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## PROGRAMME COORDINATING BOARD

**Fifteenth meeting**  
**Geneva, 23–24 June 2004**

*Provisional agenda item 1.4:*

### **Report of the Executive Director, 2002–2003** **Overview and Challenges**

#### **Executive Summary**

At its meeting in June 2003 the PCB requested that future reports of the Executive Director be more output-oriented and focused on the contributions of UNAIDS at different levels, including more fully reflecting the coordinated response at country level. In order to respond to this, the Report of the Executive Director is being submitted in two parts. This, the first report, provides a summary of the key achievements of UNAIDS during the biennium 2002–2003, and sets out the key challenges now facing the world and the Programme in mounting an effective global response to the epidemic. The second, longer Executive Director's Report, describes in more detail the state of and response to the global epidemic, and the activities of the UNAIDS programme, both Secretariat and Co-sponsors during the biennium.

#### **The Global Response to AIDS: Progress, But Not Enough**

Today, AIDS is entering its globalization phase. AIDS has continued to intensify in already heavily-affected countries, and new epidemics threaten Asia, Eastern Europe, the Pacific and Central America. There is a growing feminization of the AIDS epidemic, and the full societal impact of AIDS is starting to become apparent in southern and eastern Africa. While progress towards the goals of the Declaration of Commitment on HIV/AIDS has been disappointing in many respects, the global response to AIDS is also entering a new phase. There is unprecedented momentum of political leadership, of financial resources and of evidence and hope.

#### **Achievements of the Joint Programme**

Following the evaluation of UNAIDS and the 2001 United Nations General Assembly Special Session on HIV/AIDS, the Joint Programme itself has made considerable progress. However, this new phase of the epidemic and the response to it brings new challenges – most significantly how to sustain an urgent response to AIDS over the long term – strengthening and monitoring the capacity to implement effective AIDS programmes is a challenge in many of the countries benefiting from increased resources to deploy against AIDS. A particular issue is the need for greater harmonization of efforts against AIDS. During the 2002–2003

biennium, UNAIDS identified the “Three Ones” principles for concerted AIDS action at country level, which are being incorporated into UNAIDS five core functions in the current biennium.

### **Challenges for the Response to AIDS and for UNAIDS**

The progress seen in the global response to AIDS and the new environment of new commitments and leadership, bring with them new challenges. These include bridging the funding gap to mount an effective global AIDS response, developing the capacity to respond to the epidemic in the most affected countries, recognising the “exceptionality” of AIDS and taking equally exceptional measures to respond to it, strengthening the coherence and accountability of the increasing number of AIDS funding and implementing agencies, and ensuing a comprehensive response that balances prevention and treatment and which is gender-friendly. AIDS requires a long term view in which urgent action has to be sustained for the long term.

### **Governance, Management and Organizational Challenges**

UNAIDS is now operating in a more complex environment with more actors engaged on AIDS at the international, regional and national levels, such as the Global Fund and strengthened bilateral initiatives. Therefore it is more important than ever to ensure that the “added value” contribution of the Joint Programme is fully defined. The greatest challenge is at the country level to transform the UNAIDS response from loosely organized coordination through the UN Theme Groups on HIV/AIDS, to genuine joint and cosponsored UN programmes on AIDS

### **Action required at this meeting**

The PCB is asked to endorse the report.

**Table of Contents**

**Section I: The Global Response to AIDS; Progress, but Not Enough.....3**

**Section II: Achievements of the Joint Programme.....7**

**Section III: Management and Organizational Challenges.....14**

**Section IV: Challenges for the Response to AIDS and for UNAIDS.....17**

**Conclusion:.....20**

## **1. THE GLOBAL RESPONSE TO AIDS: PROGRESS, BUT NOT ENOUGH**

When the General Assembly received its first report on progress in meeting the United Nations Declaration of Commitment on HIV/AIDS in September 2003, the verdict was mixed. On the one hand, there had been undoubted progress in the adoption of policies and plans to respond to the epidemic, along with increased mobilization of financial resources. On the other hand, it was clear that without a major acceleration of efforts, the specific targets in reducing the number of infants and young people infected with HIV would not be met by 2005.

The question of whether global responses to AIDS are yet sufficient to turn back the epidemic can only be answered with a negative. Nevertheless, the pace of resource mobilization and AIDS activities has increased many-fold over the biennium. These are pre-conditions of effective progress. However, the epidemic itself is accelerating – so the response needs to accelerate equally.

### **A) The AIDS epidemic is entering a new phase**

Globally, more people died of AIDS over the past biennium than ever before and more people were newly infected with HIV than ever before. The state of the global epidemic is described in more detail in the longer “Report of the Executive Director, 2002-2003”. However, certain features of the epidemic may be summarised.

#### *1) The epidemic is entering its globalization phase*

- HIV infection is expanding throughout the world and into new populations.
- Africa remains the most affected region, followed by the Caribbean.
- Rapid expansion in Eastern Europe and Asia and the Pacific.

This globalisation and diversification of the AIDS epidemic requires greater diversity and regional adaptation in our approaches to AIDS.

#### *2) Feminization of the epidemic*

- Globally more than half of all persons infected with HIV are women.
- In Africa, the proportion is reaching 60%, and the disparity is highest at earlier ages - girls are far more likely than boys of the same age to be infected with HIV.

This new situation demands a redefinition of HIV prevention strategies, affirmative action to ensure women’s access to HIV treatment, and a much more effective integration of gender into the AIDS agenda.

#### *3) The impact of AIDS is still in its early phase*

- The first signs of the societal impact of AIDS are becoming apparent in southern and eastern Africa, with the exacerbation of food crises, the number of orphans, and a depletion of human capacity in both government and private sectors.
- AIDS is fundamentally changing the fabric and functioning of societies.
- Social instability is escalating in the wake of the epidemic and governance weaknesses are deepening.

Given the deep and lasting impacts of the epidemic there is a need for the most affected countries to review and adapt policies and investments now across a wide range of issues, in order to cope with the coming impact.

## B) Disappointing progress on AIDS

In September 2003, UNAIDS released the first *Progress Report on the Global Response to the HIV/AIDS Epidemic, 2003* and summarized available evidence on the implementation of the 2001 United Nations *Declaration of Commitment on HIV/AIDS*.

Since the adoption of the *Declaration of Commitment on HIV/AIDS*, the global response has grown stronger, as measured by the level of financial resources, political leadership and multisectoral commitment. These advances, however, have yet to result in widespread coverage for key AIDS activities, significant increases in knowledge and awareness among young people, and a reduction in the number of new HIV infections. At present, many countries run the risk of failing to achieve the Declaration's targets for 2005.

Some key findings of the Report include:

- Although more political leaders are embracing the fight against AIDS, senior political leaders remain disengaged in many countries, especially where prevalence is currently low.
- Nearly one-third of countries lack policies to ensure women's equal access to critical HIV prevention-and-care activities.
- Prevention of mother-to-child transmission of HIV programmes achieved 10% coverage worldwide in 2003, reaching an estimated 9 million pregnant women. In Africa, however, where most cases of mother-to-child transmission of HIV occur, coverage was only 5%.
- An estimated 5.5 million people received voluntary counselling and testing services in 88 low and middle-income countries in 2003. While utilization of voluntary counselling and testing has grown 42% over levels reported in 2001, the percentage of adults who know their HIV status remains extremely low in most countries.
- An estimated 440 000 people in the same 88 low and middle-income countries received anti-retroviral therapy in 2003, representing global coverage of 7%. With only 3% of eligible individuals on anti-retroviral therapy, Africa had the lowest coverage of any region.
- Although 14 million children have lost one or both parents to AIDS, only approximately 190 000 orphans received psychosocial support in 2003. An estimated 630 000 received education support, 350 000 received food aid, and 260 000 obtained health care.

## C) A new phase in the response to AIDS

Despite these sobering facts, there are clear signs that the global response to AIDS is entering a new phase – a time of unprecedented opportunity to defeat this epidemic.

### 1) Growing political momentum

AIDS is increasingly recognised as a defining political and development issue and is now centrally placed on the agenda of the world's political leaders. Examples of national and regional political leadership include:

- In Africa and the Caribbean, in particular, there is now strong **leadership** from the highest levels of government in most countries. This has been accompanied by greater engagement from business, community and religious leaders.
- Leaders of high income countries are allocating significantly more resources to support developing countries in their AIDS activities, with the largest commitment coming from the government of the United States of America, through the President's Emergency Plan for AIDS Relief.

- Special AIDS ambassadors have been appointed in Sweden, France, The Netherlands, and the United States of America.
- There has been a sea-change in the seriousness with which AIDS is viewed in China, led from the highest levels of government.
- In Indonesia, Cabinet Ministers and Governors of the six most affected provinces recently came together to agree on intensified AIDS efforts.
- In India in 2003, the first Parliamentary Forum on AIDS was held, bringing together over one thousand parliamentarians.

### *2) Momentum in resource provision*

When UNAIDS was established in 1996, spending on AIDS in low and middle income countries totalled less than US\$ 300 million. By 2002 that had risen to US\$ 2.8 billion, and by 2003 it was US\$ 4.7 billion.

- Key donors have boosted their AIDS funding – the five major donor nations in 2003, being the United States of America, the United Kingdom, Japan, Canada and France.
- Multilateral AIDS funding has increased in two major streams – in the last five years, the World Bank has committed US\$ 1.5 billion through grants, loans and credits to AIDS programmes, 46.2% of it in the past biennium; and this biennium the Global Fund to Fight AIDS, Tuberculosis and Malaria became operational, fundamentally changing the funding landscape on AIDS.
- Combined domestic spending on AIDS in the 58 low- and middle-income countries for which UNAIDS has data doubled between 1999 and 2002, and now amounts to a billion dollars annually. In many countries, domestic sources far outstrip international ones.

### *3) Momentum of hope*

On every continent, it is possible to point to examples of successful AIDS programmes and new hope:

- There is evidence of the large-scale effectiveness of HIV prevention in a diverse spectrum of populations.
- The introduction of mother-to-child transmission prevention programmes, and particularly antiretroviral therapy and the call for “3 by 5”, while still at its infancy in many locations, is nevertheless injecting hope.
- There is an increasingly visible movement of people living with HIV, as support groups evolve into true organizations.

### **Not only more, but better**

Too many of the efforts on AIDS today are dissipated through:

- being tied up in short-term projects without investing in institutional and human resource capacity;
- competing efforts which reduce overall effectiveness and overly tax limited national and local implementation capacity;
- focusing on single ‘interventions’ rather than a comprehensive approach to AIDS;
- only partly drawing on the guidance of scientific evidence;
- failing to develop synergies between sectors - both different sectors of government, and public, private and community sectors;
- failing to incorporate a gender dimension, especially at the level of operational practice.

The lesson is therefore that not only do we need to do more, but we also need to do it much smarter. The response of the UN system, and UNAIDS in particular, in generating a more strategic and results based approach is expanded upon below.

## **2. ACHIEVEMENTS OF THE JOINT PROGRAMME**

The external evaluation of the Programme's first five years was completed in the latter half of 2002 and in response a 'Future Directions' plan was approved by the Programme Coordinating Board in December 2002.

These decisions have transformed UNAIDS through a greater clarity of purpose and more effective management. As a result, more policy and technical resources are flowing from the UN system in direct support of country-level AIDS responses.

### **A) Achievements as a cosponsored programme**

The personal commitment of the United Nations Secretary-General continued to be expressed through incorporating HIV-related activities into his numerous country missions, and giving prominence to AIDS in a range of international forums.

Emblematic of the UN's broader and deeper engagement on HIV/AIDS is the series of actions adopted by the UN Chief Executives Board and prepared by the High Level Committee on Programmes in response to the growing crisis in Southern Africa involving HIV/AIDS, governance and food security, which is referred to in more detail later in this section. The plan commits the UN system to undertake unprecedented, coordinated action to address the region's worsening crisis.

As is noted in the longer report of the Executive Director to the Programme Coordinating Board, within the UNAIDS programme itself, AIDS is now a corporate priority in most cosponsors. The World Bank now stands as one the single most important international AIDS funders. In October 2003 the World Food Programme joined as the ninth UNAIDS Cosponsor, bringing to the Joint Programme its ability to address emergency and nutritional needs related to AIDS, such as through school feeding programmes.

Through implementation of the UNAIDS Unified Budget and Workplan 2002-2003, the level of engagement on AIDS increased significantly across the Joint Programme. This included reformulation of Cosponsor's policies and plans to tackle AIDS, and dedication of additional human and financial resources to the task. The Secretariat and Cosponsors worked to improve the framework for country assistance (this is referred to in more detail later in the report).

The UNAIDS convening agency mechanism, referred to further in the longer Report of the Executive Director to the Programme Coordinating Board, clearly assigns thematic responsibility to specific agencies on behalf of the whole of UNAIDS.

As described in more detail in the longer report of the Executive Director to the Programme Coordinating Board, individual cosponsors have led campaigns for the Joint Programme at the international level. For example, UNICEF led the Programme's activities in developing much needed policies on orphans and vulnerable children and AIDS. In October 2003 over 50 UN, governmental and non-governmental organizations agreed *A Framework for Care, Protection and Support of Orphans and Vulnerable*

*Children Living in a World with HIV/AIDS*. This framework is intended to mobilize and direct resource allocation, enhance accountability, enable governments to review responses, and be a tool for advocacy. Other examples include WHO's leadership on expanding access to HIV treatment through the "3 by 5" campaign, and UNFPA's support for "Global Youth Partners", a global advocacy initiative by and for young people to promote HIV prevention. During the biennium, UNAIDS also decided to revamp the World AIDS Campaign to enhance its visibility, adaptability and ownership by civil society. The Campaign in 2002-2003 focused on eliminating stigma and discrimination, while the 2004 campaign emphasizes the burden of AIDS upon women and girls.

In 2003, UNAIDS, on behalf of all its cosponsors signed a Memorandum of Understanding with the Global Fund to fight AIDS, Tuberculosis and Malaria, to strengthen the collaboration between the Fund and the Joint Programme. The ILO signed a separate agreement. As well as being a non-voting Member of the Fund's Board, along with the World Bank and WHO, UNAIDS has actively participated in various Fund committees, and provided support to the Technical Review Panel when requested. However, the bulk of the Joint Programme's engagement with the Global Fund has come in support for countries to prepare proposals and more recently, technical support to programme implementation.

#### **B) Strengthening country work**

As decided by the Programme Coordinating Board, the programme has considerably invested in strengthening its country presence and work. The quality and credibility of our country officers have greatly improved.

There has been much needed clarification of the Secretariat's functions and position within the UN Resident Coordinators system, and generalisation of the United Nations Country Coordinators membership of the UN Country team. As referred to earlier, the UN Development Group Guidance Note on Coordinating a Strengthened UN System Response to HIV/AIDS was distributed to UN Resident Coordinators and Country Teams in November 2003. It included the following principles on UNAIDS' country-level work:

- Theme Groups must improve joint UN action on HIV/AIDS through the development of UN implementation support plans.
- Resident Coordinator will designate a UN agency country representative as Theme Group Chair on the basis of proven commitment, capacity and availability.
- The primary role of the UNAIDS Country Coordinator is to facilitate and support a joint UN response at country level. The UNAIDS Country Coordinator is a member of the full UN Country Team.

Also, the Secretariat has translated the Joint Programme's cross-cutting functions into a set of five strategic objectives that serve as a framework for a result-oriented management system of country-level activities, namely:

1. To empower leadership for an effective response at country level.
2. To mobilize and empower country-level public, private and civil society partnerships.
3. To promote and strengthen country management of strategic information.
4. To build capacities to track, monitor and evaluate country responses.
5. To facilitate access to technical and financial resources at country level.

To ensure consistent internalization and implementation of the framework, the UNAIDS Secretariat held a series of six regional management meetings attended by UNAIDS



Country Coordinators (UCCs), UN Theme Group Chairs and selected UN Resident Coordinators. UNAIDS also brought together UN agency regional directors from Eastern Europe, Latin America and the Caribbean, and Eastern and Southern Africa to advance work on regional HIV/AIDS issues.

Theme Group performance under this framework will be assessed by formal reporting on the UN Implementation Support Plan within the Resident Coordinator's annual report and the UNAIDS Country Coordinators' annual report to the UNAIDS Secretariat. This second report is specifically structured around the five-objective framework. Ad-hoc reporting by UNAIDS Country Coordinators to headquarters throughout the year and regular surveys on pertinent issues supplement these annual reports.

Indicative of UNAIDS efforts were the developments in Southern Africa, where in several countries, a new kind of humanitarian crisis emerged – consisting of the world's worst AIDS epidemic, deepening food insecurity and a depletion of government capacity. UNAIDS worked on several fronts:

- It facilitated a joint commitment by regional UN system directors of Eastern and Southern Africa in July 2003 to intensify their agencies' HIV/AIDS work to achieve seven concrete deliverables.
- The Chief Executives Board for Coordination approved a system-wide policy on working together to fight AIDS in Southern Africa.
- The UNAIDS Secretariat moved its Inter-Country Team for Eastern and Southern Africa from Pretoria to Johannesburg to co-locate with the Regional Inter-Agency Coordination Office (RIACSO), which was established to respond to the food crisis and to enhance its collaboration with the UNDP regional team. By physically joining with RIACSO, the UN system's ability to work together on a daily basis has been enhanced in the face of a complex humanitarian and development crisis.
- A Task force on women and orphans was established.
- UNAIDS efforts in the sub-region include: assistance in the establishment of a multisectoral national AIDS authority in Angola; support to national efforts to review and update AIDS action frameworks to take advantage of new treatment opportunities; development of joint UN HIV/AIDS support plans in Mozambique, Zambia, Botswana, Namibia, South Africa and Angola; development of a pooled funding arrangement in Malawi; documentation of "best practice" case studies on antiretroviral treatment; and assistance in the development of Global Fund proposals, 61% of which were approved for funding.

Despite this good progress, the UN system in the region still has to change gears in terms of joint action, speaking with one voice, operating in concert with other development partners, and in allocation of resources.

### **Achievements In The Programme's Core Functions**

#### **A) Advocacy and Leadership on AIDS**

The biennium has seen a dramatic increase in AIDS advocacy, and the Programme's leadership role has been instrumental in mobilizing political leadership on AIDS. In numerous countries we have supported AIDS advocacy.

The Asia Pacific Leadership Forum on AIDS and Development, serviced from the UNAIDS South-East Asia Inter-Country Team, has begun its activities by training high level officials, and will now extend its efforts to engage civic, political and business leaders in the region. Pacific region engagement was enhanced in April 2004 when Fiji's Great Council of Chiefs hosted a breakthrough meeting on AIDS in that region.

As well as increasing financial resources, high income countries have also demonstrated unprecedented leadership in mobilising a greater response to AIDS. For example, as a keystone of its presidency of the European Union, the government of Ireland, with the support of UNAIDS and UNICEF in 2004 convened a meeting to recommit to intensified efforts against AIDS in Europe and Central Asia.

The United Nations Security Council has returned to the subject of AIDS at regular intervals since its first session on it in January 2000, focusing in particular on AIDS and peacekeeping operations. UNAIDS has supported operational work with uniformed services in more than 50 countries globally, working on:

- Taking action in conjunction with the United Nations Department for Peacekeeping Operations in implementing the aspects of resolution 1308 (2000) which relate to peacekeeping forces; and
- Spearheading a wider response to AIDS among uniformed services.

The challenge of improving access to HIV treatment in developing countries has attracted global public attention in the last two years. As reported elsewhere in this report, UNAIDS played a key brokering role in establishing the technical feasibility of antiretroviral delivery in resource-poor settings, and through the Accelerating Access Initiative and related efforts helped drive down anti-retroviral drug costs by over 95%.

Building on this groundwork, in September 2003 at the UN General Assembly the Director General of WHO and the UNAIDS Executive Director announced the '3 by 5' initiative, to ensure 3 million people in developing countries have access to antiretroviral therapy by 2005. Since that time, detailed strategic and operational plans to support the initiative have been developed and country work initiated.

In response to the increasing feminization of the global epidemic, in February 2004 UNAIDS launched the Global Coalition on Women and AIDS. The Coalition brings together a wide range of individuals and organizations, under a steering committee of some 25 high-level leaders from government, activist, UN and academic backgrounds, and chaired by Ms Thoraya Obeid. The Coalition's efforts are boosted by the Task Force on Women, Girls and HIV/AIDS in Southern Africa, created by the UN Secretary General in 2003 and chaired by Ms Carol Bellamy.

## **B) Policy guidance and strategic information**

The biennium confirmed the Programme's global leadership in AIDS-related policy guidance. As well as setting the international policy agenda on the need for greater coherence and accountability of AIDS funding, UNAIDS has regularly developed and disseminated policy around a broad range of key issues around HIV, including refugees, agriculture, youth and education, and legislative and policy reform designed to deliver better on HIV-related human rights. UNAIDS reported on the numerous policy initiatives it undertook in the first year of the biennium which were reported in the Executive Director's Report to the Programme Coordinating Board at its fourteenth meeting in June 2003.

These included the development of a strategy against the food security crisis in southern Africa with World Food Programme, and an analysis of the impact of AIDS and debt relief on sustainable development to the World Summit on Sustainable Development in 2002. The ILO *Code of Practice on HIV/AIDS in the world of work* continued to be embraced worldwide as the recognized standard for HIV/AIDS policies and practices in the world of work. In addition, policy guidance and guidelines were provided on a wide range of issues including prevention of mother to child transmission of HIV, and strengthening HIV surveillance systems.

In the current biennium UNAIDS is developing and articulating policy in further key areas including women girls and AIDS and mainstreaming AIDS into Poverty Reduction Strategy Papers. New policy approaches to HIV testing and counselling are being fuelled by the maturing epidemic, together with the imperative of treatment access and knowledge of HIV status as a tool in HIV prevention. UNAIDS has reviewed its policy, identifying the different approaches, to adapt to new, changing environments.

Finally, we are starting to explore the long term impact of AIDS and its implications for policy and action today through 'AIDS in Africa: Scenarios for the Future' project. The project is constructing scenarios about Africa in 2025, supported by strategic analysis across economic, governance, socio-cultural and HIV related disciplines.

### **C) Tracking the epidemic, monitoring and evaluation**

The increasing number of actors and resource flows in AIDS responses globally has added to the importance of monitoring and evaluation. An authoritative global source of information about the course of the epidemic, the allocation of resources to respond to it, and the effectiveness of those responses, is more vital than ever.

The annual epidemic update published by the UNAIDS Secretariat and WHO at the end of 2003 provided the most accurate yet global and regional estimates of the number of people living with HIV, new HIV infections and deaths due to HIV. Despite clear evidence of a growing global epidemic, more accurate surveillance estimates from a number of countries resulted in a lower overall total than published in the previous year's update. On the occasion of the XIVth International Conference on AIDS in Bangkok in July 2004, we will publish new country by country estimates of various aspects of the AIDS epidemic and responses to it.

By disseminating best practices and tools by the UNAIDS Secretariat and the WHO, the capacity of countries to assess the course of the HIV epidemic has been strengthened in a number of key areas, in particular through "second-generation" surveillance to better capture both the levels and trends of HIV spread, and the factors influencing it.

Based on recommendations of the UNAIDS Reference group on HIV/AIDS Estimates, Modelling and Projections, the secretariat produced and disseminated new software packages for making estimates and short-term projections of HIV. During 2003 a series of 13 regional workshops were conducted to train country epidemiologists and analysts, in Africa, Asia, Latin America, the Caribbean, and Europe, and to develop draft national estimates.

As referred to earlier in this report, the *Report to the UN General Assembly in September 2003 on progress towards the Declaration of Commitment on HIV/AIDS* stands out as a

milestone event. Progress in meeting the specific targets in reducing infections due to be achieved in 2005 was slow, with major gaps revealed in the coverage of HIV prevention and treatment. In 2005, the General Assembly will again assess progress, when the *Declaration of Commitment* targets are due to be met.

UNAIDS has also expended considerable effort in standardizing HIV-related indicators among key global actors, so that national monitoring and evaluations systems are more effective and more comparable. The Country Response Information System (CRIS) has been UNAIDS' key platform in accelerating the usefulness and harmonization of data. As well as the key AIDS actors, there is an increasing level of cross-referencing and development of common data platforms in relation to food security and vulnerability assessment, demographic and household data surveys and UNICEF's collection of social indicators for children, including child health, well-being, education and vulnerability.

Building country capacity to credibly monitor and evaluate programmes is a major challenge and priority. A comprehensive approach is used, that includes training of country staff, technical assistance in the critical elements of monitoring and evaluation, access to improved guidelines and tools, and most important, helping countries to recruit national expert staff and establishing a defined monitoring and evaluation structure within the government that is given the mandate and resources to perform monitoring and evaluation activities. The imminent placement of monitoring and evaluation country advisers will amount to a quantum leap in our impact in this area.

To coordinate and support national monitoring and evaluation efforts, UNAIDS established the Global HIV/AIDS Monitoring and Evaluation Support Team (GAMET) at the World Bank. GAMET facilitates coordination among existing sources of monitoring and evaluation expertise, including the monitoring and evaluation units in the UNAIDS Secretariat and Cosponsoring agencies. It also works closely with the Global Fund to fight AIDS, Tuberculosis and Malaria's monitoring and evaluation function.

This area of work is undoubtedly one of great progress, and of even greater potential for the unique role of UNAIDS.

#### **D) Brokering Partnerships**

In the 2002-2003 biennium, UNAIDS placed more priority than ever on forging greater action on AIDS by the wide range of civil society, faith-based organizations and business sector actors.

A core element of UNAIDS' work at country level is to foster and support partnerships with community organizations. As one illustrative example among many, UNAIDS continues to provide institutional and technical support to RENSIDA, the national network of organizations of people living with HIV/AIDS in Mozambique, helping it achieve legal status in 2003 and providing assistance in RENSIDA's strategic planning process.

The OPEC Fund for International Development, with support from the Secretariat, made grants totalling approximately US\$ 14 million to NGOs and UNAIDS Cosponsors. The Fund recently provided US\$ 4 million to support a joint OPEC Fund/UNAIDS Global Initiative on HIV/AIDS to strengthen civil society leadership in AIDS in the Middle East, North Africa, Asia and Latin American Countries.

The Joint Programme promotes and supports the establishment of government-led partnership forums at country level that convene international organizations, community organizations, and the private sector. Forty-three such partnership forums now exist, 20 in Africa, 12 in Eastern Europe and Central Asia, and 11 in Asia and the Pacific.

The centrality of networks of people living with HIV to the response to AIDS underpins the brokering partnerships role of UNAIDS. This is critical not only to give voice to those living with and affected by the virus, but to drive efforts to tackle HIV-related stigma and discrimination, and to expand access to care and treatment. For example in Angola, the UNAIDS Greater Involvement of People living with HIV/AIDS (GIPA) initiative supports Luta pela VIHda, an NGO that assists 700 people living with HIV. Globally, UNAIDS facilitated a partnership between the Global Network of People Living with HIV/AIDS and the International Federation of Red Cross and Red Crescent Societies to address HIV-related stigma.

With the heavy burden of new infections in young people, a critical component of UNAIDS' partnership brokering has been to mobilize groups working with, and of, young people, including the UNFPA "Global Youth Partners" initiative which is referred to earlier in this report. UNAIDS Secretariat played a crucial role in creating a new initiative, "Empowering Africa's Young People: A Holistic Approach to Countering the HIV/AIDS Pandemic". The Initiative is supported by the seven largest youth organizations in the world: the World Association of Girl Guides and Girl Scouts, the World Organization of the Scout Movement, the World Alliance of YMCAs, the World YWCA, the International Federation of Red Cross and Red Crescent Societies, the International Award Association, and the International Youth Foundation. Together, they represent a global network of more than 100 million young people – including 20 million in Africa.

Given the influence of sport and sports personalities upon young people, and particularly of cricket in South Asia, Southern Africa, and the Caribbean, UNAIDS partnered with the International Cricket Council. The two organizations launched the "Run Out AIDS" campaign in September 2003, at which HIV awareness is a central theme at matches, such as the opening coin toss being given by HIV-positive persons at the start of matches.

In recognition of the increasing feminization of the global epidemic UNAIDS has strengthened its activities to support interventions to mitigate the impact of AIDS on women. The centrepiece is the UNAIDS-initiated Global Coalition on Women and AIDS which aims to raise the visibility and motivate action on HIV-related issues pertaining to women. Through the Global Coalition on Women and AIDS, UNAIDS has expanded its partnerships with a wide range of NGO partners working on women's issues, for example the International Center for Research on Women, World Association of Girl Guides and Girl Scouts, the Global Campaign on Microbicides, and the International Community of Women Living with HIV/AIDS.

In the last biennium, UNAIDS provided support for strategic planning at the International Community of Women Living with HIV/AIDS (ICW) to strengthen the networks' capacity to link positive women across the world. The organization has been successful at reaching isolated women living with HIV and empowering them to be involved in service delivery and policy.

A new phase of seriousness and commitment to AIDS on the part of business has emerged over the biennium. It is increasingly standard operating practice for companies in badly affected regions to seek to mitigate the impact of HIV on their bottom line. In addition to the work of the ILO, we have focused on strengthening the private sector response by working through large, influential business membership associations. Key players such as the Global Business Coalition on HIV/AIDS and the World Economic Forum, as well as regional and national business associations, trade unions and employers' organizations have used their reach and peer influence to increase action on AIDS, especially in the workplace.

One particularly noteworthy example is the meeting of twenty two high level media executives from across the globe, convened by the UN Secretary-General in January 2004, to intensify their efforts on AIDS across all forms of entertainment and news media.

UNAIDS continued in its brokering role with the pharmaceutical industry, both brand name and generic manufacturers, to push for further availability and affordability of HIV-related medicines.

Our work in mobilising trades unions, has included collaboration with the Global Unions group which brings together global trade unions and confederations of unions and counts its membership in the hundreds of millions. With UNAIDS support, it has developed a global campaign to raise the profile of AIDS as one of the central issues for national trade unions, as well as to assist national unions in their AIDS work in developing countries.

The brokerage role of UNAIDS has been instrumental at both global and country levels, and will undoubtedly increase as a result of the deployment of social mobilization officers in 2004.

## **E) Resource Mobilization**

Although funding on AIDS has increased in recent years, it still falls short of what is needed. Promoting, tracking and coordinating resource mobilization therefore remained a cornerstone of UNAIDS activities.

We devote substantial energy to supporting AIDS resource mobilization efforts at the country level. For example, a UN-brokered donor roundtable on AIDS in Burkina Faso generated US\$ 94 million in pledges to implement national AIDS strategies. In Burkina Faso, Burundi, Cameroon, Ethiopia, Madagascar and other countries, UNDP and the UNAIDS Secretariat supported the inclusion of AIDS in Poverty Reduction Strategy Papers. At the end of 2003, a rapid UNAIDS Secretariat survey of 64 low- and middle-income countries found that 15 had Poverty Reduction Strategy Papers with AIDS indicators. UNAIDS provided critical assistance to Mozambique in attracting more than US\$ 500 million in AIDS resources over the next five years from the Global Fund, the World Bank, and other sources. In Myanmar, where adult HIV prevalence is among the highest in Asia, the UNAIDS Secretariat and the UN Theme Group developed the Fund for HIV/AIDS in Myanmar (FHAM), which is channelling US\$ 24 million in funding (mostly from the United Kingdom, Norway and Sweden) to AIDS projects that are part of an integrated workplan developed by UN agencies, civil society, and government bodies. In Central America, we are supporting donor roundtables in Costa Rica and Honduras.

UNAIDS has created a Global Resource Tracking Consortium to improve the collection of data on global resource flows and will produce an annual report on International Financial Flows of AIDS activities. At the same time, the UNAIDS Secretariat expanded their ongoing collaboration with the OECD Development Assistance Committee in an effort to improve the quality of statistics on donors' assistance to AIDS control within wider health and multi-sectoral programmes.

We have also increased assistance in the development of National AIDS Accounts, particularly in the Latin America and Caribbean region. This provides greater transparency in understanding the allocation of resources to AIDS and thus is useful for AIDS strategic planning.

There is need for better tools to also capture private spending. A study conducted in Kenya in 2002 showed that payments by households represent a substantial share (41%) of total expenditures on AIDS. This and other studies suggest that the high proportion of AIDS spending borne by households is driving the impoverishment which accompanies the epidemic.

Finally, the "Three Ones" agreement of April 2004 is an important step towards a more effective use of resources.

The Programme has become the international and local reference for major aspects of resource mobilization for AIDS activities, and we will intensify this area of activity.

### **Achievements in governance, management and organization**

During the last biennium, the UNAIDS Secretariat made significant improvements in its governance and organizational management. Strengthened management procedures have been introduced, including

- the instigation of results-based budgeting through improved performance monitoring of the Unified Budget and Workplan.
- The introduction of competency-based recruitment and training beginning with the new UNAIDS Country Coordinators and country-based monitoring and evaluation posts.
- Implementation of more decentralised management, beginning with the Africa region, for which the support of a professional management consulting firm has been sought.
- The introduction of a rotation and mobility policy for UNAIDS Secretariat staff.
- Continued progress in improving HIV in the workplace policies, in the Secretariat as well as in each Cosponsor.

In terms of governance, UNAIDS has worked closely with member states, including many members of the Programme Coordinating Board, to improve the consistency of governing board decisions across the Programme, including through the governing boards of each Cosponsor. Resolutions making specific reference to Programme Coordinating Board decisions have been passed by the governing boards of UNICEF, WFP, UNFPA and UNDP, as well as by UNESCO and UNODC. The Joint Governing Board of the UN Development Group has indicated its intention to make a review of Programme Coordinating Board decisions a regular item on its agenda.

### **3. CHALLENGES FOR THE RESPONSE TO AIDS AND FOR UNAIDS**

The progress seen in the global response to AIDS and the new environment of new commitments and leadership bring with them new challenges. Some of the main ones are discussed below.

#### **A) Funding the response to AIDS**

Despite increases in funding by donors, multilateral organizations, and developing countries themselves, a significant funding gap to mount an effective global AIDS response still remains. UNAIDS calculates that US\$ 10.7 billion will be needed to meet HIV prevention, care and treatment needs in resource-poor settings in 2005, and that this number will grow to US\$ 15 billion by 2007. This compares with only US\$ 4.7 billion that was actually spent on AIDS in resource-poor settings in 2003. Clearly donors and affected countries need to review their own commitments. Yet, in addition, innovative new additional funding sources must be more effectively utilised or developed, such as debt relief and the proposal for an International Financing Facility made by the United Kingdom Government in January 2003. At the same time, non-traditional actors, such as private sector funders, must be more engaged.

Additionality of funding AIDS remains a key issue, as other development needs in general remain enormous. Undermining these needs, such as education, may actually hurt the effectiveness of AIDS programmes. However, the reality is that much of the new donor funding for AIDS is not new development money. Therefore, it is imperative to continue to campaign for an increase in overseas development assistance as agreed at the International Conference on Financing for Development held in Monterrey, Mexico in March 2002.

UNAIDS will continue to work on sustaining donor funding by documenting results, sensitizing public opinion in high income countries through the World AIDS Campaign and other initiatives, developing a multi-stakeholder advocacy strategy for the US\$ 10.7 billion needed as alluded to at the start of this section, and helping improve funding efficiency through better coordination.

#### **B) Capacity to respond to the epidemic in the most affected countries**

Greatly increased resources and political commitment are not yet matched by an increase or availability of institutional and human resources. Thus, a recent UNAIDS survey of 50 countries found that, in Africa, inadequate human resources were reported as a major barrier to implementing AIDS programmes in 95% of responding countries. In Asia, 67% reported such resource difficulties, compared to 47% in Latin America and the Caribbean.

Several countries in southern Africa present an extreme case in point of the poor ability to deliver vital public services in many sectors. The causes are multiple, from migration of key staff from public to private sectors, migration abroad and the deadly impacts of the AIDS itself. The loss of human capacity to AIDS can be seen in several areas:

1. AIDS morbidity and mortality undermine the ability of countries to deliver basic social services by weakening staff.
2. The increased needs of people struggling with AIDS require an increase in social-service resources.



3. Weakened capacity jeopardizes a country's ability to effectively utilize the greatly increased resources.

Solving this capacity crisis is central to the successful use of growing funding for AIDS in many countries. This will clearly require innovation and multiple approaches. In addition, it provides a strong case for consistently investing in capacity as part of every single AIDS programme or project.

The UNAIDS Secretariat, UNDP, the World Bank/WHO High Level Forum on Health Millennium Development Goals, as well as several donor agencies and affected countries have initiated both policy work and country analysis and planning to address this issue.

### **C) Exceptionality of AIDS**

AIDS is an unprecedented humanitarian and development crisis that requires a response that is both urgent and sustained over the long term. Virtually all the impacts of AIDS serve to weaken society's defences and accelerate its spread, not to limit it. Therefore, it is unlikely that it can be resolved through regular humanitarian and development approaches and financing. However, the exceptional nature of the AIDS epidemic is not yet widely accepted. Yet it can be seen in its demographic and societal effects – for example, through the stigma and discrimination that people living with HIV are all too often subjected to, making it unlikely that “AIDS is now a chronic disease like any other” as some are claiming. The threat to development by AIDS is definitely of another magnitude than any other disease or epidemic.

An exceptional problem demands a no less exceptional response. This is particularly true when it comes to the financing of the AIDS response. Funding AIDS programmes from regular development budgets is not adequate in heavily affected countries. Financing the response to AIDS has to be commensurate with the scale of the problem and has to be seen as an investment essential not only against AIDS crisis itself, but also in ensuring that nearly all the other Millennium Development Goals are met. Thus, we will also need to review the impact of medium term expenditure frameworks and fiscal ceilings to ensure that they do not restrict the levels of investment across all sectors needed to mount an AIDS response. Furthermore, we must be prepared to extend the same kind of “exceptionality” to countries in the grip of AIDS epidemics, that has been traditionally offered to countries emerging from conflict. An “exceptional response” must also be adopted when it comes to global trade rules. Countries must be enabled to exploit fully the flexibility afforded to them by the trade-related aspects of intellectual property rights (TRIPS) agreements in order to maximise the options for extending the availability of HIV related medicines and products.

As well as advocating for the exceptionality of AIDS, UNAIDS has started and will continue to explore further policy options for AIDS funding.

### **D) Coherence and accountability**

As the number of AIDS funding and implementing agencies increases, there is also an urgent need to deal with the now well-documented risks of duplication and fragmentation of the response at a country level, particularly where the state capacity to co-ordinate is weak. The costs of lack of harmonization are high:

- less overall impact of activities,
- less effective use of available resources, waste of public and private resources,
- high transaction costs for already stretched developing country capacity,
- lack of local ownership resulting in the unsustainability of individual projects, and
- even less overall accountability.

Through a preparatory process in Africa, initiated by UNAIDS in cooperation with the World Bank and the Global Fund to Fight AIDS, Tuberculosis and Malaria, three principles were identified as being crucial to promoting "harmonization within AIDS". Known as the "Three Ones", these principles were agreed by a meeting of leading international donors, chaired by UNAIDS, the United Kingdom and the USA, in Washington DC, USA, in April 2004, and are:

- One agreed AIDS Action Framework that provides the basis for coordinating the work of all partners.
- One National AIDS Coordinating Authority, with a broad based multi-sectoral mandate.
- One agreed country level Monitoring and Evaluation System.

At the meeting, UNAIDS was called upon to spearhead support to countries and donors in implementing the "Three Ones", and committed to produce an annual report outlining progress. The issue is dealt with in more detail in the longer Executive Director's Report and in agenda item XX of the Programme Coordinating Board Agenda.

#### **E) The need for a comprehensive response to AIDS**

For a variety of reasons, until recently most countries made HIV prevention almost the exclusive focus of their AIDS programming. Some pioneers, such as Brazil, implemented comprehensive treatment and prevention programmes. As noted earlier in the report, UNAIDS was an early advocate for expanding access to treatment as an essential component any comprehensive response to AIDS. In the biennium, a few countries, such as Botswana, initiated large-scale antiretroviral treatment strategies, and others made bold policy and other changes to expand both treatment and prevention.

As the "3 by 5" initiative and the US President's Emergency Plan for AIDS Relief are rolled out, it is essential that a comprehensive approach, incorporating HIV prevention, treatment, and impact alleviation, is used. There is a danger that HIV prevention may slip off an agenda that is increasingly dominated by a purely medical approach to AIDS, one which could easily avoid tackling the sensitive but critical cultural and societal issues concerning sex, gender and drug use. Another risk is that prevention efforts are limited to short term risk reduction, instead of combining risk and vulnerability reduction.

Moreover, we should also remain committed to invest in evidence-informed prevention and resist the temptation to rely on seemingly easy prevention options that have no scientific basis.

Our goal now should be to work towards an HIV-free new generation, in addition to longer and better life for those who are living with HIV – a goal that can only be accomplished with expanded HIV treatment *and* prevention efforts. UNAIDS is now developing a revitalized HIV prevention strategy and will actively promote prevention in combination with treatment.

#### **F) The need for a gender-friendly approach**

The increased feminization of the AIDS epidemic imposes special challenges which are rarely met in AIDS programmes. The targets agreed in the UNGASS Declaration of

Commitment on HIV/AIDS will not be met without addressing women's needs. This will require

- that national AIDS strategies operationalize a strong gender approach, as today often only lip service is paid to it.
- that we need to critically review current prevention policies and practice, which may not always be relevant to meet women's needs, from HIV prevention, to access to treatment.
- Women's needs in terms of AIDS will only be met if we pay equal attention to risk reduction, vulnerability reduction, and impact alleviation, as addressed by the Global Coalition on Women and AIDS.
- Progress in this area will be very difficult, if not impossible, as long as some of the main drivers of the AIDS epidemic are not tackled, particularly male behaviours, concepts of masculinity, social and cultural inequity, and discrimination against women.

UNAIDS collectively will need to translate the concept of gender into practical operational approaches and more actively promote these programmes.

#### **G) The need for a long term view**

From the experience of two decades into the AIDS epidemic, it is clear that AIDS will be with us for generations to come, that its impact is only in its early stages, and will be long lasting. It is equally clear that short-term approaches are the rule within a majority of countries. The decisions and actions we make today will greatly influence how heavily HIV affected societies will be affected in the future. Yet there has been little debate or analysis of the long-term impact of these decisions, nor have the long term-needs and opportunities been fully defined.

We have initiated analysis of the long-term impact of AIDS, starting with scenarios for Africa, and we will intensify our policy work in this area.

### **4. GOVERNANCE, MANAGEMENT AND ORGANIZATIONAL CHALLENGES**

#### **A. The Joint Programme**

UNAIDS is now operating in a more complex environment with more actors engaged on AIDS at all levels, such as the Global Fund to fight AIDS, Tuberculosis and Malaria and strengthened bilateral initiatives. Therefore it is more important than ever to ensure that the "added value" contribution of the Joint Programme is fully defined and well-understood.

On the **global level** the Joint Programme has reached a new level of maturity, with a clear division of responsibilities among UNAIDS cosponsoring agencies. The Unified Budget and Workplan has proven to be the key instrument for global coherence, though the mechanism is not equally understood and respected by all donors. There is also still room for improvement to ensure better coherence in advocacy and leadership initiatives by various agencies.

The progressive inclusion of AIDS issues in the broader development, security, and trade agendas also pose new challenges as to the relationship of the Programme to global multilateral governance, and Millennium Development Goal related action.

The progress made in implementing HIV workplace policies and practices within the Joint Programme is welcome, but clearly there is much more to do to ensure a UN system-wide HIV workplace response.

At the regional level, joint and cosponsored UN system efforts on AIDS are making slow but steady progress, mostly thanks to the regional Unified Budget and Workplan process, and through regular consultations among the cosponsoring agencies' regional directors and equivalents – particularly in Europe and Central Asia, Africa, and the Americas. We will have to invest more at this regional level, since in most agencies, line management of country offices is out of regional bureaux. Furthermore, the geographical diversification of the AIDS epidemic demands for more regionally adapted approaches. Full involvement of the regional development banks is essential.

As for all development issues, our biggest collective challenge remains at the country level. With an increasingly crowded environment in terms of funders and other actors of AIDS activities, it is vital that the UN system in each country focus on its genuinely value-added contribution and comparative advantage. In addition to the World Bank's role as one of the leading financiers of AIDS activities in the developing world, the value-added of the UN system is mainly one of capacity strengthening, advocacy, policy formulation, technical support, monitoring and evaluation, and brokering of partnerships through its convening power: In other words, "to make the money work". This is particularly relevant with regards to the Joint Programme's deepening collaboration with the Global Fund to Fight AIDS, Tuberculosis and Malaria. The "Three Ones" principles will guide our activities to promote greater coherence and collaboration of AIDS funding approaches.

Using new instruments, agreed in the UN Development Group, we must move in this biennium from loosely organized coordination through the UN Theme Groups on HIV/AIDS, to genuine joint and cosponsored UN programmes on AIDS at the country level. This may imply:

- the development of a country-level equivalent of the Unified Budget and Workplan,
- the establishment of one "virtual" team, including AIDS-dedicated staff of different agencies in a given country, and
- even pooling of resources particularly in countries with very limited UN system capacity, such as in Eastern Europe and Central Asia, where in two countries, the Joint Programme is developing a pilot project to pool UN human resources to work under one common agreed workplan.

Finally, accountability on AIDS of the UN Theme Groups on HIV/AIDS and its members will continue to be strengthened, in line with the recommendations of the Programme Coordinating Board.

## **B. UNAIDS Secretariat**

As decided by the Programme Coordinating Board, the UNAIDS Secretariat is increasing both the number of UN Country Coordinators and the capacity of its country offices in three areas: monitoring and evaluation, social mobilization and partnerships, and resource mobilization. There has been much needed clarification of the Secretariat's functions and position within the UN Resident Coordinators system, and generalisation of the United Nations Country Co-ordinators membership of the UN Country team.

However, it remains a challenge to provide sufficient policy and technical support to countries to ensure that the available extra resources can be successfully and sustainably used. A substantial barrier to successfully programming additional resources is the lack of technical capacity. Alongside measures to increase national technical capacities, increasing and better country support is one of the immediate challenges for all the UNAIDS Cosponsors and Secretariat. To fulfil this function, it will be key that we focus both on our own comparative advantage, while also complementing the work of Global Fund to fight AIDS, Tuberculosis and Malaria.

This year, we will establish at least two technical resource facilities on AIDS to help countries identify the key technical assistance providers, and to ensure that these providers, including the UN, are adequately resourced. In addition, we will intensify our support to “horizontal” technical cooperation in order to meet the growing demand for technical support on AIDS.

We will also continue to strengthen our organizational management procedures including results-based budgeting, competency-based recruitment and training, the implementation of more decentralised management, and the UNAIDS Secretariat staff rotation and mobility policy.

## **5. CONCLUSION**

The Future Directions of UNAIDS, endorsed by the PCB in December 2002, provided the template against which the Programme could refocus its efforts in relation to the new challenges on AIDS of the first decade of the twenty-first century. In the eighteen months since, a significant retooling of our efforts has taken place. This renewed agenda for action places UNAIDS at the forefront of meeting the global AIDS challenge in 2004-2005.