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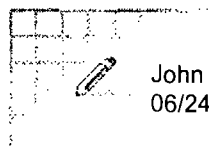
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John D. Burnim
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To: Todd A. Summers/OPD/EOP, Philip A. DuSault/OMB/EOP

cc:

Subject: Re: GAO Report on UNAIDS 

Here are contacts at GAO who are working on the report:

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Benjamin F. Nelson

Comments on Draft GAO Report

- First, we would have hoped that the juxta-positioning of the USAID and UNAIDS reviews together within a single report would have provided an important opportunity to illustrate the complementary and synergistic relationship between bilateral and multilateral efforts. We had further hoped that this would help to clarify the very different missions, partners and resources inherent to each approach. Rather than capture this opportunity, the presentation leaves the impression of having the important accomplishments of 12 years of USAID program efforts with the 2-year "transition period" of the UN system response. In doing so, the important distinctions are obscured between the more direct project support approach of USAID and the approach UNAIDS has been mandated to work through its Cosponsors a country level. We were happy to see that the latter section of the report was appropriately focussed on the "UN system response" rather than the "UNAIDS Secretariat response". However, limiting the review of the UN systems efforts to these 2 transitional years does so without the context of the major UN system efforts during the first decade of the epidemic -- in particular those of the WHO Global Program on AIDS -- and thus tells only a small part of a very important story.
- Second, it was our impression that with regard to UN system efforts, the report more often reflected a "glass half empty" perspective rather than one of a "glass half full". Particularly given that the GAO review was initiated only 18 months into the new program's first -- and most difficult -- biennium, we would have expected a more positive perspective with regard to its early and hard won accomplishments.

Notwithstanding these general considerations, we were pleased with the overall presentation and objectivity of the report and can appreciate the demanding effort required of an evaluation team to review and analyze such a complex epidemic -- and equally complex set of institutional responses -- in such a limited period of time. We have organized our summary comments within the specific headings within the GAO report.

II. Specific Summary Comments

1. The UN's Joint Program on AIDS has made Limited Progress

We believe that "steady" or "deliberate" would have been a more appropriate qualifier than "limited", particularly within the context of the transitional period in which the review took place.

2. UN Expenditures for HIV/AIDS did not increase

While we would agree that UN expenditures for HIV/AIDS have not substantially increased during this period, we remain skeptical that the quality of available financial data would allow an unqualified conclusion for a number of reasons:

- First, all agencies -- domestic, bilateral, and multilateral -- have difficulties estimating the amount of their expenditures on HIV/AIDS, particularly if their HIV/AIDS efforts are integrated or "mainstreamed" as recommended into their related programs such as reproductive health services or health education.
- Second, the agencies currently report their HIV/AIDS expenditures based on different methods. For example, UNFPA has estimated their expenditures while UNICEF has only reported expenditures for activities which are clearly labeled HIV/AIDS.

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- Third, expenditures for HIV/AIDS activities integrated into country level programs are generally not reported as "HIV/AIDS" related expenditures. In addition, the general trend of spending within agencies as they consolidate their program strategies is to significantly reduce global and regional level expenditures in relation to country level expenditures.
- Fourth, there are significant discrepancies between the estimates provided by headquarters for country level expenditures on HIV/AIDS and those we received directly from countries included in the financing study. In the case of the World Bank, the headquarters estimates are much lower than those reported directly from countries, likely for the reasons described above.

In addition, it is worth noting the limitations of relying too heavily on the reported expenditures to assess "system effort" during this transitional period.

- First, financial expenditures alone mask the expenditure of human resources within the Cosponsors. This human resource expenditure is required to support strategy development and program planning activities which necessarily precede major program expenditures by one or more years. There has been a significant increase in Cosponsor commitment and staff time allocated to HIV/AIDS at country level in many countries which does not show in a funding report.
- Second, the report notes that agency spending for HIV/AIDS declined 20.3 % during 1994-95, the last two years before UNAIDS became operational. Assuming for the moment that this reflects a real decline, the "stable" level of reported expenditure during the first two years of the program would represent a reversal of an otherwise declining trend.
- Third, in the particular case of WHO, while overall agency expenditures following the closing of the GPA declined, there was a significant increase in HIV/AIDS related expenditures of other programs during this same period.

3. Baseline Spending By Major Donors and Affected Countries Is Being Developed

It is worth noting that few efforts have been made before to collect data on financing of national AIDS programs and that the current study is probably the largest effort undertaken to date, including reporting from over 70 countries and 15 donors. The effort has also shown how difficult it is for all involved -- countries, donors and UN agencies alike -- to provide data on HIV/AIDS expenditures. With more sectors involved and with the trend of funding and reporting by sector and not by component or activity area, it is increasingly difficult to monitor the HIV/AIDS financing alone. This is not an HIV/AIDS specific problem. Certainly, the same difficulties would confront those seeking to monitor agency expenditures on any number of important areas such as "child health", "family planning" or "community development".

4. UN Agencies had Limited Success In Mobilizing The Private Sector

The report appropriately notes a number of the new and significant initiatives that UNAIDS has undertaken at the global level to help to demonstrate how the private sector can be mobilized in the HIV/AIDS arena. These have included the communications and pharmaceutical industries, business federations and service organization.

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It is perhaps unrealistic to think that country level mobilization of the private sector could have proceeded much more rapidly than it has in this start-up phase without the benefit of this early investment in "pathfinding". Nevertheless, there has been successful mobilization of the private sector by UN agencies in several countries including: South Africa, where a Business Council has been formed and projects developed; Botswana, where UNICEF has mobilized the private sector to fund adolescent reproductive health programs; and Tanzania: where Rotary and the private media have built a partnership in support of World AIDS Campaign activities. In India, major efforts are under development with industry and Rotary building on existing partnerships with the youth focussed communications industry. Theme Groups in Argentina, Brazil and Mexico have all included the mobilization of the private sector among their priorities for 1998.

5. Difficult Beginning for Theme Groups

While not disagreeing with the conclusions of the report, it is our view that the narrow time of the review and the small number of countries (5) visited has perhaps made it more difficult to appreciate what we view within the program as very positive trends. For example, the Theme Group Assessment survey findings of 1996 and 1997 reveal that a substantial proportion of the Theme Groups (TG) evolved very rapidly from a non-entity to structured groups. Most Theme Groups were in the formation stage in 1996 when they started building the infrastructure of co-ordination: staff was hired to support the joint effort; most Theme Groups agreed on their objectives and terms of reference; Chairpersons were designated and roles and relationships of the members and the responsibilities of the Resident Coordinator clarified. During 1997, the process of building the system accelerated and most Theme Groups had co-ordination mechanisms established: the frequency of meetings increased; technical working groups were established; and inventories of UN activities were completed in most countries. In comparison to 1996: the proportion of Theme Groups that mobilized resources increased almost five-fold, from 11% to 48%; and those that participated in national strategic planning, more than two-fold, from 23% to 48%. The percentage of Theme Groups which pursued a joint communication strategy with the government surged from 19 to 75. With regard to more specific observations of the report:

- **Lack of Timely Guidance.** While there remains room for improvement, this problem has been substantially addressed through the development of briefing material by the Secretariat together with the Cosponsors.
- **Lack of Requirements to Participate.** In spite of the fact that Cosponsors' representatives were not until recently held accountable for the achievements of the Theme Groups, it is worth noting that most UN system agency representatives have demonstrated commitment to the process. In addition, the Theme Group Assessment survey indicates that UNAIDS Theme Groups enjoy a high profile in the UN, and almost all Resident Coordinators participate in the meetings and report on their progress to the Secretary General. Recently, the executive heads of UNFPA, UNICEF, and UNDP have issued written instructions to their country representatives detailing their responsibilities to make the effort a success and indicating to them that it will be included within their individual performance assessments.
- **Lack of Commitment to Work Together.** There are many anecdotes that we can cite on both sides of this issue, which is not limited to interagency or international settings. It has been our observation that busy managers are often reluctant to "commit" their staff to a new undertaking until they are confident that it is a winning proposition. There is a shared sense within the Secretariat that a much higher level of commitment to work together exists on the part of the Cosponsors than there was 6 months ago, much more than a year ago. In some cases, collaboration across institutional lines has been hindered by structural issues such as the differences between agencies with regard to where their program development staff is

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located -- in country or in headquarters. Here again, the trend is moving towards decentralization and greater opportunity for country based collaboration.

6. UNAIDS Secretariat Has Not Provided Useful Support To Facilitate Country Activities

While UNAIDS has made some progress in the development of technical networks -- a process that requires considerable start-up time and follow-up capacity -- it remains an area for more substantial investments in the future. In the early phase of the program, highest priority was of necessity afforded to emergent transition and start-up requirements. Increasingly, the priority has been shifting to organizing technical resources -- primarily from outside the Secretariat -- and helping to create a demand for those resources. There are an increasing number of examples where this approach has proven effective. The West Africa Initiative on Migration and Sex Work has made a network of experts available to countries and Cosponsors in the sub-region. SIDALAC, a technical support project initiated by the World Bank, has now become an important part of UNAIDS technical support work in the Latin America/Caribbean region. SEAAIDS, established by the UNAIDS Intercountry Team in Asia and the Pacific, is an e-mail based network connecting technical resources in Asia. The Horizontal Technical Cooperation Group in Latin America/Caribbean is another example of an effective intercountry technical resource network to which UNAIDS has provided developmental support.

7. Performance Indicators

While it is fair to say that implementation of the UNAIDS evaluation and monitoring plan is behind where the UNAIDS PCB and Secretariat would like it to be, it is important to note that it is well ahead of where most programs would be at this early stage in their development. The unique organizational nature of UNAIDS poses new challenges to developing monitoring and evaluation approaches for a more "virtual organization" which functions primarily through partnership arrangements and working through its Cosponsors. Notwithstanding these limitations, the program has completed its second annual Theme Group Assessment Survey, including this year's "360 degree assessment" of program collaboration on HIV/AIDS in countries.

8. UN Agencies Undertook Innovative Grassroots Interventions

This remains a major strength of the multilateral system that has not yet been fully exploited in the HIV/AIDS effort.

III. Update on the Countries Visited by the GAO Team

1. DOMINICAN REPUBLIC

The Theme Group in the Dominican Republic is well established. Seven United Nations organizations are members of the Theme Group, four of whom have identified focal points. In addition, representatives of the national government and bilateral agencies attend meetings depending on the subject matters covered at the meeting. Of the six Cosponsoring agencies, all but the World Bank are currently members. The Theme Group has a full time UNAIDS focal point, paid for by contributions of the Theme Group members. The Theme Group also held regular meetings with bilateral organization and was successful in mobilizing funds both from UN and bilateral organizations during 1997. The Theme Group has also been increasingly successful in producing key outputs. Since the visit of GAO, the Theme Group has provided technical support to the national situation analysis, the response analysis and the formulation of a national strategic

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2. HONDURAS

3. INDIA

4. THE PHILIPPINES

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*Benjamin F. Nelson**Comments on Draft GAO Report***5. ZAMBIA**

The Theme Group in Zambia is functioning well. There are currently 10 United Nations organizations that are members, nine of whom have identified focal points. In addition, the national government also regularly participates in Theme Group meetings. Nine UN organizations are also members of the Technical Working Group. The Theme Group has been very active, meeting 10 times during 1997 with representatives from the five cosponsoring agencies attending each meeting. Together with the Technical Working Group, the Theme Group worked effectively with government in the execution of the national program review. The five cosponsoring members have also provided financial support to the Theme Group. The Theme Group has also been very successful in producing key including an inventory of HIV/AIDS activities. The Theme Group has developed a joint advocacy plan and is currently supporting the national government in the development of its strategic plan by providing staff time, financial support, and outside consultants. The Theme Group also held regular meetings with bilateral organization and was successful in mobilizing funds from UN and bilateral organizations during 1997. These funds were dispersed to the national government, NGO's, associations for People living with HIV/AIDS and academic institutions.

I hope that you will find these comments helpful to you in finalizing your report. Again, if there is any additional input we can provide you, please do not hesitate to ask.

Yours sincerely,



Sally G. Cowal
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