



Unitaid Executive Board Meeting
40th Session
15-16 June 2022
The Forum, Global Health Campus
Geneva, Switzerland

Agenda item 4

Report from the Executive Director

For Information For Review and Advice For Decision

Executive Director Report to the Executive Board

Dear Board members,

Over the past 15 years, Unitaid has established an extraordinary record of putting cutting-edge health innovations, such as child-friendly HIV and TB drugs, in reach of those who most need them in low and middle-income countries. Unitaid's success is built on partnerships, reaching out to the people we serve and impacting their lives. I would like to thank everyone who joined us on 22 May for the opportunity to jointly celebrate our success to date and recommit to the importance of the work we are doing together, with support from our Board and in close collaboration with our partners. Now, more than ever, we must remain focused on the people who benefit from access to the innovations we are working to bring forward.

As we prepare to finalize a new five-year strategy, rarely have the stakes been so high in global health and the potential rewards of stepping up our efforts as exciting. We have an opportunity to turbocharge global efforts to end HIV, tuberculosis and malaria and heal the corrosive impact of a COVID-19 pandemic which has wrought havoc with many health programs worldwide.

This is no time to ease up in the face of strong headwinds, as war in Ukraine and rising inflation threaten a global economic slowdown and put state budgets under strain. We have a common interest in putting the world back on track towards meeting Sustainable Development Goal 3, which commits the world to ensuring healthy lives and promoting well-being for all people, whatever their age.

Our best chance of contributing to this endeavour is by embracing an ambitious and fully-funded strategy. This is a pivotal moment in Unitaid's relatively short but intense history. Unitaid is delivering state-of-the-art health solutions to low- and middle-income countries that were formerly the preserve of only the richest nations. People in low- and middle-income countries now have access to the best and safest HIV medicines, effective malaria prevention tools and excellent screening and treatment for cervical cancer – at affordable prices.

We have grown in stature as an organization, inspired by the Executive Board and driven by highly motivated staff. Unitaid's successful co-leadership of the therapeutics partnership within ACT-A, has propelled us to the forefront of international efforts to tackle the biggest global public health emergency in a generation. We have displayed a very high degree of commitment, versatility, and prowess, and through our work in ACT-A we helped to deliver one of the fastest, best coordinated, and successful global efforts in history to develop tools to fight a disease.

Our investments are bringing forward the time it will take to reach global HIV, TB and malaria targets by more than three years. The work we do reaps big cost savings: Unitaid-supported health products are projected to save between US\$5 and US\$6 billion dollars between now and 2030. These savings can be reinvested in other valuable health services.

While launching the new strategy for 2023-2027, we will also continue to deliver COVID-19 treatments and diagnostics through ACT-A, ensuring that the evidence we gather, and our partner engagement give countries the tools they need to deal with the pandemic.

The game-changing health innovations that Unitaid identifies would go nowhere without the vital work of our partners to bring them to scale and ensure they have a tangible impact on people's lives. That requires us to engage with affected people and communities, global health agencies, developers, regulators, and implementers to overcome critical obstacles and pave the way for access.

Preparing the new strategy has been guided by the same reasoning. It has been a long and rewarding journey involving extensive consultations with all our stakeholders to define the new programmatic priorities that undergird our strategic objectives.

If funding for Unitaid's seminal work were to flatline or contract, the global campaign to end AIDS, tuberculosis and malaria could be set back by years. We owe it to our partners, people living with diseases and the low- and medium-income countries we serve to seize the moment. I am confident Unitaid's outstanding team of professionals, who are our most precious resource, will be more than equal to the challenge.

In response to the Executive Board's request, my report will address the following issues: putting our strategy into operation; securing the financial resources we need; making the case for investing in Unitaid; delivering impact; forging strategic partnerships and engagement with stakeholders; and nurturing Unitaid's organizational culture.

Operationalizing an ambitious, transformative strategy for Unitaid

The new 2023-2027 strategy we will be launching with you is ambitious and our highly dedicated staff are ready to deliver it. We will step up our investments in HIV, malaria and tuberculosis, women and children's health and will also continue to leverage our skills and expertise to respond to global health emergencies.

We are committed to investments that focus on access to high-impact preventive tools, particularly for high-risk groups; increasing detection and access to simpler and more optimal regimens for adults and children; and improving adherence for better outcomes.

Among the exciting new solutions, we are hoping to launch in the next five years are: long-acting formulations, such as patches or injections, that can last for months and improve adherence by freeing people from the tyranny of daily pill regimens; measures to prevent and treat haemorrhage after childbirth, which is a leading cause of maternal mortality; and better approaches to reduce mosquito resistance to commonly used vector control tools, specifically insecticides.

In defining our new strategy, we started from the premise that Unitaid's operating model works well, while recognizing that there is scope to build on lessons learned. We jointly defined our future vision and a road map for Unitaid, working closely with the Board. In addition to attending Board meetings at which the strategy was discussed, the Secretariat ensured regular exchanges with the Board throughout the strategy development process, holding four Board strategy workshops and two PSC workshops. The Secretariat also worked in close collaboration with the Board and under the Board's direction to conduct the External Review of Unitaid's 2017-2021 strategy led by Itad, which was a key input to the strategy development process. The development of our future strategy has been a comprehensive exercise based on close consultation over several months with a broad range of partners and key stakeholders. In February and March of this year, as part of the strategy development process, we held five webinars (four in English and one in French) with implementers, technical and funding partners, manufacturers, countries, civil society and communities. This was complemented by a post-webinar survey to capture detailed input. There were more than 330 participants overall and balanced representation across stakeholder groups. Feedback received through these broad and proactive consultations allowed us to further refine the strategy.

In our journey we acquired a deeper understanding of how we can work better and have a greater impact. Our findings are reflected in the detailed 2023-2027 strategy we put forward, as well as in our plan to operationalize the strategy. Robust partnerships and dedicated staff will continue to give us the means to deliver the impact that is a hallmark of our work.

The strategy lends substance to our vision of equitable access for all by defining the people we aim to reach, and the products and approaches we will support. We seek to be consistent with our strategic principles and the three strategic objectives we set out: accelerating the introduction and adoption of key health products; creating systemic conditions for sustainable equitable access; and fostering inclusive and demand-driven partnerships for innovation. The programmatic priorities at the core of the strategy define in practical terms how we will deliver.

In our strategy we outline the contribution we will make in reversing the setbacks of the past two years and putting the world back on track to achieve Sustainable Development Goal 3, which

commits to ensuring healthy lives for all. Increased investments in global health alone will not achieve that goal without the innovative tools, products and approaches that Unitaid brings to the response.

People will be at the heart of our new strategy. Unitaid's work benefits people and communities in low and medium-income countries (LMICs) who are most in need. We plan to incorporate new ways of working, recognizing that the success of introducing innovative products not only depends on their quality and efficacy, but also on the extent to which the people who need these tools can gain sustainable access to them.

The programmatic priorities outlined in the strategy are grounded in broad consultations with partners including communities and civil society, country stakeholders, technical and implementing partners as well as detailed analysis by the Secretariat. These priorities are consistent with what Unitaid has always done and will create exciting opportunities over the next strategic period that will advance the global health response at a pivotal moment in our history.

As discussed with the Board, the programmatic priorities are based on their potential for impact and Unitaid's ability to make a difference. Furthermore, the strategy development process has enabled us to adjust and optimize our operating model and structure and to develop tools for operationalizing the strategy, notably by setting priorities and using key performance indicators (KPIs) to map what we will achieve over the five years.

Securing the resources to deliver on Unitaid's mission

In order to successfully execute our 2023-2027 Strategy, Unitaid needs significantly more funding than the donor commitments we currently have. With 2030 only eight years away, we cannot afford to lower our ambition. I look forward to further collaboration as we work to secure additional resources to deliver the vision we set out in our strategy.

We forecast we will need US \$300 million per year, a sum which is consistent with funding levels across our previous strategy period. As outlined in the 2023-2027 strategy, this level of investment will enable Unitaid to support a pipeline of game-changing products as well as systemic and cross-cutting investments. Funding on this scale will also ensure continuity into the next strategy period from 2028 onwards. Staying the course is essential as the global response relies on the stream of products that Unitaid delivers. We recognize that mobilizing the required resources in the present circumstances is challenging. However, what Unitaid brings to the global health response is both unique and indispensable and we must therefore remain committed to raising the funds needed to execute the new strategy. We owe it to the people who rely on the innovative products that we bring to fruition.

Unitaid has prepared a resource mobilization strategy with the aim of diversifying our donor base. ACT-A has demonstrated that we can attract new donors and we are building on this success.

Making the case for investing in Unitaid

In order to advocate as effectively as possible for investing in Unitaid, for the first time we are developing a detailed investment case. We need to be bolder in explaining what we do and what it is that makes us unique. The investment case illustrates Unitaid's position in the global health

architecture and our contribution to the global response. We offer concrete examples of both the innovations we have already pioneered and the prospects for future innovation. The investment case, alongside our new strategy will serve as a key tool in bringing greater visibility to Unitaid's results and its impact and in engaging with current and new donors to secure the funding needed to reach our goals. The investment case is at the heart of the extensive resource mobilization and communications plan we are undertaking now, and in the years ahead, as we make every effort to raise additional funding and fulfil the role we have set out for ourselves in the new strategy.

In the coming months I look forward to collaborating with the Board to advocate for Unitaid in order to strengthen and diversify our donor base. I ask you to stand behind us in the work we will undertake to convince new and existing donors. Now is not the time to relent. On the contrary, we have an exciting, important, and ambitious promise to deliver. It will not be easy, but it is worth fighting for. Unitaid's work has a track record of proven results - by bringing better solutions to the global health response. Unitaid is enabling other key global health actors to achieve greater impact with their investments and ultimately saving lives by making the response faster, more efficient, and more effective.

Delivering impact through our portfolio

The impact we have delivered through our portfolio to date makes a strong case for investing in Unitaid. We have a truly impressive track record of transformative investments. What we have accomplished over the period since I last reported to you in December is consistent with this trend.

Over the last five years, we have delivered strong results in several areas. As you will see in the 2021 KPI report (UNITAID/EB40/2022/14), investments made by Unitaid are expected to deliver significant public health and economic impact in the next few years. Based on completed investments during the strategic period, we estimate that more than 750,000 additional lives will be saved, and more than 130 million cases and infections will be averted, five years beyond the end of our investments, thanks to innovations supported by Unitaid which are now being brought to scale. Economic savings of US\$ 2.3 billion will be generated by 2025, rising to more than US\$ 5 billion by 2030, when we account for investments which have not been captured in KPI reporting yet, such as the investment into optimal HIV treatment. Other investments not accounted for in these numbers, such as supporting the next generation of bed nets to prevent malaria, are also expected to deliver high public health impact in the next few years.

Headline successes of the last 5 years include the rapid scale up of Seasonal Malaria Chemoprevention (SMC) across the Sahel region. In 2013, before Unitaid invested in the "ACCESS-SMC" project around one million children – less than 5% of those eligible – in the Sahel region received SMC. Having demonstrated the feasibility and cost-effectiveness of community delivery of SMC, in 2020 33.5 million children (around 85% of eligible children) received SMC, exceeding Unitaid's scale-up projections. At this scale, SMC helps to save over 100,000 lives per year among children under 5 at high risk of malaria.

Similarly, HIV self-testing is on a path to achieve its full potential. When Unitaid first invested in 2015, the supply of self-test kits was very limited and unaffordable in LMICs. Today, thanks to the work of the STAR and ATLAS projects, we have a diverse supply of self-test kits, available for less than US\$ 2, and strong evidence on different delivery models that can reach underserved

populations, notably those that have never tested for HIV before. By 2025, the market for HIV self-testing will be 27 million test kits per year, and its size is likely to increase further over time.

Other notable successes include the extensive scale-up of the world's first appropriately dosed child-friendly TB treatment, which is being procured by 116 countries. The Medicines Patent Pool continues to support the expansion of equitable access to innovative medicines in over 100 countries using voluntary licences, playing an important role in generating the economic savings described above.

As a risk-taking organization, not all of Unitaid's investments ultimately deliver impact at scale. Over the last five years, a few of our investments did not fulfil their initial potential. This includes our investment in rectal artesunate. Whilst a highly effective treatment option for severe malaria, its overall effectiveness is compromised in the absence of a strong health system. Our investment in a 4-in-1 paediatric HIV treatment took several years to come to fruition. Subsequent delays in regulatory approvals and the emergence of a better alternative, paediatric dolutegravir, have limited the market potential of this product.

Furthermore, whilst we have seen very strong progress on advancing equitable access to innovation in HIV and malaria, the relative impact has been lower in other disease areas. In an area such as hepatitis C virus (HCV), Unitaid investments have made good progress to address access-related issues, supporting the development and availability of better, affordable tools, and generating evidence that led to WHO guideline revisions. However, to date this has not led to a stepwise change in access at scale and health outcomes. This reflects challenges in securing sufficient funding (especially domestic funding) to take promising tools to scale. We must double down on these challenges in the next strategic period.

However, we can point to recent progress in other areas that show promising signs of being able to deliver impact at scale in the future. TB remains the leading cause of death for people living with HIV globally. Without treatment, 5% to 10% of people with TB infection will develop active TB, the form of the disease which makes people sick and can be transmitted from person to person. Thanks to the Unitaid-funded IMPAACT4TB project and our leadership in developing a strategy to introduce the product and in negotiating a price reduction, 3HP, a short-course treatment regimen to prevent TB, has been brought to scale. The number of patient courses procured by partners reached 2 million in 2022, across more than 32 countries, and the first generic fixed-dose combination product and the Active Pharmaceutical Ingredient (API) have achieved WHO prequalification. The fixed-dose combination reduces the number of pills people on treatment need to take every week from nine to three. A second manufacturer of two rifapentine-based formulations received clearance in May from the WHO/GF/Unitaid Expert Review Panel, setting the stage for further expansion of access to 3HP and the introduction of a much shorter one-month alternative, 1HP. The availability of these shorter, more affordable, and safer regimens for TB prevention is central to accelerating the fight against TB and will also impact the HIV response.

Last month, at the Second Global COVID-19 Summit, Unitaid, the Global Fund and the United States, together with FIND and other ACT-Accelerator partners, launched over US\$120 million in support to countries for test-and-treat programs to prevent hospitalizations and deaths from COVID-19 for those most at risk in LMICs. Unitaid funding builds on work we are already doing in the area of test and treat and is expanding and accelerating the introduction of new treatments. Test-and-treat

programs will save lives, reduce global inequities in access to COVID-19 testing and treatment, help strengthen formal and community systems for health in LMICs, protect front-line health workers, and mitigate the knock-on impact of COVID-19 on programs to fight HIV, TB and malaria. This new co-investment is an important step toward achieving equitable access to optimal treatment and adequate tests for those at high risk of developing severe or critical COVID-19 in low-resource settings. We now have treatment options that can prevent hospitalizations and deaths and will play a big part in fighting the pandemic. Continued support to countries in securing access for these emerging options, as well as their effective deployment, is a key priority.

In March Unitaid invested \$ 56 million to increase and enhance access to medical oxygen, a life-saving treatment for severe COVID-19 and other severe illnesses, including many conditions affecting newborns, children, and adults – notably pneumonia, the world’s biggest infectious killer. Our investment ensures that medical oxygen is available for COVID-19 patients. It also lays the groundwork to improve access to oxygen over the long-term. The ACT-A Oxygen Emergency Taskforce, launched just over one year ago and led by Unitaid, is working to maximize the impact of these investments and to dramatically increase liquid oxygen supply, repair broken equipment and expand the number of functioning oxygen generation systems available in LMICs.

In addition, Unitaid has invested nearly US\$70 million to increase access to life-saving screening and treatment tools that have proved to be better adapted for use in resource-limited settings than the current standard of care. Thanks to Unitaid’s work, portable thermal ablation devices are enabling more women to access lifesaving cervical cancer prevention in countries where most deaths occur. When women have access to early screening and treatment, cervical cancer is one of the most preventable cancers. With more affordable, portable devices that can be used in local health centres, we can provide the means to eliminate cervical cancer.

Looking ahead, through our ongoing and new investments in the 2023-2027 strategic period, Unitaid will continue to push boundaries by introducing a broad set of innovative products, including 30 key products by 2030. These innovations will deliver significant health impact, by bringing better, more affordable, and more effective health products to those who need them. The identification and introduction of these products is an integral part of our existing mechanisms to identify and fund new opportunities.

Supporting strategic partnerships and engaging with key stakeholders

Our new strategy calls for a broader and more systematic approach to partnership. Strengthening ties with our implementing partners, countries, civil society, communities, and other global health actors remains essential. Under the new strategy we are increasing our commitment to partnership and adopting a more comprehensive approach. By investing in partnerships with organizations that work closely with populations with the greatest need we will ensure that our investments support the best solutions in a given context. Over the next five years, we will increase our engagement with a breadth of partners. Furthermore, we plan to adopt key performance indicators to measure the effectiveness of our partnerships so that we can assess their impact on our performance and results.

There are a few areas where we have made important progress and we are building on the strong partnerships we have.

To better meet the needs of people and communities and to improve disease outcomes, we are strengthening our collaboration with the Global Fund and other scale partners, to speed up the introduction and scale-up of new life-saving health innovations. We are also looking to have a more systematic and proactive way of working with the Global Fund on the COVID-19 response, in addition to our ongoing fight against the three diseases. In the next strategic period, the Global Fund will remain a key strategic partner in Unitaid's work to advance the global health response.

The pandemic exposed how fragile health systems and an exclusive reliance on global supply chains leave many countries without access to the tests they need to control COVID-19. Increasing the capacity of local and regional hubs to produce COVID-19 tests is key to ensuring truly equitable access. Expanded production capacity in local and regional centres is critical to ensuring that healthcare providers in LMICs can implement effective testing strategies to contain the spread of the virus.

Unitaid's partnership with FIND on an open call for proposals concerning antigen detection rapid diagnostic tests (Ag RDTs), which detect the virus that causes COVID-19, helped increase the availability of Ag RDTs in LMICs through increased manufacturing capacity, technology transfers and negotiations of equitable access conditions with eight manufacturers in LMICs. Three regional manufacturers, based in Brazil, India and Senegal, have increased their capacity for products addressing specific regional needs usually neglected by larger manufacturers due to their small market size. While there have been delays in bringing these new products to market there have been some significant achievements.

PMC Group has a new manufacturing facility with new equipment and is producing and supplying LMICs with high-quality, WHO prequalified tests at an affordable price. Guangzhou Wondfo Biotech in China and DiaTROPIX of the Institut Pasteur in Dakar increased their capacity to allow for production of their new improved Ag RDT. Both are awaiting WHO pre-qualification. WAMA Diagnóstica in Brazil also increased its capacity, which has enabled the company to bring its own test to the market in Latin America, while awaiting the completion of a tech transfer from DCN.

The technology transfers have supported improvements for production of high-quality tests and processes necessary for regulatory approvals and marketing. Overall, the investments in supporting manufacturing capacity and technology transfer have contributed to increased availability and a lower market price of Ag RDTs for LMICs. The investments have also increased manufactures' development capacity, including capacity to support other diseases, outbreaks, technologies, and the regional diversification of diagnostic production to countries in LMICs.

These types of partnerships complement Unitaid's strengths and comparative advantages and demonstrate how bringing appropriate fit-for-purpose technologies to target markets in LMICs can make the response more efficient and effective. A recent independent evaluation of this work found that the Unitaid investment with FIND provides a new investment model, bringing additional skills and expertise to the Unitaid portfolio. More partnerships like this could diversify Unitaid investments and bring in new grantees and partners.

Unitaid is also making progress towards strengthening its cooperation with countries. We are building on our relationship with Kenya which has been, and remains, an early adopter country and among the quickest to introduce and scale up better health products, including dolutegravir and

child-friendly TB medicines. We are also strengthening our partnership with South Africa where extensive cooperation with the Ministry of Health, South African Universities, notably Witswatersrand and Stellenbosch, NGOs (Aurum, Society of Family Health) and civil society organizations (Treatment Action Campaign) have contributed with evidence and roll-out of better health products to improve HIV self-testing, prevention of TB and HIV, and treatment of TB, MDR-TB and HIV. Unitaid is planning to enter into cooperative agreements with these two countries in the next few months to ensure better alignment between country health priorities and Unitaid investments.

While the COVID-19 pandemic has evolved, ensuring an effective response though equitable access to the best possible tools is more important than ever. Unitaid has proven the critical role it can play in global health through engagement in ACT-A. We will continue to play a central role in the global ACT-A partnership as co-convenor of the Therapeutic Pillar and co-lead of the COVID-19 Oxygen Emergency Taskforce. We have demonstrated our commitment to ensuring that people at high risk of developing severe or critical COVID-19 everywhere have timely access to affordable and optimal treatments, alongside adequate testing, which is crucial to realize the promise of test to treat strategies in LMICs.

Organizational Culture and Ways of Working

The Secretariat staff and I were very pleased to welcome Unitaid's new Deputy Executive Director, Tenu Avafia, in May. He brings with him a wealth of experience and will be taking charge of managing our operations alongside me.

Our staff play a critical role in delivering Unitaid's mandate. With the support of the Board and our partners, it is the vision, commitment and ambition of Unitaid's staff that has driven our success over the past 15 years and brought us to where we are. I am confident our staff will deliver our ambitious new strategy.

We have made progress on the Staff Engagement Action Plan we put forward at the end of last year. We have established external training opportunities for employees and increased the frequency of information sessions, including a focused session with human resources on topics that affect staff directly, including health insurance and pensions. We also continue to conduct regular pulse surveys, which have been tailored to help us assess the current working arrangements and their impact on staff. The pulse survey conducted in March focused on our hybrid working arrangements with a view to: assess staff health and well-being; understand the ability of colleagues to connect and work together; and appreciate the challenges staff are facing. The feedback we obtain will help shape our future hybrid working policy, which will begin once we return to the office on a full-time basis.

Regarding staff development, we are introducing a training programme with LinkedIn Learning through the iLearn platform, and we intend to promote further training sessions on issues such as diversity, equity and inclusion, gender equality, fighting bias, and further promoting a respectful, inclusive and positive workplace.

In the second half of this year, the Secretariat will conduct a functional review to ensure that our operations, structure and systems are optimally aligned to successfully implement our new strategy and related priorities.

that a gender, equity, and human rights lens is applied across all our work, including how we design and implement our interventions, as well as the set-up of our internal structures.

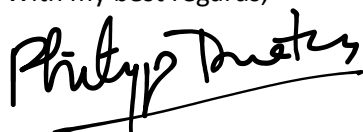
At the end of last year Unitaid launched its Climate Action Roadmap at the close of the COP26 meeting. This roadmap highlights our commitments across our Secretariat, our investment portfolio, and health products and supply chains beyond Unitaid grants. At the level of the Secretariat, we have identified several actions to reduce our carbon emissions. We have set a target of decarbonising our procurements through net-zero and environmental pledges and effective actions from suppliers. We are also in the process of planning all-staff training on climate change for Q3/Q4 of 2022 to raise awareness across the organization, build institutional knowledge of the issue, and generate support for Unitaid's climate ambition.

We are preparing the ground to include climate considerations in the development and management of our portfolio. This includes working with a limited number of grant implementers to run pilot carbon footprint assessments and identify carbon reduction strategies, leveraging a limited amount of grant savings. Four implementers have volunteered for these pilots which aim to inform the progressive introduction of low-carbon approaches in our grant-making and management model.

Our greatest source of pride is that Unitaid accelerates access to health innovation and brings life changing health solutions, that were formerly the preserve of the richest nations, to people in LMICs. I look forward to our new five-year strategy supporting a global effort to end HIV/AIDS, tuberculosis and malaria and improving the health of women and girls by putting the best healthcare products science can provide in reach of all who need them.

Finally, I want to pay tribute to close friends, partners, and advocates who we lost this year and who have made a significant contribution to the global health response, including Paul Farmer, co-founder of Partners in Health. He is a man who inspired my work and the work of many. I would also like to pay tribute to Professor Gita Ramjee, the Chief Scientific Officer at Aurum, renowned for her work on HIV prevention solutions for women, and Danny Graymore, Director of Strategic Engagement at the WHO and a life-long champion of global health and development.

With my best regards,

A handwritten signature in black ink that reads "Philippe Duneton". The signature is written in a cursive style with a horizontal line underneath the name.

Philippe Duneton

Executive Director, Unitaid