

## **Informal Multistakeholder Task Team on UNAIDS funding situation**

July-December 2022

Concept note for the 4<sup>th</sup> Task Team Meeting

### **Background**

For Background, Objectives, Deliverables and the Recommendations for resolving UNAIDS immediate funding crisis for 2022-2023 biennium: [Report of the PCB Bureau on the recommendations and options of the Informal Multistakeholder Task Team for resolving UNAIDS immediate funding crisis for 2022-2023 biennium](#)

### **Objectives and deliverables of the Informal Task Team**

The purpose of the task team is to explore options to solve the immediate funding crisis for the 2022-2023 biennium and make recommendations to the PCB Bureau on options to resolve the sustainable funding of the UBRAF 2022-2026.

Deliverables are as follows:

1. Report on recommendations 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.

### **Objectives of the 4th Meeting**

1. Confirm the recommendations to include in the Report to the PCB Bureau on how to address longer-term sustainable funding for UNAIDS prior to the Structured Funding Dialogue (early November) and Deep Dive Dialogue (18 November 2022).

These recommendations should be designed to achieve a core funding level of US \$210 million through the current strategy period and its corresponding UBRAFs and are aligned with the Joint Programme Resource Mobilization Strategy 2022-2026.

2. Analyze other possible strategies for sustainable, longer-term funding, focusing on:
  - leveraging the Joint Programme's relationship with the Global Fund to mobilize new resources for the Joint Programme;
  - options for sustainable financing, including the cultivation of new donors; and
  - strategies for mobilizing new resources from Member States.

## The Financial Situation

The current financial outlook is not as promising as was originally forecasted due to the significant depreciation of major currencies against the US dollar.

So far in 2022, US\$ 107.5 million has been recorded as core income received to date. It was originally estimated that US\$175 million core will be raised in 2022. The revised estimate for 2022 is US\$ 162 million, which represents US\$ 25 million below the base resource mobilization target of US\$ 187 million, and US\$ 48 million below approved budget of US\$ 210 million.

Recent instability in currency markets has exacerbated this issue, making the funding situation even more urgent.

## Options for Long Term Financial Sustainability (Funding Mechanisms)

(Note that these recommendations add up to more than \$210M USD)

1	<p><b>Ongoing Solidarity and engagement with the Programme Co-ordinating Board</b></p> <p>Continuing the ongoing support to the mission and purpose of UNAIDS, and the goal of ending the AIDS epidemic, the PCB members make ongoing voluntary contributions to UNAIDS. Securing this support will also result in the development of relationships with new donor relationships for UNAIDS.</p> <p><b>1.1 Each of the 11 donor PCB Member State</b> be requested to increase its voluntary commitment to the Joint Programme UBRAF.</p> <p><b>1.2 For the other current 11 PCB Member States:</b> the PCB members qualifying as LIC and LMIC are requested to contribute at least US\$ 500 000 to the Joint Programme, and those that are UMIC and HIC are requested to contribute at least US\$ 1 million to the Joint Programme. This commitment would be on a yearly ongoing basis.</p> <p><b>1.3. Observer Member States</b> (who are not PCB members) are requested to contribute either US\$500 000 to the Joint Program as an LIC and LMIC, or those that are UMIC and HIC are requested to contribute at least US\$ 1 million to the Joint Programme. This commitment would be on a yearly ongoing basis.</p>	\$18.5M USD
---	--	-------------

2	<p><b>Continue to commit to core funding for the Joint Programme</b></p> <p>Donors agree that core funding remains the basis of UNAIDS funding and is the most efficient and effective in relation to UNAIDS mandate and work, and that core funding needs to be sustained at a high level.</p> <p><b>2.1</b> Donors to UNAIDS to adopt the best practice utilized by other UN Funds and programs, to commit to <b>Multi Year Funding Agreements</b> for the full Strategy period.</p> <p><b>2.2</b> As an alternative option, donors to UNAIDS to commit to <b>Multi Year Funding Agreements</b> that align to the current Global Fund replenishment cycle (2022-25).</p> <p><b>2.3</b> UNAIDS donors consider the use of a Memorandum of Understanding with <b>preferential currency rates</b> (as determined by the donor) with the Joint Programme.</p> <p><b>2.4</b> In addition to core funding, donors to <b>open opportunities for specified core funding</b> to UNAIDS.</p>	\$187M USD
3	<p><b>Leveraging the relationship of the Joint Programme with the Global Fund</b></p> <p><b>3.1 Ongoing commitment of the Technical Set Aside funding to UNAIDS</b></p> <p>For donor countries who commit funding to the Global Fund and have Technical Support Set Aside funding, to prioritise the Joint Programme for the commitment of that funding where the Joint Programme is best placed to provide the technical support.</p> <p><b>3.2 Commitment of the equivalent of the Technical Set Aside funding to UNAIDS</b> (as a guide this should be at least 5% of the Donor Investment to the Global Fund)</p> <p>For donor countries who cannot redirect the Technical Set Aside, or do not have a Technical Set Aside function commit at least 5% of their annual contribution to Global Fund to UNAIDS.</p> <p><b>3.3 The development of a new funding mechanism or arrangement between the Global Fund and UNAIDS providing \$31M USD per year to the UNAIDS Core Funding.</b></p>	<p>(Total \$31M USD per year)</p> <p>\$25M USD (Co- Sponsor Country Base allocation) +6M USD</p> <p>Country base allocation for more impact in countries)</p>

	<p><b>3.4 Develop a new funding mechanism or arrangement between the Global Fund and UNAIDS which directs funding to support the Country Allocations.</b></p> <p><i>*Note: Recommendations 3.3 and 3.4 will require a decision from the Global Fund Board.</i></p> <p><b>3.5 The Global Fund to act as a guarantor</b> for the Joint Programme budget. The development of a funding mechanism where the Global Fund acts as a guarantor to ensure that the Joint Programme is fully funded each year.</p> <p><b>3.6 Accessing Country Grants</b> The Joint Programme is prioritised to received technical assistance in Country Grants.</p>	
4	<p><b>Co-Sponsor Support</b></p> <p>Some (but not all) members of the Joint Programme have well developed funding mechanisms and large central budgets. Access those central budgets to meet either the Cosponsors Central Base Allocation.</p> <p><b>4.1 Access and redirect central budgets</b> to meet the specific Co-Sponsors Central Base Allocation.</p> <p><b>4.2 Access and redirect central budgets</b> to meet all Co-Sponsors Central Base Allocation.</p> <p><b>4.3 Engage in joint fundraising to all markets</b> utilising the SGI and similar initiatives.</p>	\$22MUSD

### Options for Long Term Sustainability (Enablers)

5	<p><b>Ownership by the Board, Joint Programme and the Secretariat to reach USD \$210M for the remainder of the Strategy</b></p> <p>The global AIDS response is under threat. Fully funding the Joint Programme UBRAF is critical for this strategy period to get the response back on track. Full engagement from the Board will be essential to secure funding</p> <p><b>Recommendation to be determined</b></p>
---	---

6	<p><b>Active support for the implementation of the UNAIDS Resource Mobilisation Strategy.</b></p> <p>Key to the long-term financial sustainability of UNAIDS is the successful implementation of the UNAIDS Resource Mobilisation Strategy.</p> <p>Stand fully behind and implement the RM strategy and – importantly – to continue to develop the Secretariat and JP capacity to implement the RM Strategy.</p>
7	<p><b>Mobilize PHLIV, communities and civil society</b> to strongly advocate to Governments, and other donors, to fully fund UNAIDS.</p>
8	<p>Recognizing and supporting the efforts made so far, including the 2019 MOU between UNAIDS and the Global Fund, <b>call upon the Boards and Secretariats of the Global Fund and UNAIDS to urgently work together and resolve the situation of the underfunded UNAIDS work for the Global Fund.</b></p>

### Background documentation for fourth meeting

- Background Note on Non-core Funding
- AP UNAIDS Global Fund Technical Support 2021-2022

### Background documentation shared in advance of previous Task Team meetings:

- Joint Programme Resource Mobilisation Strategy 2022-2026
- Strategic Funding Dialogue background document [UNAIDS Structured Funding Dialogue - Background Paper Final 09112021 \(1\).pdf](#)
- Financial analysis GF- UNAIDS
- [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](#)