

REPORT OF THE 17TH MEETING OF THE UNAIDS INDEPENDENT EXTERNAL OVERSIGHT ADVISORY COMMITTEE (IEOAC)

Date: 31 March 2025

Venue: Virtual

PARTICIPANTS

Committee Members: Ms Ana-Mita Betancourt, Ms Agnieszka Golebiowska, Ms Anuradha Gupta, Mr David Kanja, Ms Bushra Malik, Mr Benoit de Schoutheete (Chair), Mr Suresh Raj Sharma

Secretariat: Mr Tim Martineau, Director of Management; Mr Morten Ussing, Director of Governance and Multilateral Affairs; Mr Kodo Ngabane, Governance Officer

After the Chair called the meeting to order, a quorum was established. The IEOAC members approved the agenda of the meeting. The Chair recalled that in accordance with the IEOAC working arrangements, the meeting agenda was circulated one month prior to meeting date. The Chair observed that the materials for the 17th meeting were submitted late to the Committee, and reminded Secretariat staff of the need to submit relevant documents at least one week prior to each IEOAC meeting. Finally, the IEOAC members reported that they had no conflicts of interest.

SESSION 1: The activities of the Internal Oversight Services (IOS), with special focus on investigations

In earlier meetings, the Committee has expressed concerns regarding the adequacy of UNAIDS audit coverage, and encouraged IOS to take into consideration the priority risks identified by UNAIDS Management in formulating its risk-based annual audit plan for the Joint Programme. The Committee also requested that it receive relevant documentation, including but not limited to audit reports and external quality assessments of IOS, as soon as they become available.

The Director of Internal Oversight Services (IOS) at the World Health Organization (WHO), accompanied by her IOS audit and investigations managers, presented the 2025 internal audit plan for UNAIDS, which includes a major, cross-cutting cybersecurity audit. She reported that two UNAIDS internal audits were still ongoing, and as of 18 March 2025, 75 audit recommendations were pending, including 33 that are overdue (including 12 that are overdue and high risk). Committee members noted that the 2025 audit internal plan was prepared prior to the substantial events affecting the Joint Programme in early 2025, including the loss of funding from a number of major donors; and invited IOS to revisit its 2025 annual internal audit plan in light of the current UNAIDS situation and emerging risks.

The IEOAC made the following observations and recommendations with respect to the audit function:

- **The Committee recommended that IOS revise, in consultation with UNAIDS management, its internal audit risk assessment and annual workplan, to address the markedly changed and volatile landscape in which the Joint Programme is now operating.**

- **The Committee recommended that steps be taken to address long-outstanding audit recommendations, including prioritizing action on the high-risk long-outstanding recommendations. The Committee recommended the implementation of measures to reduce the aging of outstanding audit recommendations on an ongoing basis.**

With respect to investigations, the Committee in prior meetings requested additional detail regarding investigations, including the status, types and aging of investigations. IOS reported that 16 cases were closed in 2024, and that 17 cases were open as of March 2025. The largest number of allegations in 2024 concerned workplace conduct, and about one-third focused on allegations of fraud, theft or corruption. IOS prioritizes cases for investigation based on the materiality of the allegation and the likelihood of reaching conclusive findings through an investigation. At the time of the 17th IEOAC meeting, discussions were ongoing to retain a P4 staff person dedicated to UNAIDS investigations, and on the establishment of a new Memorandum of Understanding between UNAIDS and IOS including the possibility of adjusting timelines for completion of disposition of allegations.

The IEOAC made the following observations and recommendations with respect to the investigations function:

- **The Committee took note of – and expressed appreciation for – the greater detail on investigations provided by IOS for the Committee’s 17th meeting. However, the Committee requests in future to receive separate data for complaints and investigations, as current submissions from IOS do not allow the Committee to clearly differentiate between these categories.**
- **The Committee is following with interest the negotiation of a new Memorandum of Understanding between UNAIDS and IOS, especially with respect to the issue of timelines for disposition of allegations and investigations. Delays in completing investigations remain a source of concern of the Committee.**

SESSION 2: Closed session with the Director of IOS

The Committee held a closed session with the IOS Director.

SESSION 3: Interim financial management update

The Committee has made financial management updates a standing agenda item, taking into account the increasingly difficult and challenging funding situation facing UNAIDS, and the broader global health and development field. The Director of Finance reported that core income declined in 2024 (to US\$149 million), and that the fund balance at end of 2024 stood at US\$109 million. The financial outlook for the Joint Programme in 2025 is bleak, in large measure due to the fact that a total of US\$113 million in core and non-core support from the U.S. Government is at risk.

The Director of Resource Mobilization reported that fundraising priorities in 2025 include obtaining reimbursement of U.S. funding previously committed in 2024, securing new U.S. funding for 2025, and transitioning from an organizational focus on core funding to non-core funding. Core funding is projected to continue to decline in 2025, and steps are being taken to streamline the process for obtaining and approving non-core funding. Despite operating in an increasingly difficult resource mobilization market, the Joint Programme is continuing to emphasize its added value to the Global Fund to Fight AIDS, Tuberculosis and Malaria but that it is reshaping its value proposition to be more project-based.

The IEOAC made the following observations and recommendations on the interim financial management update:

- **The Committee requested additional information on cost containment measures as well as resource mobilization strategies, including worse case scenarios for 2025 and 2026 considering the present funding realities.**
- **The Committee also encouraged Management to adopt a sense of urgency in responding to the financial challenges facing the Joint Programme in 2025 and beyond.**

SESSION 4: Revised Operating Model: Update on status of the work done by the High-Panel to provide recommendations on revisiting the UNAIDS operating model

The Programme Coordinating Board (PCB), taking account of the loss of capacity within the Joint Programme as a result of the funding situation, asked the Executive Director and the Committee of Cosponsoring Organizations (CCO) to revisit the Joint Programme's operating model to ensure that UNAIDS remains sustainable, resilient and fit for purpose. In response to this request, the Executive Director appointed a High-Level Panel (HLP) to review the operating model.

The Chief of Staff updated the Committee on the status of the work done by the HLP. As of the Committee's 17th meeting, the HLP had met five times, and were in the process of preparing recommendations for review by the Executive Director and the CCO. UNAIDS has presented four scenarios for the future of the Joint Programme, identifying funding needs and likely outcomes for each scenario. Outcomes for these scenarios range from achievement of the 2030 goal of ending AIDS as a public health threat (best case scenario) to preventing a rebound/resurgence of the global pandemic (worst case scenario). The HLP was established in 2023, when the landscape environment was very different than today. Consideration is being given to new strategies for mobilizing non-core resources and reducing transaction costs within the Joint Programme. Management is due to present a final response to the PCB on the HLP's recommendations on a revised operating model by 24 May, ahead of the PCB's June meeting.

The IEOAC made the following observations and recommendations on the HLP's work on the Revised Operating Model:

- **The Committee took note of – and expressed appreciation for – the work of HLP, and looked forward to obtaining additional information on the Revised Operating Model at the IEOAC's 18th meeting at the end of May 2025. The processes reviewed by the HLP will need to be recalibrated and aligned taking into account the recent changes in UNAIDS' funding environment.**
- **With respect to the four scenarios for the future of the Joint Programme outlined by Management, the Committee requested more detailed information mapping human resources and concrete goals for each scenario.**

SESSION 5: The 2026 budget and the 2025 restructuring

The Director of Management reported that the impact of any revised operating model will primarily concern staffing. He reported that consideration is being given to ways to optimize efficiencies, and to simplify the Organization, and that Management is approaching future planning with an open mind regarding possibilities (including a potential merger with another Organization). The worst-case scenario for future funding of the Joint Programme could mean the loss of as many as 450 staff. Moving forward, Management is prioritizing non-core fundraising, ensuring a structure that maximizes flexibility, taking action to sunset activities where appropriate, and carefully analyzing global and regional functions to work more

effectively. The Director of Management said decisions by Management on these strategic issues will be needed by the end of April or early May, to enable actual implementation of reforms as quickly as possible.

The IEOAC made the following observations and recommendations regarding the 2025 budget and restructuring:

- The Committee expressed its expectation that work on a revised UNAIDS structure will be aligned or merged with ongoing work on a revised operating model. The Committee noted that the terms of reference for the HLP were put in place before the major recent changes in the UNAIDS funding environment.
- The Committee advised that the current funding crisis offers an opportunity for a radical re-set of the Joint Programme to ensure that UNAIDS is optimally complementary and galvanizing for the broader AIDS response. The radically altered funding outlook should be used as an opportunity to eliminate duplication and overlap, and to identify and fully leverage synergies with other Organizations. In examining strategic options, the Committee encouraged Management to link changes to the unique UNAIDS value proposition, focusing on what UNAIDS can do that no one else can.
- The Committee advised Management, in examining options for restructuring, ensure that an appropriate balance is struck that maintains sufficient accountability and oversight functions and resources.

SESSION 6: The endorsement of the IEOAC workplan for 2025, which includes the IEOAC's independent evaluation

The Committee endorsed its workplan for 2025.

SESSION 7: Any other business

The Committee elected Ms Anuradha Gupta as its new vice chair.

The meeting was adjourned.