of long-acting medicines. Gilead has announced a US price of more than \$28,000 per person per year. We cannot end AIDS with medicines that are so costly.
14. However, experts at Howard University and the University of Liverpool have spoken to the manufacturers of the ingredients and materials used in production. And they have found it could be made and sold for just \$25 – around a thousand times less.
15. That is the kind of ambition we should have – to bring injectable PrEP in line with oral PrEP, and add this remarkable tool to our arsenal.

### **Now, I want to turn to how UNAIDS – and the wider UN system – is responding.**

16. You will have heard the Secretary-General lay out his vision for the UN80 initiative – a fundamental re-think of what the UN looks like and how it works.
17. We knew this moment was coming – and we were planning for it. We had already begun reviewing the Joint Programme operating model and Secretariat structure, and developing the next Global AIDS strategy. But the current financial context makes our transformation all the more urgent.

### **First, the new Global AIDS strategy to take the response from 2026 to 2031.**

18. We have ensured an inclusive and consultative process with communities and governments.
19. The annotated outline we are presenting to this PCB features three priorities, alongside eight result areas that must be pursued with focus and urgency.
  - Sustaining a response that is country, led, resilient and ready for the future.
  - Ensuring it is people focused-equity, dignity and access.
  - And empowering communities to lead.
20. They are inter-related- we will not end AIDS without achieving all three and keeping the lens of ending inequalities.

### **Second, a new operating model for the Joint Programme**

21. We will make ourselves:
  - More focused on supporting countries to end AIDS with limited resources,
  - More agile and flexible to absorb further change
  - More cost-effective, with a significant reduction in secretariat staffing, cosponsors, and our country presence.
  - We intend to reduce to up to 6 Lead Cosponsors, supported by affiliate cosponsors.
22. The UNAIDS Secretariat will deprioritize several of its current programmatic coordinating activities. We will work with the Cosponsors to optimize ways of working and ensure we do not duplicate functions.

23. The High-Level Panel asked us to conduct another review of our Joint Programme in 2028, at the mid-point of the next Global AIDS Strategy based on how the epidemic evolves.
24. We will conduct this review in 2027 and present a further change plan to the PCB in June of that year. This in turn will inform the 2027 ECOSOC resolution. This will lead to further transformation of the Joint Programme with the aim of closing the Secretariat in its current form by 2030.
25. We are proposing other immediate changes to the operating model on the funding model, resource mobilization, governance and partnerships.

### Third, the restructure of the Secretariat

26. In our new structure, the UNAIDS Secretariat will have 294 core-funded staff members – an overall reduction of 55%.
27. Per the revised operating model, our staff will focus on UNAIDS' core functions in the HIV response:
  - leadership and advocacy (including for global resource mobilization);
  - convening and coordination focused on sustainability of the global AIDS response;
  - accountability through data, targets; and
  - community engagement.
28. We will also focus on fewer countries – as recommended by the High-Level Panel, reducing from 85 to 54 countries, representing 80% of people living with HIV and 71% of new HIV infections.
29. We are integrating our country offices into the UN Resident Coordinator System, starting by placing UNAIDS Coordinators in the RC's office in 21 countries.

### *One Practice*

30. We are consolidating our current four practices into one unified practice, led by one Deputy Executive Director.
31. The majority of our technical and programmatic staff will be in the global south in global hubs, regional offices and country teams
32. We recognize the need and potential to mobilize non-core funding, and this will be a core responsibility for staff in the practice.

### *Cost-saving mechanisms*

33. In this Restructuring we have used a combination of post abolishments, nationalization of roles, and relocation of functions to lower-cost duty stations to make the needed cost-savings.
34. Implementation of the new structure has begun. The new organizational chart was released on 16 June and staff have been informed about their individual positions with formal letters following before the end of this month. We expect this restructuring to be fully concluded by July 2026.

### Finally, I want to outline our current financial situation.

35. The projected core contribution for 2025 is US\$ 68 million, significantly below the US\$125 million that we projected at December's PCB.
36. This is US\$ 82 million less than the revised core operating budget of US\$ 150 million for 2025.
37. We are planning for a scenario of \$60m core funding in 2026.
38. We are sincerely grateful to all governments who have continued their support for the Joint Programme, despite the challenging global economic context. We count on your support in 2025 and beyond.
39. We are also grateful to the governments who are considering increasing their contributions, and to those who are paying their 2025 contributions earlier than originally planned.
40. For governments who have not yet made pledges for 2025, we urge you to do so – to pay your contributions in full as soon as possible.
41. We acknowledge that some of our long-standing partners have had to make tough decisions to reduce their level of support to UNAIDS.
42. UNAIDS has launched an appeal for support.

### Conclusion

43. We are here to end AIDS. The road to get us there might not be as smooth as we had hoped. But we are adapting. And, if you stay with us, we can get there together.

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