



Speech

CHECK AGAINST DELIVERY

**Opening session of the
13th Meeting of the
Programme Coordinating Board**

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**Speech by
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Dr Pereira, PCB members, friends and colleagues,

First, I would like to thank the Government of Portugal and Dr Pereira personally for their work in chairing the PCB over the past six months, and for their stewardship of this crucial PCB meeting at which the future directions of UNAIDS will be considered.

I would also like to congratulate Dr Euclides Castilho on his report on behalf of the Evaluation Supervisory Panel which he so effectively led, and acknowledge the thorough efforts of the entire Evaluation Team in conducting this very challenging External Evaluation of the Programme.

This meeting of the PCB is among the most important in the Programme's short history. My report on the ***Future Directions for UNAIDS*** responds to the recommendations of the ***Final Report of the Evaluation Team on the Five Year Evaluation*** by proposing specific operational actions to take the Programme forward.

Context for deliberations

In my report, I outlined the context in which the proposed Actions need to be considered. I will not go into detail on those points here, except to emphasise:

- **First**, there is irrefutable evidence that an appropriately resourced and managed response at scale can dramatically slow and eventually contain the epidemic;
- **Second**, while the pace of the response is rapidly accelerating, we have not caught up with the pace of the epidemic;
- **Third**, we need to invest in the science required to deliver new tools, but also make best use of the tools we have available today; and
- **Finally**, we have not yet begun to fully comprehend, let alone measure, the magnitude of the impact on human and economic development in the most affected communities and countries. The role of AIDS in compounding the current famine in southern Africa may be just a harbinger of what is to come.

No longer a mystery

The outcomes that are required for success are clear:

- The application of proven prevention strategies at full scale will slow the spread of the epidemic
- The extension of access to care and treatment will lessen the impact of the epidemic on individuals and nationally; and
- The extension of basic education, vocational training and prevention services to our young people will substantially reduce the vulnerability of the next generation.

It is equally clear that our highest priority for action must be in those countries with high prevalence and those most threatened by rapidly rising rates of HIV infection.

To build this success:

- National responses must be multisectoral and at full-scale;
- They will require human and financial resources that can only be maximised and sustained through effective partnerships between governments, civil society, religious and cultural institutions and businesses;
- Prevention, care and treatment can be rapidly scaled up in many communities immediately. In others, immediate investments are required to address the limitations of infrastructure.

Finally, it is clear that significantly increased national and international resources will need to be spent on AIDS. The *Report on Financial Resources for HIV/AIDS Programmes*, submitted to this PCB, shows that needs in low- and middle-income countries will be \$10.5 billion by 2005 rising to \$15 billion by 2007.

Our Collective Progress

In my Report, I listed what I see as the 10 major achievements in addressing the epidemic over the last few years. The Evaluation Report credits UNAIDS with creating “what never existed before the Programme was formed - a clear global mandate with objectives that can be used to hold international leaders to account”.

It is not just international leaders – but individuals, communities, institutions and societies that are increasingly taking responsibility for their part in the response. This genuinely represents the beginning of a global movement, which has already agreed a strategic pathway - the unanimously endorsed Declaration of Commitment of the United Nations General Assembly Special Session on HIV/AIDS.

The combination of agreed goals, mobilising political commitment, advancing technical know-how, and increasing resources, is bringing us to the tipping point between a marginal response and one that is full-scale and effective.

Let me take just one indicator: increasing financial resources. When UNAIDS was established, the global resources addressing the epidemic were roughly one-tenth of what they are today.

- In 1996, barely \$300 million annually was being spent on AIDS in low and middle income countries.
- By 1998 it was \$500 million, and by 2000 \$1.3 billion
- This year we estimate \$2.8 billion will be programmed on AIDS.

In the coming year we can expect further increases, with recent IDA replenishments making substantially increased grant funds available through the World Bank Multi-country AIDS Program, and with the Global Fund coming on-line. But we know there is still much further to go.

Our Collective Challenge

The changed political and economic context means our challenges today are not what they were five years ago. But to plan five years ahead, we need a vision not

only of where the epidemic will likely be, and where UNAIDS needs to be, but also where the response in individual countries and communities must be if we are to succeed.

The global AIDS movement – this collective work of communities and front-line workers – already ranks among the largest peacetime collaborations in human history focussed on a single achievable objective. But to achieve a response which finally matches the scale of the epidemic, we need:

- a 10 to 15 billion dollar per year international collaboration in low and middle income countries involving governments and civil society, and public and private sectors, from all countries;
- the rapid flow of strategic information required to accelerate learning and guide investments in countries;
- equitable access to new life-saving technologies;
- the effective engagement and strengthening of new partners; and
- sustained political will to focus on the epidemic and its underlying causes.

Such an expanded collaboration does not mobilise spontaneously. And from the very practical considerations I have outlined in my Report, there is no credible alternative to the UN system as the platform for supporting an international collaboration which gives all its partners ownership and voice.

Purpose of UNAIDS

The Evaluation Report rightly pointed out some of the persistent misperceptions of the original and continuing purpose of UNAIDS. Perhaps most significant are the sometimes forced distinctions made between the efforts of the Secretariat and the Cosponsors.

As has been made quite clear in the elaboration of the UBW in the last two biennia, UNAIDS encompasses the efforts of all the Cosponsors and the Secretariat working closely together towards the achievement of the overall objectives of the Programme.

Following from that, it should be clear that there can be no question of UNAIDS becoming a 'separate agency' any more than any particular Cosponsor could 'take over' the role of UNAIDS. The intrinsic value of the Programme is its capacity to maximise the comparative strengths of each agency's efforts in a single, strategically focussed UN system response.

The purpose of the UN system response is not to compete with other international players for role and resources, or to prescribe or manage the global response. Rather, its purpose is to provide the leadership and support that enable the global collaboration to function.

Our task is therefore the strategic management required to serve a more coherent and collaborative global response, whose primary focus is the effectiveness of country responses to AIDS. All of the work of the Programme, carried out by the Cosponsors and the Secretariat, needs to strengthen five core functions, namely:

- one, **leadership and advocacy** for effective action;
- two, dissemination of **strategic information**;
- three, the **tracking, monitoring and evaluation** required to understand the epidemic and ensure transparency in responding to it;
- four, promotion of **civil society engagement**; and
- five, financial, technical and political **resource mobilization**.

The majority of the 39 actions proposed within my report are intended to substantially strengthen the Programme's capacity to address the needs of countries in mobilising and managing their national responses to AIDS.

Areas of Particular Urgency

The Evaluation Team highlighted those areas of work where the Programme has been most successful, especially at the global level, and there are specific operational Actions proposed to further enhance those efforts. However, given our overriding concern must be to support the move to large scale implementation, I would like to focus your attention on the proposed Actions to strengthen the effectiveness of the Programme at country level. Together, they are intended to ensure that UNAIDS - Secretariat and Cosponsors – maximises its potential in the new phase of the AIDS movement as a global manager of information and an instrument to deliver strategic support quickly and effectively.

There are four groups of Actions proposed.

First, now that national and international resource flows are beginning to increase, there are urgent needs for increased capacity in:

- monitoring and evaluation;
- planning;
- civil society and private sector partnership; and
- resource mobilisation and tracking.

Weaknesses in these capacities limit the ability of national governments to effectively channel their own resources and those of bilateral donors, the World Bank and the Global Fund. With stronger national capacities, supported by UNAIDS, the requirements of both national and international partners in channelling and accounting for their investments will be improved.

In my view, the most significant Action required to reorient the Programme for its next phase is the urgent deployment of technical staff in support of these planning, monitoring and partnership functions in high-prevalence and other priority countries – with their appropriate reinforcement at regional and global level. It will directly assist the rapid expansion of efforts – and it has been the area of support most requested by governments and their civil society and international partners.

Second, the proposed Actions related to the accountability and functioning of UN Country Teams, UNAIDS Programme Coordinators in Countries, and Implementation Support Plans to the National Response, address many of the concerns raised by the Evaluation Team on the function of UNAIDS at country level.

Third, there are proposed Actions - building on existing efforts – to provide multi-agency technical support facilities so that country programming actors have the technical and policy resources to scale-up their efforts. Effective programming requires high quality technical support, and the Actions propose to intensify the coordinated efforts of the UNAIDS Cosponsors and other actors.

Fourth, there are proposed Actions aimed at substantially increasing the quantity, quality and relevance of strategic information related to the epidemic and its impacts. The Country Response Information System, in particular, will greatly enhance programming capacity. The substantial expansion of the response we are now poised to make urgently requires more and better information, including for the increasing number of new partners.

Evaluation is the basic science of modern management, and these Actions are designed to deliver the strategic support to countries, as well as to the Programme itself, to manage a more effective AIDS response. Many of the remaining proposed Actions are intended to enable these core efforts to support countries, including the need to continue to manage change within the UN system. Not least is the need to attend to the processes of staff training and deployment that will, in human resource terms, best place us to build a second phase of UNAIDS.

UNAIDS Governance

Finally, there is one area of the Report from the Evaluation Team which I have not elaborated on in my Future Directions Report, namely the important recommendations on governance. These are properly the business of the PCB. It would not be appropriate for the Programme to make recommendations on its own governance. The Evaluation has clearly set out the challenges - in particular in ensuring that you as a governing board have a sufficiently strong and clear link to the governing boards of the Cosponsors.

Perhaps the most difficult of the Evaluation Report's management recommendations to respond to favourably is that the CCO be replaced with a Management Board. While the Evaluation Report rightly draws attention to the high transaction costs inherent in the interagency functions, the proposed remedy mixes the governance and management functions of the Programme. Consequently, I have proposed alternative Actions which I believe would better serve the Programme.

Financial Implications

In order to inform your deliberations, a Conference Room Paper that roughly estimates the financial implications of the proposed Actions has been prepared by the Secretariat.

The next regular session of the PCB, in the second quarter of 2003, will set the budget levels for the 2004-2005 Biennium Unified Budget and Workplan. It has been our practice to only request within the UBW core the minimum level of resources required to execute the Programme's mandate. And we have been fortunate that the donor community has each year fully financed our core request.

In the first biennium of the Programme, the level of UNAIDS financing was equivalent to 20% of the total AIDS-related disbursements in low- and middle-income countries. With success in overall resource mobilisation for the epidemic, the percentage of total AIDS disbursements represented by the UNAIDS Budget has dropped substantially – as it should have – but is now just under 3.5%.

We estimate that fully implementing the proposed Actions outlined in my Report would require in the next biennium a core budget of approximately \$270 million. This corresponds to roughly 4.8% of current AIDS disbursements – and probably significantly less than 3.5% of the increased level of AIDS disbursements likely in the next biennium.

A more incremental approach is also described in the Conference Room Paper with a core budget of \$225 million, representing roughly 4% of current AIDS disbursements.

I believe the core functions of the Programme add value to the investments of the other partners, meriting an investment in the range of 5% of the total in rough terms, perhaps somewhat more over time. I hope that following this meeting, and over the next three months, interested governments will signal their views in our informal discussions, so that we can better inform the preparation of the UBW in advance of the next PCB meeting.

Conclusion

In closing, I would again like to commend Dr Castilho and his colleagues on the Evaluation Supervisory Panel and the Evaluation Team for their work. The PCB should also be commended. As I understand it, this is the first time a UN system organisation governing board has commissioned an independent evaluation of itself, and not just of the programme or agency it governed. This is one more instance where UNAIDS has been willing to think outside the norm.

The Programme is unique in terms of the speed at which it has adapted to change, its striving to keep pace with the expanding epidemic, and the action taken to make change happen globally. In our aspirations for change in the face of AIDS, we have learnt that being too modest is a bigger danger than being too ambitious.

With that challenge very much in mind, I urge the PCB to consider carefully each of the Actions proposed in my Future Directions report. I look forward to the guidance and recommendations of the PCB in response to the evaluation of the first five years of the Programme.

Thank you.