



8th session of UNITAID Executive Board

2-3 July 2008 - Geneva

Chair Summary

1. Quorum

The Board convened in Geneva on the July 2 - 3, 2008, in the presence of all its members. The meeting was opened by its Chair, Philippe Douste-Blazy. The Chair took note that the Board reached its quorum.

2. Introduction by the Chair and the Executive Secretary

The Chair commented on the achievements made by UNITAID since its inception in terms of deliverables and workload. UNITAID *is* working and this should not be forgotten when discussing Strategy later in the meeting.

One positive outcome is the ability to attract a greater number of more diverse partners and projects. This can be seen in the Project Proposals and Concept Notes submitted through the pilot process. The establishment of a formal, rigorous process for calling for and reviewing proposals is essential to allow for the most appropriate and effective partner validation procedure.

UNITAID has successfully generated visibility, inspired engagement and trust among its current partners and will maintain this by giving due consideration to the Experts' recommendations for the Projects proposed, in particular those designated as Green and Amber. The Chair expressed his confidence in the expert selection committee and thanked James McIntyre for co-chairing the expert group with Alan Court.

UNITAID's financial situation will be reviewed. It is worth noting that if all projects submitted are adopted during this Board meeting, including those to be presented in November, UNITAID will have committed a large amount of its 2008 funding as well as its remaining funding from 2007. This will mean that UNITAID will have reached its optimal output level within two years and have met its intended target.

With regards to Strategy and lessons learnt, there are a number of key questions to be addressed at the next Board meeting. These include:

- additional areas and niches that should be supported by UNITAID;
- the duration of support of UNITAID funding;
- how to increase UNITAID's visibility at country level and within partnerships;
- and
- the impact on UNITAID's Secretariat with regards to structure, resources and organization.

UNITAID has a long term perspective on spending. Between 2008 and 2011, nearly US\$ 540 million will have been committed, and the projects that will be presented

here represent an additional US\$ 442 million. Therefore it is important that donors fulfil their commitments to UNITAID and guarantee their contributions for the next three years. Without this funding UNITAID will not be able to develop a stable Strategy. This is an important issue that underlies all of UNITAID's work. In addition, funding from voluntary contribution is expected to complement the funding received by Member States.

The Executive Secretary reviewed the progress towards developing UNITAID's Strategy. The recent Strategy meeting involving expert views will help in defining the scope of UNITAID's Strategy. He emphasized the need to scale up global response and maximize impact. The following positive examples of UNITAID's work were tabled:

- A further price reduction (19%) in paediatric treatments with CHAI;
- Progress in diagnosing and treating MDR-TB and the positive media attention garnered by UNITAID's actions; and
- The decision by WHO to single out UNITAID's actions at its World Health Assembly.

These actions were welcomed by all partners.

The Agenda was adopted; the Board noted that more effort is needed to have the Board documentation in French. The Board would also like to be able to comment on the meeting minutes and chair summary.

3. Update on the Strategic and Financial situation and implementation of UNITAID budget

The Secretariat presented the UNITAID financial situation. Country membership now stands at 27 Member States, including Luxemburg who will join shortly. Discussions are well under way with Cyprus and Portugal as well as the governments of Mexico, China and Japan.

With regards to the financial situation in 2009 and beyond, UNITAID requires firm pledges from its donors if it is to guarantee all the projects that will be proposed during this Board meeting.

Three options were presented to the Board. These showed how pledges and commitments are affected funding for UNITAID

The First option - showed the current funding based on existing pledges, this showed a definite short fall in the long run

Two hypothetical scenarios were then presented:

- scenario 1 - all donors achieve commitment and maintaining commitment - so no funding problem - commitments achieved
- scenario 2 - change of scale - funding surpassed

The new WHO GSM administrative systems will mean higher running costs. Visibility on the expenses of UNITAID is good until 2011, however multi year expenses call for multi years funding.

A number of countries confirmed their commitment to UNITAID and that funding will be received shortly. They explained that it was not due to lack of interest that long term commitments were not forthcoming but parliamentary legislation which

prohibited them from doing so. The Board would like the Secretariat to provide further information on management, disbursement and operating cost. They also felt that UNITAID's Strategy would impact the financial situation.

4. Presentation of UNITAID's Investment Policy

WHO presented the investment policy as a cautious one - an institution that ensures capital. UNITAID has invested in line with WHO policies, this consists of US\$ 2.5 billion being invested in the short term and generating a reasonable return of 4.6%. The Board agreed to continue with WHO investment policy, but will continue to monitor the situation.

5a. Strategic and financial planning

The Secretariat presented the review of Strategy meeting that took place on Tuesday 1st July. Points from this meeting will be drawn up and time frame and work plan will be devised.

. The next steps should be:

- Develop Terms of Reference and prepare a tender - beginning of September,
- Hold consultation with Board members - October
- Have the Strategic Framework ready and allow time before the next Board meeting to assess this Strategy - November

This Strategy will give direction on what can and cannot be done as well as provide an annual work plan.

The Board highlighted some of the issues that would also need to be addressed. The Strategy needs to be examined, and key questions asked that will identify priorities and bottlenecks in order to achieve the mandate and go beyond, should this be required. The framework should consist of concise guidelines that enable decision making. Different niches can then be considered and measured against these guidelines. The angle that the Strategy takes may also vary for example: needs based; rights based; cost effectiveness; cost benefit analysis. It will also be important to address transition and how UNITAID will come out of a project. The right questions need to be asked to ensure correct terms of reference.

The Board agreed to the Strategy stages put forward in the discussion.

5b. Evaluation of the Secretariat Functions and update

The Executive Secretary presented the organigram of the current Secretariat. In light of current discussion and with the current structure, there will be staffing gaps. The Secretariat foresees the need to provide for 20 to 25 posts, however the structure presented will continue as it is until the end of the year. The new Strategy will also have consequences on future needs of the Secretariat.

The Board agreed that with long term growth, staffing issues will need to be addressed. They were satisfied with the current structure presented.

6. Voluntary Solidarity Contribution

The Board was updated on the draft resolution and activities to date. It noted the timely manner in which the process has taken place, and how the window of opportunity was being seized, and that time was of the essence. There are number of issues that are still outstanding and will need to be addressed over the coming weeks. These include:

- The contract between the foundation and UNITAID
- The foundation's mandate
- Governance issues
- Administration issues
- Legal issues
- UNITAID's involvement in the project
- The amount of money allocated to UNITAID

It was agreed that questions on the Voluntary Solidarity Contributions should be drawn up and submitted by the end of the week. Two teleconferences will take place in July and an Extraordinary Board meeting will be held on the 29th July in Geneva.

A resolution was drawn up that would cover the immediate cost of the transition team. The Board approved this resolution.

7. Presentation on the Review Process of Project Proposals

The Secretariat presented the review process for the projects submitted. Using the Pilot Processes which upholds UNITAID's mandate, it focused on market dynamics by setting an evolution criterion for the need for proposals to demonstrate potential market impact. UNITAID has completed the first steps of these novel and rigorous submissions and review procedures. In a very short time UNITAID has succeeded in calling for both full Project Proposals and Concept Notes. It has established an interim independent technical review group, which has in this limited time succeeded in generating interest in UNITAID beyond its traditional partners and represents a milestone in UNITAID's evolution.

UNITAID looks forward to receiving lessons learnt emanating from these projects upon completion. The good functioning and importance of the Interim Expert Advisory Group has been amply demonstrated and the Secretariat calls for this group to be established in a more permanent form, as a resource not only for the review of new proposals, but also for evaluating ongoing projects where appropriate.

The Board felt that a lack of Strategy made the selection criteria difficult and that market impact was not fully taken into account in the current process. They questioned the expert panel and felt that it would need to be diversified in the long term. The Secretariat acknowledged the need to be more proactive in leading the project proposals process. In the long term new ideas need to be developed as UNITAID is currently limited by the number of potential niches.

8. New Project Proposals

The Chair commented on the impressive body of work that has been undertaken by both partners and the Expert Advisory Group and the Secretariat since EB7. The sound technical review made by the independent Experts consistently applied UNITAID's key criteria of market dynamics, additionality and eligibility across all proposals.

The Expert panel presented the proposals under review. These consisted of:
HIV/AIDS

- Esther - Medicines and reagents to promote and safeguard availability of treatment and case management for HIV patients.
- Extension of PMTCT Project
- To maintain effectiveness of first and second line ART regimens in Africa
- Viral load expansion of UNITAID Adult Second-Line HIV/Treatment Programme

Tuberculosis

- Reformulation of d-Cycloserine for Paediatric MDR-TB Patients

Malaria

- Long Lasting insecticide-treated nets

MMV - Pharmacovigilance programme for new antimalarial drugs

Transversal

- Pre qualification of UNITAID Priority Diagnostics
- Sustainable local production of RUFT in 16 developing countries
- Child friendly medicines
- Improve access to good quality care for patients with Burkitt's lymphoma
- Concept note - technical assistance in the context of IP and access to treatment for HIV related medicines malaria TB and other essential medicines

The Board reviewed the projects in turn:

Pre-qualification of UNITAID Priority Diagnostics. Facilitating procurement and increased access to quality diagnostics for initiating and/monitoring treatment for HIV/Aids and malaria to help achieve global health and development goals.

- US\$15,950,000 over 3 years allocated to (GIP) Esther.

The Board felt the proposal needs to provide more information on price.

The Board approved the resolution.

Long lasting insecticide-treated Nets

- Accelerating scale-up of long lasting insecticide treated nets (LLINS)
- US\$ 109 million over 2 years allocated to UNICEF.

Concerns were raised with regards to Strategy and market impact, and the possible shadowing of this project over the AMFm. Issues of conflict of interest were raised with regards to UNICEF. More information on the project is required with regards to market impact; price; disbursement; support network; logistics; and government relationship.

An amendment was made to the resolution and the following point was added

- To make every effort to achieve maximum market impact.

The Board approved the resolution.

Extension of PMCTC project

- Fostering linkages and facilitating access of mothers and children to HIV care and treatment in 9 countries.
- US\$ 50,009,221 over 2 years to UNICEF and WHO.

The Board approved the resolution.

To maintain effectiveness of first and second-line ART regimens in Africa.

UNITAID's Strategy is required in order to consider this project. The project was moved to amber light and placed on hold.

Reformulation of Existing TB Drugs for Infants and Young Children.

This was considered to be a good project but doubts were raised over the drugs proposed in this project. A different methodology is required as well as consideration on criteria for developing partnerships. This project is to be followed closely by the Board and further development is required.

Project aiming to ease and safeguard the availability of ARV treatment and its good management for people living with HIV/Aids.

- US\$ 40 million allocated to WHO Joint Prequalification Programme for the prequalification of UNITAID funded medicines.

The Board approved the resolution.

Amber light projects

Amber light projects were considered by the Board but it was decided that they would not be approved during this Board meeting.

It was agreed that the following projects would not proceed until the Strategy proposal is in place:

- Viral load expansion of UNITAID Adult Second-Line HIV/Treatment Programme
- Sustainable local production of RUFT
- Improve access to good quality care for patients with Burkitt's lymphoma

The remaining projects will continue to be reviewed and presented at the next Board these include:

- Reformulation of Existing TB Drugs for Infants and Young Children
- Child friendly medicines
- Concept note - technical assistance in the context of IP and access to treatment for HIV related medicines malaria TB and other essential medicines

9. Request for extension of existing Projects (Paediatric TB and MDR TB)

On the basis of UNITAID's expressed commitment to continue funding in MDR- and paediatric-TB, the Secretariat asked the Board for an extension and/or expansion to be favorably considered. These projects build on good work done thus far and represent important continued efforts in these niches which are central to effectively combating TB globally.

- US\$5,938,952 for the ongoing Paediatric TB Project
- US\$16.8 million to increase treatments against MDR-TB.

The Board approved the resolutions for both projects.

10. Process for validating the capacity of readiness of partners implement UNITAID-funded projects

As UNITAID stands to enter into broader partnerships and expand existing ones, it is imperative to have the means to systematically assess capacities and readiness to effectively implement UNITAID-funded interventions. A process and a set of tools for validating partners' capacities and readiness to implement UNITAID-approved projects, drawing on consultancy support is to be developed. The Secretariat will report back to the Board at its 9th Session on the progress made.

The Board approved the resolution.

11. Patent Pool

Jorge Bermudez, supported by Ellen t' Hoen from Medecins Sans Frontiers (MSF), presented the option of the patent pool as a Strategy for reducing the cost of medicines. UNITAID by its unique structure is well suited to develop the patent pool.

A Patent pool for medicines is a portfolio of assets consisting of the entire set of patents & related information held by various actors (companies, universities, government institutions) related to a particular technology that are made available on a non-exclusive basis to manufacturers and distributors of medicines.

The next steps suggested by the Secretariat are:

- UNITAID Board records its commitment to establishing a Patent Pool and agrees to the necessary preliminary work to implement the pool (EB8).
- The Secretariat prepares a budget to launch the licensing agency (mid-July 2008).
- Task Force set up with clear mandate and deliverables (August 2008).
- UNITAID Board approves operational plan for the establishment of the Pool (January 2009).

The Board supported this project, a Task Force it to be set up to explore issues relating to setting up the patent pool. A time frame is to be drawn up.

An amendment to the resolution was made:

In this respect, the Board agrees to *the principle* of a patent pool, and requests that the Secretariat should undertake the necessary actions for its establishment, (...)

- The Task Force will present to the Board for approval within a period of six months a full operational plan for the successful implementation of the Patent Pool.

The Board approved the resolution.

The Executive Secretary noted that this was a historical moment in Public Health. UNITAID has been able to move rapidly, showing the way forward.

13. Any other business

UNITAID's 9th Board meeting is scheduled to be held on the 12 - 13 on November. In light of other events that are taking place at this time it was agreed that the 9th Board meeting should take place in Geneva on the 24-25 of November 2008.

The Board approved the resolution for a secretary for the Chair.

The UN special envoy for malaria, Mr Ray Chambers addressed UNITAID's Board.

Mr Ray Chambers gave an insight into the situation of malaria in the world and the economic cost and burden that it represents. He welcomed the new initiatives that are currently being developed. Mr Chambers recognized the effort that UNITAID was making in the fight against malaria. He felt that UNITAID has a unique role and the ability to do thing differently, in a timely manner offering guarantees to manufacturers. This is crucial in the fight against Malaria. Mr Chambers also stated his support for AMFm.

The Chair and the Board thanked Mr Ray Chambers for his contribution.

The Chair closed the 8th Board meeting in Geneva and asked the Board to take a moment to think of Ingrid Betancourt and to reflect on all hostages still in captivity the world over.

The Chair of the UNITAID Executive Board

Philippe Douste-Blazy