

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

**Fourth meeting
Summary Report**

The fourth meeting of the Informal Multistakeholder Task Team to provide recommendations to the PCB Bureau on the UNAIDS funding situation was held on 13 October 2022. The meeting was hybrid, with virtual participation of Task Team members and face-to-face participation of the co-chair, Julia Martin and UNAIDS staff in the Kofi Annan Boardroom at UNAIDS Global Centre in Geneva.

Welcome, objectives of the fourth meeting of the Task Team and adoption of meeting agenda

Task Team co-chair Dr Mohamed Chakroun from Tunisia welcomed Task Team members to the fourth meeting. He noted that the fourth meeting aimed to confirm the Task Team's recommendations for sustainable funding prior to the UNAIDS Sustainable Funding Dialogue and to analyse additional strategies for sustainable funding for the Joint Programme. Dr Chakroun reviewed the meeting agenda, which the Task Team approved.

Update on the first set of Task Team recommendations

Task Team co-chair Ms Julia Martin of the United States of America reminded the Task Team of its recommendations endorsed by the PCB Bureau for addressing UNAIDS' immediate funding crisis. Ms Martin summarized the Task Team's recommendations for addressing ongoing currency fluctuations. After conversations between the Secretariat and various donors, Ms Martin reported, it is unlikely that the proposed actions to address currency fluctuations will generate substantial funding in the short term, although efforts to smooth out currency fluctuations will continue beyond 2022, as they may have the potential to generate more resources in future years.

The second cluster of recommendations made earlier by the Task Team focused on catalysing and leveraging co-investment in the Global Fund and the Joint Programme. As recommended by the Task Team, a number of donors expressly linked their pledges to the Global Fund to support for UNAIDS. A number of events during the 77th session of the United Nations General Assembly (UNGA) in New York, including the Global Fund replenishment, raised the profile of the Joint Programme. Ms. Martin noted that it was important to further emphasize the linked relationship between the Global Fund and UNAIDS. Task Team members emphasized the need for a clear and compelling narrative regarding the added value of technical partners such as UNAIDS to support the success of Global Fund programmes in country.

Ms. Martin expressed optimism that new funding would be generated from the Task Team's recommendations regarding solidarity and engagement by the PCB. Letters to

the missions of PCB members seeking additional voluntary commitments to UNAIDS were sent in September. Follow-up from these letters is now taking place, and the Secretariat is also planning to prepare communications to Observer member states

UNAIDS core and non-core funding and update on Joint Programme Resource Mobilization Strategy

Ms. Rosemary Museminali, Director, External and Donor Relations, provided an update of the new resource mobilization strategy for 2022-2026, which is being finalized. The new strategy aims to promote an enabling environment within UNAIDS for resource mobilization, encourage influence and engagement, develop compelling value propositions, and improve Secretariat processes for resource mobilization, including creating new capacity for private sector fundraising.

Ms. Museminali described the trend in increase of non-core funding, which grew to US\$75.9 million in 2021. The Secretariat has worked to ensure that non-core funding is aligned with the UBRAF. George Farhat, Director of Planning, Finance and Accountability, noted that the UBRAF is composed of both core and non-core elements and that the Secretariat and Cosponsors are responsible for mobilizing their respective non-core funding. Even as a substantial shortfall of core funding has occurred in recent years, non-core funding continues to increase. It was noted that some forms of non-core funding, such as funding to UNDP to serve as Principal Recipient for Global Fund grants, may not contribute directly to the UBRAF.

The Task Team emphasized the importance of ensuring full cost recovery for non-core contributions, to avoid having core funding subsidize initiatives supported by non-core funding. The Task Team recommended greater transparency and study of indirect allocations for non-core funding, to ensure that they are on par with indirect rates of other similar institutions. It was also observed that analysis was needed to determine whether some non-core funding might be allocated to core funding. The Task Team noted the need for robust value propositions to encourage donors to contribute to the core UBRAF budget.

The Task Team discussed the feasibility of attracting contributions from Cosponsor organizations to the core UBRAF. Members of the Task Team from the Cosponsors discussed the challenges of mobilizing additional HIV-specific funding from their organizations for the core UBRAF. The Task Team agreed that joint resource mobilization initiatives involving the Secretariat and one or more Cosponsors offers potential promise as a means of bolstering UNAIDS fundraising. Ms. Martin suggested the need for further exploration of the possibility of mobilizing UBRAF funding from Cosponsors for specific areas of work. She also recommended additional analytical work to conceptualize how the Joint Programme might best be suited for the future, including in response to increased emphasis of integration of HIV as part of broader health systems.

Presentation of proposed recommendations for sustainable financing for the Joint Programme

Ms. Martin facilitated a discussion of potential options to generate sustainable funding for UNAIDS. The Task Team recommended further efforts to encourage donors to enter into multi-year funding agreements to UNAIDS. Options for a pertinent multi-year period include the UNAIDS strategy cycle or the Global Fund replenishment cycle. In connection with these multi-year agreements, the Task Team recommended that UNAIDS enter into a Memorandum of Understanding with donors for the use of preferential currency rates or other steps to iron out the effects of currency fluctuations.

The Task Team focused on strategies for leveraging the Joint Programme's relationship with the Global Fund for resource mobilization. Ms. Martin noted that the Global Fund relies heavily on UNAIDS for technical support. In addition to improving communications on the Joint Programme's value to the Global Fund for purposes of UNAIDS resource mobilization, the Task Team recommended that resource mobilization efforts focus on encouraging Global Fund donors with technical set aside funding to prioritize the Joint Programme for such funding. Recognizing that the status of technical set asides is fluid and evolving, the Task Team encouraged the Secretariat to collaborate with Cosponsors to decide who will take part in and track these conversations and to determine who might be best positioned to take the lead in engaging donors and positioning the Joint Programme for scope of work. The Task Team discussed the possibility of obtaining additional core funding through catalytic country investments, such as through country matching funding or allocations for UNAIDS technical support. Given the likelihood that catalytic investments will be greatly diminished in the upcoming funding cycle of the Global Fund, it was agreed that this avenue was unlikely to merit considerable investments of time and energy.

The Task Team recommended steps, using a "fair share" approach, to encourage more balanced funding among donors that currently contribute substantial sums to the Global Fund but make no or minimal contributions to UNAIDS. One possible benchmark discussed by the Task Team is to ask donors to commit funding to UNAIDS that is equal to at least 5% of their contributions to the Global Fund. Another possible standard might be to compare individual donors' share of funding to UNAIDS with their assessed contribution to the World Health Organization (WHO). The Task Team recalled that the Secretariat had undertaken this comparison of the percentage of a donor country's contributions to the UBRAF with the country's assessed contribution to the WHO as a benchmark and shared graphics with the Task Team. The Task Team recommended that the minimum appropriate level of an ask to the donors, even to those that do not contribute to the Global Fund, could be the "fair share" based on the calculation of their assessed contribution to WHO. In that way it would not be a direct percentage.

The Task Team recommended that UNAIDS engage in discussions with the Global Fund regarding a new funding mechanism or arrangement between the Global Fund and UNAIDS to mobilize at least US\$31 million in new funding for the core UBRAF. It was agreed that the UNAIDS Executive Director should engage directly in discussions

with the Global Fund Executive Director prior to the December PCB to explore possible options for additional funding for the UBRAF core.

Next steps

To address unfinished business and to finalize recommendations for longer-term sustainable funding options to the PCB Bureau, it was agreed that the Task Team would hold a fifth and final meeting (with a preliminary date of 1 November suggested). As part of finalizing recommendations, the Task Team will discuss possible recommendations regarding the private sector (including foundations) and matching funding for country envelopes.