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**20<sup>th</sup> Meeting of the UNAIDS Programme Coordinating Board**  
**Geneva, Switzerland**  
**25-27 June 2007**

*Provisional agenda item 4.4:*

**UNAIDS Collaboration with the Global Fund to fight AIDS, Tuberculosis  
and Malaria**

**Additional documents for this item:** none

**Action required at this meeting - the Programme Coordinating Board is requested to:**

- i. Request the UNAIDS Secretariat to work with the Global Fund to Fight AIDS, Tuberculosis and Malaria to revise and update their Memorandum of Understanding redefining and, in light of the changed landscape, update the areas and modalities of their cooperation and present this to their respective Boards for approval. Equally it will be essential that they develop a shared follow-up system for the purposes of accountability.
- ii. Request the UNAIDS Secretariat, in consultation with national stakeholders, co-sponsors, the Global Fund to fight AIDS, Tuberculosis and Malaria, and other partners, to develop criteria and procedures for the establishment of an Independent Review Mechanism for national strategic plans and to validate these plans as eligible for international funding.
- iii. Request the UNAIDS Secretariat, in close collaboration with the national AIDS authority, the UNAIDS Cosponsors and other partners in the AIDS response, to intensify efforts as a clearing house for providing access to effective technical support to accelerate scaling –up.
- iv. Request the UNAIDS Secretariat to facilitate the governance of GFATM grants for the AIDS response through support to Country Coordinating Mechanisms, and alignment of these mechanisms with the overall coordination of the national response to AIDS.

**Cost implications for decisions:** none

## Introduction

1. The creation of the Global Fund to Fight AIDS, Tuberculosis and Malaria in 2002 led to new opportunities and dramatically increased resources for the global response to AIDS. So far, the Global Fund has raised more than US\$ 10 billion, committed some US\$ 7.5 billion, and disbursed around US\$ 3.6 billion. Even with these increased funds, there remain substantial obstacles in the current global response to reaching the Millennium Development Goals of halting and reversing the AIDS epidemic. The expected increase of the Global Fund budget in the next three years will further increase the demands for technical support and will provide a great opportunity to scale up the AIDS response.

2. The Global Fund and UNAIDS have been partners from the start. Their complementary roles and shared commitments provide a strong basis for collaboration. The Global Fund is a critical financial mechanism that raises and disburses funds. UNAIDS is a knowledge, technical and implementation support organisation, combining the expertise of the Secretariat and 10 United Nations Cosponsors to support countries to effectively implement their AIDS programmes, and to make the funding provided by all partners work<sup>1</sup>. The majority of the UNAIDS Secretariat and Cosponsors' AIDS staff are working to maximize the use of these funds in countries, and UNAIDS country officers spend up to 50% of staff time on Global Fund financed programmes. In addition, UNDP is a Principal Recipient for 17 % of Global Fund grants for AIDS. The shared commitment to national ownership and leadership, and appreciation of the importance of partnership and coordination create the basis for a strong and fruitful collaboration between the Global Fund and UNAIDS (see Box 1).

3. The collaboration was formalized through a Memorandum of Understanding signed in 2003<sup>2</sup>, which sets out principles and objectives of cooperation. The principles of the Global Fund and UNAIDS (the 'Partners') work state:

- “..The Global Fund will channel additional funds for HIV/AIDS prevention, care, treatment, support and impact alleviation. UNAIDS will provide strategic knowledge, policy advice and technical expertise...
- The Partners will respect the principles of national ownership and country leadership and will support the goals of capacity building and expansion of local responses to HIV/AIDS. ...
- The Partners will work together to develop and to support public/private partnerships at the global, regional and country level, affirming the mutual responsibilities of governments, civil society and the private sector. ...
- The Partners affirm the need for transparency and open communication in their collaboration and in the management of this partnership. ...”

4. The objectives state that UNAIDS Secretariat and its Cosponsors, as a Joint Programme, will cooperate with the Global Fund by providing:

- strategic analysis and policy advice, at the country level as well as at the global level;
- technical support throughout the grant cycle (from proposal development to implementation);
- monitoring and evaluation; and
- resource mobilization and advocacy.

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<sup>1</sup> In addition, the World Bank is a major funder of AIDS programmes in low and middle income countries.

<sup>2</sup> *Memorandum of Understanding between UNAIDS and the Global Fund, 2003.*

5. The memorandum calls for continuing communication and information sharing between the two organizations, participation on respective boards, and a regular review of the cooperation.

6. The new strategy of the Global Fund and the revitalised commitment of the new leadership of the Global Fund to partnership with the UNAIDS Secretariat and Cosponsors present opportunities for renewed and invigorated collaboration. This is an opportune moment to review the lessons learnt and to continue to provide the support required by countries for scaling up the response to meet the Millennium Development Goals and the aspiration of universal access.

### **Box 1**

#### **Five years of interaction between UNAIDS and the Global Fund**

*Important results have already been achieved. During the course of 2006, the Global Fund's top three indicators have doubled their achievements. UNAIDS has been a key partner in these achievements and, as outlined below, has learnt a great deal from its relationship with the Global Fund.*

- *Rapid scaling-up is possible. Donors have contributed substantial amounts of new funding, resulting in an increase in global resources for AIDS from less than US\$ 1 billion in 1996 to US\$ 5 billion in 2003, to US\$ 10 billion in 2007. The Global Fund accounts for 21% of the international resources for AIDS.*
- *Success at country level is a result of the complementarities of the Global Fund financial mechanism, national leadership and the technical support and capacity-building provided by UNAIDS Secretariat and its Cosponsors. For example, some 85% of successful Round 6 grant proposals received support from UNAIDS and Cosponsors.*
- *The requirements for Country Coordinating Mechanisms (CCMs) have led to civil society playing a more influential role in governance. Virtually all CCMs are now complying with the Global Fund's requirements, and UNAIDS has helped to make this possible. For example, in China, UNAIDS has supported a transparent process for the selection of civil society representatives on the CCM.*
- *The scale of the Global Fund's activities has resulted in some duplication of structures at country level. Partners must continue to harmonize their structures and processes and align their support to the national strategies and plans. To ensure the increase in resources that the Global Fund represents is put to best use, it is essential that the principles of the 2005 Paris Declaration on Aid Effectiveness—embodied in the AIDS response by the “Three Ones” principles and the recommendations of the Global Task Team on improving AIDS coordination among multilateral donors and international donors—are vigorously adopted. Adherence and progress in this area will be monitored through the use of tools such as the Country Harmonization and Alignment Tool in support of joint programme reviews.*
- *Operationalising performance based funding has been a new principle for most countries. While the majority has responded well, many require substantial inputs in the area of results based planning and response design, and commensurate monitoring and evaluation, especially to build systems for data recording, quality assurance and analysis.*
- *Appropriate technical support is a key element in achieving optimum impact from the resources available.*

## **Progress on the Objectives of the Memorandum of Understanding**

7. The recommendations of the Global Task Team and the actions resulting from these recommendations provide a robust framework for moving forward on the objectives of the Memorandum of Understanding. A brief analysis by each objective is presented below.

### ***Strategic Analysis and Policy Advice***

8. The Global Fund is a new type of funding mechanism, with different policies and guidelines, and with no country presence to support their application at country level. In keeping with the Memorandum of Understanding, UNAIDS Secretariat and its co-sponsors have supported Country Coordinating Mechanisms (CCM) and country partners in understanding and applying Global Fund policies. The Global Fund, WHO and UNAIDS Secretariat and co-sponsors have joined their efforts and run a series of capacity-building programmes for better CCM functioning. UNAIDS or Co-sponsors actively participate in CCMs in 83 countries.

9. The UNAIDS Secretariat, along with the World Health Organization (WHO) and the World Bank, represents Cosponsors on the Global Fund's Policy and Strategy Committee. UNAIDS and WHO are members of the Portfolio Committee, and use their positions to reflect country-level results and experiences at the global level to influence the development of policy. For example, decisions to include technical support costs and CCM functioning in the Global Fund grant, as well as the move to consolidate different rounds of funding for greater coherence are rooted in this feedback.

10. UNAIDS Secretariat and Cosponsors provide technical expertise to the committees on, for example, new treatment regimens and prequalification of commodities, and also backstop the Technical Review Panel by providing information on specific epidemics and the appropriate strategy for each country.

11. UNAIDS, WHO and the World Bank are also non-voting, ex officio members of the Board of the Global Fund, providing inputs to policy at the highest level.

12. The present opportunity for stronger partnership with the Global Fund, and the emerging policy debate around partnerships makes this the right time to look critically at the structures and mechanisms at country level (for example Country Coordinating Mechanisms and National AIDS Authorities), assess the added value of each, and take decisions on how they can be harmonized and aligned to be of maximum benefit to the country.

13. UNAIDS Secretariat and Cosponsors can take on more of the background preparation and technical inputs to the Board and committee meetings. This would allow the full spectrum of the UN system expertise and experience to be drawn on for the Global Fund Board decisions.

14. In the changing context, UNAIDS Secretariat should clarify with Cosponsors the objectives and modality of the emerging relationship with the Global Fund, and define the unique contribution of each agency, in keeping with the agreed Division of Labour, to make the UN system-Global Fund relationship as productive as possible.

### ***Monitoring and Evaluation***

15. Monitoring and evaluation is increasingly seen as an essential component of country programmes, to ensure effectiveness as well as accountability. This is one area where the UNAIDS Secretariat is well poised to collaborate effectively. As part of its efforts to strengthen country responses, UNAIDS has 53 monitoring and evaluation officers in the field—47 in country offices and 6 in regional support teams.

16. Countries require assistance in meeting the challenges of performance-based grants. UNAIDS monitoring and evaluation officers provide support in establishing and strengthening national monitoring and evaluation systems and contribute to the design of monitoring and evaluation plans for the Global Fund. This includes developing indicators that are aligned to international measures, helping set up data systems, and assessing the impact of the activities. UNAIDS has established annual reporting, which builds on the work of the United Nations General Assembly Special Session on HIV/AIDS. Annual statistics on services allow the Global Fund to place their coverage numbers in a national context.

17. In addition, the UNAIDS Secretariat is a member of the Technical Evaluation Reference Group and provides back-up to the Technical Review Panel in appraising new proposals. UNAIDS is also playing an important strategic role at country level in facilitating information exchange between the organisation contracted to carry out the evaluation and country partners for the five-year evaluation of the Global Fund.

### ***Resource mobilization and advocacy***

18. UNAIDS has led the global advocacy effort that has resulted in keeping AIDS high on the global political agenda and has also resulted in commitment to moving towards universal access to prevention, treatment, care and support. We have been moving the AIDS response from advocacy to resource mobilization, and now to “making the money work”. The increase in resources has been exponential<sup>1</sup>. The Global Fund accounts for about 21% of the international resources for AIDS. The Global Fund has been innovative in identifying new opportunities for funding—Product RED and Debt2Health, for example.

19. UNAIDS, in close collaboration with all partners including the Global Fund, will play a central role in mobilizing the resources necessary for global and national responses. The Board of the Global Fund is committed to triple the size of the budget in the next three years. The Decisions, Recommendations and Conclusions of the 2006 Programme Coordinating Board state that the global financial resource needs are “estimated to reach US\$ 20–23 billion annually by 2010”. The Global Fund budget will be between US\$ 6 billion and US\$ 8 billion by 2010. Substantial additional funding is still required. UNAIDS and the Global Fund will work together to explore further innovative mechanisms (such as UNITAID), building on experiences with the private sector and encouraging national co-financing.

20. In assuring the sustainability of resources, oversight and impact analysis are assuming increasing importance. While there has been a major effort to streamline this oversight on the financial side, where the Global Fund has appointed Local Fund Agents, there is room for improvement on the programmatic side. UNAIDS and Cosponsors can play a role in focusing gap and impact analyses at each stage of the grant life-cycle, from proposal development to implementation, phase 2 applications and beyond. For example, the Global Fund Board has called for the development of an approach to joint certification of the national plans. This is an opportunity

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<sup>1</sup> Increased from less than US\$ 1 billion in 1996, to US\$ 5 billion in 2003, to US\$ 10 billion in 2007.

for UNAIDS to play a substantive role in formulating an indicative framework, developing guidelines to guide the process, and improve future planning around resource requirements and technical support.

***Technical support throughout the grant cycle.***

21. The technical support provided by UNAIDS Secretariat and Cosponsors is recognized as a critical element in the implementation of major grants or 'making the money work'. UNAIDS has developed different modalities and tools to respond to the different kinds of technical support required at various stages in the programme life-cycle.

22. WHO and UNAIDS secretariat work as a team to ensure co-ordinated inputs for proposal development and accessing grants. The UNAIDS Secretariat alone spends on average US\$500,000 per round on direct country support for proposal development. If investments of cosponsors were included, this figure would more than double. In addition, most UNAIDS Secretariat staff at country level spend over 50% of their time on activities related to the Global Fund.

23. Several mechanisms have already been developed at both country and global level to respond to some of the challenges of providing technical support. Regional Technical Support Facilities and WHO Knowledge Hubs provide locally sourced technical support to countries, while the World Bank-coordinated 'AIDS Strategy and Action Plan' (ASAP) supports countries in the development of costed AIDS strategic plans. Following the recommendations of the Global Task Team, an international problem solving forum of UN technical agencies, funding entities, bilateral donors and NGOs was formed. The Global Implementation Support Team (GIST) has been in operation since July 2005 to jointly address acute implementation bottlenecks. Equally, Joint UN Teams are being set up in countries across the globe to ensure greater cohesion and effectiveness in the AIDS response. Bilateral partners and NGOs have also been working to strengthen the technical support available to countries, adding another layer to this already complex landscape.

24. Despite these efforts, however, prevailing gaps in the technical support systems for capacity building, improved governance and programme management continue to jeopardize efforts to 'make the money work'.<sup>1</sup> Technical support is required to address programmatic bottlenecks (e.g., medicines procurement, supply management), weak governance (e.g., poor planning and budgeting, inadequate fiduciary management, difficult relationships among national authorities, donors and civil society, etc.) and human resource constraints (e.g. lack of qualified staff, training support, etc). As countries move to scale up their national programmes to reach universal access to prevention, treatment, care and support, a "shift in paradigm" is required to strengthen the architecture for quality technical support. Such a shift would re-position technical support as a long term investment rather than a short term solution, advocating a more coordinated approach rooted in the Three Ones principles and would contribute to building up sustainable national and regional capacity.

25. In February 2007, the Global Fund, WHO, US Government office of the Global AIDS Coordinator, and UNAIDS Secretariat agreed on the need to co-ordinate and facilitate technical support for strengthening national ownership and protecting donor investment. The following functions were identified as key to the consolidation and rationalization of technical support:

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<sup>1</sup> It is important to distinguish between the various types of technical support available, for example that designed to strengthen 'programme management' (e.g., medicines procurement, demand forecasting, supply management) and the more 'systems-related' technical support which includes governance, oversight, planning and budgeting, fiduciary management community engagement, and relationships among national authorities, donors and civil society.

- systematic assessment of technical support needs in the light of identified bottlenecks in programme implementation;
- preparation of comprehensive technical support plans;
- brokering the provision of demand-driven technical support;
- monitoring technical support delivery; and
- documenting and learning lessons from improved partnership approaches to the management of technical support.

26. UNAIDS Secretariat will play the key role in coordinating the technical support and providing national authorities and partners with a 'one-stop-shop' for intensified technical support, standards setting and quality assurance. UNAIDS Country Coordinators will take on an active role in facilitating intelligence gathering to assess, map and forecast technical support needs as well as highlighting more systemic issues for long-term action. With the support of monitoring and evaluation advisors, the UNAIDS Country Coordinators will also support the assessment of the impact of technical support using indicators that will be part of technical support plans.

27. Burkina Faso, Indonesia, Malawi, Peru, Rwanda and Zambia were selected as countries to pilot the 'one-stop-shop' concept, following in-depth discussions with the Global Fund, WHO and the US Government. In each of these six countries UNAIDS Secretariat, along with national partners, has initiated activities to intensify technical support arrangements. Progress will be followed closely to learn lessons and develop guidance to enable the implementation of coordinated and intensified technical support in all countries with large grants.

### **The Way Forward**

28. The AIDS response is at a defining moment—the size of the Global Fund budget is set to increase dramatically and the opportunity to turn back the epidemic is great. The renewed commitment to partnership by the Global Fund leadership provides an opportunity to revisit and refine the relationship between the Global Fund and the UNAIDS Secretariat and Cosponsors, and to move from strength to strength. Renewed collaboration and open communication will enable UNAIDS and Global Fund to achieve the spirit of the Memorandum of Understanding which states:

“Together we are committed to making the money work for those who are in the most need today — while ensuring long term solutions are in place for tomorrow”.

### **29. The Programme Coordinating Board is requested to:**

Request the UNAIDS Secretariat to work with the Global Fund to Fight AIDS, Tuberculosis and Malaria to revise and update their Memorandum of Understanding redefining and, in light of the changed landscape, update the areas and modalities of their cooperation and present this to their respective Boards for approval. Equally it will be essential that they develop a shared follow-up system for the purposes of accountability.

### **30. Reinforcing the Recommendations of the “ Report on the Progress on follow-up support to countries in their national target setting towards universal access”, the Programme Coordinating Board is requested to:**

Request the UNAIDS Secretariat, in consultation with national stakeholders, co-sponsors, the Global Fund to fight AIDS, Tuberculosis and Malaria, and other partners, to develop criteria and procedures for the establishment of an Independent Review Mechanism for national strategic plans and to validate these plans as eligible for international funding.



Request the UNAIDS Secretariat, in close collaboration with the national AIDS authority, the UNAIDS Cosponsors and other partners, to intensify efforts as a clearing house for providing access to effective technical support to accelerate scaling-up.

Request the UNAIDS Secretariat to facilitate the governance of GFATM grants for the AIDS response through support to CCMs, and alignment of these mechanisms with the overall coordination of the national response to AIDS.

Request the UNAIDS Secretariat and the Global Fund to develop a method of close and collaborative working together in order to achieve all of the above.

31. UNAIDS is committed to continuing our close and productive relationship with the Global Fund to implement these recommendations and challenges.