

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

**Second Meeting Summary Report**

The second meeting of the Informal Multistakeholder Task Team to provide recommendations to the PCB Bureau on the UNAIDS funding situation was held on 21 July 2022. The meeting was hybrid with virtual participation of Task Team members, and face-to-face participation in the Kofi Annan Boardroom at UNAIDS Global Centre in Geneva.

**Welcome, introductions and approval of Task Team working modalities and meeting agenda**

Task Team co-chair Dr Mohamed Chakroun from Tunisia welcomed Task Team members to the second meeting. At the co-chair's request, members of the Task Team introduced themselves.

Approval of the report of the first Task Team meeting was delayed to incorporate information raised at the first meeting – specifically, the effects on Cosponsors' capacity of funding allocations within the Joint Programme and the Secretariat's inability to make the second tranche of funding to the Cosponsors, as well as the importance of outreach to donors that have reduced their funding to the Joint Programme. It was agreed that a revised version of the first meeting report would be circulated to Task Team members by Friday, 22 June 2022, with a lack of objection by the end of the day to be taken as approval.

The Task Team approved its working procedures, towards having a set of recommendations for the immediate crisis to be submitted to the PCB electronically by 30 July, and another set of recommendations on sustainable funding for the UNAIDS Budget, Results and Accountability Framework (UBRAF), by the UNAIDS funding dialogue in October 2022, for consideration by the PCB at its December 2022 meeting. The Task Team's working procedures are attached to this meeting report.

**Review of options for resource mobilization**

Co-chair Ms Julia Martin from the United States of America (USA) guided the Task Team through a more granular discussion of possible resource mobilization options, based on the concept note for the second meeting, which had been more elaborated after the Task Team's first meeting. The discussions were focused on the short-term funding options.

*1. Addressing currency fluctuations*

Two options have been suggested for addressing the impact of currency fluctuations on UNAIDS resource mobilization.

**Option 1.1:** *Governments requested to augment their planned 2022 and 2023 funding commitments to the Joint Programme with funds equal to the loss of funds as a result of the significant change in foreign currency exchange (as an estimate or actuals at the end of the fiscal year).*

**Option 1.2:** *UNAIDS donors consider the use of a Memorandum of Understanding with preferential currency rates (as determined by the donor) with the Joint Programme.*

The Task Team endorsed these recommendations and agreed that they should be implemented immediately. Task Team members agreed that these options present little risk, other than the possibility that donors might not be able to respond positively to the requests. The UNAIDS Secretariat estimates that option 1.1 could generate US\$12 million in short-term funding relief for the Joint Programme.

It was agreed that the Secretariat will prepare a letter by 29 July asking donors whose contributions have been negatively affected by currency fluctuations to make up currency-related funding shortfalls. It was further agreed that the Netherlands and USA will work with the Secretariat to schedule calls with these donors encouraging them to address the effects of currency fluctuations.

## *2. Co-investment to the Global Fund and the Joint Programme*

### *2.1 Joint announcements of co-investment in the Joint Programme and the Global Fund*

The Task Team endorsed option 2.1 and recommended immediate action to ask countries to announce their support for the Joint Programme at the same time they announce their contribution/pledge to the Global Fund. As countries are currently making decisions about Global Fund contributions for the seventh replenishment, the timing is fortunate for implementation of this option. A dual announcement at the Replenishment Conference could either be a new announcement on funding to the Joint Programme or a recall and highlight of funding commitment already made in 2022. In both cases, an announcement provides visibility to the interconnectedness of the Global Fund and UNAIDS.

### *2.2 Commit to a proportionate co-investment to the Joint Programme*

The Task Team explored several facets of option 2.2. The Task Team noted that 8-10 countries currently provide notable funding to the Global Fund but little funding to the Joint Programme. Advocating for proportionate or relevant investment in both the Global Fund and the Joint Programme was deemed to pose little risk to either organization. One suggested approach to identify countries that are “under-contributing” to the Joint Programme visa-vie their contribution to the Global Fund is to compare the percentage of a donor country’s contributions to the UBRAF with the country’s assessed contribution to the World Health Organization as a benchmark. However, it was noted

that while there may be no single or straight forward approach to benchmarking, donors to the Global Fund that provide limited support to UNAIDS could and should be approached to discuss the necessity of a fully funded UNAIDS to support the Global Fund work.

It was agreed that the Global Fund will work with the Joint Program on a list of donors to identify advocacy targets. The Task Team agreed that the Secretariat should prioritize immediate outreach to the 8 – 10 countries that provide strong support to the Global Fund but inadequate support to the Joint Programme, seeking US\$3 million in immediate funding from each such donor to help address the current funding crisis. There was agreement to focus specific advocacy and resource mobilization outreach on donors that have reduced their contributions to the Joint Programme. It was agreed that messaging and strategic advocacy approaches on proportionality between giving to the two organization is a longer-term matter that will require further thought and discussion.

### *2.3 Commit the 5% set-aside to the Global Technical Assistance facility to the Joint Programme*

The Task Team had an extensive discussion regarding option 2.3. Currently, several countries (including Australia, France, Germany, United Kingdom, and USA) set aside a portion of their Global Fund contribution to technical support related to effective implementation of Global Fund grants. Focusing resource mobilization efforts for a 5% set-aside on the AIDS allocation specifically on five countries that support the Global Fund but do not provide commensurate contributions to the Joint Programme would, the Secretariat projects, generate an additional US\$27 million.

A proposal to reserve this set-aside for the Joint Programme confronts several difficulties and complexities. Some current set-asides for HIV underwrite technical support not only for UNAIDS but for other technical partners covering TB and malaria needs. In addition, reserving funding for technical support reduces the total amount available for disbursement by the Global Fund through country envelopes.

It was observed that the Joint Programme currently undertakes considerable technical support and normative work through its core UBRAF funding. Applying set-asides to core UBRAF funding would buttress the Joint Programme's extensive support to Global Fund programmes in countries. The Task Team discussed the degree to which existing technical support funding flows to Cosponsors as well as the Secretariat, as one member of the Task Team from the Cosponsors noted that Cosponsors currently receive no funding directly from the Technical Support Facility.

The Task Team agreed that option 2.3 is not ripe for immediate implementation but instead requires additional study and evidence-gathering. It was agreed that the Task Team would use the USA set aside for technical support as a model and would analyse how France and Australia implement their technical assistance at their Fall meetings.

### *2.4 The Global Fund acts as a 'guarantor' for a fully funded UBRAF*

Under this option, the Joint Programme would apply its best efforts to mobilize full funding for the UBRAF. In the event the Joint Programme failed to mobilize full funding, the Global Fund would intervene to close any resource gap.

The Task Team from the Global Fund advised that discussions would need to take place at corporate level between the Global Fund and the Joint Program on this option with regards to its feasibility and risks associated with this option. Possible options, such as using unspent grant funds to close the Joint Programme's funding gaps rather than roll into the next replenishment, were discussed.

The Task Team agreed that this option is not suitable for immediate implementation but requires further discussion by the Task Team in the Fall. As part of this discussion, some focus is needed, the Task Team determined, on assessing how countries plan for technical support with their Global Fund grants.

### *3. Solidarity and engagement by the PCB*

#### *3.1 Commitment from the 22 PCB Member States:*

- *Donor PCB Member States requested to increase their voluntary commitment to the Joint Programme by US\$1 million*
- *Programme countries requested to contribute US\$ 500 000 to the Joint Programme*

Unlike option 2.2, which focuses on donors that have under-prioritized support to the Joint Programme (compared to contributions to the Global Fund or to the percentage of their assessed contributions to WHO as a benchmark), the first element of option 3.1 focuses on current donors to UNAIDS (PCB members), including those that are already steadfast. The second element of option 3.1 focuses on programme countries, with the aim of using a limited contribution to the Joint Programme to demonstrate ownership and support of the Joint Programme's work in each country.

The Task Team endorsed these options for immediate action. The Secretariat was tasked with drafting two sets of letters – one to donor PCB members requesting an increase of at least US\$ 1 million in each country's contribution to the Joint Programme, and another to programme countries seeking US\$ 500 000 in support. It was agreed that the Secretariat will provide the Task Team with a list of Member States that fall into each of the categories outlined in option 3.1. The Task Team co-chairs will then work with the Secretariat to schedule calls with countries (including multiple countries at one time, as appropriate) to explain and make this request.

During the discussion of option 3.1, the Task Team had an extensive discussion regarding certain "non-traditional" donors, such as the European Union (which currently attends PCB meetings as an observer and provides funding to the Global Fund but no direct support to the Joint Programme) and the Bill & Melinda Gates Foundation (which provides earmarked support for specific projects). Some Task Team members noted the

Gates Foundation can be especially flexible. Efraim Gomez, UNAIDS Chief of Staff and coordinator of the Secretariat's support to the Task Team, said the Secretariat would check internally about the Secretariat's current status of conversations and resource mobilization planning with respect to the Gates Foundation. Subsequent to the Task Team meeting, the Secretariat relayed to the Task Team that discussions with the Gates Foundation on the nature and durability of their support to UNAIDS was in process and would be pursued but felt that requesting a short-term one-off investment from Gates may not be the most effective avenue to pursue at this juncture.

The Secretariat is already engaged in efforts to mobilize funding from the European Commission (EC). UNAIDS is currently undergoing a pillar assessment with the EC. It was agreed that this was unlikely to be resolved in the short term.

#### *4. Commitment by programme countries*

*4.1 Commitment by the programme countries to the Joint Programme country workplan*

*4.2 Commitment by the programme countries to UNAIDS core budget*

*4.3 Accessing Global Fund technical assistance financing in country*

The Task Team agreed that this set of options requires further discussion and investigation by the Task Team. All will be discussed in the fall meetings of the Task Team.

### **Conclusion and next steps**

In addition to the options identified in the second meeting as longer-term items, Ms. Martin noted that there are several other longer-term options the Task Team will want to explore. These include the potential to recruit new donors from governments, foundations and the private sector; innovative partnerships to improve collaboration between key HIV response stakeholders; making the case for investments, including through compelling value propositions; engaging with Cosponsors to explore the possibility of shifting their internal resources to fund the UBRAF; joint approaches for resource mobilization among PCB members and fully leveraging the voice of UNAIDS ambassadors, celebrities and influencers; and ensuring timely and quality communication on the return on UNAIDS investments.

In connection with exploring these and other longer-term resource mobilization options, there was agreement that the Task Team requires in its Fall meetings more detailed information on the 2022-2026 UNAIDS resource mobilization strategy. It was further agreed that the next meeting of the Task Team will also address the Secretariat's internal capacity for resource mobilization.

It was agreed that the Task Team would by Friday, 22 July 2022, receive updated documents on its recommendations to the PCB Bureau. PCB members will have until close of business on Friday, 22 July 2022, to provide clearance for the documents.