

## **Guidance Notes for UNAIDS Programme Acceleration Funds (PAF)-2004/05**

### **Introduction**

Programme Acceleration Funds were designed to assist the UN Theme Group to play a catalytic and facilitating role in advancing the scope, scale and effectiveness of a country's response to the HIV/AIDS epidemic. With increasing resources, political commitment and new interventions, this role becomes even more important and urgent.

Compared to the resources now being made available from the new global initiatives, such as the Global Fund to Fight AIDS, TB, and Malaria, PAF monies are relatively small. However, these small amounts can maximize the comparative advantages of the UN, and ensure that its contribution can be critical to an effective response.

The guidelines for the use of PAF have been revised in response to these new demands and the new environment. Three major changes have been made: first, PAF monies have been divided into three distinct parts to meet different needs; second, more authority has been delegated to countries to increase efficiency; and third, there is now an enhanced emphasis on reporting and accountability.

### **A. Background**

In December 2002, the UNAIDS Programme Coordinating Board (PCB) endorsed five cross-cutting functions that together represent the strategic contribution that UN system organizations and the Joint UN Programme on HIV/AIDS are expected to make in support of a scaled-up country response. These are:

- to empower leadership for an effective country response;
- to mobilize and empower public, private and civil society partnerships and civil society engagement;
- to strengthen strategic information management;
- to build capacities to plan, track, monitor and evaluate country responses;
- to enable access to, and efficient use of, financial and technical resources.

UN Country Teams, and specifically UN Theme Groups on HIV/AIDS, were also tasked with updating their joint action plan on HIV/AIDS and incorporating them in a UN Implementation Support Plan (UN ISP). The UN ISP will be the annual work plan of the UN Theme Group in support of the national plan. It is expected to prioritize approaches and activities where UN organizations add value and contribute most strategically to a scaled-up response, reflecting the cross-cutting functions endorsed by the PCB. Concurrently, the PCB recommended that the PAF facility be continued and expanded, and that future PAF activities have a more strategic focus.

These revised PAF guidelines (2004/05) aim to put these principles into effect.

### **B. Purpose of Programme Acceleration Funds**

The overall purpose of UNAIDS Programme Acceleration Funds (PAF) is to enable UN organizations to make a strategic contribution to an effective and efficient scaled-up national response. PAF in the amount of US\$ 16 million are made available through the Interagency Component of the UNAIDS Unified Budget and Workplan 2004-2005.

PAF are therefore to be programmed jointly by UN Theme Groups on HIV/AIDS such that they catalyse and leverage new resources and partnerships, generate innovative approaches, and generally strengthen national programme planning and development, and monitoring and evaluation efforts.

### **C. Criteria for use**

Activities to be funded by PAF must be in line with one or more of the five cross-cutting functions of the Joint Programme, as defined by PCB and described above. Activities designed as part of UN Implementation Support Plans – which also should be oriented around the five functions – are thus ideally suited for PAF funding.

Within the parameters outlined in these five functions priority will be given to catalytic activities addressing the following issues:

- promoting the greater involvement of people living with HIV/AIDS;
- provision of strategic support to the 3 by 5 initiative;
- addressing the growing feminization of the epidemic and the specific vulnerability of women to HIV;
- supporting national AIDS campaigns in the context of the World AIDS Campaign;
- targeting thematic and programme areas that represent important gaps in a country's overall response, esp. sensitive and/or neglected issues (e.g sex work, injecting drug use, MSM); and
- promoting the achievement of the “Three Ones”, i.e One National Action Framework, One National AIDS Authority and One Monitoring and Evaluation Framework.

#### **On the other hand, PAF must not be used:**

- to fund or co-fund programme activities that are part of the core mandate of a UN agency;
- to fund recurrent costs such as office rental, regular staff salaries and commodities, including drugs;
- to support capital expenditures (vehicles, office furniture).

### **D. Allocation of PAF**

1. PAF resources are primarily allocated on the basis of their potential usefulness and impact, in line with the PAF criteria and on the demonstrated effective use of these funds by the UN Theme Groups to date.
2. For this biennium, the core PAF have been split into three parts.
  - i. Part A: 50% of the total PAF (or US \$ 8 million) will be distributed among UN HIV/AIDS TGs in priority countries as listed in UNAIDS: Future Directions – Unifying and Intensifying Country Support (see Annex 4 for full list). Each country will be allocated an earmarked amount.
  - ii. Part B: All other UN TGs will be notified of the availability of 30% of the total PAF (US \$4.8 million). Part B funds will be made available in two competitive “rounds”
  - iii. Part C: The remaining 20%, or US \$3.2 million, will be kept as a global reserve to enable a rapid response to urgent and unforeseen opportunities for scaling-up country

responses. Part C funds will be programmed in consultation with the relevant UN TGs as and when such opportunities arise.

The following table summarizes the allocation parameters and review or approval process for each part, as well as the overall reporting requirements.

<b>Funding Part</b>	<b>Parameters</b>	<b>Review / Approval</b>	<b>Reporting</b>
<b>Part A</b>	- US \$8m - priority countries <sup>1</sup> - allocated amounts	Approval delegated to Theme Groups at country level <sup>3</sup>	A progress report one year after initial funding, using the standardized reporting form  Final narrative and financial report at close of activity.
<b>Part B</b>	- US \$4.8m - all other countries <sup>2</sup> - two competitive sequential rounds - limit of \$75,000 per proposal	Approval and allocation decisions by PAF committee, <i>per round</i>	
<b>Part C</b>	- US \$3.2m - flexible and rapid response - to respond to urgent needs or time-limited opportunities - limit of \$75,000 per proposal	Approval by PAF committee, <i>ongoing</i> <sup>4</sup>	
<b>Supplemental Country Support Funds</b>	- some donors may provide additional resources for programming in accordance with PAF processes and criteria - some donors may provide earmarked funds that only use the PAF mechanism	Approval by PAF committee, based on specific criteria which have been agreed with the donor agency, <i>ongoing</i> <sup>4</sup>	

<sup>1</sup> Ref. *UNAIDS: Directions for the Future*, p 14. There are 55 priority countries (see annex 4).

<sup>2</sup> In 2002-03, approximately 105 countries applied in total for PAF. It is expected that in 2004-05 “all other countries” will be approximately 55 countries.

<sup>3</sup> Upon approval by Theme Group at country level and transmittal of the signed forms to the UNAIDS Secretariat, the funds will be released.

<sup>4</sup> PAF Chair or Vice-Chair can approve up to \$50,000 and inform PAF Committee; all others to be approved electronically by PAF Committee on an on-going basis.

## **E. Proposal development and submission**

All proposals funded from Part A, Part B or Part C funds must meet PAF criteria. Dividing PAF into three distinct parts is intended to address three different needs and potential uses of PAF. Part A funds are directed at priority countries. Allocations will be made for each of these countries and the UN Theme Group will be delegated the authority to draft the joint proposal. UNAIDS Secretariat will review this proposal against PAF criteria and transfer the funds as quickly as possible. Part B addresses those countries that are not on the priority list. This allocation will be competitive and will be divided into two rounds. Funding that is unexpended in the first round will roll over into the second

round, thus allowing countries optimum access to funding. Part C addresses very specific demands that require an innovative and urgent response by the UN. These funds represent a global reserve and will be made available throughout the two year biennium, based on availability of resources.

#### **Part A Funds (Priority Countries)**

1. All TGs in the priority countries will be notified of their earmarked PAF allocation by end March 2004. Each TG, through a joint programming exercise, decides on the use of the PAF in line with the PAF criteria.
2. The TGs may programme the whole allocation at one time or do so in two phases. A proposal may consist of only one activity or of two or more activities. In any case, the TGs should submit a first proposal no later than May 31, 2004. The balance of the earmarked allocation, if any, will remain available for the TG concerned until 30 September 2004.

#### **Part B Funds**

3. All TGs other than those with allocated Part A funds will be notified at the same time (latest end March 2004) of the availability of Part B PAF for a first round of proposals to be submitted no later than May 31, 2004. The total budget for each proposal should not exceed \$75,000.
4. For the second round, TGs will be asked to submit proposals no later than September 30, 2004. The total budget is again not to exceed \$75,000.
5. UNAIDS Secretariat and UNAIDS Country Coordinators (UCCs) will provide inputs at all stages of the proposal development process to ensure adherence of the proposal to the PAF criteria.

#### **Part C Funds**

6. Proposals may be submitted at any time to the PAF Committee for Part C funds through the UNAIDS Secretariat. Proposals must provide a justification for the urgent need for funds.

### **F. Proposal formats and approval process**

#### **For all proposals**

1. A standard format (see Annex 1) will be used at all stages and for all proposals. It includes a summary cover page and, for each discrete activity within a proposal, an activity outline. The format is designed to simplify the task of the UN TG while generating the minimum information required for transparency and accountability.
2. The TG through the TG Chair submits the proposal to the UNAIDS Secretariat (Director, Country and Regional Support Department). As indicated on the cover page, each proposal must have been approved collectively by the UN TG (the TG Chair's signature will bear testimony to this).
3. In addition to the TG Chair's signature, the proposal must also be signed by the Representative(s) of the UN agency/ies which, as executing or implementing UN partner agency, will be overseeing the implementation of each activity within the proposal. If funds for one or more of the activities are to be channelled through the UN Resident Coordinator (RC) mechanism, the UN Resident Coordinator's signature must also be obtained.

#### **For proposals for Part A funds**

4. Since the approval of proposals funded from Part A funds is in fact delegated to the Theme Group Chair, no approval is required by the PAF Committee. The UNAIDS Secretariat will, however, provide clearance for release of funds based upon the timely submission of the proposal(s), and adherence to the administrative guidelines.

#### **For proposals for Part B funds**

5. Proposals are collected by the UNAIDS Secretariat and submitted to the PAF Committee for review and to assure their consistency with the PAF criteria. The Committee may: (i) approve the proposal without reservation; (ii) approve it with reservations that must be addressed by the TG; (iii) reject it.
6. For the first round of proposals to be funded from Part B, the Committee will meet in June 2004 to review the proposals.
7. For the second round of proposals to be funded from Part B, the Committee will meet in October, 2004 to review proposals and decide on allocations. If any funds from Part B are still available, the Committee will also decide on the process to programme them.

#### **For proposals for Part C funds**

8. Proposals are reviewed by the UNAIDS Secretariat and submitted to the PAF Committee for consideration. Proposals up to \$50,000 may be approved by the PAF Committee Chair or Vice-Chair who will inform the PAF Committee. Proposals above \$50,000 will be reviewed and approved electronically and on an ongoing basis by the PAF Committee.

### **G. Channelling of funds**

1. There are two ways of channelling the funds to countries :
  - (a) through the UN Resident Coordinator mechanism (as per the Framework Memorandum of Understanding between UNDP and UNAIDS Secretariat, July 2002), whereby funds go through UNDP headquarters, are credited to the Resident Coordinator "SRC" budget, and are spent at country level in accordance with the Framework MOU;
  - (b) through specified UN executing agencies, as per established procedures and Letters of Agreement with individual organizations.
1. In order to minimize transaction costs, when an activity is equal to or less than \$100,000, the funds will automatically be channelled through the UN RC mechanism. For activities that are over \$100,000 the UN TGs may opt for either channel.

### **H. Management of the funds at the country level**

1. For funds channelled through the UN RC mechanism: These will be managed according to the administrative and financial rules established by UNDP for expenditures under the RC budget and reflected in the Operational Guidelines for management of PAF within UNDP (ref. UNDP's Operational Guidelines for UNAIDS PAF – July 2003). An administrative fee of 5%, which also covers any cost recovery by local UNDP Country Offices, is charged by UNDP on these funds.
2. Under this mechanism, even though the funds are received by UNDP, UNDP may not always be the implementing UN agency. The UN TG may designate any UNAIDS Cosponsor or other UN agency resident in the country as the *UN*

*implementing partner* for any of the PAF activities. In such cases, UNDP country office will either accept charges against RC budgets from the UN implementing partner, as endorsed by the TG Chair, or conclude an agreement locally with the UN implementing partner agency before transferring funds locally.

3. The UN Implementing Partner is responsible for the management of the activities and ensures that the PAF resources channelled through UNDP are utilized in accordance with the PAF proposal (see also “monitoring and reporting”).
4. If not implementing the activities itself, the UN implementing partner agency will commit and disburse funds through its established channels to a possible separate implementing organization or entity, which could be a national government institution or a NGO.
5. The UN implementing partner agency may factor into the activity’s overall budget direct or indirect programme support costs related to implementation of the activity. These, however, must not exceed 8% of the activity budget.
6. For funds channelled through designated UN executing agencies Letters of Agreement will be signed between UNAIDS Secretariat and the designated UN executing agency. If not implementing the activity itself, the UN executing agency will commit and disburse funds to the implementing entity through its established channels. The UN executing agency is fully responsible for all aspects of such in-country agreements.

## **I. Monitoring and reporting**

### **UN Theme Group**

1. The UN TG is collectively responsible for the effective programming, implementation and monitoring of PAF-funded activities according to PAF criteria. Through the designated UN executing agency and/or the UN implementing partner agency, the TG also commits itself to effective monitoring of and reporting on implementation of the PAF activities.
2. Theme Groups are required to submit to the UNAIDS Secretariat a status report of all activities carried out through the year (in countries where there is a UNAIDS Country Coordinator, this report should be attached to his/her annual report).
3. Additionally, upon completion of the PAF activity, a formal end of project narrative and financial report is due to the PAF Committee, through the UNAIDS Secretariat within 45 days of the end of the activity. (*Annexed is a template for the interim and final reports – see Annexes 2 and 3*)

**Note: The future allocation of PAF funds will be based in part upon the timeliness and the quality of reports from Theme Groups.**

### **UN organizations as implementing or executing agency**

4. Each UN implementing partner agency or UN executing agency will be responsible for ensuring that a workplan and budget are available for each PAF activity and for providing interim annual and final reports to the Theme Group, specifically to the TG Chair. These reports including details of expenditure and of the status of the activity in general must be on file and readily available as and

when required to auditors, evaluators, the UNAIDS Secretariat and the PAF Committee.

**K. Roles of the UNAIDS Secretariat and of the PAF Committee**

1. The PAF Committee will be composed of seven members, one of whom shall act as Chair, and another as Vice-Chair.
2. The Chair of UNAIDS Committee of Cosponsoring Organizations (CCO) appoints two members representing Cosponsors. These members may be theme group chairs, or other country or regional level staff, from different Cosponsoring Organizations. They may be from HQs of cosponsoring organizations.
3. The Executive Director of UNAIDS appoints the other members and the Chair.
4. Members not based in Geneva shall participate in Committee deliberations via telephone or videoconference.
5. The PAF Committee will have the following main functions:
  - reviewing and approving country allocations (Part A funds);
  - reviewing and taking decisions on all proposals for Part B funds;
  - reviewing and taking decisions on all proposals for C funds, with the exception of proposals \$50,000 or less which are reviewed and decided upon by the Chair or Vice-Chair in an expedited manner;
  - reviewing consolidated annual PAF reports prepared by the Secretariat and finalization of reports for the PCB and CCO;
  - identification of selected countries for in-depth assessment of PAF functioning.

In accordance with the agreement reached among Cosponsors, the PAF Committee will provide oversight of other specific activities funded from the Interagency Component of the 2004-2005 UBW, in particular related to  
i. resource mobilization and resource tracking, monitoring and evaluation and  
ii. joint reviews of national responses. See section L.2 below. The PAF Committee will elaborate guidelines for its review of these non-PAF activities.

6. The UNAIDS Country and Regional Support Department of the Secretariat acts as the Secretariat of the PAF Committee., and acts on behalf of the Committee to gather information, as required, on the performance of activities funded by PAF.

**L. Supplemental country support funds**

1. Funds may become available from international foundations, bilateral donors etc, specifically for country level activities, where direct arrangements with country entities, including UN Theme Group members, are for one reason or another not possible. In such cases, donors may wish to channel these supplemental country support funds to countries utilizing the PAF mechanism and process. In other words, funds are programmed by the UN TG, vetted by the PAF Committee, channelled through the UNAIDS Secretariat to the TG, and managed at country level by a UN executing agency or UN implementing partner agency. These funds will fall into two main categories:
  - o Some donors may agree to these supplemental resources being programmed according to PAF criteria contained in these guidelines, in which case these are supplemental PAF.

- Other donors may request that funds being earmarked for specific activities or programme areas that do not coincide with the PAF criteria, in which case these are supplementary contributions to countries that merely utilize the PAF mechanism.

In either case, as has been the practice, the PAF Committee will, for accountability purposes, monitor and review the use of supplemental funds.

2. In addition to the PAF budget line, the UBW core interagency budget includes, among others, two components related to i. resource mobilization and resource tracking, monitoring and evaluation and ii. joint reviews of the national response. Within these components, US \$1 million is earmarked for country level work on resource mobilization and US \$1.3 million for joint reviews of the national response. As agreed by UNAIDS Cosponsors, Theme Groups identify needs for the use of these funds and proposals are vetted through the PAF mechanism. The PAF Committee will elaborate guidelines, as necessary, for such proposals.

March 18, 2004

ANNEX 1

**UNAIDS PROGRAMME ACCELERATION FUNDS - 2004/05  
PROPOSAL**

**Country:**

**Total amount requested (US\$) :**

**Proposal summary (list: each activity; the budgeted amount; the UN executing agency or, where the UN RC mechanism is utilized, the UN implementing partner agency)**

Activity Title	UN RC mech. /n	(US\$ )	UN exec. agency	Impl. UN partner agency
1. ....	...	.....	.....	.....
2. ....	...	.....	.....	.....
3. ....	...	.....	.....	.....

**Signatories**

**1. Theme Group Chair .....**

(this proposal was reviewed and approved by the UN Theme Group on HIV/AIDS on .....)

**2. UN executing or UN implementing partner agency representatives**

.....  
.....  
.....

(the UN executing agency or the UN implementing partner agency undertakes to provide technical and administrative back-up, to monitor implementation and to report on the activity's status to the UN Theme Group Chair)

**3. UN Resident Coordinator .....**

(in cases where funds for one or more activities are to be channelled through the UN RC mechanism)

## For each discrete activity within the proposal

**Country :**

**Activity # .. :**

i. title ... and .. budget.

ii. duration: from ... to ....

**Executing or implementing UN partner agency** ( the agency which reports on the activity to the UN Theme Group Chair):

**Implementing national partner** (entity that will be implementing the activity and reporting to the executing or implementing UN partner agency) :

**Activity description** (brief overview of context, rationale, geographical scope, linkages to broader activities, to national priorities and/or to the UN ISP) :

**PAF criteria which the activity principally meets** (state briefly how or why this is the case) :

- 1.
- 2.
- 3.

**Main objective (s)** (expected outcomes of the activity) :

- 1.
- 2.
- 3.

**Monitoring and evaluation** (brief account of aspects of the activity to be monitored and evaluated – i.e indicators and targets) :

**PAF budget** (summary breakdown by the following broad categories) :

Implementation costs (**please specify**)

(e.g workshops/supplies/material development/documentation/ transportation) -

Technical support/external consultants -

Monitoring and evaluation -

Administrative/programme support costs -

Other (**please specify**) -

**Complementary resources** (additional financial and technical inputs directly or indirectly linked to the activity – indicate entity, nature and level):

## Annex 2

### Template for final report

<b>Country:</b>	
<b>Reporting date:</b>	
<b>Project title and duration:</b>	
<b>Funding amount approved:</b>	
<b>Amount spent to date:</b>	
<b>UN Executing Agency</b>	
<b>Implementing partner (s)</b>	
<b>Project outcome (s)</b>	<i>(What were the main objectives? To what extent have they been achieved)</i>
<b>Project activities</b>	<i>(Describe the activities actually undertaken under the project, giving reasons why some activities were not undertaken, if any)</i>
<b>Project outputs</b>	<i>(Compare the outputs generated with the ones listed in the proposal)</i>
<b>Conclusions</b>	<i>(Summary of lessons learned during project execution. Principal factors which determined success or failure in meeting the objectives set out in the project )</i>
<b>Recommendations and follow-up</b>	<i>(Recommendations to sustain and/or improve the impact of the project or of similar projects in future. Alternatively, follow-up required to ensure that the objectives of the project are met.)</i>
<b>Signature of Theme Group Chair</b>	
<b>Theme Group Chair Name and Contact Information</b>	

### Annex 3

#### Template for interim report

<b>Country:</b>							
<b>Reporting date:</b>							
<b>Project title and duration:</b>	<i>(Indicate date commenced and expected completion date)</i>						
<b>Funding amount approved:</b>							
<b>Amount spent to date:</b>							
<b>UN Executing Agency:</b>							
<b>Implementing partner:</b>							
<b>Brief description of project:</b>	<i>(Include main objectives/expected outcomes or end-of-project situation)</i>						
<b>Status of implementation of main activities:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Main activities</th> <th style="width: 25%; text-align: center;">Indicators and targets</th> <th style="width: 25%; text-align: center;">Status</th> </tr> </thead> <tbody> <tr> <td style="height: 200px;"></td> <td></td> <td></td> </tr> </tbody> </table>	Main activities	Indicators and targets	Status			
Main activities	Indicators and targets	Status					
<b>Summary of obstacles encountered in project implementation (if any)</b>							
<b>Actions taken or required to solve the problem</b>							
<b>Signature of Theme Group Chair</b>							
<b>Theme Group Chair Name and Contact Information</b>							

**Annex 4**  
**List of countries eligible for Part A funds**

Angola	Sierra Leone	Algeria
Botswana	South Africa	Iran
Burkina Faso	Swaziland	Sudan
Burundi	Uganda	
Cameroon	UR Tanzania	Kyrgyzstan
Central African R.	Zambia	Moldova
Congo DR	Zimbabwe	Russian Federation
Cote d'Ivoire		Tadjikistan
Ethiopia	Bangladesh	Ukraine
Ghana	Cambodia	
Guinea	China	Argentina
Kenya	India	Brazil
Lesotho	Indonesia	Dominican Republic
Madagascar	Myanmar	Guyana
Malawi	Nepal	Haiti
Mozambique	Pakistan	Honduras
Namibia	Papua New Guinea	Jamaica
Nigeria	Sri Lanka	Countries of the
Rwanda	Thailand	Caribbean region
Senegal	Vietnam	