



8th Executive Board Meeting

Geneva

Minutes

Geneva day 1 - Wednesday 2 July 2008

1. Quorum

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

2. Introduction by the Chair and the Executive Secretary

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

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

With regards to strategy and lessons learnt, there are a number of key questions to be addressed by the next Board meeting these include:

- additional areas and niches should UNITAID be involved in
- the duration of support of UNITAID funding;
- the increase in visibility at country level and within partnerships;
- the impact on UNITAID's secretariat with regards to structure, resources and organization

UNITAID has real perspective for long term spending. Between 2008 and 2011, nearly US\$ 540 million have been committed, and the projects that will be presented represent an extra US\$442 million. Therefore it is imported that donors fulfil there commitments to UNITAID and guarantee their contribution for the next three years. Without this funding UNITAID will not be able to develop a true strategy. It is an important issue that guarantees UNITAID's work.

Funding from voluntary contribution is expected to come as an addition and should complement the funding received by Member States.

Welcome address from Jorge Bermudez

The Executive Secretary reviewed the progress towards developing UNITAID's strategy. The recent Strategy meeting evolving expert views will help pave the way.

He emphasized the need to scale up global response, and maximize impact. There has been a further reduction in pediatric treatments by 19% with CHAI and this has been welcomed by partners. MDR-TB has had good media and scientific welcome and progress in being made in this field. World Health Assembly approved the potential role of UNITAID in necessary activities. Now we need to look at best way to move forward on these issues.

Adoption of the Agenda

The Board noted the improved quality of the Board documents, but concerns were raised by the UK, France, Asia, Brazil and the NGO's, with regards to the previous Board meeting minutes that have not been circulated. The Board would like to receive the minutes within a short delay after the Board meeting as well as have the ability to make comments on them. The minutes should then be adopted at the beginning of the following Board meeting. Africa and France emphasized that Board documents including minutes should be translated in French prior to the Board meeting. It is in UNITAID constitution that both English and French are the working languages. It is very hard for French language Board members to feel fully part of the process when the documents presented are in English and interpreters are not available during a meeting. More effort needs to be made on this front.

The Board members would also like the opportunity to comment on the Chair Summary. A copy of the Chair Summary will now be circulated for comments. With regard to any teleconference within which Board members participate. Asia and Brazil, pointed out the need for minutes to be taken during these events, in order to provide a written record and in particular to those who could not attend.

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

The Secretariat presented to the Board the Financial situation of UNITAID as it currently stands. Luxemburg's are expected shortly, and discussions are well under way with Cyprus and Portugal as well as the governments of Mexico, China and Japan.

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

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

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

Two hypothetical scenarios were then presented:

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

The new WHO GSM administrative systems will mean higher running costs.

These are low amount of overhead fees but projects have cost. Visibility on the expenses of UNITAID is good until 2011, however multi year expenses call for multi years funding.

The Board thanked the Secretariat for the comprehensive and transparent financial analysis which is seen as an added value and makes it possible for all donors to see what becomes of their money and what it is used for.

Brazil stated that they are currently confirming their pledges in order to implement contribution on a regular basis. The next contribution will be US\$ 10 million and it will be made by the end of July. The Chair thanked Brazil on behalf of the Board, and explained how he himself has been working with the parliament of Brazil on air ticket tax.

Norway affirmed that its commitment to UNITAID has not changed, however in order to give formal long term commitment there would need to be parliamentary change. Norway expressed the importance for UNITAID to dialogue with each country on their commitments as each donor operates differently and long term commitment is part of a bigger discussion. Norway and France would like the secretariat to provide more information on management and operating cost as well as the kind of contributions received for example from partners or pro bono. The Communities and NGO's also felt that information on disbursement rate of partners would give a clear picture on what is happening on the ground.

Chile explained to the Board that their commitment for 2009 will be confirmed by the end of the year and for their part, it is not a lack interest in committing, it is the lack of institutional mechanisms in Chile that could speed up the process. Commitments are therefore set on conservative estimates at the beginning of the year but then tend to be higher in real terms. Chile's intends to provide addition help and hopes contribution will increase by 10% a year by charging US\$ 2 on flights, this would convert into US\$ 4 million of funding. France confirmed that the first disbursement in under way for 45 million euros. For commitment in 2009, 2010 and 2011, France finds itself in a similar situation to Norway and is unable to commit to a precise figure at this point along with the fact that air ticket tax is currently being considered.

Africa was pleased to report that they have adapted a draft law in the Congo, and was optimistic that the new bill will be adopted. UNITAID will be able to count on Congo as a donor. The significance of this donation was noted for its symbolic importance, in particular in encouraging wealthier Nations in their donations.

The Gates Foundation raised the importance of modeling and best use of financing and was concerned by the various scenarios and the level of financing predicted by the Voluntary Solidarity Contributions. This underlines the importance of a tight strategy.

The NGO's are little disappointment with the levels of commitment made by some members, they thanked those who have made long term commitments and would like those who have not to do the same and overcome their institutional problems. They suggested that in France's case it might be possible to plan to give multi year provision. The NGO's felt that within the operating cost that travel cost were high.

The Secretariat confirmed that these cost were in the most part covered Board meeting travel expenses.

The UK noted the high contribution made by Spain and raised the issue of governance from high donors. They requested that a table be presented showing the full state of play on commitments from each Member State.

The Secretariat agreed to look into the reporting issues and in particular disbursement. It might mean that the reporting is done differently in light of changes currently taking place within WHO reporting system and computer based management. The secretariat will discuss any financial difficulties with donors and will work within the WHO framework agreed in December. Consultants have confirmed that for instructional Public Health work, they use a lower scale of price.

4. Presentation of UNITAID's Investment Policy

WHO presented the investment policy as a cautious one - an institution that ensures capital. UNITAID is invested in line with WHO policies where US\$ 2.5 billion is invested short term. Based on WHO investment there is a 4.6% return which is considered reasonable. WHO asked the Board if they would like to continue investing inline with WHO or whether a different approach required.

The Board welcomed the opportunity to see and comment on UNITAID's investment policy. They discussed different investment options, such as: currency investment; the length of investments, GAVI's and Global Fund framework. Norway pointed out that what is important for the Board to understand are the different risk profiles and how much money should be in the bank.

The Boards consensus was that they are currently satisfied with the way UNITAID is investing in line with WHO and would like this to continue. The Board will follow progress in this matter.

5a. Strategic and financial planning

The Secretariat presented the review of strategy meeting that took place on Tuesday 1 July. He stated the need to focus on the three diseases, medicines and diagnostics. It was suggested that the proposed framework should cover the current mandate, look at current and potential niches as well as the potential new areas foreseen in the next 3 to 5 year.

This framework should allow for the development of the term's of reference of the assessment. Within it, it should have the duration of support needed as well as how to work with partners on transition and scale up development of other drugs.

Scope and type of transversal actions has yet to be refined; support of delivery at country level for which a proposal has been submitted, and new partnership could be built (like SCMS), pharmacovigilance, or monitoring of pharmaco-resistance are drug related issues with a direct potential interest for UNITAID, specific partnership should also be discussed. The question of investment of UNITAID in R&D has also to be refined.

AMFM - what can be the project - need project for November

A strategy is also providing a way to fund with implications on governance. The next steps should be:

- Develop TOR and do a tender - beginning of September,
- Hold consultation with Board members in October
- Have strategic framework by November allowing time before Board to look at Strategy.

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

Comments by the Board:

Norway suggested that the key points from the technical strategy meeting are drawn up and circulated. They believe UNITAID should have clear statement of where it is now as a lot of strategy has already been done. This strategy needs to be examined, and key questions asked that will identify priorities and bottlenecks in order to achieve the mandate and go beyond. How the strategy is taken forward is a decision for the Board. Norway does not believe creating a sub committee is of use due to everyone's interest in this issue. Norway would like to see a process that is solid in order to balance interests.

The Gates Foundation believe a parallel process should take place, there is an absence right now of framework for existing and new niches, so it is not possible to evaluate applications and ideas as they come up. A framework for Gates foundation, Communities and NGO's, should be a short guide that enables decisions making. Currently there is not enough on transition strategies and continuation of these investments. This should be a 'high criteria' for decision making.

Asia agreed that guidelines would help when approving funds. It raised concerns along with Africa, with regards to UNITAID's current mission and how the new strategy might affect this. Should a new mandate be considered before the work on the strategy can be done? Does the Board need to consider going beyond its current mandate? How can duplication be avoided?

Chile believes that a strategic plan can be drawn up by a technical group but new niches should be a decision of the Board. Decisions need to be taken with all information available and over time. The Board should have the chance to make proposition for intervening in diseases with the resources available.

Brazil warned that going beyond existing niche should be carefully considered by the Board. The reason for UNITAID's current success is the three diseases, the targeted approach and market impact.

The UK agrees with the need for a framework to make both political and technical choices, but from what perspective should these choices be made? Concentrating only on what UNITAID is good at is not enough. The perspective of the framework needs to delve deeper and consider the angle it want to take for example: needs based; rights based; cost effectiveness; cost benefit analysis.

Transition is an important part of the strategy and it is just as important to plan for coming out as it is for going in. The right questions need to be asked to ensure

consultant have the correct Terms of References. The UK would like the TOR circulated and agreed on very quickly.

The NGO's presented a list of stages to the Board. The NGO's suggested that one consultant should be sufficient to do the work needed on strategy. The secretariat questioned this, and feel that a team of consultants would be more appropriate, they believe that the timeframe of November is achievable. The UK pointed out that work has already been done by McKinzy which will help. The UK also suggested a Board retreat in order to get general ownership of the strategy and to sync with partners and test some of the issues that will transpire.

Norway and Brazil felt that the Board should not interfere with the process, that the expert advisory group should insure consistency of ideas.

The Board agreed to the strategy stages put forward in discussion

5b. Evaluation of the Secretariat Functions and update

The Executive Secretary presented the organigram of the current secretariat and outlined the different positions. In light of current discussion and with the current structure, there will be staffing gaps. The secretariat foresees the need to provide for 20 to 25 posts, however the structure presented will continue as it until the end of the year. The strategy that will be developed will also have to address the future needs of the secretariat.

The NGO's recognized the need to increase staff capacity however the functions of each staff member will have to be clear. France agreed that capacity needs to be increased and should adapt to the changes that UNITAID will be going through. Cost and expenses should be capped. The Gates Foundation requested to have more information on reporting lines for market dynamics, experts, managers and procurement.

The Board agreed that with long term growth a better proposal will be needed but current structure was acceptable to all.

6. Voluntary Solidarity Contributions (VSC)

The Steering committee met during lunch break and drew up a draft resolution that was presented to the Board. The Board was updated on the draft resolution and activities to date. It noted the timely manner in which the process has taken place, and how the window of opportunity was being seized, and that time was of the essence. It is important of course not to forget that it is tax payers money that is being spent and therefore accountability is key.

The lunch time meeting uncovered process issues still outstanding. The steering committee group proposed to the Board that an extra two weeks be given to resolve these issues. This time will allow for a consensus on what should be the purpose of the foundation, how it should be organized, agree on the language used as well as how the money should be spent. Norway asked to have some of these outstanding issues be addressed straight away.

Bernard Salomé explained to the Board where the project currently stood. There are currently three companies that control 85% of the airline tickets sold in the world. When a plane takes off the transaction goes through these companies and through their software, this software needs to perform at 99.99% efficiency and there are penalties if they don't. When the Street Chairman was convinced to take part it requires a lot specialized code writing. So when asking to go full speed ahead there needs to be a lot of planning and resources. It is public money so caution is required.

There will be a contract between the foundation and UNITAID and money will be given towards UNITAID projects, how much money will have to be agreed on. The foundation is a legal status in itself and issues on how the money will used innovatively has not been dealt with. Money is currently required to cover the costs of lawyers, travel and consultants. A new resolution to cover these costs will be drawn up on this day.

Africa feels that the new foundation mandate needs debate. How close should the link with UNITAID be? If money is used for something else it will be hard to explain this to donors. Africa understands this foundation is being created for legal purposes so it is trick to collect more funds, but all these funds should be used for UNITAID mandate, if not the UNITAID mandate should change.

From the outset France has been behind the VSC project and this individual contribution and work of McKinzy and has been complemented, it is not just an excellent idea but a credible one with real potential. The world's economic situation might affect some of the long term projections, but support should be given to this foundation. France want to make sure that VSC will be only implemented in countries where the contributions won't be taxed. Decisions will have to be made that reach far beyond the VSC and the mission of this foundation will impact UNITAID. France feels strongly about UNITAID, France has launched a successful tax and discussions on a new forms will impact activities. The foundations objectives need to be clear for people to understand. Governance is an important issue, what will the role of the Board be such as by laws. From a legal perspective how will the foundation be administered? These questions need answering and a consensus between Board members is required so that it can move ahead.

Norway is not sure if the UNITAID Board could back another financial mechanism. Does UNITAID want to be part of this game plan or should leave it others? If it is limited to just UNITAID it might undermine what public actors are doing. The fact that this new foundation is being created might mean that a new approach needs to be found. It is important not to hold idea captive to UNITAID, as this initiative is important and will demand substantive resources. Norway agreed to continue discussions at a later date. WHO recognized this project as promising, and pointed out that the health sector will benefit from such innovative financing mechanism so it is important to look at issues and move quickly.

The Chair agreed with the Board on taking discussions further and to cover the issues of: ownership; governance; how the money is to be spent; what should happen if there is an excess of funds; what the mandate for the foundation should be; and by how much should it reflect UNITAID's mandate. The NGO's feel that the foundation mandate should be limited to drugs. The rest of the Board felt health was

sufficient, the NGO's would also like the MGM goals 4 and 5 to be covered. The UK raised the issue of transparency and accountability, in particular during the transition period. Who has rights to commit money and how will these rights be continued? The UK raised the issue of a contingency plan in case monies do not meet expectations and does not cover running cost. How then will the costs be paid?

The Board decided to postpone the decision in order to address the issues raised. An extraordinary Board meeting is planned for the end of July and a resolution will be put forward. During this Board meeting a resolution to cover the transition team will be forward. Board members were asked to put their questions in writing and send them to Bernard Salomé by the end of the week.

On the basis of what has been discussed a written statement is to be drawn up and reviewed tomorrow.

7. Presentation on the Review Process of Project Proposals

Presentation by the Secretariat

Using the Pilot Processes which uphold UNITAID's mandate it focused on market dynamics by setting an evolution criterion for the need for proposals to demonstrate potential market impact. UNITAID has completed the first steps of these novel and rigorous submission and review procedures. The results are promising.

In a very short time UNITAID has succeeded in calling for both full Project Proposals and Concept Notes and establish on an interim basis an independent technical review group, which has in this limited time succeeded in generating interest in UNITAID beyond its traditional partners and represents a milestone in UNITAID's evolution.

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

The Board recognized the amount of work that has gone into this process. The NGO's requested clarification with regards to the experts being bound and there being a conflict of interest. What should happen in this case? More precise information is needed within the summaries about market impact and its importance as a stand alone and not a scale up. The Gates Foundation commented on how the consultation with Board took place. They find the current process insufficient with little strategy and taking place over a too shorter period. They proposed to postpone all proposals until a strategy is devised.

France and Africa felt that the process was advancing, and would like to see French speaking experts on the panel. France agreed with the NGO's on the importance of market impact in the proposals. The Communities were concerned about the process transparency, and suggested the Global Fund as a good model to look at

with their open call for expert. They felt there was also a gender imbalance in the expert committee. The UK questioned the expert panel abilities, in terms of expertise, guidance, expectations and deadlines.

Africa felt that the projects should be review specifically for content and ideas and not judged on how well they are written. Norway would like to find a way for the expert group to be brought to the Board and that this type of works be more streamline and systematic. UNITAID's strategy is important and will affect the process in the future. However the projects need to move forward. It is true that some projects do not fulfill mandate, but it is important to approve those that come close. If project funds are not allocated now it will have an impact on the future.

The Secretariat feel that the call for proposals has taken place in a transparent way since it started in January. The process has taught the secretariat invaluable lessons for the future. UNITAID's strategy is not based on open call but in this instance it has help to have a clear view on what needs to be invested in. The expert group is an interim group at the moment and it is true that the Gates foundation have not been evolved in this stage.

The Gates Foundation feels that proposals need to advance UNITAID's specific objectives in order to create better alignment. The NGO's stressed that is was not possible to work on a model where someone on the outside makes proposals, as they will not have the same motivations. What is important is to act in proactive way with a team within UNITAID, to think up ideas and convince people on the outside to align with these objectives.

The Secretariat is clear that it needs to be more proactive in leading the process, it needs new ideas, and is currently limited by the number of potential niches. What will be the issues in five years time? Data needs to be collected so that experts can make the right decisions and not only on drugs but information too.

8. New Project Proposals

The Chair commented on the impressive body of work has been undertaken by both partners and the Expert Advisory Group and the Secretariat since EB7.

The sound technical review made by the independent Experts consistently applied UNITAID's key criteria of market dynamics, additionally and eligibility across all the proposals. It is now time to considering the recommendations presented in light of UNITAID's policy and available finances.

The funds are available to approve all the projects Both Green and Amber. Decisions need to made so that UNITAID can continue in its work and achieve its objectives, as well as achieve credibility with UNITAID's partners.

Prof McIntyre provided information on the Expert group. An eligibility criteria helped the expert panel, and agreed that market dynamic was not address if only in the RUFT project. The group looked at price, process and believes a thorough job was done despite the time constraints and the quality of the documents submitted. How would the Board like to see market dynamics addressed?

The advisory group did see themselves as just that and whether it was worth the money is the Board's decision.

James McIntyre presented the four HIV/AIDS projects to the Board

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

The Board noted that it would need to look at each project on an individual basis, and asked for clarification on how both the Green and Amber projects were addressed. It was decided that all Amber project would be put on hold in light of strategy and the Board would review each of the Green projects in turn.

The discussions were close for the day to resume in the morning.

Geneva day 2 - Thursday 3 July 2008

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

Mr Ray Chambers gave an insight into the situation of malaria in the world. To date 50 million children have died, of which 3 million in last year, all preventable. The economic cost of malaria is estimated at US\$ 30 billion a year and the opportunity cost compounded could be as much as US\$ 100 billion a year. There are currently 600 million people at risk of malaria, and to protect each of these people is a costly task not only financially but logistically. There are opportunities to be had with the different organizations investing in malaria. These include the Global Fund and PEPFAR among others.

Net technology has made great progress with treated bed nets now offering 5 years of protection, and killing any mosquito that should land on it. It is a simple and effective treatment that combined with medicines means that many countries are seeing a reduction in death rate caused by malaria, for example Rwanda. There is good hope that mortality rates will drop even further.

Further plans to develop a vaccine for looking at long term solution are also taking place.

Malaria is not officially a neglected tropical disease but is has become so in some ways next to AIDS. Mr Chambers now believes people are working together to make things happen, and he sees examples of this on a daily basis, for example, in the Democratic Republic of Congo a creative solution was found through mobilizing the peace keeping forces to deliver nets. If the universal coverage that secretary general called for can be met, then the death will drops and the MDG can be met by 2010. If by combating malaria we can break though barriers it will prepare the way for the other diseases too. Mr Chambers thanked UNITAID and the Chair.

Questions were addressed to Mr Chambers.

The UK enquired on treatment of malaria. Mr Chambers, explained that treatment does play a significant part in the fight against Malaria. Treatment is essential within 24 of symptoms, so it is important for medicines to be easily available, hence the importance of private kiosk as well as clinics. Treatment cost need to be subsidized to keep prices low. One issues it to be able to give both nets and treatment for free.

The Gates Foundation enquired as to the how Mr Chambers saw UNITAID's involvement in contributing to this overall goal? And are efforts going in the right direction? Norway added to this by asking what could UNITAID's specific mandate do for malaria and where should UNITAID's involvement be?

France informed the Board and Mr Chambers that they are committed to malaria and many cultural events will be taking place on the 9-10 of September in Paris, to which Mr Chambers said he would attend. France also wanted to know Mr Chambers view on the AMFM and in which way UNITAID and Global fund should take part? Brazil was interested in both prevention and treatment, in particular for Brazil where although not life threatening Malaria is still an important Public Health issue. Africa agreed that Malaria is the largest cause of mortality and UNITAID could spend all its funds on prevention and treatment. From a prevention perspective Africa was interested to know how vector control and sanitation were being addressed.

Roll Back Malaria recognizes the work being done in both public and private partnerships. RBM participated in regular meeting with Mr Chambers, they were now able to increase visibility. RBM support a comprehensive approach to malaria, bed nets, sprays, preventive therapeutic treatment for women, and children medicines.

Mr Chambers explained that work plans are currently being drafted and these will show how each organization can contribute. He felt that UNITAID has a unique role and the ability to do thing differently and in a timely manner offering guarantees to manufactures allowing them to produce. This is crucial in the fight against Malaria. Mr Chambers also stated his support for AMFM. He noted his concerns of the intangible cost of malaria to a country such a Brazil, and the importance to continue work on vector control, continuing work on sanitation, insecticides and lavacides. He reiterated the importance of bed nets in preventing malaria.

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

Return to:

8. New project proposals

Prof James McIntyre reviewed the rest of the project for the Board
Tuberculosis

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

Malaria

- Long Lasting insecticide-treated nets

MMV - Pharmacovigilance programme for new antimalarial drugs red light

Tranversal

- Pre qualification of UNITAID Priority Diagnostics

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

Comments were received on the projects.

Norway felt that two particular project did not deserve the Green light status. These were the WHO/HIV PharmaAccess project and Reformulation of Existing TB Drugs for Infants and Young Children. Brazil agreed with Norway, and reiterated the need for a strategy. They believe that some projects could be combined and were showed concern on how market impact was assessed and how Green lights were given. The NGO also felt that they did not understanding the bases on which the projects were rated and how the experts made their choices.

Prof. McIntyre, explained that what was being presented to the Board was a condensed version of the entire process and that this as a summary may appear misleading. Prof. McIntyre was taking note of these comments and this will help in the future to address how the information should be presented.

The Communities were concerned about the CHAO project with respect to two points. The possible conflict of interest between the pharmaceutical company and Lilly, as well as the appropriateness of the drug being proposed cyclocirine.

The Chair, proceed to go through each of the projects one by one.

Number 5 - Facilitating procurement and increased access to quality diagnostics for initiating and/monitoring treatment for HIV/Aids and malaria to help achieve global health and development goals.

The NGOs wondered is it is realistic to expect products to be sold without being quality approved. Their concern is that it will produce a price increase and favour one or two pre qualified manufactures. What could be done to ensure that these products are bought by others? Why does the project not cover TB? Is it because TB comes under another department in which case this is not a satisfactory answer. What of a bulk procurement scheme? All developing countries should have access to better price this will allow countries be able to buy.

WHO called out that in all political debated there is contradiction. What is reasonable price? More detail explanations are needed. Discussions are taking place between partner's and NGO's. WHO felt that they could not let this comment pass. Brazil agreed with NGO's, Brazil supports this project as there is a need to have a pre qualification process and a need to strengthen WHO.

The Board approved the resolution.

Number 4 - Long lasting insecticide-treated Nets

Asia and Brazil felt that the project was very valuable, however the decision should be weighted from strategic framework but were not opposed in approving today.

The Gates Foundation commented on the size of the project and wondered if this would shadow the AMFm. They did not feel that the project impacted market prices but it would provide scale up of delivery. The Chair agreed on the issue of strategy but felt that with this project UNITAID was addressing rapid response. The Communities again were concerned about conflict of interest and the amount of UNICEF projects under consideration. They would like to know how these issues could be resolved. The secretariat agreed to look into this, it noted that there were a number of the UNICEF project that had receive the red and Amber light and it was then up to the Board to advise on how these projects should proceed.

The NGO felt more information was needed on; market impact; price; disbursement; support network; logistics; and government relationship in order to allow them to make a clearer assessment. They also suggested that to avoid conflict of interest, an individual should not work with his previous employer for at least a year after leaving his functions.

The UK and France agreed more information is required and that a Green light does now mean a blank check but permission for the Secretariat to work on the project. The Gates Foundation are not opposed to the project but felt that the cost per net seemed high and further negotiations were needed. The UK felt that it was important for this project to achieve market impact and would like this clearly stated in the resolutions.

Norway asked for the resolution to be pulled up on the screen and an extra line was added to the resolution

- To make every effort to achieve maximum market impact.

The Board approved the resolution.

Number 2 - Extension of PMCTC project

The NGO and Communities felt that the market impact was unclear. The two drugs suggest in this project are old. They also raised the issues of stigma for baby, and what transition issues were in place when the project ended.

Africa had no objections to this project. They felt it was important to focus on patients and not only on market impact. France also supports the project but would like it to target more African countries, and therefore county policy should be rethought as well as diversification of partnerships. The Secretariat will consider these issues.

The Board approved the resolution.

Number 3 - To maintain effectiveness of first and second-line ART regimens in Africa.

The Gates Foundation and Norway would like to differ the decision on this resolution. They suggest waiting for larger policy decisions on this. The Secretariat suggested moving this project to Amber light and the a number of question be resolved before further consideration, in particular with regard to market impact and future strategy. The NGO felt the project should have a red light as they feel it does not within UNITAID's mandate.

The consensus of the Board was to place this project in Amber light and will be addressed further in light of the new strategy.

Number 6 - Reformulation of Existing TB Drugs for Infants and Young Children.

Communities made observation that this was good model, but the drugs being proposed were not appropriate. The Gates Foundation would like to Red light this project. WHO cannot make a recommendation on the drug used but felt the project had good intentions for a second line drug for children. The Communities stressed that coming up with new formulations for MDR is very important especially for children and this was an opportunity for UNITAID to step upwards and forward.

The project needs further development from the Secretariat to address issues related to the drug being proposed for testing. A different methodology is required as well as consideration on criteria for developing partnerships. This project is to be followed closely by the Board.

Number 1 Esther - Project aiming to ease and safeguard the availability of ARV treatment and its good management for people living with HIV/Aids

Africa felt this was a good project, even if the impact on patients is not clear. France also supports this project and hopes relevant concerns are met. The NGO felt again there was no market impact in this project and the project does not fall into UNITAID's mandate. The NGO's felt that for projects of this nature the best solution for the Board would be to decide to adopt more suited projects and to remember that UNITAID is the only body that can influence market and it should do so. Africa felt a problem lies with the procedure, there was no call for application for projects with defined criteria and therefore we have proposals that do not meet our concerns and in particular distribution - what is the point of bringing price down if distribution is not done?

The Secretariat noted the importance of Board guidance and strategy on this issue. The Board approved the resolution.

Amber light projects

Number 8 - Viral Load expansion of UNITAID Adult second-line

NGO's had a question for the experts with regards to the communication with CHAI. The project does not mention increasing competition, CHAI should give reasons why

they don't want to increase compensation prices and hold them secret. This goes against UNITAID - if this happens how will such negotiated prices be available to all? The NGO's feel that health standards of the north should not be applied in the south health - reducing prices is more important than increasing demand.

The Chair stated that no decision would be made on Amber projects during this Board and that more work needs to be carried out on these projects.

The UK wanted to know what is meant by Amber light. They believe that in some cases projects might not be able to be financed by UNITAID because they do not fall in the ambit. Consideration has to be given on the feedback given to each project and what needs doing with each of the projects in light of strategy. Brazil agrees with this, but it is not possible to wait until strategy for all projects, some projects can be moved forward and there is a need to engage with partners. Norway agrees that different projects have different requirements that may not be strategy driven, for example viral load project. The Board needs to differentiate decisions on each. The Communities feel that viral load machines are needed in South, and a concept note is required. They suggest creating competition on this. The Secretariat will work with CHAI on their proposal. They will also ask WHO PSI to develop full proposal. The secretariat will report to the Board on the projects progress.

It was agreed that projects 3 (HIV 1st 2nd line ART) , 9 (RUFT) and 10 (Burkitt's Lymphoma) will not be worked on at this point but will await strategy to move forward. The other projects will be looked at and work on them will continue.

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

Imelda De Leon presentation

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

The Board approved the resolutions for both projects.

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

Philippe Duneton presentation

As UNITAID stand to enter into broader partnerships and expand existing ones, it is imperative to have the means to systematically assess capacities and readiness to effectively implement UNITAID-funded interventions.

Brazil felt some important organizations that deal with HIV/AIDS, TB and malaria in other areas of the world were not included and it is important that they are. Possible need to recall some organizations to be UNITAID partners. France agree that

Partnerships should be diversified and include French speaking countries. The UK said it was essential to have a framework for suitability of partners, this should not be a big exercise, there is a lot of experience available. Need to consider who UNITAID can and cannot partner with. The NGO's agreed with this, and to remember that the aim is to provide medicines. The Secretariat thanked the Board for the clarification and note that benchmarking is required and that a lot of information is available and progress will be made.

The Board approved the resolution.

11. Patent pool

Ennen't Hoen from Medecins Sans Frontiers presented to the Board on the importance of the patent pool in reducing the cost of medicines.

The process to date has been

- MSF paper on medicines patent pool - June 2006
- IPDS preliminary legal review - July 2007
- EB6 - Resolution on patent pool - December 2007
- 1st technical meeting on patent pool - March 2008
- 2nd technical meeting on patent pool - June 2008

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

The next steps suggested by the Secretariat are:

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

The UK agrees in principle to support the patent pool. They believe that it is a good idea set up Task Force but they want to make sure that it is representative of stakeholders and that there are no overlap between existing groups and Secretariat. They noted the importance of consultation between the Task Force and particular potential licensees. They expect the Board to have final decision after work that has been done. Brazil questioned the link between the Board and the Task Force in order to ensure a proper mechanism between the Task Force and secretariat. Brazil did not like the avoidance on non voluntary license section, they feel it is a right countries should have and there is a need to be more coherent. Brazil wondered if the approval of the patent pool could be done before November.

Norway welcomed the proposal and the update on the patent pool, and feel that a milestone has been reached. They feel there is still a need for a clear understanding

of the role Task Force, expert group, and secretariat with the Board. This should be included in the draft resolution. The Board needs to decide next steps, and more focus needs to be placed on results in particular what is it expected to achieve in the three year programme. In the area of drugs is there any experience of patent pool that we are building on? or is this a new initiative? Norway suggested that a time line be drawn up, and that a yearly evaluation takes place in order for the Board to further the project. UNITAID by its unique structure is well suited to develop the patent pool.

The Communities also expressed their support for this project to reduce prices and increase access. The NGOs feel that his proposal fits with what UNITAID is about, they welcome the fact that the Board has the option of compulsory licensing as part of constitution. The NGOs suggested amendments to the resolution. With the rest of the Board the following amendment was made:

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

Norway would like the process to not exceed 6 months, France is also concerned that progress need to be visible. They also feel that it is not possible to set a principle before the Task Force is known.

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

The Board approved the resolution.

Dr Bermudez noted that this was historical moment in Public Health. He expressed on behalf of the Secretariat the excitement felt about this opportunity and the fact that UNITAID has been able to move rapidly showing the way forward, he thanked the Board for the comments and propositions.

12. Solidarity Voluntary Contribution

In light of previous day's discussion, the Board discussed how the VSC should proceed. It noted that the transition team will need to be paid for. The NGO specified the need for an agreement to be made in order to move forward. The suggested to hold at least two conference calls, one before the 14th of July and another around the 25th July during which the Board would look to reach an agreement on implementing resolution. A face to face meeting is necessary this extraordinary Board meeting could take place in Mexico during the Aids conference. A legal council needs to be selected quickly in order to facilitate the project based on the proposal of the 9th June.

France agreed to a clear process with clear deadline dates as well as the importance of face to face meeting. With France hosting the EU presidency dates will be hard to find. The Chair noted that if we want VSC, we are going to have to work hard and soon and the fees will be high for legal council and there is a minimum amount of work that needs to be done. Bernard Salome is currently being paid by French Government, this will not be sustainable for much longer.

The date the Extraordinary Board meeting has been set to the 29th of July in Geneva.

13. Any other business

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

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

The UK wanted to know when the minutes for the Brazil Board meeting would be available. The Secretariat assured that these would be made available along with the minutes from this meeting in the next couple of weeks.

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