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JOINT UNITED NATIONS PROGRAMME ON HIV/AIDS

(UNICEF, UNDP, UNFPA, UNESCO, WHO, World Bank)

In reply please refer to: UNAIDS/PCB(3)

Note Verbale addressed to participants and observers attending the third meeting of the Programme Coordinating Board

The Joint United Nations Programme on HIV/AIDS (UNAIDS) presents its compliments to participants and observers attending the third meeting of the Programme Coordinating Board and has the honour to enclose the following documents prepared for the meeting, which will take place from 10-11 June 1996, in the Executive Board room at WHO headquarters in Geneva.

Provisional agenda	UNAIDS/PCB(3)/96.1
Report of the second meeting of the Programme Coordinating Board	UNAIDS/PCB(2)/95.7
Report of the Executive Director*	UNAIDS/PCB(3)/96.2
Workplan for UNAIDS*	UNAIDS/PCB(3)/96.3
Update on UNAIDS at country level	UNAIDS/PCB(3)/96.4
Report of the PCB working group on indicators and evaluation	UNAIDS/PCB(3)/96.5
Report of the PCB working group on resource mobilization**	UNAIDS/PCB(3)/96.6
Method of work of the PCB	UNAIDS/PCB(3)/96.7
Financial and budgetary update*	UNAIDS/PCB(3)/96.8
Measures to minimize administrative costs*	UNAIDS/PCB(3)/96.9
Joint plan of cosponsors' activities for 1996-1997**	UNAIDS/PCB(3)/96.10
Report to the 1996 ECOSOC substantive session***	ECOSOC document

Geneva, 10 May 1996

* The French version of these documents will be available at the meeting.
** This document will be made available at a later date.
*** Both the English and French versions of the document, edited by the ECOSOC Secretariat, will be available at the meeting.

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JOINT UNITED NATIONS PROGRAMME ON HIV/AIDS (UNAIDS)

(UNICEF, UNDP, UNFPA, UNESCO, WHO, World Bank)

Third meeting of the
PROGRAMME COORDINATING BOARD
Geneva, 10-11 June 1996

UNAIDS/PCB(3)/96.1
25 March 1996

Place of meeting: Executive Board Room, WHO, Geneva
Times of meeting: 09h00 - 12h30
14h00 - 17h30

PROVISIONAL AGENDA

		Reference documents
1.	Opening	
1.1	Opening remarks by the Chairperson	
1.2	Report by the Chairperson of the Committee of Cosponsoring Organizations	
1.3	Report by the NGO representative	
1.4	Appointment of Rapporteur	
1.5	Adoption of the provisional agenda	UNAIDS/PCB(3)/96.1
2.	Consideration of the report of the second meeting	UNAIDS/PCB(2)/95.7
3.	Report of the Executive Director	UNAIDS/PCB(3)/96.2
4.	Workplan for UNAIDS	UNAIDS/PCB(3)/96.3
5.	Update on UNAIDS at country level	UNAIDS/PCB(3)/96.4
6.	Report of the PCB working group on indicators and evaluation	UNAIDS/PCB(3)/96.5
7.	Report of the PCB working group on resource mobilization	UNAIDS/PCB(3)/96.6
8.	Method of work of the PCB	UNAIDS/PCB(3)/96.7
9.	Financial and budgetary update	UNAIDS/PCB(3)/96.8
10.	Measures to minimize administrative costs	UNAIDS/PCB(3)/96.9
11.	Joint plan of cosponsors' activities for 1996-1997	UNAIDS/PCB(3)/96.10
12.	Report to the 1996 ECOSOC substantive session	ECOSOC document
13.	Next PCB meeting	
14.	Other business	
15.	Decisions, recommendations and conclusions	

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UNAIDS/PCB(3)/96.7
9 May 1996

Programme Coordinating Board

Third meeting
Geneva, 10-11 June 1996

Provisional agenda item 8

Method of work of the PCB

EXECUTIVE SUMMARY

No formal suggestions were received but informal discussions between Chair, members and secretariat led to several suggestions for improving work of PCB.

- Reduce agenda to action items.
- Divide meetings into two categories: decision meetings and thematic meetings.
- Divide part of session into working groups.
- Appoint Executive Committee to meet with Executive Director quarterly.

ACTION REQUIRED AT THIS MEETING

- Debate and decide which, if any, of the suggestions PCB wishes to adopt.
- Propose other ways to improve method of work.

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UNAIDS/PCB(3)/96.7
9 May 1996

Programme Coordinating Board

Third meeting
Geneva, 10-11 June 1996

Provisional agenda item 8

Method of Work of the PCB

At its meeting in November 1995 the PCB requested its members to make proposals to UNAIDS on how future meetings could be made more efficient and effective and to suggest ways to promote greater and frequent interaction among themselves in the governance process.

Very few proposals have been put forward by the members, but the Secretariat is nevertheless presenting a few suggestions in this paper on which members can reflect and expand upon at the meeting.

1. In response to the PCB's request at its second meeting to promote more frequent interaction among the members, the Secretariat initiated a bimonthly "Headlines" report to PCB members to keep them up-to-date on programme and administrative developments and to solicit their opinion on a regular basis to major issues at UNAIDS. The response to this initiative has been excellent, with many PCB members writing or telephoning with follow-up requests for information or opinions on programme issues.

2. We will therefore maintain the PCB Headlines as a vital way of keeping the PCB members informed on a continuous and regular basis of the status of work at UNAIDS. The Secretariat will also provide this document in French and Spanish on request.

3. Additionally, the Secretariat proposes that the agenda for PCB meetings be reduced to those issues on which there are important new developments or need for guidance. Other items which are under continuous review by the PCB would be reported on in the Headlines.

4. The Secretariat further proposes that PCB meetings be divided into two categories: every other meeting would be to review all on-going issues and take decisions on those items requiring the PCB approval such as workplan, budget, strategic plan, and mode of operations at country level. The alternate meeting would be thematic: new developments in the epidemic, research findings on female-controlled methods, or other topics which the members would find of special interest. The thematic meeting could be held off campus in a retreat setting allowing for more informal meetings and greater interaction with UNAIDS staff. This would however have financial implications.

5. The PCB may also wish to consider if they would like to divide their work by having several concurrent sessions during a meeting and divide members into working groups for that purpose. These could deal with issues such as stragetic planning, financial developments, outreach, and report back on the outcome of their discussions.

6. Finally, the PCB may wish to consider whether to appoint an Executive Committee composed of the Chairperson and Vice-Chairperson and any other members they wish to designate to meet with the Executive Director on a quarterly basis for greater input into programme direction and coordination.

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UNAIDS/PCB(3)/96.5
8 May 1996

Programme Coordinating Board

Third meeting
Geneva, 10-11 June 1996

Provisional agenda item 6

Report of the PCB working group on indicators and evaluation

EXECUTIVE SUMMARY

The working group recommends that UNAIDS develop an evaluation plan by January 1997 devoting sufficient funds and staff to do so.

- Plan must be able to provide answers to key question "*Is UNAIDS making a difference*?"
- UNAIDS must develop the ability to present a global perspective and statistical trends in the pandemic, and responses to it.
- UNAIDS must identify an appropriate level of staff and budget dedicated to programme effectiveness and evaluation. Qualified staff should be temporarily assigned from cosponsors to assist.

ACTION REQUIRED AT THIS MEETING

- Request UNAIDS to submit evaluation plan to working group in January 1997.
- Request working group to meet and submit its recommendation on evaluation plan to the Chair three weeks after receipt.
- Chair empowered to direct UNAIDS to implement all or part of evaluation plan at the appropriate time.

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UNAIDS/PCB(3)/96.5
8 May 1996

Programme Coordinating Board

Third meeting
Geneva, 10-11 June 1996

Provisional agenda item 6

Report of the PCB Working Group on Indicators and Evaluation

Draft statement of guiding principles and recommendations

I. INTRODUCTION

1.1 During its first two meetings, the Programme Coordinating Board (PCB) of the Joint United Nations Programme on HIV/AIDS (UNAIDS) raised the issue of performance monitoring and evaluation. A Working Group on Indicators and Evaluation was established to facilitate the work of the PCB by developing an approach or framework for monitoring and evaluating UNAIDS. Terms of reference for the Working Group were endorsed in the first meeting, held on 23 - 24 April 1996 in London. The terms of references are attached as Technical Annex 1.

II. STATEMENT OF PRINCIPLES

2.1 The intention of this statement of principles is to provide guidance which will be the foundation for optimizing effectiveness and fostering a dynamic learning culture in UNAIDS. In developing such an approach, UNAIDS needs to build upon the experiences and expertise of the cosponsoring organizations, notably that of the WHO/GPA, and other relevant partners.

2.2 The UNAIDS Strategic Plan 1996-2000 describes what UNAIDS will do and what the programme intends to influence in terms of its strategic areas -- country support and best practices. UNAIDS needs to develop a plan to assess its performance over the short-, medium-, and long-term. This assessment should reflect the areas in which it plays a direct and indirect role.

The four medium-term objectives adopted by UNAIDS are to:

- foster an expanded national response to HIV/AIDS, particularly in developing countries;
- promote strong commitment by governments to an expanded response to HIV/AIDS;
- strengthen and coordinate UN action on HIV/AIDS at the global and national levels;
- identify, develop and advocate international best practices.

The four medium-term objectives are the core of the UNAIDS programme, and logically, the UNAIDS Evaluation Plan should be structured around them. The spectrum of evaluation and performance assessment, however, should encompass the design activities that UNAIDS is undertaking in the short term as well as the longer-term trends of the pandemic, its impact and consequences, as expressed in the programme's global goals.

2.3 UNAIDS is a unique organization that works with multiple partners in different sectors at both the global and country level. The effectiveness of UNAIDS depends on its ability to collaborate and coordinate with its partner organizations. Accordingly, UNAIDS will need to foster a collaborative approach to the evaluation of its activities which recognizes the skills and interests of all partners, including NGOs.

2.4 It is critical that UNAIDS and its cosponsoring organizations develop a mechanism by which they work together in evaluating HIV/AIDS activities undertaken jointly or separately. This may involve UNAIDS' participation and technical support in the evaluation of HIV/AIDS activities of the cosponsors. Accordingly, UNAIDS and the cosponsors will need to share resources and experiences in the area of evaluation.

2.5 The Evaluation Plan of UNAIDS should be designed so that it serves as both a management tool for UNAIDS and as a governance tool for the PCB. The approach to evaluation should be rigorous, multidisciplinary, and draw on whatever evaluation methods will best enable the accomplishment of these two functions.

2.6 In order to implement an Evaluation Plan that aims to optimise effectiveness, UNAIDS must establish and nurture an ethos that values learning. Transparency, innovative risk taking, and feedback from stakeholders are hallmarks of such an ethos.

2.7 The Evaluation Plan of UNAIDS should describe a set of activities that do not exceed the programme's organizational resources and capacity, in human or financial terms.

III. RECOMMENDATIONS

The PCB endorses the above Statement of Principles and recommends that:

3.1 UNAIDS devote sufficient funds and staff to develop by January, 1997 an Evaluation Plan which details the mechanisms to be established to ensure effectiveness across UNAIDS and provides the basis for accountability;

3.2 This Evaluation Plan should be framed within the context of the guiding principles and key evaluation issues and questions noted below.

3.2 a *Generally-applicable* evaluation issues and questions include:

i. What is UNAIDS trying to do?
(i.e. strategies and plans should clearly define intent through statements of goals, objectives and outcomes);

ii. What is UNAIDS doing?
(i.e. a course of action is implemented consistent with strategy and plans);

iii. Is UNAIDS making a difference?
(i.e. progress towards or achievement of stated outcomes is evident and one can logically conclude that UNAIDS has contributed to that progress or achievement);

iv. How do we know ?
(i.e. the means to verify change -- or lack of -- have been put in place);

v. What action is needed ?
(i.e. managers and governors act to improve performance as needed);

vi. Are we getting better over time ?
(i.e. acting on performance information is internalized into the culture of UNAIDS).

3.2 b Evaluation efforts should build upon and be *specific* to UNAIDS' four strategic objectives. The UNAIDS/PCB Working Group on Indicators and Evaluation developed a series of sample questions in order to attempt to illustrate the types of information needed to assess performance and optimize effectiveness across the four objectives. These sample issues and questions are contained in Technical Annex 2.

3.3 The approach to evaluation recommended in this document has two significant implications in terms of data acquisition and synthesis:

3.3 a First, the PCB recommends that mechanisms be established to generate, ~~synthesize and report on~~ comparable country-level information[1].

[1] An illustrative approach to meet this recommendation would be a country level progress reporting form. The progress reporting form would provide comparable data which can be aggregated, synthesized, reflected upon, and used to inform decision making at the global level and provide a basis for feedback to the country and regional level. The progress reporting form would provide the raw data needed to determine what progress has been made and what lessons can be learnt from country experience. The progress reporting form could be short and take the form of quantitative or short qualitative responses against specified indicators. At the country level, the progress reporting form should stimulate strategic thinking, inform management and promote coordination among cosponsors and others. Any approach to meet this recommendation should adhere to information management principles whereby the information gathered, retained and used for programme implementation (for example in Theme Groups) can be appropriately aggregated and synthesized for reporting to central levels.

3.3 b Secondly, the PCB recommends that UNAIDS develop the capacity to design information collection processes and undertake the necessary analysis. This capacity will enable UNAIDS to synthesize and present a global

perspective on status and trends in the pandemic and responses to the pandemic.

3.3 c Given these reporting requirements, the proposed Evaluation Plan should:

- present a format for country-level progress reporting forms, along with detailed consideration of issues relating to their preparation, such as responsibility for preparation of the reports and the skills and resources required at the country level to enable their completion;

- propose frequency of reporting for country-level progress reporting, status and trends in the pandemic as well as other types of information;

- identify the core skill base required by UNAIDS to undertake data acquisition, synthesis, report writing and presentation;

- present options and approaches to acquire these skills including the secondment of personnel from cosponsors and other partners in the UNAIDS effort;

- present a consolidated approach to data acquisition drawing on existing data collection systems within the UN and being mindful of the need to minimize the burden of data collection and reporting at all levels; and

- propose mechanisms for integrating HIV/AIDS/STD surveillance systems, clinical, epidemiological, social and behavioural research with programme planning, priority setting, and consideration of progress in relation to the goals of UNAIDS.

3.4 The Evaluation Plan will pose significant organizational and budgetary implications to UNAIDS. In order to implement the Evaluation Plan, the PCB recommends that:

- UNAIDS identify an appropriate level of staff dedicated to programme effectiveness and evaluation;

- the precise organizational placement of these staff is left to UNAIDS, but a specific focal person will be required;

- UNAIDS' evaluation capability should be enhanced through the temporary assignment of qualified staff from cosponsors and other organizations;

- the Evaluation Plan should present estimated costs;

- the UNAIDS biennial budget should identify funds devoted directly or indirectly to evaluation.

SCHEDULE OF ACTIONS

- In order to have an optimal influence on UNAIDS, it is important that the Evaluation Plan becomes operational as soon as possible. Therefore, the PCB decides that :

- On its completion by January 1997, the plan be submitted to the PCB Working Group for review;

- three weeks after receiving the Plan, the PCB Working Group submits its recommendation to the Chair for appropriate action; and

- the Chair can direct UNAIDS to implement immediately all or part of the Evaluation Plan.

TECHNICAL ANNEX 1

TERMS OF REFERENCE OF THE

PCB WORKING GROUP ON INDICATORS AND EVALUATION

During its last meeting in November 1995, the UNAIDS' Programme Coordinating Board (PCB) decided to establish a Working Group on Indicators and Evaluation. The purpose of the Working Group is :

- discuss the expected outcomes and targets of UNAIDS activities for the first biennium; and
- make recommendations on an overall framework for monitoring performance effectiveness and evaluating these activities.

The discussions on the expected outcomes and the framework for monitoring performance effectiveness and evaluation will be based on the UNAIDS Strategic Plan, already approved by the PCB during its meeting in November 1995. The framework will be presented to the next PCB meeting in June 1996. It will focus on UNAIDS' activities at global, intercountry, and country level.

The Working Group will:

- Discuss the expected targets and outcomes of UNAIDS during its first biennium (based on the Strategic Plan 1996 - 2000 and Proposed Programme Budget 1996-1997).
- Develop an overall framework for monitoring performance effectiveness and evaluating outcomes as outlined in the above.
- [If time permits] discuss the kinds of indicators to be included in the framework for monitoring performance effectiveness and evaluation.

Responsibilities of the Chair and co-Chair of the Working Group:

- The Chair and co-Chair are responsible for providing a summary report of the two day London meeting which will be circulated to all participants for comments prior to the PCB meeting in June 1996.
- The Chair of the Working Group will present the framework developed by the Working Group and the recommendations to the PCB in June 1996.

Subject to endorsement of the framework and the recommendations by the PCB, UNAIDS will develop and refine annual targets based on the findings of the Working Group.

Evaluation Issues and Questions

The following issues and questions -- tailored to each of the UNAIDS four medium term objectives -- illustrate the types of information needed to assess performance and optimize the effectiveness of UNAIDS. These prototype questions are not inclusive of all evaluation issues for UNAIDS; they are intended as examples.

Objective 1: To foster an expanded national response to HIV/AIDS particularly in developing countries

In order to evaluate the performance of UNAIDS in fostering an expanded national response to HIV/AIDS, the PCB will need information on:
• progress in the development of a strategic planning capacity which includes those infected with HIV and affected by HIV/AIDS;
• progress in the development of a supportive public policy environment (legal, social, economic, and public health policy);
• extent to which the range of participants involved in implementing a response to HIV/AIDS is accurately reflective of the broad multisectoral range of actual stakeholders;
• trends in the level of resources being made available at a country level from government, non-government, and external sources;
• adequacy of coverage, access, and quality of services, information and related advocacy.

Objective 2: To promote strong commitment by governments to an expanded response to HIV/AIDS:

In order to evaluate the performance of UNAIDS in promoting strong commitment by governments to an expanded response to HIV/AIDS, the PCB will need information on:
• the magnitude and appropriateness of efforts to increase and support political commitment to an expanded national response;
• degree to which efforts to provide opinion leaders and key decision-makers with information promoting expanded responses is evidenced in outcomes such as public statements, government financial commitment or legislative change;
• increased exchange of information on vulnerability, gender and human rights issues by opinion leaders and key decision-makers.

Objective 3: To Strengthen and coordinate UN action on HIV/AIDS at the global and national levels

In order to evaluate the performance of UNAIDS in strengthening and coordinating UN action on HIV/AIDS at the global and national levels, the PCB will need information on:
• the degree to which processes are developed and used to share information, assess needs, plan activities and communicate results at global and national levels;
• the extent to which regular planning, priority setting and review of UN actions are conducted at global and national levels;
• the degree to which joint activity is carried out in advocacy, planning, implementation, financing and review at the global and national levels;
• the extent to which expertise and resources are shared among cosponsors at global and national level;
• the degree to which HIV/AIDS is mainstreamed into activities of UN agencies at the global and national levels;
• the degree to which UN agencies have increased their resource commitment to HIV/AIDS activities at global and national levels.

Objective 4: To identify, develop and advocate international best practices

In order to evaluate the performance of UNAIDS in identifying, developing and advocating best practices, the PCB will need information on:
• the process of utilizing wide consultation to clearly defining best practice;
• the system developed to review existing knowledge and identify gaps and needs;
• the mechanisms developed to prioritise areas of best practice for strategic response, indicating sensitivity to regional needs, maturity of the pandemic and the likely time frame for different examples of best practices (recognizing that some techniques are still undeveloped);
• the presence of strategies and plans to incorporate best practices into programme plans at global and country levels;
• the process of incorporating best practices at country and global levels indicating clearly defined inputs, outputs and effects;
• the development of indicators to assess the progress of identification, development, adoption and diffusion of best practice at global and national level;
• where appropriate, examples of best practice which have been widely disseminated for maximum effect;
• integration of best practice into programme planning and implementation and evidence that this has had an effect at global and country level--notably including its adoption by cosponsors.

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UNAIDS/PCB(3)/96.4
9 May 1996

Programme Coordinating Board

Third meeting
Geneva, 10-11 June 1996

Provisional agenda item 5

Update on UNAIDS at country level

EXECUTIVE SUMMARY

- Three times as many Theme Groups (95) exist today as six months ago. In some countries, they need to move from information exchange to joint action.
- Nineteen Country Programme Advisers (CPA) have been appointed of whom 12 are in place. Approximately 12 more will be appointed by end June.
- Major problems are drop in funds to national programmes and initial delays in transferring funds. Mechanisms are now established to transfer funds, but major challenges remain to mobilize funds for, and by, national programmes and for NGO activities.
- UNAIDS technical collaboration and epidemiology now defined. UNAIDS will expand capacity available to all players and will be responsible for HIV surveillance, estimates and projections worldwide.

ACTION REQUIRED AT THIS MEETING

- Take note of report and urge action to get Programme operational in all countries by next PCB meeting.
- Issue call for generous funding support to local programmes by bilaterals, cosponsors and national governments.

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UNAIDS/PCB(3)/96.4
9 May 1996

Programme Coordinating Board

Third meeting
Geneva, 10-11 June 1996

Provisional agenda item 5

Update on UNAIDS at country level

CONTENTS

I. INTRODUCTION

1. Since the November 1995 meeting of the Programme Coordinating Board we have concentrated on setting up the infrastructure to enable UNAIDS to work efficiently and effectively at country level. Achievements include the establishment and action of 95 UN Theme Groups on HIV/AIDS covering 112 countries; agreements with over 150 National AIDS Programmes (NAPs) for core financial support; agreements with WHO regional offices regarding technical collaboration; the selection, training, placement and logistic support for twenty country programme advisers; the development of a framework for intercountry technical collaboration; and a review of UNAIDS epidemiological needs. Processes for working with people with AIDS (PWAs) and NGOs and with cosponsors have been worked out and an operational framework for an expanded response to HIV/AIDS is being drawn up.

2. Country Support staff, including the NGO liaison officer and epidemiology specialists, are now organized into three regional teams (Africa and the Middle East; Asia and the Pacific; and, Europe and the Americas). In addition, we have set up teams to work on: Theme Group development; on the national strategic planning, implementation and evaluation process; and on collaboration with our cosponsors.

3. A major issue remains the development of a feeling of ownership of UNAIDS by the cosponsors at country level, although this has improved considerably over the last four months. A major challenge is to move from Theme Groups that simply exchange information to groups engaged in real collaboration - joint planning, implementation and evaluation of activities that can "add value" to the UN's support of national responses.

4. Another challenge is to improve communications and information with Theme Groups from UNAIDS Geneva and from cosponsor headquarters in New York, Geneva, Washington and Paris. The turn around time in responding to requests for assistance at the country level is often too long.

5. Additional challenges at country level include the mobilization of resources in support of national efforts, and defining local mechanisms for channelling and overseeing such funds.

6. However, much has been achieved in the last four months thanks to the commitment and dedication of staff.

II. DEVELOPMENT AND ACTIVITIES OF UN THEME GROUPS ON HIV/AIDS

7. **Establishment:** As of early May 1996, 95 Theme Groups covering 112 countries have reported that they have been formally established. This compares with 36 established by early December 1995.

8. In Asia and the Pacific, 22 Theme Groups covering 34 countries are operating. Only the Democratic People's Republic of Korea has yet to report on the establishment of a Theme Group. In Africa 38 of 53 countries have notified formal establishment of Theme Groups, while in the Middle East only 2 out of 12 countries have reported to date. In Central and Eastern Europe 10 out of 29 countries have formally notified that Theme Groups exist, although many of these countries have few or no UN agencies present. In the Americas and the Caribbean 23 Theme Groups representing 29 of the region's 35 countries have been established.

9. **Membership:** This varies according to countries but in general all cosponsors present in the country are members, along with other UN agencies that are, or could be, active in HIV/AIDS (e.g. ILO, UNHCR, UNDCP, FAO, WFP, UNIFEM). ***National Governments*** are represented in the great majority of Theme Groups, either as full members, or as regular or ad hoc observers. UNAIDS has consistently reinforced the message that the responsibility for coordinating the national response lies with national governments and that Theme Groups are there to support national efforts.

10. In some countries Theme Group membership is also open to NGOs (e.g. in Vietnam, Venezuela, Nepal, Bhutan), bilateral agencies (e.g. in Pakistan, Colombia, Ecuador, Venezuela, China, Zimbabwe) and other relevant organizations (e.g. CAREC in Barbados). However, wider representation of this kind is generally reserved for technical working groups (see below) consisting of programme officers.

Table 1: Theme Groups

Region	Countries	Theme Groups	Countries covered	Chair = WHO	Chair = UNDP	Chair = other
Africa	53	38	38	30	3	2 UNFPA 3 UNICEF
Americas	35	23	29	22	1	
Asia	20	19	19	14	5	
Central/ Eastern Europe	29	10	10	2	6	1 Govt 1 UNICEF
Middle East	12	2	2	2		
Pacific	14	3	14	3		
TOTAL	163	95	112	73	15	7

11. **Chairperson:** In 73 of the 95 (= 77%) Theme Groups established, the Chair is the WHO representative. Another 15 (= 16%) are chaired by the UNDP resident representative,

or in 5 countries by UNICEF and UNFPA country directors. None of the Chairs are from the World Bank or UNESCO. In approximately half of the Theme Groups, the Chair will ***rotate*** (more so in Asia and Africa, much less so in the Americas). Rotation of the Chair is consistent with UNAIDS' recommendation to the Theme Groups.

12. **Structure:** In the majority of cases the Theme Group consists of the Heads of Agencies, who meet quarterly or less frequently to deal with policy and advocacy issues. The great majority are supported by a technical or working group that meets more frequently, is chaired by the Theme Group Chair, and consists of technical representatives of UN agencies, the government, bilateral agencies and NGOs. These working groups may be complementary to existing donor coordination groups on health or may be supplemented by other informal working groups.

13. ***Other variations*** exist where the Theme Group consists of programme officers of the cosponsors who report through the Chair of the Theme Group to monthly meetings of the UN Heads of Agencies.

14. The initial Terms of Reference of most Theme Groups include advocacy, coordination and mainstreaming of activities among cosponsors, support to national efforts, and resource mobilization. These initial TORs are being revised in a number of countries as cooperative relationships develop.

15. Action plans are being developed by most countries. Among activities reported are support to the review and evaluation of national plans, inventory and analysis of UN HIV/AIDS activities, development of consistent UN actions in such areas as condom promotion, human rights and HIV testing, and promotion of involvement of "key partners", including people with AIDS.

Major issues

16. The most common concern raised during country visits, and through our continuing communication with Theme Groups, national programmes, cosponsors, bilateral agencies and NGOs, is the lack of adequate resources for national governmental programmes, as well as the need to mobilize funds for NGOs and other partners. It is obvious that the transition from GPA to UNAIDS has been difficult for many country programmes. Another concern has been the delay in the disbursement of UNAIDS core funds.

17. There are obviously many issues related to the local functioning of Theme Groups. The most important are: lack of interest and involvement of cosponsors; late arrival of guidance about Theme Group operations from UNAIDS and from cosponsor headquarters; insufficient funds for Theme Group activities; and the time-consuming process of recruiting, selecting and placing country-based UNAIDS staff. Another problem currently being dealt with is the establishment of a mechanism for the administration of funds mobilized locally by the Theme Group for national AIDS activities.

18. Solutions to these problems which are already emerging in some countries include the pooling of funds by cosponsors (e.g. Tanzania), increase in national contributions to AIDS activities (e.g. Côte d'Ivoire), and prioritizing resource mobilization and advocacy as Theme Group activities. Cosponsors in many countries (e.g. India, Indonesia, Nepal, Philippines) are contributing "in kind" to UNAIDS by providing logistic and administrative support to country programme advisers.

Country visits and sub-regional meetings

19. We have just begun a series of 50 country visits which will be carried out during the next six months in collaboration with cosponsor staff, representatives of bilateral agencies and national programmes. The aim is to work with Theme Groups to clarify their action plans for supporting national efforts, help work out administrative arrangements and staffing issues, and support the work of country programme advisers and UN focal points on HIV/AIDS.

20. Several sub-regional meetings are also planned where representatives of national programmes, NGOs and UN partners can develop methods of working in sub-regions where there is limited UN presence (e.g. Eastern Europe) or where there are strategic issues of common concern (e.g. Maghreb countries).

III. COUNTRY PROGRAMME ADVISERS

Criteria for selection and placement

21. The criteria for selection of countries in which country programme advisers (CPAs) have or are to be posted include the existing or potential severity of HIV/AIDS as a national problem; the adequacy of national resources to address the problem; the availability of external resources, both financial and technical; and the collective agreement of all parties concerned.

Role, recruitment and training and support

22. At the beginning of 1996, 20 GPA staff were extended for six months at the country level (4 in Americas, 8 in Africa, and 6 in Asia) to manage the transition from GPA to UNAIDS.

23. Candidates for CPA positions are first selected into a "pool" by the UNAIDS interagency selection committee. Discussions are then held with UN Theme Groups in the countries concerned about the profile and terms of reference of the CPA. Three or more curricula vitae are provided to the Theme Groups so they can select their preferred candidate. By the end of March, country programme advisers had been selected for 19 countries (2 inter-country programme advisers in Europe, 7 CPAs in Africa and the Middle East, 10 in Asia and the Pacific), of whom 12 are already in place. It is expected that by the end of June, 30 - 32 CPAs including at least 4 in the Americas will have been appointed in countries.

24. We anticipate appointing a total of 40-42 international CPAs, 13 of whom will act on an inter-country basis, with a further 8-10 nationally recruited CPAs. In all countries where there is no UNAIDS-funded CPA, we are encouraging the nomination of a UNAIDS focal point, who will be supported by UNAIDS. Such focal points are already in place, for example, in Thailand, Botswana, Poland, Ukraine, Burundi (UNDP-funded national programme officers on HIV/AIDS) and El Salvador (International UN Volunteer specialist). The percentage of time they allocate to UN Theme Group work will be documented as an "in kind" contribution to UNAIDS.

25. In January 1996 23 CPAs-elect were brought to Geneva for three weeks for intensive briefing and training. The three-week course consisted of orientation and skills building in facilitation, community participation and the role of people with AIDS, resource mobilization, advocacy, national programme planning, Theme Group function, local administrative support and the work of the cosponsors. In addition, they were briefed on the latest aspects of the work of department of Policy, Strategy and Research (e.g. human rights, determinants of the epidemic, care issues, STDs).

26. CPAs in place are currently working through three major aspects of their work: (1) developing their own workplans, including a basic situational assessment and inventory of UN (and other externally funded) HIV/AIDS activities in country; (2) assisting in the development of Theme Group action to support national efforts; and (3) identifying their local administrative and logistic needs.

IV. CHANNELLING OF CORE FINANCIAL SUPPORT TO NATIONAL AIDS PROGRAMMES

27. It has taken more time than foreseen to transfer funds to country level as new mechanisms for these transactions had to be established both at headquarters and at country level. UNAIDS and UNDP are currently finalizing a Working Arrangement through which UNDP country offices will provide administrative support services to UNAIDS country-level activities, including channelling of funds for national HIV/AIDS activities

28. Meanwhile workplans for the use of the UNAIDS core funds have been received from 150 countries and letters of agreement between UNAIDS and countries are being finalized. An interim mechanism to advance funding to countries in need of urgent financial support has been established.

29. The UNAIDS core financial support to national AIDS programmes for 1996-97 ranges between 30 and 50% of GPA's core contribution which also used to be supplemented by

considerable amounts provided through multi-bilateral[1] channels. The difference has created misunderstanding in some countries.

30. Unspent GPA multi-bi funds from 1994-95 are now being transferred to the countries concerned. The release of such funds could not be made before the final review of 1994-95 GPA accounts had been completed and until donor governments had been consulted on whether responsibility for continuing these activities should remain with WHO or be transferred to UNAIDS.

31. Agreements for the programming, channelling and supervision of new multi-bi funds for 1996-97 such as those from ODA (Tanzania and Kenya) and NORAD (7 countries in Africa) have been established. UNAIDS is prepared to provide funds in this manner, but is equally happy for the money to be provided through cosponsors at the country level.

V. AGREEMENT WITH WHO REGIONAL OFFICES.

32. We are now ready to sign agreements with all WHO regional offices. These collaborative agreements cover technical support to be provided over the 1996-97 biennium on behalf of, and in conjunction with, UNAIDS and its other cosponsors.

33. We are coming to agreement regarding UNAIDS posts in the WHO regional offices in Africa, Europe, the Americas and the Western Pacific. These positions, housed in the WHO regional offices, will become part of the UNAIDS intercountry teams providing technical collaboration (see below).

VI. INTERCOUNTRY TECHNICAL COLLABORATION

34. Substantial progress has been made in working out an overall UNAIDS framework for technical collaboration. In essence such cooperation will be provided at the global level and at the inter-country level. Technical collaboration at the global level will be facilitated primarily through the Department of Policy, Strategy and Research, and to a lesser extent the Department of Country Support.

35. The underlying aim of UNAIDS technical collaboration is to expand the local and regional capacity that is available to national programmes, cosponsors, NGOs and bilateral agencies through building up global and intercountry task groups, technical referral groups and information networks in key programme areas.

Technical collaboration will consist of four interlocking elements:

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[1] "Multi-bi" funds are those provided by bilateral agencies to multilateral organizations (e.g. UNAIDS) for use in specific countries.

36. **Intercountry UNAIDS Teams**: these will be comprised primarily of UNAIDS staff working to a common plan, as well as co-sponsor staff who have programmable time to contribute to these efforts. These small teams will be established in West Africa (Abidjan), Southern and East Africa (Pretoria), South Asia (New Delhi), South-East Asia (Bangkok), Europe (decentralized), the Americas (decentralized) and the Middle East (through inter-country programme advisers). They include the UNAIDS staff posted in WHO regional offices.

37. The choice of site for both the teams and for individuals is being determined by the access to regional communications and travel, availability of local support services, support from national authorities, and the presence and support of cosponsors.

38. In Bangkok, the activities of the UNAIDS/World Bank South-East Asia HIV/AIDS project (SEAHAP) will be incorporated into the inter-country UNAIDS team, and similarly in Abidjan the support for UNAIDS/World Bank West Africa HIV/AIDS Initiative will be integrated into the UNAIDS intercountry team.

39. These teams will support the establishment and functioning of the following entities:

- **UNAIDS Task Forces** will consist of a group of partners, such as regional institutions, co-sponsors, bilateral agencies and key individuals working in regionally relevant priority areas (e.g. school education, human rights, harm reduction, condom programming) and will be set up where the opportunity exists for substantially accelerating of programme efforts through clarification and harmonization of strategy and mobilization of resources. They will have a time-limited role.

- **UNAIDS Technical Referral and Resource Groups** will consist of a peer group of individuals and institutions, selected on the basis of their expertise, availability and geographic distribution, who will serve as an expert review panel and a resource for providing UNAIDS (or other)-facilitated technical support to national programmes.

- **UNAIDS-facilitated Information Exchange Networks** are open ended networks connected by e-mail, mail or phone/fax. They are composed of groups of individuals or institutions who voluntarily get together to share information on a topic or topics of common interest. A network has already begun as part of the UNAIDS/World Bank South East Asia HIV/AIDS project (SEAHAP) in Bangkok.

VII. EPIDEMIOLOGY

40. In March 1996 a programme-wide review of HIV/AIDS epidemiology-related activities of UNAIDS was carried out with external reviewers. The major objective of UNAIDS epidemiology activities will be to strengthen HIV/AIDS and sexually transmitted diseases situation assessment, on a national or sub-national basis, to provide countries with a

rational basis for planning, implementing, sustaining, and monitoring the expanded response to the epidemic.

41. Agreement has been reached with WHO regarding respective roles in HIV/AIDS epidemiology. WHO will have responsibility for AIDS and STD case reporting, while UNAIDS takes responsibility for HIV surveillance, estimates and projections. To this end, a joint task force has been established to oversee HIV/AIDS and STD epidemiological activities within both WHO/HQ and UNAIDS.

42. Activities to date, apart from replying to on-going inquiries on HIV/AIDS epidemiology, include:

- the finalization of worldwide country-by-country HIV prevalence estimates, based on available HIV sero-survey and reported AIDS case data;
- preparation of estimates and short-term projections, by region, of: AIDS and HIV incidence; AIDS caseloads; and HIV/AIDS-related mortality trends;
- preparation of fact sheets and/or presentation graphics on: HIV/AIDS figures and trends; HIV/AIDS epidemiology in sub-Saharan Africa; and on global HIV/AIDS epidemiology, for use by Theme Groups, UNAIDS staff, cosponsors, the media, and the public.

VIII. NGO LIAISON

43. An interim NGO Liaison Officer, appointed in mid-March, is currently working to continue and expand networking among and between NGOs and groups of people living with HIV/AIDS, and to define the relationship of NGOs/PWAs to Theme Groups and the role of Theme Groups in advocating for these groups.

44. Other areas of activity include assistance to country programme advisers in their work with NGOs/PWAs; definition of funding criteria for international and national NGO/PWA networks; increasing the involvement of NGOs and PWAs within UNAIDS at all levels, as partners, participants and advisers; and assistance with the greater involvement of people living with AIDS throughout the UN system.

IX. PROGRAMME DEVELOPMENT

45. Briefing notes on the mode of operations of UNAIDS at country level, Theme Groups, country programme advisers, and technical support have been developed and distributed to all countries.

46. In some cases information flow to cosponsors, government and other partners has been slow or non-existent. To overcome this we are currently developing a package of information

about UNAIDS to be distributed by the end of June to all the major partners at country level. The information package will cover Theme Groups, country programme advisers/UNAIDS focal points, technical collaboration, policy development and research, and country level administrative arrangements.

47. Current activities include:

- Development of an operational framework for an expanded response to HIV/AIDS. This will be carried out along with a review of case studies of country experiences in planning and implementing an expanded response.

- A major review and systematic assessment of all cosponsor, national and bilateral instruments for the national strategic planning, implementation, monitoring and review process is being carried out. The product will be "current best practice" in national strategic planning , implementation and review.

- Development over the next 18 months of a process to synchronize the planning, implementation and review of cosponsor HIV/AIDS programmes at country level.

- Development of a simple guide for country-level situation assessments for country programme advisers.

- Revision and further development with cosponsors and bilateral agencies of guidelines for district-level management and training for an expanded response to HIV/AIDS.

- Revitalization and review of the Country Profile database developed by WHO/GPA.

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UNAIDS/PCB(3)/96.8
8 May 1996

Programme Coordinating Board

Third meeting
Geneva, 10-11 June 1996

Provisional agenda item 9

Financial and budget update

EXECUTIVE SUMMARY

1995 Budget

- 1995 budget was approved for US$8 million; US$15 million was received from governments under the UNAIDS Trust Fund, in addition to a grant from WHO of US$1.4 million and an estimated US$2.2 million of in kind contributions from cosponsoring agencies and governments.

- Obligations and outstanding commitments against the US$15 million received for 1995 amount to US$9.2 million, leaving a balance of almost US$6 million for reserve fund to help meet cash flow needs at the beginning of each year.

1996-97 Budget

- Adjustment to the 1996-97 core budget approved by the PCB at its last meeting include a reduction for accommodation and building services by WHO of US$1,074,800.

- Savings have been reprogrammed partly to increase the budget for communications (by US$260,000) which has been undercosted, and to create a new budget line for evaluation (together with funds reprogrammed from the Director's Initiative Fund) to a total of US$1,314,800.

- Income received from 1 January - 30 April 1996 from governments and the cosponsors for 1996 operations total US$3.4 million.

- Operations incurred for the same period amount to US$16 million (13% implementation of the biennial budget) made possible by the balance brought forward from 1995 (US$6 million) and the first instalment of the WHO/GPA carryover of US$20 million. Balance at 30 April 1996 amount to US$13.6 million, which include funds intended to be reserved in future to ensure a cashflow at the beginning of each year.

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UNAIDS/PCB(3)/96.8
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UNAIDS FINANCIAL INFORMATION

Contributions received and obligations incurred in 1995, and for the period 1 January to 30 April 1996

This report provides the PCB with information on funds available and obligations incurred by UNAIDS during 1995 - the start up year - and interim information for the 1996-1997 biennium (as at 30 April 1996).

CONTENTS

Section I. UNAIDS 1995

I.1 INTRODUCTION

1. Early in 1995, a plan of work was developed for UNAIDS start-up activities, together with a tentative budget set at the level of US$ 9 million. This was approved by the Committee of Cosponsoring Organizations (CCO) at its second meeting in February 1995. In mid-1995, the budget was revised to US$ 8 million to reflect a more realistic pace of anticipated recruitment of staff to UNAIDS. A summary of the 1995 budget is set out in the Annex of the report.

2. In the course of 1995, this budget was forwarded to all governments/donors who expressed an interest in supporting UNAIDS with a financial contribution in its start-up year. In most instances, contributions pledged for UNAIDS activities in 1995 were received only in the last quarter of 1995, or in the first quarter of 1996. In fact, by end 1995 UNAIDS had received US$5.3 million, whereas the total contributions pledged and received specifically for 1995 amounted to over US$15 million, with the last contribution received on 6 March 1996. Thus, tracking of the 1995 contributions up to 30 April 1996[1] has been kept separate from that for 1996 pledges/contributions, in order not to distort the financial situation in the 1996-1997 biennium.

I.2 FUNDS AVAILABLE FOR FINANCING ACTIVITIES IN 1995

3. The funds made available for financing activities in 1995 are shown in Table 1, which consists of two main parts: (i) 1995 contributions received in cash and in kind and (ii) contributions received through the UNAIDS Trust Fund.

Interim financial support for UNAIDS operations in 1995

4. As shown in Table I (column 1), **operational funds** to start preparatory activities early in 1995 were made available in the amount of **US$1,357,569** from the WHO Trust Fund for the Global Programme on AIDS (WHO/GPA), and the WHO regular budget. The cash contributions shown in Table 1 (column 1 only) also represent the amount of funds disbursed. **In kind contributions** for staff secondments (also shown in column 1) have been calculated on the basis of average 1994-1995 costings for posts in Geneva. These included the short-term secondment of officials from, respectively, the Governments of Australia and the United States of America, to help UNAIDS develop its Strategic Plan for 1996-2000; a secondment from the Government of Belgium (on a cost-sharing basis with UNAIDS) to strengthen efforts in the area of Country Support; and staff secondments from two cosponsoring agencies, namely, UNFPA and WHO (January to December 1995, as applicable). Total in kind contributions for these secondments have been estimated to amount to **US$2,168,800.**[2]

Trust Fund for UNAIDS

5. Pursuant to ECOSOC resolution 1994/24 which entrusted WHO with responsibility for the administration in support of the new Programme, in July 1995 a Trust Fund for UNAIDS was established, to be credited with the funds that would be made available to the Programme to finance its operations, and with the interest received on the investment of the Trust Fund.

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[1] The remaining 1995 pledge still outstanding, from the Government of Sweden (US$2 million), when received, will be considered as income towards the 1996-1997 budget.

[2] Other in kind contributions from WHO in 1995, which have not been costed, included the provision of accommodation, office facilities and administrative support.

Table 1. 1995: Contributions received in cash and in kind to UNAIDS
(expressed in US dollars) (as at 30 April 1996)

Source of income	*1995 contributions in: cash* (1)	*kind* (1)	*Contributions received through the UNAIDS Trust Fund* (2)	*Total* (3)
Governments *				
Australia		130,500	571,700 **	702,200
Austria			67,230	67,230
Belgium		26,000	1,009,671	1,035,671
Canada			1,305,970	1,305,970
Denmark			3,048,017	3,048,017
France			3,469,387 **	3,469,387
Germany			419,580	419,580
Italy			186,335	186,335
Japan			500,000 **	500,000
Netherlands			310,559	310,559
Norway			1,128,132	1,128,132
Switzerland			347,826	347,826
United States of America		18,750	2,750,000 **	2,768,750
Subtotal		**175,250**	**15,114,407**	**15,289,657**
Cosponsoring agencies				
UNFPA		138,600		138,600
WHO	1,357,569	1,854,950		3,212,519
Subtotal	**1,357,569**	**1,993,550**		**3,351,119**
Other income				
Miscellaneous			300	300
Interest			50,080	50,080
Subtotal			**50,380**	**50,380**
Grand Total	**1,357,569**	**2,168,800**	**15,164,787**	**18,691,156**

* *1995 pledge outstanding from Sweden (US$ 2 million), when received, will be considered as income towards the 1996-97 core budget (agreement in the process as at 30 April 1996)*

** *Includes funds for designated activities (see para. 9 and 10 for details).*

6. Table 1 (column 2) shows all contributions intended for 1995 start-up support made available through the Trust Fund, as at 30 April 1996. These, with interest, amount to **US$15,164,787** of which US$1,962,700 was for designated activities, described below. **All 1995 contributions combined** (i.e., in cash and in kind contributions received before the establishment of UNAIDS Trust Fund, and subsequently the funds received through the Trust Fund) have been calculated to amount to **US$18,691,156.**

I.3 FUNDS OBLIGATED, COMMITTED AND EARMARKED AGAINST 1995 CONTRIBUTIONS, AND REMAINING BALANCE OF FUNDS

7. As shown in Table 2, as at 30 April 1996, total funds made available through the UNAIDS Trust Fund amounted to **US$15,164,787** against which **US$9,217,079** have been either obligated or constitute outstanding commitments and earmarked funds, resulting in a net balance of **US$5,947,708** on 1995 contributions. Details are set out below.

Obligations incurred and outstanding commitments

8. **Obligations** incurred for undesignated activities totalled US$1,393,155 which, together with an amount of US$907,274 in obligations against designated contributions, result in a total obligation level of **US$2,300,429**[3], shown in Table 2.

9. As mentioned above, some 1995 contributions amounting to **US$1,962,700** were received for designated activities the balance of which has been carried forward into the 1996-1997 biennium, as the activities in question were either not completed in 1995, or intended to continue in 1996. **Outstanding commitments** on these funds at 31 December 1995 amounted to **US$1,055,426**. Details on the use of the funds (with reference to the income shown in Table 1, column 2) are set out below.

(a) US$212,700 of the contribution received from the Government of Australia is a first installment towards funding a post within the framework of the UNAIDS/World Bank "South-East Asia HIV/AIDS Project", for a period September 1995 to August 1997.

(b) US$500,000 received from the Government of Japan is primarily to support the implementation of the resource mobilization strategy of UNAIDS in 1995 and 1996, through the funding of a time-limited post within the department of External Relations.

(c) US$1,250,000 of the contribution received from the Government of the United States of America is for the following:

(i) Follow-up to the Paris AIDS Summit Initiatives (US$500,000). Part of the funds have been used in 1995 to support the development and strengthening of global networks of nongovernmental organizations (including, the International Council of AIDS Services Organizations (ICASO), the International Community of Women Living with HIV/AIDS (ICW) and the Global Network of People Living with HIV/AIDS (GNP+)). The balance of unspent funds is being used in 1996 to support the initiative on the "Greater Involvement of People living with HIV/AIDS" (GIPA).

(ii) UNICEF (US$250,000). These funds are being used to cover UNICEF's cost-share for two positions (jointly funded by UNICEF/UNAIDS), for a Project Officer in the field of communication for HIV/AIDS prevention and an Assistant Project Officer; both based in UNICEF, New York, for the period April 1996 to March 1998.

[3] As at 31 December 1995, after which all obligations fall under the 1996-1997 biennium.

Table 2. UNAIDS Trust Fund - use of 1995 contributions and balance of funds
(as at 30 April 1996)

	US$
Funds available	
1995 contributions made available through the UNAIDS Trust Fund as at 30 April 1996 (Table 1, column 2)	15,164,787
Total available	**15,164,787**
Less	
Obligations against 1995 contributions as at 31 December 1995	2,300,429
Outstanding commitments	
- against designated funds received as at 31 December 1995	1,055,426
- underwriting activities in follow-up to the Paris Summit Initiatives in the 1996-97 approved budget and related cosponsoring agencies activities	3,061,224
- earmarked against 1995 contributions as at 30 April 1996 (see para. 12)	2,800,000
Total obligated/earmarked	**9,217,079**
Unobligated/unearmarked balance	**5,947,708**

(iii) UNDP (US$500,000). These funds are being used by UNDP to strengthen, inter alia, activities relating to multi-sectoral capacity development and training, and for collaboration with UNAIDS in support of networks of those living with HIV, ethical and legal networks, and work on women and HIV for the period November 1995 to June 1996.

10. In addition, of the total 1995 contribution received from the Government of France, shown in Table 1, **US$3,061,224** is for follow-up activities stemming from the Paris AIDS Summit Initiatives. These funds will be used to underwrite activities in the 1996-1997 core budget and for related activities of the cosponsoring agencies for, principally, collaboration with nongovernmental organizations, research, care of persons living with HIV/AIDS, children and young people, vulnerability of women faced with HIV/AIDS, ethics and human rights relating to HIV/AIDS, and blood safety.

Earmarked funds against 1995 contributions

11. Funds which constitute the unspent balance of 1995 funds were intended to support UNAIDS start-up operations. In some instances, start-up requirements had to roll over into 1996 because certain areas of the Programme were not fully operational before 1 January 1996. UNAIDS has, therefore, earmarked such costs which will be incurred in the 1996-1997 biennium against the unspent balance of the 1995 contributions. These are described below.

12. While a number of computers and other hardware have been inherited by UNAIDS from WHO/GPA in Geneva and at field level, a general upgrading of equipment, together with new software and other informatics investment needs, has proved to be necessary. Thus, **US$1 million** of the unspent balance has been earmarked for use in 1996-1997 to cover **informatics hardware and software needs.** Secondly, **US$300,000** has been earmarked in the area of **External Relations** for costs related to the development of a strategy for the public positioning of UNAIDS, including the development of UNAIDS messages, analyses of public opinion on HIV/AIDS issues, the production of general UNAIDS materials and the development and implementation of an outreach strategy for the Programme. Finally, **US$1.5 million** of the 1995 contributions has been earmarked to stimulate interagency collaboration by funding joint activities of the **cosponsoring agencies** in five areas.

Funds balance

13. The allocations, described in paragraph 12 above, amount to a total of **US$2.8 million** in additional commitments against all the 1995 contributions received. These, as shown in Table 2, together with the obligations incurred (US$2,300,429) and the outstanding commitments of funds for designated activities (i.e., US$1,055,426 and US$3,061,224 described respectively in paragraphs 9 to 10 above), result in a total **unobligated/unearmarked balance** of **US$5,947,708** against the total 1995 contributions received by 30 April 1996. This unearmarked balance, in principle, is "reserved" to help the Programme with its cash-flow at the beginning of each year (see paragraph 22).

SECTION II. UNAIDS 1996-1997

II.1 APPROVED PROGRAMME BUDGET FOR THE 1996-1997 BIENNIUM (UNAIDS CORE BUDGET)

14. In November 1995, the PCB approved a programme budget for 1996-1997 (PB96/97) at the level of **US$120 million**. This budget is referred to as the **UNAIDS core budget** for the biennium. Certain developments have taken place over the last few months leading to some adjustment in the budget summary table contained in PB96/97. These are explained below.[4]

15. At the request of the PCB at its first meeting in July 1995, UNAIDS developed a budget for 1996-1997 where the overhead charges were not to exceed 13% of the net budget (which includes the cost of the Department of Programme Administration, the facility charges for all Programme areas, and the administration fee to WHO). The allocation for the total overhead charges in the core budget presented to the PCB at its second meeting in November 1995 represented **12.95%** of the net budget, or US$ 13,760,000.

16. In February 1996, WHO informed UNAIDS that, effective from 1 January 1996, the charge for the biennium for accommodation and building services was reduced from US$2,242,800 to US$1,168,000, releasing **US$1,074,800 in savings** on such costs. Of this amount, **US$260,000** has been allocated to increase the budget provision for UNAIDS facility or **communications costs** (e.g., telephone, facsimiles, postage), which had been undercosted in the 1996-1997 estimates. With this adjustment, the revised total overhead charge for UNAIDS operations for the 1996-1997 biennium now represents **12.1%** of the net budget, or US$12,945,200.

17. Following a meeting of the PCB Working Group on **performance monitoring and evaluation**[5] on 23-24 April 1996 in London, it was necessary to identify funds to cover the proposed expanded activities in this area of work. The balance of the savings made, mentioned above (**US$814,800**), together with other funds made available from the Directors' Initiative Fund (**US$500,000**) have been reallocated to fund evaluation activities in the 1996-1997 core budget (i.e., for a total of **US$1,314,800**). This budget line is in the Office of the Executive Director.

18. During the first quarter of 1996, UNAIDS staff in Geneva developed their Workplans for activities[6]. This has lead to some revision, for example, in the presentation of the core budget, particularly for Policy, Strategy and Research (PSR) which is now more detailed in its breakdown, and includes a new budget line for "cross-cutting themes" in PSR. Some adjustments in the distribution of funds has also taken place, essentially in PSR. In addition, following the development of a Workplan for **informatics** - for which funds had been foreseen in the PB96/97 document on a cost-sharing basis within each Area - it is now shown as a **distinct budget line in Programme Administration**. Thus, funds that had previously been earmarked within Areas I, II and III for informatics have been

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[4] The PCB authorizes the Executive Director to make transfers between the three Programme Areas that constitute the working budget, up to a level not exceeding 10% of the amount of the Programme Area from which the transfer is made (i.e., I. Country Support, II. International Best Practice, and III. Programme Direction and Support, including External Relations).

[5] The PCB will review the draft UNAIDS Workplan for 1996-1997 at its meeting in June 1996 (document UNAIDS/PCB(3)96.3).

[6] The PCB will review a report of the PCB Working Group on performance monitoring and evaluation at its meeting in June 1996 (document UNAIDS/PCB(3)96.6).

Table 3. UNAIDS Trust Fund - all cash contributions, balance brought forward and other income received from 1 January to 30 April 1996

(expressed in US dollars)

Source of income	Fund available under the UNAIDS Trust Fund			
	towards the 1996-97 core budget (1)	*outside the 1996-97 core budget* (2)	*for support to countries (multibilateral)* (3)	*total all funds 1996-97* (4)
Governments*				
Australia	1,132,650	185,000		1,317,650
Finland	228,378			228,378
Germany		47,297		47,297
South Africa	100,000			100,000
United Kingdom	1,538,462		1,489,325	3,027,787
Subtotal	**2,999,490**	**232,297**	**1,489,325**	**4,721,112**
Cosponsoring agencies **				
WHO	360,000			360,000
Subtotal	**360,000**			**360,000**
1996-1997 contributions Total	**3,359,490**	**232,297**	**1,489,325**	**5,081,112**
Balance brought forward				
From UNAIDS 1995 funding	5,947,708			5,947,708
Carryover from WHO/GPA				
Undesignated				
First instalment	20,000,000			20,000,000
Reserve Subtotal ***	**25,947,708**			**25,947,708**
Designated				
Japan		291,052		291,052
Norway			1,747,838	1,747,838
Designated Subtotal		**291,052**	**1,747,838**	**2,038,890**
Balance forward Total	**25,947,708**	**291,052**	**1,747,838**	**27,986,598**
Other Income				
Miscellaneous	35,150			35,150
Interest	177,240			177,240
Other income Total	**212,390**			**212,390**
Grand Total	**29,519,588**	**523,349**	**3,237,163**	**33,280,100**

* *The designated contribution of US$ 3,061,224 from the government of France, recorded as a 1995 contribution (see para. 12) is to underwrite the UNAIDS 1996-97 core budget and the activities of the cosponsoring agencies in follow-up to the Paris AIDS Summit Initiatives.*

** *In kind contributions are shown in Table 4.*

*** *Funds intended to [illegible] of UNAIDS reflect "working capital" (para. 22 refers)*

re-distributed to this line. (All these adjustments have been included in Table 5 which presents the budget summary.)

19. Finally, as stated in paragraph 12 above, US$1 million and US$300,000 of the 1995 unspent balance of funds have been earmarked in 1996-1997 respectively to cover start-up costs relating to informatics hardware and software needs, and for the development of a strategy in the External Relations area. Information on these specific budget allocations, not included in Table 5 which presents the approved core budget of US$120 million, will be provided in subsequent reports.

II.2 FUNDS AVAILABLE THROUGH THE UNAIDS TRUST FUND

20. Table 3 shows the details of all contributions received and balances brought forward through the Trust Fund, from 1 January to 30 April 1996. As shown in column 4, total funds amount to **US$33,280,100**. Funds have been summarized under the following **three headings:**

(a) contributions to fund the **UNAIDS 1996-1997 core budget**, which includes funds for core activities, undesignated and designated;

(b) **funds outside the UNAIDS core budget** received for the 1996-1997 biennium (which include funds to be received for activities of the cosponsoring agencies, and for designated global activities (expanded core budget activities or new activities), or for regional and other special projects); and

(c) support for activities in specified countries (**multi-bilateral funds,** or "multi-bi")

21. The **sources of income** have been categorized as the following:

(i) Governments
(ii) Cosponsoring agencies
(iii) Balances brought forward from governments and other partners from 1995 contributions, and through the WHO/GPA carryover from 1994-1995 (undesignated and designated funds, including multi-bi)
(iv) Other income received, such as interest

A. Funds available in the Trust Fund for financing core activities in 1996-1997

22. As shown in Table 3 (column 1), total funds available as at 30 April 1996 amount to **US$29,519,588**. Contributions for core activities in 1996-1997 made available through the Trust Fund from governments and the cosponsoring agencies amounted to **US$3,359,490**. This figure represents **5.6%** of the estimated US$60 million expected in 1996 from the above resources. As will be shown later in the report (paragraph 26), the cost of four months operations into 1996 had reached almost US$16 million. Operating at this level was possible because the Programme has been "borrowing" from the "reserve" funds that have been generated from the **balances brought forward** from (i) UNAIDS 1995 funding and (ii) the first instalment from the WHO/GPA[7] carryover (undesignated) totalling **US$25,947,708**, in the anticipation that most pledged contributions will be received in the

[7] The WHO/GPA carryover is estimated to total US$39.3 million, of which US$2.3 million has been earmarked for WHO for outstanding close down operations of GPA in 1996-1997, as recommended by the GPA Management Committee, and US$20 million has been transferred to UNAIDS. Other transfers to UNAIDS will occur progressively throughout the biennium. UNAIDS plans to maintain these funds as a permanent "reserve". In this respect, the PCB will consider a proposal of the PCB Working Group on resource mobilization to establish a UNAIDS safety "working capital" (document UNAIDS/PCB(3)/96.6).

second half of the year, thus allowing a reimbursement of funds borrowed from this "reserve". The issue of sufficient cash liquidity remains critical for the smooth operations of the Programme. In this respect, UNAIDS, together with a PCB Working Group, has identified measures to ensure that the Programme remains operational at the beginning of each year.[7]

B. Funds available through the Trust Fund for activities outside the UNAIDS core budget in 1996-1997

23. As shown in Table 3 (column 2), a designated contribution from the Government of Australia has been recently received to fund a multi-centre perinatal prevention transmission study (trial sites in South Africa). This will enable an expansion of related activities foreseen in the core budget. Funds have also been received from the Robert Koch Institute, Federal Ministry of Health, Germany, for the organization of a meeting on the implications of HIV variability prevention programmes held from 27 to 29 March 1996. Designated funds carried over from WHO/GPA from the Government of Japan have also been received, to foster collaboration between UNAIDS and Japan with respect to the latter's bilateral programmes. Contributions outside the 1996-1997 core budget total **US$523,349**.

C. Multibilateral funds available for support to activities in specified countries

24. These multibilateral funds are bilateral contributions for specific countries channeled through the UNAIDS Trust Fund. They supplement the funds received by countries for HIV/AIDS activities, including from UNAIDS through its core budget. Table 3 (column 3) shows a total of **US$3,237,163** as received, including a carryover amount from WHO/GPA from Norway, as at 30 April 1996.

D. In-kind contributions received in the 1996-1997 biennium

Table 4. In kind contributions received from 1 January to 30 April 1996, costed as applicable for the 1996-1997 biennium (expressed in US dollars)

Source of income	*In kind contributions received in the 1996-1997 biennium*
Governments	
Belgium	98,150
Subtotal	**98,150**
Cosponsoring agencies	
UNICEF	375,900
UNDP	428,400
UNFPA	320,000
UNESCO	118,800
Subtotal	1,243,100
Total	**1,341,250**

25. Table 4 shows the in kind contributions, in terms of staff secondments, received from governments and the cosponsoring agencies, from 1 January to 30 April 1996. To reflect these in financial terms, the costing of an equivalent post at the duty station concerned has been applied, according to the agreed period of assignment. The secondment from the Government of Belgium (on a cost-sharing basis with UNAIDS) is to strengthen efforts in the area of Country Support, in continuation from 1995 (see paragraph 4). The staff seconded from the cosponsoring agencies assigned in Geneva are working in Country Support (UNDP and UNFPA), and with senior management (UNICEF). The staff member seconded from UNESCO is stationed in New York, facilitating UNAIDS liaison within the United Nations system organizations.

II.3. OBLIGATIONS INCURRED

Implementation in the 1996-1997 biennium

26. The core budget approved by the PCB at its meeting in November 1995 is set out in Table 5, adjusted to take into account the reallocation of funds described in paragraphs 14-18 above (i.e., the reduction in rental charges, the inclusion of a new budget line for evaluation and informatics, and other adjustments stemming from the development of the UNAIDS Workplans). As can be seen from this table, total obligations as at 30 April 1996 amounted to **US$15,932,618**, representing an implementation of **13%** of the total budget of US$120 million.

27. Now that the Programme is past an initial planning stage with staff operational both in Geneva and at country level, and with an established mechanism for channelling funds to countries, it is anticpated that activity implementation will rapidly accelerate. A more up-to-date picture of financial implementation will be presented to the PCB at its meeting in June 1996.

28. Table 6 shows obligations of US$53,817 recorded, as at 30 April 1996, against US$523,349 received under the funds outside the 1996-1997 core budget. No obligations under multibilateral funds had yet been recorded as at that date, as countries concerned are still finalizing the workplans for the funds in question.

II.4 FINANCIAL STATUS OF THE UNAIDS TRUST FUND AS AT 30 APRIL 1996

29. Table 7 shows that, as at 30 April 1996, the total funds towards the 1996-1997 core budget, including the "reserve" (see paragraph 22) and other income, amount to **US$29,519,588**, the **total obligations** incurred against these funds in implementing the core budget amount to **US$15,932,618**, with a resulting **balance** of **US$13,586,970**. It is clear that, without the reserve, the Programme would not have been in a position to operate at this level on the basis of the income received for 1996 operations as at 30 April 1996.

* * *

Table 5: Implementation of the 1996-1997 core budget, as at 30 April 1996 (expressed in US dollars)

	Budget (1)	Obligations (2)	% (= 2/1)
I. COUNTRY SUPPORT			
• **Country-based operations**			
Programme development and coordination			
Country programme advisers (country/intercountry)	10,400,000	1,950,452	18.8%
Operational costs	3,000,000	112,971	3.8%
Funds for programme development activities	5,600,000	292,246	5.2%
Funds for core support for national AIDS programmes	12,200,000	374,647	3.1%
Subtotal	31,200,000	2,730,316	8.8%
Technical support networks			
Technical experts (country/intercountry)	6,370,000	149,063	2.3%
Operational costs	1,480,000		0.0%
Funds for technical support activities	7,100,000	2,133,225	30.0%
Subtotal	14,950,000	2,282,288	15.3%
• **Global country-support operations**			
Programme development and coordination (global)	9,698,400	2,451,094	25.3%
Networking with NGOs and people living with HIV/AIDS	2,606,400	232,179	8.9%
Global HIV/AIDS and STD surveillance	1,952,600	405,578	20.8%
Subtotal	14,257,400	3,088,851	21.7%
Total Area 1. COUNTRY SUPPORT	**60,407,400**	**8,101,455**	**13.4%**
II. INTERNATIONAL BEST PRACTICE (Policy, strategy and research)*			
• Cross-cutting themes	1,046,100	0	0.0%
• Determinants and dynamics of the epidemic	1,401,400	206,732	14.8%
• Governmental, human rights, legal & ethical systems			
Development and HIV/AIDS	1,396,700	125,043	9.0%
Human rights, ethics and law	2,483,100	222,298	9.0%
	3,879,800	347,341	9.0%
• Communication systems			
Communication	2,451,900	228,388	9.3%
Condoms	1,532,500	139,979	9.1%
	3,984,400	368,367	9.2%
• Institutional systems and settings	2,624,600	321,780	12.3%
• Community action and social support systems			
Community mobilization	2,354,200	225,000	9.6%
Social and economic support	1,324,300	124,342	9.4%
Vulnerable populations	2,501,500	242,763	9.7%
	6,180,000	592,105	9.6%
• Health systems			
Care and support	3,283,900	246,663	7.5%
Sexually transmitted diseases	1,642,000	121,089	7.4%
HIV testing and counselling	1,044,900	80,726	7.7%
	5,970,800	448,478	7.5%
• Technology: research and development			
Vaccine development	2,564,000	276,744	10.8%
Clinical therapy	2,136,800	230,620	10.8%
Female controlled methods	2,991,400	313,643	10.5%
Diagnostics	997,200	101,473	10.2%
	8,689,400	922,480	10.6%
Total Area 2. INTERNATIONAL BEST PRACTICE	**33,776,500**	**3,207,283**	**9.5%**

Table 5: Implementation of the 1996-1997 core budget, as at 30 April 1996 (expressed in US dollars)

		Budget (1)	Obligations (2)	% (= 2/1)
III.	**PROGRAMME DIRECTION & SUPPORT, INCLUDING EXTERNAL RELATIONS AND ADVOCACY**			
	Programme direction			
	Office of the Executive Director	2,308,100	726,107	31.5%
	Evaluation*	1,314,800	0	0.0%
	Human resources development	980,000	6,317	0.6%
	The Initiative Fund*	500,000	6,224	1.2%
	Subtotal	5,102,900	738,648	14.5%
	External relations and advocacy			
	Relations with UN system organizations/key partners	1,017,800	189,737	18.6%
	Resource mobilization	1,206,200	291,171	24.1%
	Communications, public relations and advocacy	1,396,300	640,220	45.9%
	Secretariat support to the governing body/related bodies	1,924,200	242,563	12.6%
	Support to international events	347,100	58,696	16.9%
	Subtotal	5,891,600	1,422,387	24.1%
	Programme administration*			
	• Programme-wide support			
	Informatics	1,876,400	609,337	32.5%
	Subtotal	1,876,400	609,337	32.5%
	• Overhead			
	Department of Programme administration	3,950,000	1,352,004	34.2%
	Facility charges	2,100,000	501,504	23.9%
	Administrative arrangements in support of UNAIDS	6,895,200	0	0.0%
	Subtotal	12,945,200	1,853,508	14.3%
	Total Area 3. PROGRAMME DIRECTION AND SUPPORT, INCLUDING EXTERNAL RELATIONS AND ADVOCACY	**25,816,100**	**4,623,880**	17.9%
	GRAND TOTAL	**120,000,000**	**15,932,618**	**13.3%**

* See paragraphs 14 to 18 for adjustments as compared to document UNAIDS PB96/97

Table 6. Implementation of funds outside the core budget, and multi-bilateral funds for countries, in 1996-97, as at 30 April 1996

(expressed in US dollars)

Source of income	*Contributions received outside the core budget 1996-97 (1)*	*Implementation*		*Multi-bi contributions received 1996-97 (3)*	*Implementation*	
		US$ (2)	*% = 2/1*		*US$ (4)*	*% = 4/3*
Member States						
Australia	185,000	-	-			
Germany (Robert Koch-Institute)	47,297	43,959	93%			
United Kingdom				1,489,325	-	-
Subtotal	**232,297**	**43,959**	19%	**1,489,325**	**-**	**-**
Carryover from WHO/GPA						
Designated						
Japan	291,052	9,858	3%			
Norway				1,747,838	-	-
Subtotal	**291,052**	**9,858**	3%	**1,747,838**	**-**	**-**
Total	**523,349**	**53,817**	**10%**	**3,237,163**	**-**	**-**

Table 7. Financial status of the UNAIDS Trust Fund
(as at 30 April 1996)

(Outside core budget, "multi-bi" contributions, and related expenditure excluded)

		US$
Funds made available under UNAIDS Trust Fund		
Balance forward on 1995 funding		5,947,708
WHO/GPA carryover - first instalment		20,000,000
Governments' contributions for the 1996-97 biennium		2,999,490
Cosponsors' contributions (excluding in kind) for the 1996-97 biennium		360,000
Other income including interest		212,390
	Total available	**29,519,588**
Less obligations incurred from 1 January to 30 April 1996 against:		
1996-97 core budget	***Total obligated***	**15,932,618**
Balance as at 30 April 1996		**13,586,970**

Annex I

UNAIDS: 1995 Budget and implementation*

1995 Budget (revised July 1995)

The 1995 revised budget for UNAIDS (US$ 8 million approximately), consisted of two parts:

(i) **Programme formulation** which covered the budget estimates for the preparatory work in 1995 for formulation and development of the programme of work of UNAIDS in 1996 and beyond.

(ii) **Programme management** infrastructure which covered the budgetary estimates for the posts which were planned to be established and filled during the course of 1995, and for a limited number of associated activities, in order for UNAIDS to be operational on 1 January 1996.

I. Programme formulation (estimated budget US$5,270,000)

Programme development: The budget estimates covered the support staff for the Office of the Executive Director, consultant months to advise UNAIDS on management, and seed funds for development of work in various technical areas. A main area of work was the development of the UNAIDS strategic plan for the period 1996-2000.

Country operations: Provision was made for staff work for elaborating the modus operandi of UNAIDS at country level. As planned, the proposed processes and arrangements were assessed through a series of country visits in the last quarter of 1995. Also to be developed were methods for assessing countries' needs and a plan for the management of transitional activities, as the WHO/GPA closed down. Plans were also made to select, brief and train a certain number of country and/or intercountry-based staff by the end of 1995 or early 1996.

External relations: Provision was made for interaction with the press and for developing a variety of information products. A major focus of interagency affairs was the further clarification of mainstreaming/integration. Provision to ensure the involvement of nongovernmental organizations in the work of UNAIDS was also included.

Administrative support to UNAIDS: Provision was made for staff support for the development, and revision as required, of the 1995 budget for UNAIDS, for preparing the indicative budget proposals for 1996-1997 for the first meeting of the PCB in July 1995, and for preparing the 1996-1997 detailed budget for final approval by the PCB at its second meeting in November 1995. Provision was also made for staff work in the areas of personnel (to develop a detailed staffing plan, write post descriptions and vacancy notices, recruit staff, and develop a plan for staff training); legal support (to draw up the Memorandum of Understanding for the agreement of the six cosponsoring agencies); and for consultant support to negotiate with WHO on administrative support to be provided to UNAIDS.

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*Details concerning the funds received in 1995 for designated activities, i.e., outside the 1995 budget, are mentioned in the report (see paragraphs 8 -10)

II. Programme management infrastructure (estimated budget US$2,906,900)

Provision was made to recruit staff for a certain number of professional posts and corresponding support posts, as approved by the CCO on 27 February 1995, and subsequently by the PCB at its meeting in July 1995.

In addition, provision was made for the maintenance of the HIV/AIDS Development Information Exchange Database (HADIX) which had been entrusted to UNAIDS by the GMC Task Force on HIV/AIDS Coordination in early 1995, and for the meetings of the CCO and PCB in 1995.

Implementation during 1995

The 1995 budget was provisional, to help guide the Programme through the start-up phase. In fact, due to the high number of staff secondments particularly from WHO, direct costs incurred by the Programme in its pre-operational phase were significantly less than foreseen. "Implementation" has, therefore, to be seen in this context.

	Budget US$	Impl. cash/kind included US$	%
1. **Programme formulation**			
Programme development	2,030,100	2,013,437	99%
Country operations	1,203,000	1,069,847	89%
External relations	839,100	341,461	41%
Administrative support to UNAIDS	1,197,800	1,080,375	90%
Subtotal	5,270,000	4,505,120	85%
2. **Programme management infrastructure**	2,906,900	414,404	14%
GRAND TOTAL	8,176,900	4,919,524	60%

(i) In terms of the UNAIDS Trust Fund, total obligations incurred as at 31 December 1995 amounted to US$1,393,155 (undesignated) as indicated in paragraph 8 of the report.

(ii) Additional "implementation" of the 1995 budget is further shown in Table 1 of the report, with a total of US$3,526,369 representing obligations incurred for UNAIDS activities and operations, and estimated costs of staff secondments.

(iii) The above amounts combined provide a total of **US$4,919,524** which can be said to represent 60% "implementation" of the 1995 budget of US$8 million.

Note: In terms of calculating the unspent balance against the total 1995 contributions received under the Trust Fund, only the funds obligated against the Trust Fund in 1995 should be taken into account (i.e., the above mentioned US$1,393,155 (undesignated) and US$907,274 (designated, mentioned in paragraph 8 of the report), or a total of US$2,300,429 in obligations as shown in Table 2.

* * *

UNAIDS
UNICEF • UNDP • UNFPA
UNESCO • WHO • WORLD BANK

UNAIDS/PCB(2)/95.7
10 May 1996

Programme Coordinating Board

Third meeting
Geneva, 10-11 June 1996

Provisional agenda item 2

Consideration of the report of the second meeting

EXECUTIVE SUMMARY

Major decisions taken by the second PCB:

- Adoption of strategic plan 1996-2000.
- Endorsement of mode of operations at country level.
- Approval of budget for 1996-1997.
- Establishment of two working groups on: (i) indicators and evaluation; and (ii) resource mobilization.
- Requested the Executive Director to examine measures to minimize costs.
- Appointment of a rapporteur to provide action-oriented summary.

ACTION REQUIRED AT THIS MEETING

- Approval of the report of the second PCB
- Appoint rapporteur

JOINT UNITED NATIONS PROGRAMME ON HIV/AIDS (UNAIDS)
(UNICEF. UNDP. UNFPA. UNESCO. WHO. World Bank)

UNAIDS/PCB(2)/95.7
15 December 1995

REPORT OF THE SECOND MEETING OF THE PROGRAMME COORDINATING BOARD OF UNAIDS
Geneva, 13-15 November 1995

Contents

I. INTRODUCTION

1. The second meeting of the Programme Coordinating Board (PCB) of the Joint United Nations Programme on HIV/AIDS (UNAIDS) took place at WHO headquarters in Geneva on 13-15 November 1995. The meeting was attended by PCB Member States, the six cosponsoring organizations, five nongovernmental organizations, and observers from Member States of the cosponsoring organizations, organizations of the United Nations system and nongovernmental organizations. The participants are listed in Annex 1.

Opening address by the Chairperson of the Committee of Cosponsoring Organizations (CCO)

2. Mr Anders Wijkman, UNDP, addressed the meeting on behalf of the Chairperson of the CCO, an office which rotates among the six cosponsoring organizations. He described briefly the activities carried out by the cosponsors since the first meeting of the PCB in July 1995 in support of the development of UNAIDS, with particular reference to the CCO's review of the principal documents for this meeting. He informed the PCB that the next Chairperson of the CCO, starting after the PCB for one year, was Ms Carol Bellamy, Executive Director of UNICEF.

Adoption of the agenda

3. The Board reviewed the provisional agenda (document UNAIDS/PCB(2)/95.1) and adopted it with the following adjustments and additions: item 8 to be taken before item 7; and the following topics to be taken up under item 11. 'Other business': financing of NGOs' participation in PCB meetings; and the report of the first meeting of the PCB (see Annex 2).

II. REPORT OF THE EXECUTIVE DIRECTOR

4. The report (UNAIDS/PCB(2)/95.2) submitted to the Board provides an overview of the essence of UNAIDS as well as details of the progress achieved since the first PCB meeting in July.

III. STRATEGIC PLAN FOR UNAIDS FOR 1996-2000

5. The document containing the Strategic Plan for UNAIDS for 1996-2000 (UNAIDS/PCB(2)/95.3) describes the current status and future impact of the

HIV/AIDS epidemic and summarizes the key lessons learned from over a decade of experience. It goes on to set out the mission, roles and objectives of UNAIDS in leading an expanded, multisectoral response to the epidemic, as well as the mandates and contributions of its six cosponsoring organizations. Finally it presents the main strategic approaches for reaching UNAIDS objectives, and the manner in which it plans to assess its progress. In describing the strategies, the Plan points out what UNAIDS will **do** and what UNAIDS will seek to **influence**. The Strategic Plan was not a workplan for UNAIDS; this would be developed during the first half of 1996 and made available to the next meeting of the PCB.

6. The PCB adopted the Strategic Plan and requested that suggestions made during the discussion to make the Plan more user-friendly be incorporated and the Plan re-issued before the end of 1995 (see the decision in paragraph 23). The establishment of a working group on indicators and evaluation was dealt with under 'Other business' (see paragraphs 18 and 43).

IV. MODE OF OPERATIONS AT COUNTRY LEVEL

7. The PCB reviewed and endorsed the mode of operations at country level proposed for UNAIDS in document UNAIDS/PCB(2)/95.4 (see the decisions in paragraphs 24 and 25). It was pointed out that UNAIDS should be described in all documents using language which is consistent with that used, inter alia, in the cosponsors' Memorandum of Understanding for the establishment of UNAIDS (see the decision in paragraph 26).

V. CONCERNS EXPRESSED AT THE 45TH SESSION OF THE WHO REGIONAL COMMITTEE FOR AFRICA

8. This item was introduced by the Vice-Chairperson of the PCB on behalf of the Member States in the WHO Region for Africa. She pointed out that some of the concerns referred to in resolution AFR/RC45/R1 adopted at the Regional Committee had been overtaken by time. For example, all national AIDS programme managers had received a letter through the Resident Coordinator concerning the direct support for their country from UNAIDS for 1996-1997. The PCB recognized that the concerns expressed were not limited to Africa but concerned all countries which would continue to need financial and technical support after the transition from GPA to UNAIDS. The recommendation and conclusion adopted in this connection are found in paragraphs 27 and 28.

VI. PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997

9. The PCB reviewed and approved the proposed programme budget for the biennium 1996-1997 as submitted in document UNAIDS/PPB/96-97 in the amount of US$ 120 million. The related decisions concerning, inter alia, the approval of the budget and the procedures for the transfer of funds between programme areas are found in paragraphs 29 through 32.

VII. COSPONSORS' ACTIVITIES IN HIV/AIDS

10. Document UNAIDS/PCB(2)/95.5, submitted to the PCB in response to the request made at its first meeting, was assembled by the UNAIDS Secretariat on the basis of contributions provided by the cosponsors on the following: estimates of cosponsors' financial support for HIV/AIDS activities in 1994-1995; planned HIV/AIDS activities for 1996-1997 financed from cosponsors' core resources; and expected contributions, in cash and kind, from cosponsors to UNAIDS for 1996-1997. The PCB noted that the cosponsors' activities planned at global and regional level for 1996-1997 which require extrabudgetary funding are being reviewed jointly with UNAIDS. The conclusions adopted in this connection are found in paragraphs 33 and 34.

VIII. RESOURCE MOBILIZATION STRATEGY

11. The PCB reviewed document UNAIDS/PCB(2)/95.6 containing an outline of a conceptual approach of the UNAIDS strategy for resource mobilization and prepared in response to the PCB's request at its first meeting. While welcoming the outline proposed, the PCB accepted the offer by one of its members to initiate an informal working group to discuss the financing mechanisms and the role of the "Global Appeal". The decision adopted in this connection is found in paragraph 35.

12. While noting that the agreed cosponsors' plan of HIV/AIDS activities that require extrabudgetary resources will be included, for the purposes of resource mobilization, in the "Global Appeal" together with the UNAIDS core budget, the PCB considered that these activities should preferably be financed from cosponsors core/regular budgets. The decisions adopted in this connection are found in paragraphs 36 and 37.

IX. LEGAL AND ADMINISTRATIVE ARRANGEMENTS

Memorandum of Understanding

13. The conclusion adopted in this connection is found in paragraph 38.

Administrative arrangements with WHO

14. The PCB's discussion of the letter of agreement regarding the provision by WHO of administrative and financial services to UNAIDS focused principally on the high rent charged for the use of offices in WHO headquarters. While noting that the overall cost for administrative services was around 13%, several PCB members pointed out that their capital cities could offer accommodation at a significantly lower cost. The decision adopted in this connection is found in paragraph 39.

X. PCB MEETING IN 1996

15. The PCB discussed whether or not it should meet twice in 1996. The modus operandi of the PCB stipulated one meeting per year, with additional meetings if the majority of members so decide. Finally, there was general consensus that in view of the decision to establish PCB working groups, it was hoped that one meeting should suffice. It was therefore decided to hold the next meeting in June and to consider at that meeting whether another one was required during 1996. The decision adopted in this connection is found in paragraph 40.

XI. OTHER BUSINESS

NGOs participation in PCB meetings

16. The PCB was informed of the recommendation adopted at a UNAIDS meeting with NGOs in July 1995 that, in view of the financial constraints encountered by the PCB members representing NGOs/people living with HIV/AIDS (PWA) from developed countries, the cost of their participation in PCB meetings be covered by UNAIDS, in the same way as is done for the three NGOs from developing countries. The decision adopted in this connection is found in paragraph 41.

17. A spokesperson for the NGO/PWA members announced the arrangements proposed to ensure rotation of these five members. The conclusion adopted in this connection is found in paragraph 42.

Establishment of PCB working groups

18. The PCB decided to establish a working group on indicators and evaluation. The membership of the group and other elements are found in paragraph 43.

Method of work of the PCB

19. The PCB discussed the need to organize its meetings in a more effective manner and how to promote frequent interaction among members between meetings. The decision adopted in this connection is found in paragraph 44.

20. The PCB decided to appoint a Rapporteur for each meeting (see paragraph 45).

Report of the first meeting of the PCB, July 1995

21. The PCB decided to include on the agenda of future meetings, the formal approval of the report of the previous meeting (see paragraph 46).

XII. DECISIONS, RECOMMENDATIONS AND CONCLUSIONS

22. The following decisions, recommendations and conclusions were discussed prior to the close of the second meeting of the PCB on 15 November 1995.

Agenda item 3 - Strategic Plan for 1996-2000

23. The PCB, recognizing that the UNAIDS Strategic Plan for 1996-2000 was developed through an extensive consultative process and that it will be revised over time to incorporate lessons learned, adopts the Plan as contained in document UNAIDS/PCB(2)/95.3. It requests that the Plan be re-issued before the end of the year incorporating the suggestions made during the PCB discussions. It notes that a workplan for UNAIDS will be available for the next meeting of the PCB.

Agenda item 4 - UNAIDS mode of operations at country level

24. The PCB endorses the mode of operations at country level for UNAIDS as set out in the document UNAIDS/PCB(2)/95.4, on the understanding that some of the operational issues will require further refinement based on experience gained in countries; in many instances these issues are country specific. UNAIDS will give special emphasis to:

(1) the responsibility of countries for the national response to the epidemic;
(2) the responsibility of the national government for coordination of the response;
(3) arrangements to ensure that the momentum of national responses is maintained;
(4) the important role of people living with HIV/AIDS, community-based organizations, and NGOs, as essential partners in the national response to HIV/AIDS; and
(5) a catalytic approach to the technical cooperation initiated by UNAIDS.

25. The PCB endorses the following criteria for the selection of countries for intensified cooperation, i.e. those countries where programme advisers will be assigned:

- the existing or potential severity of HIV/AIDS as a national problem;
- the adequacy of national resources to address the problem, including political commitment;
- the availability of external resources, financial and technical;
- the collective agreement of all parties concerned;

and requests UNAIDS to present its criteria for the selection of countries where technical support teams will be based.

26. The PCB requests that the language used to describe UNAIDS in the "Country Support Framework: mode of operations at country level" and other key UNAIDS documents, be consistent with that used in the cosponsors' Memorandum of Understanding for the establishment of UNAIDS, and in resolutions adopted by ECOSOC and by the governing bodies of the cosponsors.

Agenda item 5 - Concerns expressed at 45th session of WHO Regional Committee for Africa

27. The PCB takes note of the resolution AFR/RC45/RI adopted by the WHO Regional Committee for Africa in September 1995 in which the African countries expressed their concern regarding:

- the support to be provided by UNAIDS during the transition period when WHO/GPA ceases to function; and
- the adequacy of information disseminated on the role and functioning of UNAIDS at country level.

28. The PCB notes the issues raised in the resolution, which in fact also apply to countries in other regions of the world, and recommends urgent and close collaboration between UNAIDS and WHO, including the WHO Regional Offices, to ensure a smooth transition from GPA to UNAIDS.

Agenda item 6 - Proposed programme budget for the biennium 1996-1997

29. The PCB approves the budget for UNAIDS for the biennium 1996-1997 in an amount of US$ 120 million as contained in document UNAIDS/PPB/96-97 and allocated as follows:

I.	Country Support	US$ 61 400 000
II.	International Best Practice	US$ 34 600 000
III.	Programme Direction & Support including External Relations and Advocacy	US$ 24 000 000
	Total:	US$120 000 000

30. The PCB authorizes the Executive Director to make transfers between the Programme Areas that constitute the approved working budget (I, II and III) up to a level not exceeding 10% of the amount of Programme Area from which the transfer is made. Any transfer exceeding the 10% mentioned above is subject to the approval of the Chairperson and Vice-Chairperson of the PCB after consultation with the CCO. Any decision on transfers should take account of the need to avoid distortion in the overall 40:60 balance of allocation of resources between global and country activities. All such transfers shall be reflected in the financial report for the biennium.

31. The PCB decides that any amount received for the core activities of UNAIDS in excess of the total budget of US$ 120 million shall be available for undertaking innovative activities and not for administrative structure or staff.

32. Recognizing that HIV/AIDS is not exclusively a health issue, the PCB requests UNAIDS to pay maximum attention to the socioeconomic and developmental aspects of HIV/AIDS in its programme.

Agenda item 7 - Cosponsors' activities in HIV/AIDS

33 The PCB welcomes the description of the cosponsors' activities related to HIV/AIDS as contained in document UNAIDS/PCB(2)/95.5, even though the descriptions can be improved as to their specificity and accuracy. It notes with satisfaction the progress achieved by the cosponsors in preparing a jointly agreed plan of activities for 1996-1997.

34. The PCB urges the cosponsors to provide without delay details of their cash and in kind contributions to UNAIDS for the biennium 1996-1997.

Agenda item 8 - Resource Mobilization Strategy

35. The PCB welcomes the proposed strategy for resource mobilization as outlined in document UNAIDS/PCB(2)/95.6. It also welcomes the offer by Sweden to initiate an informal working group to discuss innovative methods of resource mobilization, including inter alia,

- clarification of financing mechanisms, particularly the proposed replenishment mechanism, taking into account that some donors may not be in a position to use such replenishment due to the constraints of their national budgetary processes;

- the role of the "Global Appeal" and how it relates to the fund raising activities of cosponsors, NGOs and national governments;

The PCB notes that the group will develop its own terms of reference, have a wide membership, and present options to the next meeting of the PCB.

36. The PCB notes that the "Global Appeal" will raise funds for the UNAIDS activities as set out in its biennial programme budget ($120 million for 1996-1997) and the plan of cosponsors' activities to be jointly agreed upon with UNAIDS (up to $20 million for 1996-1997).

37. The PCB urges all of its members who also serve on the governing bodies of the cosponsors to pay special and urgent attention to financing the HIV/AIDS-related activities of the cosponsors from their own core/regular budgets.

Agenda item 9 - Legal and administrative arrangements

9.1 - Memorandum of Understanding

38. The PCB notes with satisfaction that the Memorandum of Understanding - the final text of which was agreed at the sixth CCO meeting on 11 October - has been signed by the Executive Heads of five of the six cosponsors, namely UNICEF, UNDP, UNFPA, UNESCO, and WHO, and that it will shortly be signed by the President of the World Bank after formal approval by its Board of Governors.

9.2 - Administrative arrangements with WHO

39. The PCB notes the draft letter of agreement between UNAIDS and WHO on administrative arrangements. In view of the high costs of locating UNAIDS in WHO/Geneva, the PCB requests the Executive Director to examine the advantages and disadvantages, both short and long term, of possible measures to minimize the administrative and accommodation costs and report back to the next meeting of the PCB. However, the administrative costs should not exceed 13% of the total budget.

Agenda item 10 - PCB meeting in 1996

40. The PCB decides to hold its next meeting in Geneva on 10-12 June 1996, on the understanding that efforts will be made to reduce the meeting to two days, 10-11 June.

Agenda item 11 - Other business

11.1 - NGOs participation in PCB meetings

41. The PCB authorizes UNAIDS to finance the participation of the five NGO members of the PCB, rather than limiting it to the three NGOs from developing countries as proposed in the ECOSOC resolution 1995/2 regarding governance of the PCB. The NGO members shall in future be referred to by their regional affiliation.

42. The PCB notes that the current five NGO members of the PCB will all serve two-year terms of office from 1995 until end 1997. In order to ensure rotation of the five NGO members from 1 January 1998, three of the subequent terms of office will be for three years and the other two for two years. For the sake of continuity, two of the original five members may be reappointed for one term.

11.2 - Establishment of PCB working groups

43. The PCB decides to establish a working group on indicators and evaluation with the following membership: Australia, Canada, China, Mexico, Russian Federation, South Africa, Thailand, United Kingdom, United States of America. It also decides that (1) any other PCB member is welcome to participate; (2) consultation with NGOs will be assured through electronic means; (3) members may be represented by a participant with technical skills and not necessarily the PCB representative; (4) the working group will develop its own terms of reference and report to the PCB at its next meeting.

11.3 - Method of work of the PCB

44. The PCB requests all its members to make proposals to UNAIDS on how future meetings can be made more efficient and effective and ways to promote greater and frequent interaction among themselves in the governance process, for example through electronic means. UNAIDS will consolidate the proposals and present them to the next meeting of the PCB.

45. The PCB decides to appoint a Rapporteur from among its members to provide an action-oriented summary at the end of each agenda item's discussion. The Rapporteur will be selected for each meeting in consultation with the Chairperson, the Vice-Chairperson and the Secretariat.

11.4 - Report of the first meeting of the PCB, July 1995

46. The PCB approves the report of its first meeting contained in document UNAIDS/PCB(1)/95.6.

Annex 1
List of Partcipants

Member States

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Ms Ann Kern, Consultant to the Department of Human Services & Health, c/o Permanent Mission of Australia to the United Nations Office at Geneva, Switzerland

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Dr Carol Jacobs, Chairperson, National Advisory Committee on AIDS, Christ Church, Barbados

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Côte d'Ivoire
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Mr Jeffrey O'Malley, Executive Director, **International HIV/AIDS Alliance,** London, UK

Dr Anne Petitgirard, AIDS Coordinator, Health Department, **International Federation of Red Cross and Red Crescent Societies,** Geneva, Switzerland

Dr Klemens Ochel **and** Professor Klaus Fleischer, AIDS and International Health Department, **Missionsärztliches Institut Würzburg,** Würzburg, Germany

M. Damien Rwegéra, Director General **and** Mr Don de Gagné, **Organisation Pan-Africaine de Lutte contre le Sida (OPALS),** Paris, France

Mr Richard Frank **and** Mr William Warshauer, **PSI,** Washington, USA

Ms Garance Upham, President, **SidAlerte Internationale,** Lyon, France

Mr Patrick Bertrand, Executive Director, **SidAlerte Internationale,** Lyon, France

Dr Carmen Carrington, Vice-President, **Union Latinoamericana Contra las**

Enfermedades de Transmision Sexual (ULACETS), Rockville, USA

Rev. Heiko Sobel, Zurich, Switzerland - representing:
CMC-Churches' Action for Health, World Council of Churches, Geneva, Switzerland

Annex 2
Agenda

		Reference documents
1.	OPENING	
	1.1 Opening remarks by the Chairperson	
	1.2 Address by the Chairperson of the CCO	
	1.3 Adoption of the provisional agenda	UNAIDS/PCB(2)/95.1
2.	REPORT OF THE EXECUTIVE DIRECTOR	UNAIDS/PCB(2)/95.2
3.	STRATEGIC PLAN FOR UNAIDS FOR 1996-2000	UNAIDS/PCB(2)/95.3
4.	UNAIDS' MODE OF OPERATIONS AT COUNTRY LEVEL	UNAIDS/PCB(2)/95.4
5.	CONCERNS EXPRESSED AT 45TH SESSION OF WHO REGIOINAL COMMITTEE FOR AFRICA CONCERNING THE TRANSITION FROM GPA TO UNAIDS AT COUNTRY LEVEL *(proposed by a PCB Member)*	AFR/RC45/R1
6.	PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997	UNAIDS/PPB/96-97
7.	COSPONSORS PLANNED ACTIVITIES IN HIV/AIDS (financial support for 1994-1995; activities planned for 1996-1997; expected contribution to UNAIDS for 1996-1997)	UNAIDS/PCB(2)/95.5
8.	RESOURCE MOBILIZATION STRATEGY	UNAIDS/PCB(2)/95.6
9.	LEGAL AND ADMINISTRATIVE ARRANGEMENTS	
	9.1 Memorandum of Understanding	
	9.2 Administrative arrangements with WHO	
10.	PCB MEETING IN 1996	
11.	OTHER BUSINESS	
12.	DECISIONS, RECOMMENDATIONS AND CONCLUSIONS	

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UNAIDS/PCB(3)/96.9
10 May 1996

Programme Coordinating Board

Third meeting
Geneva, 10-11 June 1996

Provisional agenda item 10

Measures to minimize administrative costs

EXECUTIVE SUMMARY

Responding to PCB action requesting Executive Director to review administrative and accommodation costs.

- Study conducted drawing upon hypothetical locations representing different geographical regions for comparative purposes.
- Analysis of relocation reflecting financial and non-financial implications.
- Potential savings compared with major disruption at the beginning of UNAIDS causing considerable delay in organization development.
- Review of cost saving measures in current location.
- Secretariat recommends staying in Geneva and continue to explore ways of reducing infrastructure costs.

ACTION REQUIRED AT THIS MEETING

- Decide UNAIDS should remain in Geneva.
- Request secretariat to continue to reduce operating and accommodation costs.

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UNAIDS/PCB(3)/96.9
10 May 1996

Programme Coordinating Board

Third meeting
Geneva, 10-11 June 1996

Provisional agenda item 10

Measures to Minimize Administrative Costs

Contents

I. INTRODUCTION

1. At its meeting in November 1995, the Programme Coordinating Board (PCB) reviewed the proposed arrangements for provision by WHO of administrative and financial services to UNAIDS in 1996-1997. Concern was expressed at the costs WHO proposed to charge for rental of office space. The general high cost of operating in Geneva was also noted with concern. In concluding its review, the PCB requested the Executive Director to examine the advantages and disadvantages, both short and long term, of possible measures to minimize the administrative and accommodation costs, and report back at its next meeting. The PCB also indicated that, in any changed arrangements, the overhead costs should not exceed 13% of the total budget.

II. THE PRESENT SITUATION OF UNAIDS IN WHO, GENEVA

2. The decision to locate UNAIDS in WHO, Geneva, stems initially from ECOSOC resolutions 1994/24 and 1995/2 establishing the Joint Programme, wherein it is stated that WHO would be responsible for the administration in support of the programme. In the Memorandum of Understanding on a Joint and Cosponsored United Nations Programme on HIV/AIDS, signed by the six cosponsoring agencies, it was further indicated that the operation of UNAIDS would be carried out in accordance with the administration and financial regulations, rules and procedures of WHO, and that WHO would be entitled to apply a charge covering its costs in providing administration of UNAIDS. The details of the administrative services and facilities to be provided by WHO to UNAIDS and the charges to be applied are elaborated in a Letter of Agreement between WHO and UNAIDS signed on 22 December 1995.

3. From 1 January 1995, therefore, UNAIDS has been located in premises in WHO, Geneva. During 1995, the arrangements were informal, with support services to UNAIDS being provided by WHO, either through a 13% charge for programme support costs or as a contribution in kind (e.g. rent). Since 1 January 1996, WHO arrangements to support UNAIDS were formalized and implemented under the aforementioned Letter of Agreement.

III. MEASURES IDENTIFIED

4. UNAIDS has undertaken a review of measures which would reduce administrative and accommodation costs: (**A**) by relocating the Programme from its current situation, and (**B**) which could be undertaken in its current location. The major findings are presented in this report.

A. COST REDUCTION THROUGH RELOCATION

5. In undertaking the study on relocation, account was taken of both the financial implications and the qualitative factors which, although not quantifiable in monetary terms, are essential for the efficient implementation of the Programme's activities. It took as a baseline for comparison the present situation of UNAIDS as a Programme to be supported administratively by a parent organization, as well as the non-financial advantages offered by its current location in Geneva.

6. Since the relocation study could not be based on definite sites, with the exception of one offer which was received during the course of the review, hypothetical locations representing different geographical regions were selected for comparative purposes. The study relied to a large extent on information from secondary sources. In particular, a review was undertaken of information available within the United Nations (UN) system, including location and relocation studies carried out in the last few years by the Convention on Climate Change, the United Nations Volunteers (UNV), and UNICEF. Where relevant for UNAIDS, the methodology, analyses and costings included in the above-mentioned studies have been applied.

7. In drawing on information from the UN system, it was possible to expand the scope of the review and take into account the following **hypothetical locations**: (i) **elsewhere in Europe**, using a median rate for costings in the analysis, based on information available from Bonn (UNV), Copenhagen (WHO), Lyon (International Agency for Research on Cancer - IARC), and Vienna (UN); (ii) in **North America**, based on information available from UN system organizations in New York, and (iii) **another geographical location**, based on information available from New Delhi (WHO).

Financial implications

8. The financial information obtained for the study aims to identify the benefits and the costs which need to be taken into account when considering relocation. To some extent, the information presented is based on assumptions which have had to be made. Furthermore, while it was possible to obtain relatively accurate costings for some of the parameters used, for others, calculations had to be based on rough estimates. A brief overview of the information collected is given below and an analysis of the financial implications is provided in Annex 1.

9. The main advantage offered by relocation is savings in some recurrent costs for the Programme in the long term. Based on the cost of living indices, it is likely that UNAIDS would benefit from lower costs of conducting business in these sites, including rent, as compared to Geneva. The analysis focused on the potential savings that would be generated by the application of lower post adjustments for staff in the professional category, and from the lower salary costs for staff in the general service category, costed at current rates. A rough estimate of annual savings ranges from US$2.6 million to US$5.7 million, depending on the location (see Annex 1, Table 1). These costings may however change over time, making longer term forecasts of savings uncertain. The difference in the costs from Geneva, and hence the anticipated savings, may be narrowed if the current initiatives being considered by the International Civil Service Commission to reduce the Geneva post adjustment are adopted, and if costs in other locations were to increase as a result of inflation.

10. Whatever the size of the saving, it would need to be measured against the financial costs which relocation itself would generate. In the short-term, these would consist mainly of "one time" costs related to a move, and would include the cost of relocating staff, indeminities, replacement of office equipment and furniture, installation of communication systems and other infrastructure necessary for the operation of the Programme (see Annex 1, Table 2).

11. If the Programme were to relocate to any site at a considerable distance from its parent organization, long-term costs would be involved to the extent the administrative infrastructure would need to be replicated. As a Programme administered by a parent organization, UNAIDS benefits from economies of scale by not having to duplicate essential administrative infrastructure. Resources would thus be required for additional staff or commercial contracts to maintain the level of services needed. Although it is difficult to estimate the extent of such costs, given the many variables involved, it is possible that they could more than offset any savings from the salaries and post adjustments of staff. For example, information obtained from an agency receiving administrative support from a distance would indicate the need for up to 30 additional administrative staff for a total staff of 150. Depending on the site, it is thus uncertain what level of net recurrent savings could be expected from a relocation, and it is most likely that the overhead costs would exceed 13% of the total budget. Similar factors were considered by UNICEF when identifying the location for the establishment of a regional presence in Central and Eastern Europe, the Commonwealth of Independent States and the Baltic States. UNICEF opted for Geneva, taking advantage of the economies of scale it could benefit from by attaching itself to an existing office of its parent organization.

Non-financial implications

12. In examining the non-financial implications, the study reviewed the key areas in which relocation would impact on the ability of the Programme to function optimally.

13. UNAIDS is in its start-up phase and much effort and resources have been invested in the recruitment of its staff and establishment of the infrastructure necessary for its operation. Recruitment levels for the staff needed in Geneva have reached 70% for professional staff and 95% for general service staff. Irrespective of the site of relocation, it is anticipated that a number of professional and general service staff would not be able to relocate with the Programme if it were to move out of Geneva. The consequent disruption would result in a major delay in UNAIDS' organizational development.

14. UNAIDS works in partnership with a vast number of organizations and Governments that share its concerns, and ready access to them is critical for the Programme. In particular, the considerations described below are of importance:

- As a cosponsored programme, it is desirable for UNAIDS to be located in close proximity to where the majority of the cosponsors are based or adequately represented.

- UNAIDS needs to be located close to Permanent Missions of Member States to the United Nations and the Specialised Agencies, to maintain a productive dialogue with governments for its advocacy role, and from a fundraising perspective.

- Owing to the important implications of HIV/AIDS for the health sector, close collaboration with WHO's technical programmes is essential. Examples of these areas include tuberculosis, substance abuse, drugs for treatment of STD and HIV-related illness, family and reproductive health, care of the sick child, health education and health care systems.

- The promotion of human rights as it relates to HIV/AIDS is an important part of UNAIDS' agenda and it needs to work closely with and through the UN Human Rights bodies, (in particular the UN Commission on Human Rights), as well as the human rights nongovernmental organizations, the majority of which are located and/or hold their meetings in Geneva.

15. Based on the above considerations, cities with a strong UN presence clearly constitute the best site for UNAIDS. Any other option would require establishing liaison offices and/or frequent travel to UN sites.

16. Furthermore, UNAIDS, as a matter of principle and because of the involvement of people living with HIV/AIDS in its work, would need to be located in a country where there are no travel or visa restrictions related to HIV/AIDS.

17. In addition to the above, the following factors were also taken into account as being important to facilitate the Programme's work.

- Proximity to international media network
- Proximity to international airport
- Political, social and economic stability
- Privileges and immunities for the Programme and staff
- Availability of employment and schooling facilities for family members of staff.

18. Annex 2 shows a comparison of the more important non-financial considerations assessed.

Offers received

19. During the course of the review, UNAIDS was officially informed by the authorities in Lyon, France, of its offer to host the Programme and to provide office accomodation at no cost for an unlimited duration. Following an analysis of the needs of the Programe, two possible sites were identified, including a large building for UNAIDS' sole use, where the lay-out has been specifically tailored to the logistical needs of the Programme. Furthermore the city of Lyon has offered to facilitate a move in all aspects ranging from the installation of communication systems at preferential rates, to assistance with the settling of staff and their families. Details of the proposal will be available to the PCB members at the meeting.

20. The Swiss Government has also informed UNAIDS that, taking into consideration the concerns raised by the PCB at its meeting in November 1995, it is currently exploring possible ways to assist the Programme to reduce its administrative costs. In this regard, it has offered to negotiate preferential rates for alternative accommodation both in the short-term, and with regard to a specific location in Geneva which will be available in 1999. Correspondence received from the Swiss Government will be available to the PCB members at the meeting.

B. COST REDUCTION IN CURRENT LOCATION

21. Besides the economies of scale from which the Programme currently benefits, as described earlier in this report, cost saving measures which are, or will be, possible for UNAIDS in its present location include those which are due to developments which impact on the Programme, as well as to other measures which are being introduced within the Programme itself.

22. ***Reduction in the rental cost under the WHO/UNAIDS agreement:*** In February 1996, WHO informed UNAIDS that, effective from 1 January 1996, the charge for the biennium for the accommodation and building services[1] was reduced from US$2 242 800 to US$1 168 000. As a result of this adjustment, the total overhead costs for UNAIDS is around 12% (as compared to 12.95% originally).

23. ***Proposed future reductions of the Geneva post adjustment:*** There are currently two adjustments being considered within the International Civil Service Commission (ICSC) that could result in reductions of the post adjustment for Geneva ranging from around 5% to 15% of total salary. One adjustment results from a place to place survey in 1995, and one is the result of a General Assembly resolution requesting the ICSC to establish in 1996 a single post adjustment index taking into account not only prices in Geneva but also in France.

24. ***Other measures***: Since the Programme became operational, UNAIDS has been actively exploring all measures to further minimize current costs. For example, in April 1996 in light of the many reduced, grey market economy class fares which are now available, UNAIDS adopted a travel policy from which it expects to make considerable savings. Conscious of the high costs in Geneva, the Programme is exploring the possibility of decentralizing some of its services, such as those provided by its documentation centre to regional locations. It is also considering contracting offshore for some of the services required by the Programme, as well as looking into all options to reduce communication costs. Efforts to further reduce accommodation costs will also continue.

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[1] includes rent of premises and use of all common areas, basic office furniture, routine maintenance and cleaning, electricity, water, messenger and security services, and available surface parking space.

IV. CONCLUSIONS AND RECOMMENDATIONS

25. In examining the measures which would minimize administrative and accommodation costs, it would appear that the extent of the potential direct cost savings to be made is at best uncertain, and may ultimately be less than anticipated.

26. The advantage of any saving, even in a location where accomodation would be free of charge, would have to be measured against the non-financial factors which have important implications for the effective operation of the Programme. The most important consideration in the short term is the disruption that relocation will bring to the Programme at this critical juncture in its development, and its consequent need for re-investment in time and resources for the establishment of its staffing capacity and its administrative and operational structure. At this point in time, when UNAIDS is gearing up to full capacity, the cost of such disruption would be too high, and at odds with the responsibility placed on UNAIDS to build up an effective and efficient Programme in the shortest possible time. Over the longer term, unless relocated to a site offering the non-financial elements considered critical for the good implementation of the Programme, the quantifiable benefits would be severely offset.

27. UNAIDS is appreciative of the generous offer from the city of Lyon and has given serious consideration to the comprehensive proposal it has presented. However, having examined the various factors and options described in the report, and bearing in mind the benefits currently derived from its present proximity to diplomatic missions and UN organizations of significant importance to UNAIDS, it is concluded that it would be in the best interest of UNAIDS, for the Programme to remain in Geneva at this time. This recommendation also takes into account the possibility of reduction in costs for the Programme through continued internal efforts at cost-saving, as well as the indication given by the Swiss Government that it is currently reviewing all possibilities at its disposal to assist UNAIDS to reduce its infrastructure costs.

Annex 1: Financial implications

Part I: Estimates of potential savings on staff costs in the hypothetical locations reviewed

Table 1 shows the estimated potential savings in staff costs (post adjustment and salaries of general service staff) should UNAIDS move from its current location to three different hypothetical geographical areas, namely (1) elsewhere in Europe (outside Geneva), using a median rate based on information available from Bonn (UNV), Copenhagen (WHO), Lyon (IARC) and Vienna (UN), (2) North America, e.g. New York, and (3) and a third geographical setting, e.g., New Delhi (see paragraph 7 of report).

1. An analysis of professional staff costs was carried out using different **post adjustment** multipliers for each location, based on 1996-1997 costings. The post adjustment multipliers are based on the standard methodology used to calculate the post adjustment of all duty stations in the UN system. The costs of UNAIDS posts, as foreseen in the 1996-1997 budget, in the professional category, were calculated for each study location and then compared with those for Geneva[2]. The differences in the average staff cost (post adjustment), as compared to those currently applied to Geneva, are shown as potential savings in Table 1.

2. A similar exercise was carried out for the cost of **general service posts** foreseen in the 1996-1997 budget, and the difference in the average costs as compared to Geneva is also shown as potential savings in Table 1.

3. Some services currently provided for a fee, with UNAIDS profiting from economies of scale, may not be available should the Programme relocate at a distance from a parent organization. A rapid review was thus undertaken to estimate what additional services, human resources, and costs would be required, in such an event. These include expanded personnel services, travel administration, medical services, legal services, expanded financial services, conference services, interpretation, translation, documentation production, services relating to mail delivery, postage, reception/telephonists, messengers and drivers, registry, language training, installation costs of financial and other computer systems and services, economat, and office supplies and equipment. In addition, unless relocated to a city with a strong UN presence, a liaison office or frequent staff travel to such a city would be required. Given the number of variables, an attempt to cost these under the different sites proved difficult. It is clear, however, that, depending on the site, much of the potential savings identified above could be lost by the need to expand the administrative and overhead staff, or in fees for contractual services.

4. Aside from the offer received from the Government of France, rental costs may be incurred to varying degrees. Calculations would also have to include the maintenance of buildings, e.g., major repairs, renovations or adjustments to the building premises and related fixtures, such as elevators and heating systems, and other elements of maintenance

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[2] At an exchange rate of US$1 to Sfr. 1.14, the rate of exchange used in calculating the staff costs for the UNAIDS PB96-97.

(e.g. cleaning, changes in internal fixtures). Here again, given the number of variables, no estimates could be provided for such an analysis.

5. As can be seen from Table 1, a rough estimate of the annual savings that could be generated through lower post adjustments and general service salaries, range from US$2.6 million to US$5.7 million. These costings may, however, change over time, making longer term forecasts of potential savings uncertain (see paragraph 9 of the report). Finally, although Table 1 shows that potential savings on staff costs may be foreseen, these would need to be offset against increased recurrent expenditures on, e.g., overhead costs, which, depending on the site, could cancel any gains.

Part II: Estimates of the "one-time" costs generated by a move

Table 2 shows the "one time" costs generated by a move on the basis of the same geographical approach applied to develop Table 1.

Human resources

6. Personnel costs for the one-time move have been calculated on the basis of estimated rates and allowances effective in the 1996-1997 biennium. The number of staff used as a basis for preparing the cost estimates includes the approved posts to be based in Geneva in the UNAIDS 1996-1997 budget, and secondments, i.e., a total of 88 staff.

7. Based on the above and on studies reviewed, the assumption used in calculating costs is that about 30% of general service staff and 70% of professional staff, would follow the Programme elsewhere.

8. UNAIDS staff relocating with the Programme outside Geneva would be eligible to receive reassignment grants, as defined in the Staff Regulations and Rules applicable to UNAIDS. The estimated cost of these allowances is shown in Table 2.

9. UN staff (general service) who have not relocated with the different bodies that have moved, have usually been granted indemnities and gratuities. Based on this information, projections have been made for such an eventuality should the Programme relocate. As these costs seem to have been generally undercosted in some instances by other UN bodies, the assumption used in the calculation shown in Table 2 is that all such staff would benefit from some indemnity/gratuity.

Administration

10. Recruitment costs would include those to replace 30% of professional staff and 70% of general service staff, including travel, installation allowances and training, as applicable. An estimated provision for this is shown in Table 2.

11. If UNAIDS were to relocate outside Geneva, it would need to replace the existing office furniture. In addition, equipment and computer hardware owned by UNAIDS, as well as UNAIDS records, would need to be transferred. Costs would also be incurred to

establish the electronic communication systems. Approximate estimated costs are shown in Table 2.

12. Studies reviewed indicate that there might be a need to set up a provisional office in the site of the future relocation at least four months prior to the date of relocation. An amount based on studies reviewed has been included in Table 2.

13. As shown in Table 2, the above calculations indicate that the one time cost to move to the different sites range from US$8 million to US$9.5 million. In addition, given the conservative approach that has been adopted in making these costings and the number of elements that cannot be foreseen, a 20% contingency provision on the total estimation costings may also need to be foreseen.

Table I: Estimates of potential savings on staff costs in different hypothetical locations (expressed in US dollars on 1996-1997 costings)

Savings on staff costs	Elsewhere in Europe* (excl. Geneva)	North America e.g. New York	Other geographical setting: e.g., New Delhi
¤ Post adjustment for Professional staff less than in Geneva/yr	1,100,000	1,600,000	2,200,000
¤ General Service salaries less than in Geneva/yr	1,500,000	2,300,000	3,500,000
Total potential savings	2,600,000	3,900,000	5,700,000

* Costs have been calculated using a median rate based on information available for Bonn, Copenhagen, Lyon and Vienna.

Table 2: Calculation of one time costs generated by a move from Geneva (expressed in US dollars)

Categories of expenditures	Elsewhere in Europe (outside Geneva)	North America e.g. New York	Other geographical setting: e.g., New Delhi
1. Staff relocation costs			
Travel	82,000	300,000	365,000
Shipment of personal effects	1,620,000	3,240,000	1,944,000
Reassignment grants	360,000	350,000	245,000
Subtotal (1)	*2,062,000*	*3,890,000*	*2,554,000*
2. Termination indemnity/gratuities	3,150,000	3,150,000	3,150,000
3. Re-recruitment costs	336,000	285,000	206,000
4. Replacement costs of office furniture and equipment	1,252,000	1,127,000	1,500,000
5. Shipment of office records and computer hardware	10,000	71,000	71,000
6. Upgrading of electronic communication systems	732,400	734,000	1,000,000
7. Provisional office (4 months before relocation)	200,000	200,000	150,000
Subtotal (2)	5,680,400	5,567,000	6,077,000
Subtotal (1)and (2)	7,742,400	9,457,000	8,631,000
8. 20% contingency	1,548,480	1,891,400	1,726,200
TOTAL	**9,290,880**	**11,348,400**	**10,357,200**

Annex 2: Non-financial implications

The following table compares the more important non-financial considerations between some possible sites, excluding those which were mostly valid for all sites.

ITEM	GENEVA	FRANCE (LYON)	N. AMERICA, e.g., NEW YORK	MAJOR CITY IN ASIA/AFRICA
Proximity to:				
Parent organization	Yes	Administration from a distance, or alternative body would need to be sought and ECOSOC resolution changed	ECOSOC resolution would need to be changed to other cosponsor	Alternative body would need to be sought and ECOSOC resolution changed
Appropriate cosponsor representation	Yes	No	Yes	No
UN-related diplomatic missions	Yes	No	Yes	No
Other key UN agencies and non-governmental organizations of relevance to UNAIDS	Yes	No	Yes	Variable

ITEM	GENEVA	FRANCE (LYON)	N. AMERICA, e.g., NEW YORK	MAJOR CITY IN ASIA/AFRICA
Direct access to large international press corps	Yes *(UN press corps: priority interest in social and economic affairs)*	No	Yes *(UN press corps: priority interest in political affairs and Security Council)*	Variable
Travel or visa restrictions related to HIV/AIDS	No	No	Yes	Variable

FOCUS OF UNAIDS

Reinforcing the capacity of countries for an expanded response to HIV-AIDS

rm/rf/007

UNAIDS VISION

- **Long term (30-50 years) as well as short term**
  - living with the epidemic
  - opportunity to build solid programmes

- **Recognition of capacity in countries**
  - UNAIDS must support and enhance national capacity

- **Focus on collaboration, facilitation and participation: UNAIDS is committed to:**
  - effective responses to HIV, not institutional concerns
  - teamwork
  - skills development (of staff and partners)
  - networking
  - consistency of vision and action
  - evaluation by our partners/clients
  - a working culture of facilitation and participation

- **Sharing of credit and responsibilities for HIV/AIDS responses among partners**

- **Seeing UNAIDS' success through the success of our partners**

rm/rf/005

UNAIDS COUNTRY SUPPORT
AVAILABLE RESOURCES (1996-1997)

- Direct support to national programmes
- Country programme advisers (50-70 posts)
  - country-based
  - intercountry
  - nationally and internationally recruited
  - funds for innovative country activities
- Technical support - intercountry teams (29 posts)
- Funds for regional projects and arrangements

rm/rf/018b

The UN Theme Groups on HIV/AIDS will support and strengthen national coordination, not substitute for it.

National authorities are responsible for the overall coordination of activities at country level. This includes coordination of all external assistance (including assistance provided by the UN).

UNAIDS AT COUNTRY LEVEL

Mode of Operation

UN Theme Groups on HIV/AIDS

- to be established within the UN Resident Coordinator System
- members: the 6 cosponsors (other UN agencies invited to participate)
- governments to decide how they relate to Theme Group
- regular consultation with bilateral agencies, NGOs, PWA networks, private sector
- chairperson selected through a consultative process

rm/rf/008

UNAIDS AT COUNTRY LEVEL

Facilitating role of country programme advisers

- support the work of Theme Groups
- programmatic support/advice (technical, policy and management) to the national response
- advocacy, resource mobilization
- network development
- promotion of international best practice
- channelling of other technical support
- monitoring of activities at country level

rm/rf/009

UN RESPONSE AT COUNTRY LEVEL

- Information sharing
- Sharing of resources
- Joint advocacy
- Joint planning and review
- Joint implementation
- Joint financing

nf/rf/026b

UNA DS AT COUNTRY LEVEL
MAJOR ACTIVITIES

- Enhancement of collaboration and joint action on HIV/AIDS among cosponsors and other UN system organizations
- Support for national leadership to coordinate and manage the expanded national response to HIV/AIDS
- Provision/channelling of technical support
- Local resource mobilization
- Support to establishment of intercountry and regional linkages

rm/rf/017b

WHAT IS UNAIDS AT COUNTRY LEVEL?

It is the concerted UN response to HIV/AIDS, which includes:

- **the joint action and collective resources of the 6 cosponsors in support of the national response to HIV/AIDS**

- **the support provided through the UNAIDS secretariat**