



**Minutes of UNITAID's
17th Executive Board Session
3 - 5 December 2012**

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1. Executive Summary

- The UNITAID Executive Board Meeting (EB17) was held on 3rd-5th December at the WHO Headquarters and in the UNAIDS building in Geneva, Switzerland. The meeting commenced at 09.30 on 3rd December 2012.
- The CHAIR OF THE EXECUTIVE BOARD thanked UNITAID's Board members and the Secretariat for their hard work in preparing for the Executive Board Meeting. He reported on his activities undertaken in 2012 on behalf of UNITAID.
- The EXECUTIVE BOARD adopted the agenda and approved the minutes of EB16, after the amendments requested by Board members had been implemented.
- The EXECUTIVE DIRECTOR gave an update on the Secretariat's recent activities including work on the 5 Year Evaluation (5YE); Strategy development; Memoranda of Understanding for new grants; external relations and resource mobilisation. On-going activities of the Market Dynamics and Operations teams were also discussed. The Secretariat is currently reviewing its internal organisation and introducing new processes and tools to ensure improved efficiency particularly for the processing of new grant applications.
- The CHAIR OF THE FINANCE AND ACCOUNTABILITY COMMITTEE (FAC) presented its report to the Executive Board. The report covered grant performance; approval for Guideline N° 6; funding capacity; FAC self-assessment; development of the risk management framework and the FAC workplan. Approval was requested for the proposed 2013 budget of US\$131.95 million that includes US\$20.78 million for the Secretariat. UNITAID's estimated revenue for 2013 is US\$317.16 million; assuming that the pending contributions from Brazil for 2009-2013 are forthcoming. The EXECUTIVE BOARD passed three resolutions to approve:
 - The total operating revenues and operation expenses for 2013. (Resolution N° 1)
 - The budget for the Office of the CHAIR (US\$250,000). (Resolution N° 2)
 - The budget to support Civil Society Delegations (US\$165,500). (Resolution N° 3)
- The CHAIR OF THE POLICY AND STRATEGY COMMITTEE (PSC) requested endorsement for the 5YE final report. The new Strategy has incorporated the majority of the 5YE recommendations. The EXECUTIVE BOARD passed a resolution welcoming the final report and commending the 5YE Independent Steering Committee for its excellent work. **RESOLUTIONS N°4.**
- The PSC CHAIR commented on the evolving role of the Advisory Group for Funding Priorities (AGFP). It was agreed that the AGFP should work with the Secretariat to assist with the prioritisation of interventions and to provide expert advice to the Market Dynamics

team. The CHAIR OF THE AGFP proposed extending membership of the AGFP to ensure a greater balance of expert opinion across the diseases and also to address issues related to intellectual property. There was a consensus that the AGFP should be involved in the organisation of the market fora.

- The DEPUTY EXECUTIVE DIRECTOR provided an update on the Medicines Patent Pool (MPP). Agreed milestones have been met and the financial review is on track. A new Executive Director will take up his position in January. Board members praised the MPP for its achievements and expressed their continued support. The EXECUTIVE BOARD passed a resolution confirming the satisfactory performance of the MPP and requesting an operational review in the second quarter of 2013. **RESOLUTION N°5.**
- The new Strategy document has been revised following the recent Stakeholder Day and Board Retreat. The SECRETARIAT requested guidance from the Board on some important additions and changes. The Board agreed that the following items should be included:
 - An estimated cost for funding strategic priorities.
 - More information regarding relationships with partners.
 - Further explanation regarding the use market intelligence for grant making.
 - A commitment to develop an IP and access policy.
 - A timetable for calls for proposals.
- The BOARD asked the Secretariat, under the supervision of the PSC, to finalise the Strategy and submit it electronically to Board Members for final approval in March. **RESOLUTION N°6.**
- The PRC CHAIR presented the PRC's report and recommendations on the proposals reviewed at the PRC meeting in October 2012
- The BOARD decided to fund 12 proposals, subject to specific conditions, and the extension of the CHAI paediatric treatment project. **RESOLUTIONS N°7-25**
- An update on the AMFm project was provided to the BOARD.
- KPIs and the budgetary impact of the strategy will be discussed at the next board meeting (EB18).
- The SECRETARIAT presented an overview of measures being implemented to streamline grant processing and ensure that approvals are processed more rapidly. The lead time for grant agreement following Executive Board approval is currently 180 days. This objective is to reduce this timescale to 120 days. The PRC offered to work with the Secretariat to advice on these changes. A quality management system will be implemented across all aspects of grant management by the end of 2013.
- UNITAID has fourteen projects in progress: four in HIV, four in TB, three in malaria and three for crosscutting issues. The DEPUTY EXECUTIVE DIRECTOR presented an overview of the operational performance of these grants. He commented on the achievements, market impact and lessons learned to date. The status of eight recently

approved projects was also provided. Discussions focused on how to simplify and speed up the grant application process. Progress in grant approval will be reviewed at the next PSC meeting.

- The CHAIR noted that the Millennium Foundation had failed to reach its objectives and would be dissolved.
- The election for the position of CHAIR OF THE EXECUTIVE BOARD will be held in the first half of 2013.
- It was agreed that a review of governance issues and Board Operating Procedures should be led by Chile. The report's conclusions will be evaluated by the Chairs and Vice Chairs of the FAC and PSC in May. Their recommendations will be presented for approval at EB18.
- The DIRECTOR, ADMINISTRATION AND FINANCE, gave an update on the project funding ceiling (US\$252,820,000). Grant approvals at EB17 amounted to US\$109,999,000. When potential future funding commitments and the availability of previously set aside funds and reserves have been taken into account, US\$150,929,000 remained available for the next call in early 2013.
- Meeting dates for the Executive Board and the Committees in 2013 were proposed but a broader consensus among Board Members was needed: the Secretariat would propose new dates.
- The CHAIR OF THE EXECUTIVE BOARD thanked the Committee Chairs and the other Board Members for their constructive contributions. He also thanked the Secretariat for organising the meeting. The 17th Session of the UNITAID Executive Board closed at 11.05 on Wednesday 5th December 2012.

2. Welcome and opening of the session

The CHAIR OF THE UNITAID EXECUTIVE BOARD, Dr Philippe Douste-Blazy, welcomed the participants to the 17th Executive Board meeting (EB17), which was held 3-5th December 2012, at the WHO in the UNAIDS building (on 5th December 2012), Geneva, Switzerland. The meeting commenced at 09.30.

The CHAIR thanked UNITAID's Board Members and the Secretariat for their hard work in preparing for EB17. He reported on his activities undertaken in 2012 on behalf of UNITAID. Meetings had been held with European Heads of State and Governments to promote innovative financing. In France, the CHAIR met with the President, the Budget Minister and the Minister for Foreign Affairs. Meetings have also been held with the German Minister of Finance and the Belgian Prime Minister to discuss their forthcoming implementation of the financial transaction tax. In Morocco, the CHAIR has been working with the new Prime Minister to finalise adoption of the tax on airline tickets.

An advocacy campaign is planned for the promotion of innovative financing in the forty-four countries that make up the African Leaders Malaria Alliance (ALMA).

Mrs Joy Phumaphi, Executive Secretary of ALMA, will invite the CHAIR to meet Heads of State during the next session of the African Union in January: their mission is to explain how airline ticket taxation can be used to improve public health. Discussions will be held with the President of Liberia to look at the implementation of innovative financing mechanisms across all of the ALMA countries.

The CHAIR plans to visit the Minister of Finance in Nigeria who is preparing for the introduction of both an airline ticket and a financial transaction tax. He will take part in a teleconference with the Ministers of Finance for Mozambique, Tanzania, Liberia, and Niger in the presence of the Executive Secretary of ALMA.

2.1. Adoption of the agenda

The agenda for the Executive Board meeting was adopted without modification.

DECISION

The EXECUTIVE BOARD adopted the agenda for EB17.

2.2. Minutes of EB16

NORWAY requested that the names of the Norwegian participants be corrected and also some changes to the wording concerning some of NORWAY's comments. Subject to these amendments, the EXECUTIVE BOARD approved the minutes.

DECISION

The EXECUTIVE BOARD approved the minutes of the EB16 meeting subject to the amendments requested by NORWAY.

2.3. Overview of progress since EB16

The EXECUTIVE DIRECTOR of UNITAID presented a report on the Secretariat's activities since the last Executive Board meeting (EB16). He began by observing that 2012 had been the 'busiest ever year for UNITAID'. The

Secretariat had been involved in the Five Year Evaluation (5YE) and the preparation of the new Strategy for 2013-2016, as well as preparing Memoranda of Understanding (MoUs) for many new grants that will be signed by the end of the year. A brief update on the portfolio status was given.

Many of the recent proposals had been complex involving several partners and complicated legal agreements. Delays had occurred with new implementers who were not familiar with UNITAID's way of working. The Secretariat is currently putting new mechanisms in place to speed up the checks and reviews necessary for processing grant agreements. These changes will be operational in the first quarter of 2013.

The Operations team has carried out two end of term project evaluations. Two midterm evaluations are on-going.

The Market Dynamics team continues its work on the landscape analyses. Several updates have already been finalised and more are planned, including one on the diagnostics pipeline. Regular market reviews are published on the website. These include 'The Market Share', a newsletter with information and trends for the commodity markets across the three disease areas. The Market Dynamics team also supplies information and support to proponents for proposal preparation. Substantial background research is required to assess market entry proposals that were recently requested for the first time.

Other Secretariat activities include the organisation of a symposium on paediatric tuberculosis (TB) at the World Conference in Lung Health in Kuala Lumpur; participation in the International AIDS Conference, American Society of Tropical Medicine and Hygiene on rapid diagnostic tests for malaria; and the African Society for Laboratory Medicine on point of care; and co-hosting the 2012 Malaria Market Forum in London.

The Secretariat has been working intensely to develop partnerships, particularly with the Global Fund. It holds observer seats on the Boards of Stop TB and Rollback Malaria. A partnership agreement with PEPFAR should be concluded in early 2013.

Changes have been made to the Secretariat's organisational structure and performance to improve its effectiveness: a functional review is underway. UNITAID offices have moved so that all staff are now located in the same place.

The EXECUTIVE DIRECTOR commented on recent activities in Resource Mobilisation, and the appointment of a new Resource Mobilisation Officer. There have been many contacts with donors including visits to Brazil and Chile. Progress has been made with Japan, India and Kenya on the introduction of an air ticket levy. Budgetary contributions may be made by the Russian Federation and Kuwait in the future. A private contribution has been received from the HNA Airline. The Bombay Stock Exchange has agreed to support UNITAID under its Corporate Social Responsibility programme. Countries are encouraged to raise money via the financial transaction tax to support development and contribute to UNITAID.

There has been extensive communications activity in the press and via the website. A new Communications Officer has been appointed.

Discussion

- ❖ The NGOs thanked the Secretariat for its hard work and recognised that progress had been made in its approach to grant management. However, further improvements in co-ordination, clarity of instructions and speed of processing were required. The NGOs suggested that the Policy and Strategy Committee should be asked to provide guidance in resolving these issues. A survey of 'user-friendliness' amongst the partners would be a useful starting point.

DECISION

The EXECUTIVE BOARD *took note of the progress report from the Secretariat.*

3. Report of the Finance and Accountability Committee

The CHAIR OF THE FINANCE AND ACCOUNTABILITY COMMITTEE (FAC) presented its report to EXECUTIVE BOARD.

The report covered:

- 2013 Budget for approval
- An overview of grant financial performance
- Approval of Guideline 6: Grant costs funded by UNITAID
- Funding capacity update
- Proposed methodology for FAC self assessment
- Proposed elements of the risk management framework
- The FAC's workplan

The Implementation of the 2012 budget and the impact of new accounting standards (IPSAS) were also discussed.

3.1. 2013 Budget

UNITAID's estimated revenue for 2013 is US\$317.16 million, representing a 20% increase over 2012.

The proposed budget for 2013 is US\$131.95 million, which includes US\$20.78 million for the Secretariat. Transfers to implementers account for 83% of total expenditure. The FAC CHAIR noted that the budget for the Secretariat is stable compared to 2012.

During the FAC meeting, Board Members had requested more information concerning the calculation of costs for the CHAIR's office and more details concerning the Human Resource plan. The Secretariat was also asked to examine its policies for travel, remuneration and compensation to ensure that they are in line best practice. These points had subsequently been discussed and clarified by teleconference.

Discussion

- ❖ The NGOs stressed that in the current economic climate UNITAID should 'aspire' to level funding.
- ❖ BRAZIL apologised for the delays in its contributions caused by administrative issues but emphasised that BRAZIL remains committed to UNITAID. The BRAZILIAN Congress recently approved a levy from airline tickets, which should help to ensure stable and predictable payments in the future.
- ❖ The Board Members asked about the impact on the budget of approving the proposals under review.
The SECRETARIAT provided an update on the funding ceiling following the proposal review.
- ❖ The FAC Chair explained that the FAC had considered creating a contingency fund for the implementation of the strategy. However, it was decided to keep likely costs as accurate as possible. The FAC will review budget implementation against objectives and plans for 2013. It will also consider the first implication on the 2013 Budget of the

implementation of the Strategy 2013-2016 at its next meeting and will report to the Executive Board at its 18th meeting.
The EXECUTIVE DIRECTOR pointed out that, although the budget will be revised following approval of the implementation plan, there will be no change to the overall Secretariat budget.

3.2. Resolution N° 1: Budget 2013

DECISION

The EXECUTIVE BOARD *passed the following resolutions:*

N°1: Approval of the UNITAID Budget 2013

**N°2: Approval of the Office of the Chair of the Executive Board
Budget 2013**

N°3: Approval of Civil Society Delegations Budget 2013

4. Report of the Policy and Strategy Committee

The CHAIR of the POLICY AND STRATEGY COMMITTEE (PSC) requested endorsement of the final report on the 5 Year Evaluation (5YE) of UNITAID, and reported on updates from the AGFP and Operations.

4.1. Independent 5-Year Evaluation of UNITAID

The PSC reviewed the 5YE report. The report described how UNITAID has had an ‘undeniable impact on global public health’ and gave recommendations in key areas such as strategic planning to ensure its continued success.

The CHAIR OF THE 5YE INDEPENDENT STEERING COMMITTEE (ISC) said that many of the recommendations recognise the uniqueness of the UNITAID model and its ability to respond rapidly. She praised UNITAID’s success in Resource Mobilisation but added that more work could be done on predictability of funding. The ISC supports proposals to increase UNITAID’s capacity to shape markets.

The PSC concluded that the report, with its seventeen recommendations, was a solid starting point upon which to base the new Strategy and will discuss follow-up of the recommendations at the next PSC meeting

Discussion

- ❖ CHILE requested timings for UNITAID’s response to the 5YE recommendations. The GATES FOUNDATION suggested that this should be reviewed at the next PSC meeting and then submitted to the Board for approval in June.
- ❖ The COMMUNITIES LIVING WITH THE DISEASES underlined the importance of including middle income countries, not only the BRICS, within the new Strategy. This is particularly important in relation to issues regarding intellectual property.

DECISION

The EXECUTIVE BOARD *passed the following resolution:*

N°4: 5-Year Evaluation of UNITAID – the Board welcomed the final report and commended the 5YE Independent Steering Committee

4.2. Update on the AGFP

The PSC CHAIR commented on the report from the Advisory Group for Funding Priorities (AGFP). The AGFP gives advice to the Board concerning forward funding priorities. In future, the PSC recommended that the AGFP should be asked to consider the needs of middle income countries and other issues, such as Hepatitis C and Test and Treat. Following finalisation of the new strategy, the AGFP could help UNITAID to prioritise activities based on economic and scientific evidence.

The PSC recommended that the AGFP should work closely with the Secretariat to identify how to optimise its effectiveness and collaboration with the Market Dynamics team.

The AGFP CHAIR discussed how the role of the AGFP has evolved, as the technical expertise within the Secretariat has increased. He described how the AGFP could work within the new strategic framework to provide an independent opinion on priorities and timings, as well as high level scientific knowledge across the three disease areas. He pointed out that as there were only seven Members of the AGFP, the range of expert views was limited; he suggested that the Board may wish to consider extending membership of the AGFP to include the Chairs of three market fora. The AGFP would be keen to work with the Secretariat in preparing the fora.

Limited expansion of the AGFP is also required to address the growing need to advise on complex issues related to intellectual property (IP).

Discussion

- ❖ The NGOs proposed that the leadership of the disease specific market fora should be central to the mission of the AGFP. The fora could supply complementary information to the landscape analyses supplied by the Secretariat. The NGOs also strongly supported the proposal to increase AGFP expertise in IP.

DECISION

The EXECUTIVE BOARD took note of the update on the AGFP's work.

4.3. Update on Operations

The PSC CHAIR summarised the PSC recommendations on Operations. Some concerns had been expressed by Stakeholders concerning delays in signing of MoUs. In response, the PSC recommended that the Secretariat should seek to improve its organisation; and speed up its internal processes to avoid loss of confidence from partners.

For issues regarding sustainability and transition, the PSC emphasised the importance of involving partners, especially those in country, throughout the project lifecycle.

The PSC had also considered the report on the AMFm and the report on the Uganda in-country meeting.

Discussion

- ❖ The CHAIR encouraged greater cooperation between the UNITAID Secretariat and Secretariats of other institutions. He pointed out that many Board Members also sit on the Board of the Global Fund.

DECISION

The EXECUTIVE BOARD took note of the PSC update on Operations.

5. Update on the Medicines Patent Pool

The DEPUTY EXECUTIVE DIRECTOR provided an update on the Medicines Patent Pool (MPP). UNITAID's continued funding of the Medicines Patent Pool was dependent on its performance in relation to a set of agreed milestones, which have been met. By mid-November 2012, licenses had been obtained for four out of eighteen priority products and the MPP was in 'advanced negotiations' with two potential licensors. It had obtained sub-licenses for generics that cover the majority of the portfolio and progress has been made in technology transfer.

The DEPUTY EXECUTIVE DIRECTOR noted that interaction between the MPP, the NGOs and Civil Society has improved. The financial review by the Secretariat was positive with the budget on track and satisfactory spending of an estimated 85% by year end (the shortfall was explained by delays in staff recruitment, including the EXECUTIVE DIRECTOR position, and currency fluctuations of the Swiss franc). A full audit is planned for May next year.

A new EXECUTIVE DIRECTOR, Mr Greg Perry, has been appointed. He will take up his post in January.

The CHAIR highlighted the importance of voluntary licensing and also an understanding of intellectual property e.g. for the use of TRIPS flexibilities. The MPP can shorten the time gap between rich and poor countries for the availability of HIV medications.

The technology transfer from Gilead to sub-licensees will take place as soon as FDA approval has been obtained, and other new deals are expected in 2013. The CHAIR expressed his hope that Gilead would publicize its involvement in the MPP to encourage other companies to take similar action. He suggested that UNITAID should make a public statement to urge more companies, including Johnson & Johnson, to enter into licence agreements with MPP.

Discussion

- ❖ BRAZIL expressed its strong and continued support of the MPP and praised its promising achievements' in increasing access to HIV medication. He recommended that focus on middle income countries should be increased.
- ❖ The COMMUNITIES LIVING WITH THE DISEASES pointed out that Civil Society could help UNITAID to overcome opposition to voluntary licensing.
- ❖ The NGOs were delighted with the milestone results and praised the efforts of the Medicines Patent Pool in sharing patent data. The work of the MPP was described as 'exemplary and productive'.

DECISION

The EXECUTIVE BOARD *passed the following resolution:*

N°5: The Board takes note of the Medicines Patent Pool update and requests an operational review in the second quarter of 2013

6. UNITAID Strategy

The Strategy document has been revised following the Stakeholder Day and Board Retreat that took place in November 2012. The EXECUTIVE DIRECTOR presented an overview the structure of the document and the core areas for the Strategy.

Prior to the Board meeting, Board Members had supplied their written feedback on the revised version of the Strategy document. The Secretariat discussed important additions and changes for which decisions were required from the Board.

Discussion

- ❖ There was a consensus amongst Board Members that, although the document had been significantly improved, it was not yet ready for conditional endorsement.

The SECRETARIAT pointed out there were divergent views in some of the feedback and requests for major additions and changes, and so guidance was required from the Board.

- ❖ Board Members agreed that the term 'Vision' should be used rather than 'Mission' as the UNITAID Mission is already contained in the Constitution. The 'Vision' focuses on the impact that UNITAID will have on global health, whilst the 'mission' explains how it will produce that impact.
- ❖ BRAZIL supported the mention of 'innovative financing' in the Vision statement but would like to remove 'in particular' because UNITAID welcomes all kinds of financing.
- ❖ The UNITED KINGDOM requested a formal explanation why some 5YE recommendations had not been integrated into the Strategy.
- ❖ The UNITED KINGDOM also requested fuller information on prioritisation and project feasibility as well as the rationale for 'Value for Money' that is not explained in the Strategy document.
- ❖ The NGOs proposed including a justification for each of UNITAID's priorities. Measurable outcomes in terms of access to treatment should also be considered. The Market Dynamics team and the AGFP should be involved in developing these aspects.
- ❖ Concerning co-morbidities, the NGOs strongly support funding treatment for Hepatitis C. Four to five million people worldwide are co-infected with HIV and Hepatitis C. There is a rich pipeline of oral treatments for Hepatitis C that would offer an opportunity to substantially lower morbidity and mortality amongst these patients.
- ❖ The GATES FOUNDATION made several comments including the need for a clear evidence base for each of the funding priorities and also quantifiable targets for intended outcomes. Objectives and outcomes should be clearly linked to illustrate how UNITAID contributes towards the goals set by the Global Health Community. The GATES FOUNDATION suggested that the PSC could test key elements of the Strategy with representatives of the Global Fund (e.g. Chair of the Market Dynamics Advisory Group) and PEPFAR.

The EXECUTIVE DIRECTOR observed that a formal partnership with PEPFAR was being finalised and suggested that the Secretariat could follow up on this suggestion and report back to the PSC.

- ❖ The UNITED KINGDOM made some observations concerning the format and content of the Strategy document. These included:
 - The Executive Summary should be more concise and easy to understand.
 - Greater clarity and distinction is required between product access and public health issues.
 - Explanations of enablers and enhancers should be more detailed and specific.
 - The 5YE recommendations on Resource Mobilisation targeting should be included.
- ❖ Several Board Members stressed the importance of building more ‘measurability’ into the Strategy, particularly in terms of Public Health impact and price reduction goals.

The EXECUTIVE DIRECTOR replied that project indicators could be used to measure the impact of individual projects. However, it is more complicated and less precise to measure global Public Health impact when other partners are involved. The Secretariat is currently working with the WHO and other partners to measure access to treatment and the improvement in access. Access measurement KPIs will take approximately six months to develop.

NORWAY was satisfied that the KPIs would be sufficient to judge whether the goals set out in the Strategy have been achieved.
- ❖ FRANCE warned against being too prescriptive in the Strategy: sufficient flexibility should be maintained to allow for changing conditions during the Strategy period. The Secretariat was urged to reduce the length of the Strategy document to make it more succinct and user friendly.

Items for validation

1. Resource Mobilisation

The SECRETARIAT had received comments from the UNITED KINGDOM, NORWAY and the GATES FOUNDATION concerning Resource Mobilisation: should the cost of funding the strategic priorities be defined in the document? The UNITED KINGDOM pointed out that this had been recommended in the 5YE and providing costs would help with grant planning and market signalling.

The EXECUTIVE DIRECTOR observed that it would be very difficult to give an accurate estimate, but offered to include an ‘aspirational’ target amount that could be used as a basis for Resource Mobilisation.

2. Partnerships

It was agreed that the section on partnerships should be expanded, particularly regarding the relationship with the Global Fund.

3. Strategic enhancements

In response to requests from the NGOs, the SECRETARIAT advised the Board that:

- The way in which market intelligence is used to inform UNITAID’s grant making will be explained more fully in the revised document.
- More ‘cautious language’ will be used to discuss the role of private sector in co-financing.
- A timetable showing the proposed sequence of calls for proposals will be supplied as an annex.

- A commitment to develop an IP and access policy to guide negotiations with product developers will be included in the revised Strategy document. The IP and access policy will be developed over the next six months.

The Board supported the proposal from the GATES FOUNDATION to allow flexibility in each action area for adjustments during the implementation phase.

Next steps

The EXECUTIVE BOARD agreed that Secretariat should revise the Strategy document to include the modifications discussed. The PSC will be asked to clarify any areas of policy divergence. The PSC recommendations will be submitted electronically to the Executive Board for approval by the end of March 2013.

KPIs and the budgetary implications will be defined after approval of the Strategy in time for the June Board meeting.

The CHAIR OF THE PSC requested a Special Session of the PSC in March to finalise the revised Strategy.

DECISION

The EXECUTIVE BOARD *passed the following resolution:*

N°6: UNITAID Strategy 2013-2016 – the Secretariat will finalise the Strategy and the PSC will recommend the revised Strategy to the Board for approval by end March 2013.

7. Funding decisions

7.1. Secretariat overview of proposal process

The EXECUTIVE DIRECTOR presented an overview on the April 2012 calls for proposals. Sixty four Letters of Intent (LOIs), which were received in response to the open call for proposals, were screened by the Secretariat. The eight successful proponents then prepared a full proposal with the Secretariat's assistance. The majority of the successful LOIs (88%) was from potential new partners. Only two proposals were submitted in response to the April 2012 directed call for paediatric antiretrovirals (ARVs). The EXECUTIVE DIRECTOR commented that this reflected the limited number of organisations that are capable of managing large scale interventions in the paediatric ARV market, which is complex and evolving due to the success of Prevention of Mother to Child Transmission (PMTCT) interventions. The Early Market Entry (EME) proposals from the July 2011 call for diagnostic projects were also evaluated by the PRC in October 2012.

Two market intelligence proposals, which were reviewed by the PRC, have been converted into Secretariat initiatives.

Discussion

- ❖ The NGOs commented that it is important for the Board to have an overview of the LOIs that failed the screening process, e.g. the names of the organisations, titles of the projects and the reasons why the LOIs failed. They stressed that they trusted the Secretariat but wanted the process to be as transparent as possible. The EXECUTIVE DIRECTOR committed to providing the Board with this information as a table.
- ❖ The NGOs pointed out not all of the proposals reviewed by the PRC had market impact. They suggested that proponents should supply quantifiable market targets in their proposals. The NGOs described the PRC reviews as excellent and very helpful. They wish to work with the PSC to further increase the PRC's capability, especially in relation to intellectual property and market impact projects.
- ❖ The NGOs asked how potential conflicts of interest had been dealt with by the PRC. The PRC CHAIR explained that the PRC had been split into two groups: one group dealt with the EME proposals and had access to the proponents' confidential business information on the WHO secure server; the rest of the PRC reviewed the proposals from the open and targeted calls. The PRC subsequently discussed each proposal and came to a decision by consensus. Any PRC member who had a conflict of interest was recused from the plenary discussion of the specific project. All potential conflicts of interest were discussed with the WHO's legal representative and his advice was followed.
- ❖ The NGOs sought clarification about the market intelligence proposals: had they been solicited by the Secretariat or had they been received in response to the open call? The CO-ORDINATOR MARKET DYNAMICS replied that they had been received as part of the open call process. She added that the Secretariat had proactively solicited many of the proposals, including the two market intelligence proposals.
- ❖ The GATES FOUNDATION asked whether the financial and human resource implications of approving the 2012 grants, as well as the

capacity to manage existing grants, had been evaluated. The EXECUTIVE DIRECTOR responded that the funding ceiling was sufficient to fund all of the proposals that the PRC had recommended. The Board makes the final decision on whether or not a proposal is funded. He was confident that the increased efficiency and experience of the Secretariat means that they can handle all of the proposed projects. The only exception to this is the management of the EME projects, which require different skills from those possessed by the Secretariat at present.

- ❖ The UNITED KINGDOM commented that the Board had wanted the majority of funding to be allocated to targeted calls, but only two LOIs were received in response to the targeted call compared to 64 for the open call. If UNITAID is to achieve its strategic goals, it will have to make use of more targeted calls in future. This issue should be addressed. It also appears that there are very few implementers that can operate complex projects at the global level. The UNITED KINGDOM suggested that this, in itself, is a market failure and perhaps UNITAID should consider if it can remedy this.

7.2. Secretariat initiative – market intelligence proposals

The CO-ORDINATOR MARKET DYNAMICS discussed the potential sources and uses of global health market intelligence. The Secretariat would like to collect together multiple disparate market intelligence data sources into a Centralized Market Intelligence System that could be analysed to produce standard reports and answer specific queries. The objective of the IMS market intelligence proposal is to create a data warehousing and analysis system that could be used for public good, while taking into account the need for confidentiality in relation to certain pieces of data, e.g. commercially sensitive information. The CO-ORDINATOR MARKET DYNAMICS suggested that creating such a system would improve the efficiency of the Secretariat and assist the PRC in its work. Approximately <1% of UNITAID project spending would be required for this project, which The CO-ORDINATOR MARKET DYNAMICS described as enabling a ‘faster, leaner, better UNITAID’.

The objectives of the second market intelligence proposal from a consortium led by the William Davidson Institute (WDI) are to gather intelligence on the active principle ingredients (API) for medicines and malaria rapid diagnostic tests (RDTs) so that access issues and API market shortcomings can be identified. Strategies to reduce API and TB medicine prices, and improve access to APIs, will be developed. The hope is that the supply and prices of APIs and RDTs will be stabilized by improving communication between suppliers and users. The CO-ORDINATOR MARKET DYNAMICS acknowledged that obtaining information on APIs is challenging but this project would improve UNITAID’s efforts and serve as an external public good.

Discussion

- ❖ The VICE CHAIR asked about the benefits of the IMS proposal and sought clarifications about how the project would proceed. The CO-ORDINATOR MARKET DYNAMICS explained that IMS would build the information system and populate it with information across the value

chain so that the database can be accessed to obtain information on a range of issues.

- ❖ The CHAIR enquired about the independence of the IMS. The CO-ORDINATOR MARKET DYNAMICS responded that she has been working closely with the IMS and the not-for-profit IMS Institute for Healthcare Informatics. She assured the CHAIR that the IMS is using this project to fulfil its social mandate and will not profit from it. The project would be independent from its core business.
- ❖ The PRC CHAIR explained that the PRC's concerns about the IMS proposal were focused on the database design, specifically if IMS proprietary software is used for the database and the query engine, and the ability of UNITAID to transfer the system to another provider at the end of the contract. The ownership of any intellectual property generated during the IMS project would have to be clarified. The CO-ORDINATOR MARKET DYNAMICS replied that she has discussed the technical aspects with the IMS IT team. They would use their own system to standardise the database but it would be separate from the IMS system. UNITAID can choose the software that would be used for the project. At the end of the contract, the database could be transferred to the UNITAID server, if there is sufficient capacity, or IMS could continue to maintain it on a fee paying basis.
- ❖ The NGOs asked about the potential for a conflict of interest since Dr Joe Fortunak, a member of the WDI consortium, also serves on the AGFP. The AGFP CHAIR responded that the issue has been discussed with the WHO legal representative. If the contract were to be awarded to the WDI consortium, Dr Fortunak would have to step down from the AGFP. He would still be available to advise UNITAID via this project.
- ❖ The GATES FOUNDATION commented that there is a considerable need for market intelligence. She expressed the hope that the data will contribute to an analysis of the public health and market impact of UNITAID projects. The CO-ORDINATOR MARKET DYNAMICS agreed with this statement.
- ❖ BRAZIL enquired about how confidential data would be handled in the market intelligence projects. The CO-ORDINATOR MARKET DYNAMICS responded that the information would have to be categorised, and some of it would be protected in order to prevent unauthorised access to proprietary information. The NGOs asked that the policy should be open access by default, with a few exceptions. This should be clearly stated in the Strategy.
- ❖ The CO-ORDINATOR MARKET DYNAMICS suggested that the Secretariat would create a template for proponents and use the IMS system to populate the template with relevant data. This would assist proponents to evaluate the market impact of their proposal.
- ❖ The AFRICAN COUNTRIES considered that the start up costs for the IMS project were reasonable but expressed concern about the potential for high on-going costs because a database is only useful if it contains current information. The AFRICAN COUNTRIES commented that there would be additional costs in training people to use the system and making it accessible. The WHO created a clinical trial database that contained confidential and non-confidential information. The AFRICAN COUNTRIES suggested that UNITAID should learn lessons from the

system's operators and users. The CO-ORDINATOR MARKET DYNAMICS agreed that a database needs to be continually updated but the Secretariat is trying to ensure that the maintenance costs are as low as possible. A member of staff would be responsible for overseeing and maintaining the database. Guidance on how to use the system will be needed and so training will be necessary for some users. However, some standard queries will be built that can be used without training. She agreed that looking at the WHO database would be useful.

- ❖ The CHAIR noted that there are ethical issues in relation to confidential information. He suggested that setting up a UNITAID ethics committee would be helpful.

7.3. PRC Report

The PRC CHAIR reported on the four days of intense review and discussion that the PRC underwent in October 2012 while reviewing the 19 proposals, one extension request and one set of clarifications. No information on the OPP-ERA project had been received.

The PRC VICE CHAIR noted that the logframes were poorly prepared and inconsistent with the narrative of the proposal in many of the applications. The PRC identified a need to update and improve both the tools and advice that are provided to the proponents. The PRC will engage with the Secretariat on these issues. In future, the Monitoring and Evaluation (M&E) specialist on the PRC will review the logframes and M&E aspects of all of the proposals. The PRC VICE CHAIR expressed concern that the inability of many proponents to follow the proposal instructions and the Secretariat's advice reflected poor management capacity on the part of proponents.

The PRC CHAIR discussed the considerable challenges of reviewing the EME proposals and the issues raised by the EME review core teams. The reviewers were only given access to part of the information supplied by the applicants and had to view some of the commercial data onsite via the WHO secure server, unlike the Halteres consultant who had full access to the information for a longer period of time. The core team considered that the reporting tools were inadequate for these proposals. Instead of having objective and independent information about the projects, the core team had to make decisions based only on the developers' own claims for the products; management capacity; and commercial aspects of the project. A robust technical evaluation of the technologies is essential: the timing of this in relation to funding decisions is critical. If the evaluations were conducted prior to the funding decision, this would increase costs but would provide useful information for the PRC reviewers. The core team's approach was to rule out proposals on the basis of a weak fit with the target product profile and a less credible case for cost/price projects, weak commercialisation strategy, less leverage from other funders and unclear readiness for use of the technology in low income countries.

The core team noted that many issues were unresolved in relation to these proposals; for example, suitability of project teams/management; timelines and scope; IP issues; balance of grant vs. investor funding; sites of manufacturing; and the possibility of support through cross-cutting

UNITAID-supported projects rather than direct grants. The calculations of the net present value projections were not comparable between projects and so the core team could not rely on them. A product development partnership or venture capital approach would be very different from the UNITAID review process: a team of sector specialists would evaluate the technical and commercial aspects of the projects in order to validate the developers' claims.

Discussion

- ❖ The CHAIR, THE GATES FOUNDATION, THE UNITED KINGDOM, THE NGOS and FRANCE thanked the Secretariat and the PRC for their hard work on the proposal development and review processes, respectively. They acknowledged the complexity of the PRC's work, especially in relation to the EME proposals, and called for due diligence to be carried out on the approved EME projects.
- ❖ THE GATES FOUNDATION and THE NGOS called for the development of a UNITAID Global Access Policy.
- ❖ FRANCE warned of the risk of distorting the market if UNITAID invests in some technologies but not others. She proposed that two pilot projects be initiated and monitored before UNITAID committed itself to a large number of EME projects. The CHAIR described this as a 'reasonable proposal'.
- ❖ THE GATES FOUNDATION suggested that it may be necessary for the Board to review the EME projects after due diligence has been carried out. The PRC CHAIR stressed that the PRC had advised on which proposals to reject; the rest would undergo due diligence and then a funding decision would be made on the basis of more in depth technical and commercial information. Any project that fails the due diligence process will not be funded; successful projects will be submitted to the Board for a decision on funding. The CO-ORDINATOR MARKET DYNAMICS stated that a contract research organisation (CRO) would carry out the due diligence process under the guidance of the Secretariat. The NGOS and THE GATES FOUNDATION asked who would decide on the due diligence criteria. The CO-ORDINATOR MARKET DYNAMICS replied that they are using a Target Product Profile that was developed by the Gates Foundation and UNITAID.
- ❖ The CO-ORDINATOR MARKET DYNAMICS explained that the EME projects would be project managed by a CRO that has the appropriate skills since the Secretariat staff is not equipped to do this work. She said that there would be a similar amount of work for the Secretariat to oversee a CRO that was managing two, three or four projects.

7.4. 2012 Paediatric ARV Call – DNDI: Market entry of an improved solid protease inhibitor-based first-line antiretroviral combination therapy for infants and young children with HIV/AIDS

Resolution N° 7 was approved, subject to clarifications provided to the Secretariat to the issues set out in the annex and signature of a legal agreement between DNDi and UNITAID.

7.5. 2012 Paediatric ARV Call – CHAI/PFCSM: Innovation in paediatric market access (IPMA)

Resolution N° 8 was rejected.

7.6. 2012 Open call – Lawyers Collective Oppositions: Preventing patent barriers

Resolution N° 9 was approved, subject to clarifications provided to the satisfaction of the PRC to the issues set out in the annex and signature of a legal agreement between Lawyers Collective and UNITAID.

7.7. 2012 Open Call- Kenya Red Cross Society: Treatment as Prevention in Kenya: Feasibility and Impact of a Scalable Implementation Model

Resolution N° 10 was rejected.

7.8. 2012 Open Call- TB Alliance: Paediatric TB Centre of Excellence

Resolution N° 11 was approved, subject to clarifications being provided to the Secretariat to the issues set out in the annex and signature of a legal agreement between TB Alliance and UNITAID.

7.9. 2012 Open Call - PSI ACTwatch2: Malaria Market Intelligence to Evaluate Global Investments and Define Sustainable Strategic Options that Ensure Access to High Quality Commodities

Resolution N° 12 was approved. Funding is conditional upon:

1. Confirmation that UNITAID funding not exceed 50% of the funding of the project over 3 years.
2. Satisfactory clarifications being provided to the PRC to the issues set out in the annex.
3. Signature of a legal agreement between PSI and UNITAID.
4. Memorandum of Understanding completed for the project Creating a Private Sector Market for Quality-Assured Malaria Diagnostics in Low-Resource High-Burden Countries.

7.10. 2012 Open Call - Medicines for Malaria Venture (MMV): Improving Severe Malaria Outcomes

Resolution N° 13 was approved, subject to clarifications provided to the Secretariat to the issues set out in the annex and signature of a legal agreement between Medicines for Malaria Venture (MMV) and UNITAID.

7.11. WHO Prequalification of Medicines Programme

Resolution N° 14 was approved. Funding is conditional upon signature of a cost-extension Amendment to the current project agreement between WHO and UNITAID.

7.12. 2011 Diagnostics Call - Early Market Entry - London School of Hygiene and Tropical Medicine: A Global Network to Improve Access and Quality of HIV Monitoring Technologies

Resolution N° 15 was approved, subject to clarifications provided to the Secretariat to the issues set out in the annex and signature of a legal agreement between the London School of Hygiene and Tropical Medicine and UNITAID.

7.13. Extension Proposal: WHO PQ Diagnostics

Resolution N° 16 was approved. Funding is conditional upon:

1. Clarifications provided to the Secretariat to the issues set out in the annex, emphasizing the importance of the pre-approval process for diagnostics proposed to underpin the Point-Of-Care CD4 and Viral Load/Early Infant Diagnosis markets and enable market entry effort amongst others.
2. Clarification as to funding from other donors for the activities proposed.
3. Male Circumcision devices being included into the Programme for performance management.
4. Signature of a legal agreement between the WHO and UNITAID.

7.14. Early Market Entry Proposal: Burnett Institute Diagnostics: Manufacture and Validation of Rapid Point of Care CD4 Testing in India

Resolution N° 17 was approved. Funding is conditional upon:

1. Independent verification of performance and operational characteristics as stated in the proposal.
2. Clarifications provided to the Secretariat to the issues set out in the annex.
3. Signature of a legal agreement between the Macfarlane Burnet Institute and UNITAID.

7.15. Early Market Entry Proposal: Cavid AB: Closing the EID Gap

Resolution N° 18 was rejected.

7.16. Early Market Entry Proposal: Daktari: Operational Studies to Validate and Accelerate Uptake of Point-of-Care CD4 Counters

Resolution N° 19 was approved. Funding is conditional upon:

- 1. Independent verification of performance and operational characteristics as stated in the proposal.*
- 2. Clarifications provided to the Secretariat to the issues set out in the annex.*
- 3. Signature of a legal agreement between Daktari Diagnostics and UNITAID.*

7.17. Early Market Entry Proposal: Diagnostics for the Real World: Providing Access to Early Infant Diagnosis & Viral Load Monitoring by SAMBA – A POC Nucleic Acid Detection System

Resolution N° 20 was approved. Funding is conditional upon:

- 1. Independent verification of performance and operational characteristics as stated in the proposal.*
- 2. Clarifications provided to the Secretariat to the issues set out in the annex.*
- 3. Signature of a legal agreement between Diagnostics for the Real World and UNITAID.*

7.18. Early Market Entry Proposal: Iquum: Liat™ HIV Assay for POC in Low Income countries

Resolution N° 21 was rejected

7.19. Early Market Entry Proposal: MBiosciences: Diagnostics Point-of-Care CD4 Cell Counting System

Resolution N° 22 was rejected

7.20. Early Market Entry Proposal: Wave 80 Biosciences: Overcoming Barriers to Deployment of HIV-1 RNA Rapid Molecular Testing in High Disease Burden Countries

Resolution N° 23 was rejected

7.21. Early Market Entry Proposal: Zyomyx Inc.: Uptake of a Novel, Disposable CD4 Point-of-Care CD4 Test in Developing Countries

Resolution N° 24 was approved. Funding is conditional upon:

- 1. Independent verification of performance and operational characteristics as stated in the proposal.*
- 2. Review of the countries proposed for involvement in the project to avoid duplication and ensure additionality of UNITAID funding support for each proposal*
- 3. Clarifications provided to the Secretariat to the issues set out in the annex.*
- 4. Signature of a legal agreement between Zyomyx Inc. and UNITAID.*

7.22. Extension request: CHAI Paediatric treatment project

Resolution N° 25 was approved. Funding is conditional upon signature of a legal agreement between CHAI and UNITAID.

8. Update on AMFm

The DEPUTY EXECUTIVE DIRECTOR provided an update on the Affordable Medicines Facility for malaria (AMFm). The results of the independent evaluation of the AMFm showed that, overall, the project was successful in most Phase 1 countries. The availability, affordability and market share of quality assured ACTs improved in most Phase 1 countries. Depending on the level of local subsidy, prices of co-paid quality assured ACTs ranged from US\$0.51 million in Madagascar to US\$1.96 million in Uganda. In November, the Global Fund Board decided to end the AMFm transition by 31st December 2013 and to raise additional resources for the 2012 transition year to support co-payments for private sector ACTs in Phase 1 countries. After 2013, all countries may submit a request to use Global Fund grants to procure ACTs for the private sector via a co-payment system and supporting interventions. The Global Fund Board also wishes to explore the feasibility of including rapid diagnostic testing (RDT) for malaria in the co-payment system.

UNITAID has received a proposal from the Global Fund requesting support for the transition of the Phase 1 AMFm countries (US\$40 million). It is estimated that the funding needs for ACT co-payments are between US\$114.1 million and 154.8 million. Taking into account the unexpected unspent balance at the end of 2012 and a pledge from the United Kingdom, the funding gap is US\$45 million. The Global Fund has also requested funds from the Government of Canada and the Bill and Melinda Gates Foundation. UNITAID is keen to ensure that there is a smooth and orderly transition in 2013 with a stable and high quality ACT market. The Secretariat suggested that funding be conditional on the following recommendations:

- Ensure the smooth transition to the integrated model adopted by the Global Fund to follow the AMFm after 2013.
- Ensure the incorporation of RDTs into the integrated model.
- Ensure that mechanisms are in place to control diversion of co-paid ACTs and profiteering by first line buyers and others.

Discussion

- ❖ The UNITED KINGDOM confirmed that his government has committed up to £36 million (~US\$57 million) to the AMFm. He expressed pride that the programme had been successful, as shown by the independent evaluation, and said that it was compatible with the UNITAID Strategy and the AGFP's recommendations. The UK Department for International Development came to the conclusion that the AMFm represented good value for money. Several countries are reprogramming their grants in response to the outcomes of the AMFm. The UNITED KINGDOM was in favour, in principle, of UNITAID funding for the AMFm transition plan.
- ❖ The COMMUNITIES LIVING WITH THE DISEASES said that they were only prepared to make preliminary comments. They acknowledged that UNITAID has invested heavily in the AMFm and want the organisation to be involved in a responsible transition process. They requested a country by country analysis of the transition.
- ❖ The NGOs pointed out that the funding request was outside of the normal decision making process. They suggested that the Global Fund has unspent money, which could be used to mainstream the AMFm approach, rather than seeking funding from UNITAID. They support the concept that countries will take control of their own funding for ACTs in future. The NGOs suggested that the PRC evaluated the AMFm proposal before the Board made a decision. They believe that the situation will be clearer in mid-2013.

- ❖ The GATES FOUNDATION agreed with the UNITED KINGDOM that the independent evaluation of AMFm showed that the results of the programme were positive. She wished to see the AMFm approach incorporated into the Global Fund's normal business model. At present, the Gates Foundation has not received a formal request for funding but it plans to invest in the transition process in collaboration with the United Kingdom, Canada and UNITAID. The GATES FOUNDATION pointed out that the AMFm approach would become even more important as the world moves towards the eradication of malaria.
- ❖ Following the evaluation of the AMFm, FRANCE considers that it offers value for money. FRANCE expressed the belief that UNITAID should be consistent with the Global Fund's approach to transition, especially as several members serve on both Boards. She supported the integration of the AMFm into the Global Fund's programme and said that UNITAID has responsibility to ensure that the transition is smooth. FRANCE proposed that UNITAID should respond positively to the Global Fund's request but provide funds as a staged payment and then review the situation in summer 2013 before deciding whether more funds are needed or not. The CHAIR agreed with FRANCE.
- ❖ The UNITED KINGDOM, based on his experience of sitting on the Global Fund Financial Committee, expressed the view that the funding needs were more urgent than initially appeared and disagreed with waiting until summer 2013 before deciding whether UNITAID should provide more funding. He pointed out that it takes time to negotiate agreements after a proposal has been approved and so a decision should be made in early 2013.
- ❖ The CHAIR expressed the opinion that the proposal for transition funding should be reviewed by the PRC and its recommendation should be sent to the Board for decision. The PRC CHAIR explained that the request for a funding extension has been sent to the PRC malaria experts for their comments. Their input will be circulated to the whole of the PRC who will come to a consensus about the PRC's recommendations. The PRC CHAIR requested information about the timeline required: The CHAIR replied that the Board would like to receive the PRC's recommendation by January 2013. The PRC CHAIR said that it would take about a month between receipt of the proposal document and achieving a consensus PRC recommendation. The CHAIR accepted this and said that the Board would then hold an electronic consultation to come to a funding decision.

9. Update on Operations

9.1. Improving grant management

Before updating the Board on Operations, the SECRETARIAT presented an overview of measures currently being implemented to streamline grant processing and ensure that approvals are obtained more rapidly.

Following approval by the Executive Board, the lead time for grant agreement 1 is currently 180 days. It is planned to reduce this timeline to 120 days with the immediate introduction of the following tools and processes:

- Comprehensive mapping of required steps, roles, resources, inputs, outputs and timelines.
- Clearly defined processes and roles including interactions with and requests from implementers.
- Project inception analysis (internal and with implementer) to flag issues, gaps, rate-limiting factors.
- Implementer guidance package: outlining steps in process, timeline, roles, responsibilities, communication channels and expectations.
- Project Plan Guidance: comprehensive tool and practical guidance for turning proposal into activity-based project. Covers challenging areas incl. logframe, procurement, and budget.

A quality management system is under development and will be implemented across all aspects of grant management by the end of 2013.

Discussion

- ❖ The CHAIR OF THE PRC noted that his committee had identified gaps in logframes and budgets. He requested that all proposals passed to the PRC should include well defined budgets with unit costs. The PRC would welcome the opportunity of working with the Secretariat on the development of the new tools and processes.

9.2. Portfolio status and project performance

Between 2006 and June 2012 the Board approved funding for proposals worth US\$1.667 Billion. Approximately half of this investment was in HIV, with 25% in malaria, 16% in TB and the rest in cross-cutting projects.

There are currently fourteen projects under management in the portfolio: four in HIV, four in TB, three in malaria and three cross-cutting. The DEPUTY EXECUTIVE DIRECTOR presented an overview of the operational performance of these grants and commented on the achievements, market impact and lessons learned.

Eight new projects were approved at the EB15 Special Session and EB16. The Secretariat updated the Board on the status of these projects.

Challenges have been encountered in terms of procurement and quality assurance for new technologies for which no regulatory pathway has yet been established. The Secretariat is working with partners on pre-qualification and the development of processes to facilitate the entry of new products where the technical characteristics are not known.

The effectiveness of implementing partners across the diseases and for cross-cutting was reviewed.

The DEPUTY EXECUTIVE DIRECTOR concluded by outlining the next steps for the Operations team as follows:

- Develop SOPs for Operations.
- Introduce process for speeding up new project implementation.
- Sign MoUs for new projects, including approvals from EB17.
- Complete two external mid-terms and ten ends of project evaluations.
- Review and report on UNITAID's effectiveness through KPI report (due 30 June 2013).

Discussion

- ❖ The NGOs welcomed the initiatives for improving all aspects of grant management. They urged the Secretariat to simplify the application process and reduce the heavy workload to make it more accessible for smaller organizations. The NGOs suggested that a survey could be performed amongst applicants to collect their feedback and suggestions.
- ❖ The UNITED KINGDOM asked the Secretariat to investigate whether some steps in the process could be carried out concurrently, rather than sequentially, to avoid losing time in the periods between Secretariat, PRC and Board review. The DEPUTY EXECUTIVE DIRECTOR agreed that it was in the interests of the portfolio managers as well as the implementers to reduce the workload and ensure a smooth and consistent application process. Implementers will receive comprehensive guidance and much of the proposal development framework will be completed by the Secretariat. The Secretariat will be in direct contact with the finance officer of each implementer. However, procurement policies vary between partners so, although clarification could be requested prior to Board review, projects would not be ready to start immediately following approval.
- ❖ The UNITED KINGDOM pointed out that the traffic light appraisal was performed for grants but not for partners. He proposed that this be included in future updates.
The UNITED KINGDOM also asked why the MPP had not been included in the grant performance assessment.
- ❖ The UNITED KINGDOM requested the conclusions from the PMCT project. In response the SECRETARIAT said that the end of project report had recommended improvements in:
 - risk management;
 - specific transition planning;
 - implementer reporting to avoid long delays and facilitate monitoring by the Secretariat.
- ❖ CHILE asked how UNITAID could engage with countries more effectively and suggested that the outcomes of the Uganda in-country meeting be evaluated. The SECRETARIAT confirmed that lessons were learned from implementers in the countries and that The COMMUNITIES LIVING WITH the DISEASES were leading the in-country liaison; this will be a key feature of future operational updates.
- ❖ The EXECUTIVE DIRECTOR said that the UNITAID Board would apply more pressure on the Global Fund to make a firm decision to ensure availability of paediatric ARVs in the future.

The Secretariat was asked to present a detailed update on grant processing at the next PSC meeting.

DECISION

The EXECUTIVE BOARD took note of the update on Operations.

10. Update on the Millennium Foundation

The CHAIR noted that the Millennium Foundation had failed to reach its objectives and, consequently, the Millennium Foundation Board had passed a resolution in October to approve its dissolution.

DECISION

The EXECUTIVE BOARD took note of the dissolution of the Millennium Foundation.

11. Calendar of Board Meetings 2013

The CHAIR OF THE EXECUTIVE BOARD thanked the CHAIRS of the Committees for their co-operation and support. He observed that the creation of the Committees had greatly improved the overall organization of UNITAID.

A calendar of Board and Committees meetings was proposed for UNITAID official meetings in 2013.

Discussion

- ❖ During the Board meeting, the PSC had been asked to assist the Secretariat and the Committees in finalizing the Strategy. The PSC was also asked to supervise the new fast track model for grant approval. Although much of this work will be done electronically, the PSC Chair requested a special session of the PSC to be held in March to finalise this work.
- ❖ The FAC CHAIR observed it would not be possible to carry out the FAC self-assessment between the FAC meeting and EB18. He proposed that the results could be distributed electronically after the Board meeting.
- ❖ The NGOs requested that Board meetings should be held on Thursdays and Fridays to allow sufficient preparation time during the week.
- ❖ The COMMUNITIES LIVING WITH THE DISEASES requested that the dates for the December Board meeting should be further away from the World AIDS day on 1st December, as this is an important time for advocacy and communication activities.
- ❖ The AGFP CHAIR noted that the 17th International Conference on AIDS and Sexually Transmitted Infections in Africa (ICASA 2013) will take place in Cape Town, South Africa on 7-11th December, so these dates should also be avoided if possible.
- ❖ The PRC CHAIR suggested that a call be issued now so that the funding decisions could be made at the June Board meeting. The EXECUTIVE DIRECTOR replied that it might be possible to issue one targeted call in early 2013; however, the Secretariat's priority is to finalize the Strategy and manage all of the newly approved proposals before launching further calls.

The Secretariat will follow up with Members of the Board to finalise the dates for the Board and Committees meetings.

12. Any other business

12.1. Election of Chair of the Executive Board

The CHAIR reminded the Board Members that the election for the position of CHAIR OF THE EXECUTIVE BOARD would be held in the first half of 2013.

12.2. Governance Issues

The WHO SENIOR LEGAL OFFICER advised the Board that governance issues, including Board Operating Procedures (BOPs), should be reviewed on a regular basis. These include the follow items

- The role of the Committee CHAIRS and VICE CHAIRS.
- Managing conflict of interest at Board level.
- Improved definition of closed, restricted and open sessions.
- Review of the relationship of new donors and existing donors with the Board.
- Review of advisory committees and their method of work.

The SECRETARIAT proposed contacting the Board Members electronically to solicit their feedback on these topics and also to provide an opportunity for Members to raise any other issues of concern. CHILE was recommended to lead this review.

The conclusions of the review would be examined by the CHAIRS and VICE-CHAIRS of the FAC and the PSC, when the committee meetings are held in May. Their recommendations will be presented at the June meeting of the Executive Board.

DECISION

The EXECUTIVE BOARD approved the proposed review process on governance issues.

12.3. Funding ceiling update

As had been requested by Board Members, the DIRECTOR, ADMINISTRATION AND FINANCE, presented an update on the funding ceiling following the EB17 grant approvals. When potential future funding commitments, and the availability of previously set aside funds and reserves have been taken into account, US\$150,929,000 was already available for the next call in early 2013.

DECISION

The EXECUTIVE BOARD took note of the funding ceiling update.

13. Closure of the meeting

The CHAIR OF THE UNITAID EXECUTIVE BOARD thanked the Committee Chairs and the other Board Members for their constructive contributions.

On behalf of the EXECUTIVE BOARD, the CHAIR expressed his thanks to members of the Secretariat for organising the meeting.

The 17th Session of the Executive Board closed at 11.05 on Wednesday 5th December 2012.

14. Appendix

List of Participants

BOARD MEMBERS

CHAIR	– Philippe Douste-Blazy
VICE-CHAIR – CHILE	– <u>Alt.</u> : Guy Fones
AFRICAN COUNTRIES	– Lindiwe Makubalo
ASIAN COUNTRIES – REPUBLIC OF KOREA	– Alt: Dukhyoung LEE
BRAZIL	– Maria Louisa Escorel de Moraes – Alt.: Jorge Bermudez
COMMUNITIES LIVING WITH THE DISEASES	– Nelson Otwoma – Alt.: Violeta Gracia Ross Quiroga
FRANCE	– Mireille Guigaz
FOUNDATIONS	– Blair Hanewall – Alt: Susan Nazzaro
NGO's	– Kim Nichols – Alt: Tido von Schoen-Angerer
NORWAY	– Kari Marjatta Hoel – Alt.: Beate Stirø
UNITED KINGDOM	– Carlton Evans
WHO	– Hiroki Nakatani

OTHER MEMBERS OF DELEGATIONS

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BRAZIL	– José Roberto De Andrade De Filho – Viena Danielli – Danielle Oliviera
France	– Stephane Renaudin
FOUNDATIONS	– Kieran Daly
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NGOs & COMMUNITIES LIVING WITH THE DISEASES	– Leila Zadeh
UNITED KINGDOM	– Amy Kesterton – Ian Parker
WHO	– Issa Matta

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CHAIR	– James McIntyre
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VICE-CHAIR	– Stephanie Simmonds

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THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA	– Graham McNeill – Jan van Damme
UNAIDS	– Carlos Andre Passarelli

ROLL BACK MALARIA PARTNERSHIP (RBM) – Jan Van Erps

STOP TB PARTNERSHIP – Lucica Ditiu

MEDICINES PATENT POOL – Chan Park

INDEPENDENT STEERING COMMITTEE – 5YE

CHAIR – Johannah-Joy Phumaphi
(by **teleconference**)

SPECIAL INVITEES

– Michael P. Johnson
PEPFAR/ US Mission to the UN

OBSERVERS

NGOS & COMMUNITIES LIVING WITH THE
DISEASES

– Louis da Gama
– Jennifer Cohn
– Colin Delmore
– Christine Rosette Mutambi
– Wilson Zulu
– Mercy Annapoorani
– Stephene Kollison McGill
– Khalil Elouardighi
– Steve Lewis
– Katy Athersuch
– Liudmyla Maistat
– David Ruiz

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Director, Finance and Administration	– Brigitte Laude
Coordinator, Market Dynamics	– Brenda Waning
Board Relations Officer	– Sophie Genay-Diliautas
Technical Officer, Market Dynamics	– Emma Hannay
Legal Officer, Executive Office	– Sonia Hilton
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