



**Special Session of the UNITAID  
Executive Board - 8<sup>th</sup> Session  
Voluntary Solidarity Project**

**29<sup>th</sup> July 2008 – Geneva, Switzerland**

**Resolution n<sup>o</sup>1**

**Implementation of the Voluntary Solidarity Contribution (VSC) Project**

Pursuant to resolution EB - TC1 - 2008 / Res 1 of the UNITAID Board on 17 April 2008, in which the Board decided to support the implementation of a Voluntary Solidarity Contribution (VSC) project as described in the document EB7/2008/9/1;

According to resolution EB8/R10 of the UNITAID Board of 3 July 2008 in which the Board considered the progress achieved and identified the next steps required before finalizing a Resolution to implement the VSC project.

The Board hereby decides to:

- Endorse the establishment of an independent non-profit foundation (within the meaning of Articles 80 et seq. of the Swiss Civil Code), referred to as The Millennium Foundation for Innovative Finance for Health (hereafter the "**Foundation**"), which Statutes shall be essentially in the attached form;
- Endorse Dr Philippe Douste-Blazy, the Chair of the UNITAID Board, as the founder of the Foundation (hereafter the "**Founder**") to be registered in the Geneva Register of Commerce in September 2008;
- Authorize the UNITAID Executive Secretary to provide the sum of CHF 50,000 as initial capital of the Foundation;
- Recommend to the Founder that the initial 3 to 5 member Foundation Board (hereinafter the "**Initial Foundation Board**") shall be constituted of the following Chair and members: Dr Philippe Douste-Blazy (Chair); French and NGO Representatives to the UNITAID Board; Dr Benoit Merkt (Partner, Lenz & Staehelin, Attorneys at law); it being noted that the various constituencies will use their best efforts to select their representative to sit on the full Board as soon as possible but no later than the end of November 2008;

- Endorse that the Initial Foundation Board appoints Dr Bernard Salomé as Managing Director of the Foundation for a two year appointment;
- Authorize the UNITAID Executive Secretary to provide to the Foundation up to US\$ 22,400,000 (14 Millions Euros) to facilitate implementation of the VSC project, along the lines of the Business Plan (as described in documents UNITAID/EB8/2008/6/1, UNITAID/EB8/2008/6/2, and UNITAID/EB8SS/2008/5), which sum shall be payable in four tranches in accordance with the terms of the agreement to be entered into between WHO, acting for the benefit of UNITAID (hereinafter "**WHO/UNITAID**") and the Foundation;
- Review on a regular basis the achievements of the VSC project; to this end, the UNITAID Board requires the Managing Director of the VSC project to report regularly on the progress achieved in the implementation of the VSC scheme, and in particular at each Executive Board meeting;
- For the transition period, until the Foundation receives, pursuant to the Memorandum of Understanding between the Foundation and WHO/UNITAID, the first tranche of funding which is estimated to occur no later than the end of September 2008, commits up to the amount of US\$ 100,000 of resources to support the transition activities of the VSC, together with the support of WHO and the UNITAID Secretariat, as follows (i) engagement of Swiss counsel during this period; (ii) hiring of temporary staff and consultants; (iii) travel and administrative expenses, (iv) and such other appropriate expenditures to enable the expeditious start up of the Foundation and the VSC Project.

The Board further decides:

- To allocate the first tranche of US\$ 10,080,000 (6,3 Million Euros) as a contribution to the implementation of the VSC Project: the first disbursement of US\$ 3,680,000 (2,3 Million Euros) will be made for the initial start up phase of the Foundation as provided below and the remaining US\$ 6,400,000 (4 Million Euros) out of the initial tranche of 6,3 Million Euros less any transition funds paid before signing of the Memorandum of Understanding between the Foundation and WHO/UNITAID upon agreement on a communication strategy for the Foundation;
- To request the UNITAID Secretariat and the Managing Director of the VSC Project to expeditiously finalize a Memorandum of Understanding between the Foundation and WHO/UNITAID no later than 28 August 2008;
- To request an independent review of the progress of the VSC Project and the achievements of the Foundation, which shall be conducted promptly after the initial start up phase in mid 2009;
- To ask the Chairman of the UNITAID Board to include in the agenda of future meetings

the consideration of the status and relationship between the Foundation and UNITAID Boards. These discussions shall be started after six months of normal work of the Foundation.

**Expected date of payment of initial capital:**

Fourteen days from registration of the Foundation at the Trade Register

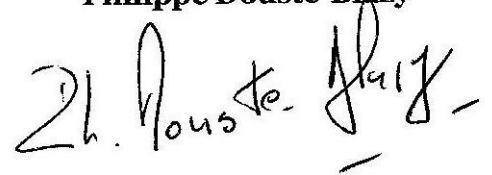
**Expected date of first disbursement (other than transition funds):**

20 September 2008

**Conditions for Disbursement (other than for transition period):**

- Constitution of the Foundation under Swiss law and the filing of its Statutes, as endorsed by the UNITAID Board;
- Appointment by the Initial Foundation Board of a highly qualified auditing firm of international standing to serve as the External Auditors of the Foundation;
- Signature of Memorandum of Understanding between WHO/UNITAID and the Foundation, including a Project Plan and Milestones with an Estimated Timetable, Budget and Disbursement Schedule;
- Adoption by the Foundation of effective policies for sound management and financial controls, including the following: finance and audit rules; procurement rules, including pro bono rules; human resource rules, including staff policies, recruitment procedures and a salary scale (comparable to the UN salary scale); and a conflict of interest policy.

**Philippe Douste-Blazy**



**Attachment (Foundation Statutes)**