



12th Meeting of the UNITAID Executive Board 8-9 June 2010, WHO – HQ Geneva

Minutes

Contents

1. Adoption of the Agenda.....	2
2. Minutes from the 11 th Meeting of the UNITAID Executive Board	2
3. Overview of Progress since EB11	2
a) Report of the Chair on Resource Mobilization.....	2
b) Report of the Executive Secretary.....	2
c) Key Performance Indicators 2009	3
4. Report of Policy and Strategy Committee	3
a) Report by the Chair of the Policy and Strategy Committee	3
b) Update on establishment of the Proposal Review Committee	5
5.1 Report of Finance and Administration Committee.....	5
a) Audited Financial Report 2008–2009	6
b) Revised Budget 2010	7
c) Funding capacity analysis.....	8
5.2 Resource Mobilization Plan.....	8
5.3 Human Resources Plan	9
6. KPIs 2010–2012.....	10
7. Implementation plan of Medicines Patent Pool	11
a) Report on the implementation of the Medicines Patent Pool Foundation.....	11
b) Memorandum of Understanding.....	12
8. Report and recommendations of the Governance Working Group (for decision)	14
9. Update on operations - Report on implementation of projects approved by the Board.....	16
10. Funding Priorities	19
a) PMTCT extension for 2010.....	20
b) Paediatric HIV transition 2011–2012	20
c) Paediatric Tuberculosis extension	21
d) Update on Viral Load.....	22
11. Unsolicited Proposals.....	22
12. Update on the Affordable Medicines Facility - malaria	23
13. Update on Voluntary Solidarity Contribution project report from the Millennium Foundation	25
14. Calendar of Board meetings for 2011 and 2012 and other events requiring Board members	27
15. Any other business.....	27
Annex 1 - List of Participants.....	28

1. Adoption of the Agenda

The meeting began at 08:40 and was opened by its CHAIR, Philippe Douste-Blazy. He welcomed members of the Executive Board and the staff of the Secretariat to the twelfth meeting and thanked the Secretariat for organizing the meeting and preparing the documents. He presented the new Board member for Chile. The full list of participants is available in Annex 1 to this report.

Responding to a question from the UNITED KINGDOM, the EXECUTIVE SECRETARY explained that certain items referred from the 11th meeting had been excluded from the agenda as the final agenda had been very full and it was unlikely that there would be time to cover all the required topics. The UNITED KINGDOM added that with regard to agenda item 10, it would be important to have a discussion on the prioritization strategy for proposals, as there was limited funding available for projects.

DECISION

The Executive Board adopted the agenda without amendment.

2. Minutes from the 11th Meeting of the UNITAID Executive Board

DECISION

The Executive Board approved the minutes from the 11th meeting of the UNITAID Executive Board without comment.

3. Overview of Progress since EB11

a) Report of the Chair on Resource Mobilization

The CHAIR explained that concerted efforts had been made to interest governments of a range of countries in the air ticket levy, including Japan, Liberia, Kenya and Senegal. Particular progress had been made following the election of the new government in Japan. The Chair of the new Parliamentary Committee had expressed his support for the air ticket levy and had agreed to draft a report on behalf of the government stating that in order to establish a levy on foreign currency transactions in Japan; it would be easier to establish a micro-solidarity tax on airline tickets. This idea was in the process of being discussed within the Japanese Parliament. A trip would be made to Japan in the following months to present a summary of the work done in this sphere and to hold high-level discussions with the Prime Minister and the Minister of Finance. In Liberia, the President had officially agreed to establish an air ticket levy within the country. In Kenya, there was support amongst key governmental figures for the establishment of an air ticket levy, although only on the understanding that half of the funds raised would be spent on health in Kenya, and the other half would be paid to UNITAID. Work on the establishment of an air ticket levy in Senegal was ongoing following the agreement of the President of the Republic on the issue.

b) Report of the Executive Secretary

The EXECUTIVE SECRETARY welcomed the new representative from Chile and emphasized that 2010 was a landmark year for UNITAID due to the establishment of the medicines patent pool foundation, the development of the Human Resources (HR) Plan and its work related to MDGs 4 and 5. UNITAID had proved that it was having a significant impact

on health outcomes and those small solidarity contributions from Members represented significant and vital funds health.

The 2009 annual report showed that UNITAID interventions had been successful in expanding access, reducing prices, improving quality and speeding up delivery of medicines. However, in order to ensure that UNITAID's work continued in the future, it was vital that sources of funding were sustainable and predictable. He requested that Member States continue to support the work of UNITAID. UNITAID-funded projects were active in 93 countries, 41 of which in sub-Saharan Africa. With regard to MDGs 4 and 5, rather than expanding UNITAID's mandate to cover these goals, it was better to highlight the indirect impact that UNITAID's work has had on them. For example:

- As the world's largest funder of integrated PMTCT programmes, UNITAID was helping to reduce the burden of mother-to-child transmission;
- By providing paediatric medicines for HIV/AIDS and TB.

UNITAID had been recognized as an important implementing partner in each niche by a variety of sources, including the Director-General and keynote speakers at the Sixty-third World Health Assembly.

c) Key Performance Indicators 2009

The EXECUTIVE SECRETARY and the CHAIR explained that both the Finance and Administration Committee (FAC) and the Policy and Strategy Committee (PSC) had endorsed the 2009 Key Performance Indicators (KPIs) and had recommended that the Executive Board approve the resulting resolution. There had been lengthy discussion in both committees on the indicators and agreement had been reached among all members. Members of the Executive Board acknowledged the importance of the work done by the two committees in facilitating the decisions of the Executive Board.

DECISION

The Executive Board adopted draft Resolution n°1 (document UNITAID/EB12/2010/R1) on Key Performance Indicators 2009

4. Report of Policy and Strategy Committee

a) Report by the Chair of the Policy and Strategy Committee

The CHAIR OF THE POLICY AND STRATEGY COMMITTEE, Mrs Sissel Hodne Steen (Norway), gave a presentation on the work of the Committee since the Eleventh Meeting of the UNITAID Executive Board. The key points were:

- The PSC had discussed issues related to funding capacity, the HR Plan, KPIs for 2009 and 2010-2012, implementation of the UNITAID Strategy, Operations, the Global Fund Partnership, issues related to the PSC, the establishment of the Proposal Review Committee (PRC);
- Funding capacity:
 - The FAC had advised the PSC that that no new funding commitments could be made until new pledges had been confirmed;
- HR Plan:
 - The PSC had endorsed the HR Plan and requested the Secretariat to provide more detailed terms of reference for the Board liaison officer and an organizational chart including support staff;

- Members had also requested a more comprehensive explanation of the differences between the current and proposed structure and a UNITAID-specific HR policy in line with that of WHO;
- KPIs 2009:
 - The PSC endorsed the report on the 2009 KPIs;
 - However, there were many key challenges remaining. These included:
 - The establishment of targets and baselines;
 - The need for a market intelligence system in order to obtain accurate information on market impact;
 - The need to standardize reporting from implementing partners in order to be able to compare results;
 - Improving indicators in Area 2;
- KPIs 2010-2012:
 - A working group comprising the Republic of Korea (PSC), United Kingdom (FAC) and the NGOs (PSC and FAC) had been established to review the KPIs further with the Secretariat;
- Implementation of the strategy:
 - The PSC recognized the order of priority had shifted to:
 - HIV/AIDS – Paediatric and second-line medicines;
 - PMTCT;
 - Paediatric TB;
 - The prioritization criteria suggested by the Secretariat had been agreed upon, with the addition of the need to include project transition as a core element of any proposal;
 - The PSC had requested a clear list of priorities in time for the Twelfth meeting of the Executive Board;
 - For the next meeting of the PSC, the committee had requested a paper on transition strategies, with particular attention paid to the differences between extension and bridging of projects; information on UNITAID's participation in achieving MDGs 4 and 5; and terms of reference, deliverables and timeline on research and development;
- Potential new areas of intervention:
 - Several new areas of intervention were discussed, inter alia:
 - Challenges with new ARV regimes and the recent changes to WHO guidelines;
 - Rapid diagnostic tests (RDT) for malaria;
 - Co-morbidities – Hepatitis C;
 - Research and development;
- Operations:
 - A teleconference had been held and the following issues had been raised:
 - The need to report on trends in project results;
 - The need to report separate data for 2009, rather than combined data for a specific period;
 - KPIs need to incorporate health outcomes, such as showing the relationship between the burden of disease and project outcomes;
 - The selection criteria for projects needed to be evaluated;
 - Transition strategies should be included in all project proposals;
- Global Fund Partnership:
 - Areas of collaboration had been discussed:
 - Malaria through the Affordable Medicines Facility – Malaria (AMFm);
 - Multidrug resistant (MDR)-TB medicines;
 - Paediatric and second-line ARV regimes for HIV/AIDS
 - More affordable diagnostics;
 - Data and information sharing;
 - Transition of projects.

- The Market dynamics committee had discussed the quality of drugs and voluntary pooled procurement.
- PSC-related issues:
 - The terms of reference for the PSC should be implemented and a work plan further developed.

The GATES FOUNDATION strongly supported the work done by the PSC in regard of the roadmap for UNITAID and the Global Fund to Fight AIDS, Tuberculosis and Malaria. Strong communication between the organizations was essential in order to ensure close partnership, particularly as the Global Fund was soon to update its three-year strategy.

Members agreed on the importance of discussions on strategic matters with sister organizations, particularly the Global Fund, which worked in similar fields to UNITAID

b) Update on establishment of the Proposal Review Committee

The CHAIR OF THE PROPOSAL REVIEW COMMITTEE, Mr Carlos Passarelli (Brazil), explained that the PRC had been established and over 280 applications had been received. A consultancy firm called HSLP had been contracted to help assess the candidates. It had been agreed that appropriate regional and gender representation was required, and it had been decided to also recruit a number of members of the Interim Expert Advisory Group (IEAG). From a short list of 80, the PRC had, by consensus, chosen 20 candidates and 11 reserves for approval by the Executive Board. The list had been submitted to the WHO Legal Office for clearance, and to the PSC for endorsement. The PSC had endorsed the list. Following approval of the list by the Executive Board, the candidates would be notified and requested to confirm their interest. Once this had been received, the contracts would be drawn up and the first meeting would be held at the beginning of the fourth quarter of 2010. The IEAG would continue to provide support to UNITAID until this time.

After the member for NORWAY, in her capacity as Chair of the PSC, read out the draft Resolution on PRC Establishment, Board members expressed support for the names that had been nominated to serve on the PRC and acknowledged the committee represented a significant milestone in the work of UNITAID.

DECISION

The Executive Board adopted draft Resolution n° 2 (document UNITAID/EB12/2010/R2) on the establishment of the PRC.

5.1 Report of Finance and Administration Committee

The CHAIR emphasized the effect that the financial crisis had had on not just UNITAID and other organizations but also on the people that UNITAID endeavoured to serve. Without additional funding pledges, the Board would not be able to approve other projects, which heavily compromised the secure, predictable funding mechanism that had been established as one of the principle ideals of UNITAID when it was created and which was essential to its status as an effective and innovative organization.

The member for FRANCE, speaking in his capacity as CHAIR OF THE FAC, underscored the importance of receiving very quickly all outstanding country contribution pledges for 2010 as the current budget was still limited and there was not enough money available for further projects. Transition strategies for projects were also essential and should be taken into account even at the drafting stage, but particularly during follow-up and reporting stages.

He recalled the discussions of the FAC at its previous meeting, including the suggestion that consideration be given to the idea of an annual calculation of funding available and decision-making process for new projects. He felt that this could happen in one of two ways:

- The FAC could provide a statement to see what the financial capacity is in either a Board meeting in May, at which point the Secretariat would have all or nearly all contributions from countries. The PSC could then report on which projects it felt should receive funding. The Board would then receive information thereon and then make funding decisions in the next meeting.
- Alternatively, the pledges would be determined in winter, at which time the decisions on projects would also be made.

In either scenario, the necessary information on available funding would be provided, facilitating a more efficient decision-making process for projects. It would also be important to focus on resources mobilization as that concerned both strategy and methodology.

In his capacity as CHAIR OF THE FAC, the member for FRANCE presented an introduction to the report of the FAC, which included the following:

- The FAC approved:
 - The revised budget for the Patent Pool at US\$ 3.9 million for 2010 (as delegated by the Board through EB11/R5);
- The FAC endorsed:
 - The Human Resource Plan;
 - The audited financial statements for 2008–2009;
 - The Revised Budget for 2010
- The FAC noted:
 - The budget performance report for 2009;
 - The challenges and opportunities linked to the current funding capacity;
 - The report on Resource Mobilization;
 - The KPI results for 2009;
 - The recommendations of the Secretariat for the 2010–2012 KPIs;
 - The progress made on the internal and external audits and the development of a UNITAID accountability framework;

a) Audited Financial Report 2008–2009

The SECRETARIAT gave a presentation on the audited financial report for 2008–2009, which included the following:

- It had been the first separately audited Financial Report for UNITAID;
- The Report covered the 2008–2009 biennium, in accordance with the WHO reporting period;
- A Management Letter identified areas and action ongoing with support from WHO;
- Total contributions from donors received in 2009 totalled US\$ 992 million;
- 2008–2009 revenue was US\$ 623 million, 70% higher than 2006–2007 but there was a 21% drop in 2009 compared with 2008;
- Total disbursements to partners since inception totalled US\$ 722 million;
- Payments to implementing partners represented more than 90% of expenses for the period: US\$ 348 million in 2009 (compared with US\$ 145 million in 2006–2007 and US\$ 227 million in 2008);

- Revenue exceeded expenses in 2008; however, in 2009, expenses exceeded revenue by US\$ 76 million;
- Net asset value was US\$ 267 million.

While expressing support for the draft resolution, some members expressed concern, as the lack of sufficient funding for projects would hold up good projects that would otherwise deliver real benefits to people in need.

The fact that both North and South partners were targeted as potential contributors was a positive factor, but the organization also needed to ensure that current donors fulfilled their commitments. UNITAID needed a sustainable funding and transition mechanisms and should look to ensuring funding commitments for longer than one year at a time. This would give the Board, the Secretariat and other partners a better perspective on what funding would be available for projects and, in the long-term, would not dissuade people from looking to UNITAID when they wished to develop a project out of fear that UNITAID would not be able to provide the necessary funding support.

To ensure effective transition and continuity, some members expressed the view that those countries with higher needs should be encouraged to become part of UNITAID on the understanding that a proportion of the funds raised by them, through initiatives such as the air tax levy, would be used to fund UNITAID programmes in their countries.

FRANCE felt that the issues of communications and financing were linked; it was essential that UNITAID was able to make known that it had major donors, as a way to encourage other donors to start contributing or contribute more to UNITAID. Additionally, while UNITAID provided commodities in the field, it was the distributing agencies, and not UNITAID itself, which benefited from the communications standpoint, as UNITAID was invisible and virtually unknown on the ground.

Responding, the Chair recalled that, at the time of its establishment, it had been agreed that UNITAID would not have a large field presence, as there were a number of other entities working in on the ground and coordination was already problematic. However, it was clear that adequate communication was a crucial matter, and efforts could be improved, for example, through ensuring field visits by donor countries, articles in the media about UNITAID's work, including the air tax, and contacting governments to relay how their contributions had been spent.

The CHAIR took it that the Board wished to approve the draft Resolution on the Audited Financial Report 2008–2009.

DECISION

The Executive Board adopted draft Resolution n°3 on the Audited Financial Report 2008–2009

b) Revised Budget 2010

The CHAIR took it that the Board wished to approve the draft Resolution on the revised budget for 2010.

DECISION

The Executive Board adopted draft Resolution n°4 on the Revised Budget 2010

c) Funding capacity analysis

The SECRETARIAT gave a short presentation on funding capacity, including the following key points:

- Funding capacity analysis for UNITAID was carried out on the basis of pledges, meaning that it was not necessary to have the money in the bank to commit it to projects.
- The definition of funding capacity was the financial resources that were available after funds had been set aside for existing projects.
- Confirmed income for 2010–2012 was US\$ 315,691,000; the amount required for ongoing projects was US\$191,331,000, with US\$ 96,771,000 of the remainder earmarked for approved projects where MoUs were pending.
- This meant that US\$27,589,000 was available to fund new projects;
- There was currently a funding gap of approximately US\$ 300 million until 2012 between currently available funds and the proposals that were under consideration.
- No commitments for new projects could be approved apart from US\$30 million for prevention of mother to child transmission (PMTCT) and TB Extension;
- Multi-year commitments were essential to UNITAID's ability to be a sustainable and innovative mechanism.

5.2 Resource Mobilization Plan

The SECRETARIAT gave a presentation on the Resource Mobilization Plan, which included the following:

- Members were to note that this was an interim plan;
- Better coordination between the various actors and shared goals were required to enhance the effectiveness of resource mobilization efforts;
- The plan was essential in view of current circumstances:
 - The financial crisis;
 - Donor development was a lengthy process;
 - Confirmation of 2010 pledges had not been fully received;
 - Existing multi-year agreements were coming to an end;
 - Other opportunities were presenting themselves and the plan would help to maximize those;
- Objectives of the plan included:
 - Ensuring continued support from current donors;
 - Supporting potential new donors, particularly:
 - Japan;
 - Liberia, Morocco, Senegal, South Africa (where law had not yet been implemented);
 - Benin, Burkina Faso, Congo, Mali (where law was already in force);
 - Montenegro;
 - Keeping abreast of potential developments in targeted countries;
 - Monitoring and supporting the activities of the Millennium Foundation;
- Resources: the budget included some funds for consultants and the Task Force;
- Monitoring: the Secretariat would report to the FAC at its next meeting;
- Roles and responsibilities would be proposed for:
 - Chair of the Board;
 - Board members;
 - Board Task Force;
 - Secretariat.

The SECRETARIAT informed members that the Human Resource Plan had incorporated a position that would focus on advocacy, which the CHAIR felt would be an vital role as it was essential that in-country political activity could be monitored and that appropriate technical follow-up could be made in countries that had, or wished to, implement the air ticket levy.

Several members said that, given the limited resources available, UNITAID should focus its efforts in a much smaller number of countries where it could achieve a greater impact rather than spreading its resources too thinly across several countries and limiting its impact and achievement. The advocacy position envisaged in the Human Resource plan should also have responsibility for strengthening coordination with civil society and other advocacy groups that may have a more active and broader approach in their engagements, as this would be a beneficial and cost-effective way to strengthen UNITAID's resource mobilization and visibility.

Members expressed the importance of pursuing and welcoming funding from those countries that could pledge only modest contributions. It was an impressive and distinguishing feature of UNITAID that it had both North and South funding members.

One member had been informed that, even in many government offices and hospitals in countries that received goods and funding from UNITAID, people did not know about the organization's involvement. Civil society and communities could be used much more effectively in raising awareness and making UNITAID known in those countries and a concrete strategy should be established on how to support civil society and communities in that role. This would lead to greater, and more effective, resource mobilization, as people would have a greater understanding of UNITAID's work.

Great appreciation was expressed for the tireless efforts of the Chair to mobilize resources for UNITAID. In response to question from a member about his work in the Gulf and funding prospects there, the CHAIR informed the Board that the Emir of Qatar had agreed on the principle to fund UNITAID but, further discussions would be needed on how that funding could be provided. The Chair would be returning to Kuwait in September 2010 to discussions with the Prime Minister on funding prospects.

5.3 Human Resources Plan

The SECRETARIAT gave a short presentation on the proposed HR Plan. The FAC and PSC had recommended that the Executive Board approve the HR plan and adopt the relevant resolution accordingly and requested additional information be provided. The additional information requested was:

- Detailed terms of reference (TORs) for the Board Liaison Officer;
- An organizational chart that included the support staff roles;
- An explanation of the differences between the current structure and the new proposed structure;
- An HR Policy that was in line with the WHO HR Policy but was specific to UNITAID.

Information on the TORs had been provided in the meeting documentation and via email prior to the meeting. The remainder of the additional information was included in the meeting documentation, although further information on the changes to the structure was provided during the presentation:

- The number of professional positions would increase from 30 to 35, with support positions also increasing from 12 to 13;
- 14 positions would be unaffected by the new structure, while 5 would shift units;
- 13 positions would have new functions, and there would be 16 new positions created.

Full implementation of the HR Plan would result in an annual cost of US\$ 8 million for professional positions and US\$ 1.7 million for support positions, meaning staff costs would represent 2.4% of the proposed budget for 2010.

Several members expressed appreciation for the updated information and the HR Plan. The REPRESENTATIVE OF WHO emphasized that although UNITAID staff were technically WHO staff, they were not eligible for the process of reassignment that was common practice in WHO. This meant that in order to staff the Secretariat fully, it was possible that existing staff may have to be laid off and replaced rather than be reassigned within the organization. However, as WHO staff, UNITAID staff was subject to the same recruitment process as all staff, which was a time-consuming process and it was vital that there was no duplication or overlap of work between UNITAID and WHO. In response to these comments, the NGOs acknowledged that recruitment of personnel could be a time-consuming process, but urged WHO to use any possible fast track in order to ensure a timely completion of the process.

In response to a request from members for more-detailed information on the recruitment process, the SECRETARIAT explained that once the Executive Board approved the resolution and therefore instructed the Secretariat to implement the HR Plan, the positions would be advertised as widely as possible. It was foreseen that the recruitment process for each position would take approximately 6–7 months, meaning that it could be possible to fully implement the Plan by early 2011. It would be possible to provide the Executive Board with regular progress updates in the process. The EXECUTIVE SECRETARY added that networking by members and advertising in a wide range of sources would be vital to ensure a broad and transparent recruitment process.

With regard to the WHO HR Policy framework, NORWAY expressed appreciation for the information provided but emphasized that the PSC had requested that a UNITAID-specific HR Policy be submitted to the PSC at its next meeting.

DECISION

The Executive Board adopted draft Resolution n°5 (document UNITAID/EB12/2010/R5) on the Human Resources Plan.

6. KPIs 2010–2012

Introducing the agenda item, the CHAIR emphasized that the KPIs were a vital tool to allow UNITAID to demonstrate its achievements. The SECRETARIAT thanked the Executive Board members for their comments on the KPIs and reported that the 2009 KPI report would be posted on the UNITAID website immediately after the meeting. A new version of the framework for the 2010–2012 KPIs was distributed during the meeting, containing a summary of the deliverables and baselines to be used during the next reporting period. Following decisions by the PSC and FAC to form a sub-group to discuss the 2010–2012 KPIs, it was suggested that the KPIs be reported to the Board on 30 June each year in order to align with partner reporting cycles, and targets should be set for entire period, with milestones for each calendar year.

Several members expressed their appreciation and support for the work of the Secretariat and the framework provided. They emphasized that, in order to ensure that the KPIs provided a true picture of performance, it was vital that the number of indicators used remained low. The GATES FOUNDATION, responding to a comment by the Secretariat on the difficulty of reporting on stockouts both globally and at the country level, emphasized that it was vital that issues such as that be measurable. NORWAY welcomed the inclusion of

indicators related to the mission and goals of UNITAID, but expressed concerns that there was inconsistency between what was considered a goal and what was considered to be part of the goal of UNITAID. However, in order to maintain momentum, that issue could be discussed at a later date.

In regard of the reporting cycles and in response to a question from the UNITED KINGDOM, it was explained by the SECRETARIAT that it would not be possible to commit to updating all indicators more than once per year, however as the reporting cycle from partners itself was twice a year, it would be possible to update the most frequently requested information twice a year and to flag that information. NORWAY questioned whether some indicators could be reported on only every three years.

Several members commented on specific indicators. In relation to the indicator for area 2, action 4, NORWAY suggested that the number of staff completing a performance review was not relevant, rather that the result of that review, i.e. whether the staff member was performing in line with expectations, was a more appropriate indicator. On the indicator for area 2 action 6, the (ASIAN COUNTRIES) said that the indicator was not clearly defined and required a more measurable result.

In response to members' comments, the SECRETARIAT stressed that the KPIs were a work in progress and therefore it was necessary to be flexible and allow time to fine-tune the indicators. In some cases, the expected results depended on the size of the market and also the number of suppliers. In areas where UNITAID was one of a small number of suppliers, then a high percentage of the market share was an indicator of good performance. However, as part of UNITAID's mission was to open up the markets, over time good performance would be indicated by a falling market share as more suppliers entered the market. Therefore, those indicators should be interpreted dynamically.

DECISION

The Executive Board adopted draft Resolution n°6 (document UNITAID/EB12/2010/R6) on Key Performance Indicators 2010-2012.

7. Implementation plan of Medicines Patent Pool

a) Report on the implementation of the Medicines Patent Pool Foundation

The CHAIR recalled previous discussions on the Medicines Patent Pool Foundation (MPPF), including on the founders, statutes and work plan. The Statutes had received preliminary approval by the Swiss Federal Supervisory Board for Foundations, meaning the foundation would officially exist as a non-profit entity in the coming weeks. The Executive Board had been set the task of deciding upon the draft Memorandum of Understanding (MoU) at its current twelfth session. The Chair noted that there were some matters still to be resolved, particularly in regard of how to create an appropriate link between the Foundation and UNITAID while avoiding any liability risk for either UNITAID or WHO, but urged members to focus on their task to ensure that the Foundation could begin its work according to schedule.

The Secretariat gave a presentation on the Medicines Patent Pool Foundation, which included the following:

- Update on the establishment of the MPPF:
- Summary of MoU between UNITAID and the MPPF:
- Overview of feedback:

- Next steps:
 - Resolve outstanding issues regarding the MoU;
 - The Executive Board to adopt a resolution requesting the Secretariat to enter into the MoU with the MPPF;
 - UNITAID and MPPF to execute the MoU;
 - Initial funding to be disbursed;

b) Memorandum of Understanding

A number of members expressed appreciation for the draft MoU and felt that, except for minor changes to language, the text was very close to what it should be and, after resolving the outstanding issues that had been raised on how to appropriately signal the relationship between the MPPF and UNITAID, members would be happy to approve it.

Members emphasized the importance of using the network available to UNITAID Board members when recommending appropriate candidates for the MPPF Board and group of experts and the Secretariat explained that it had already established a database of names to that end which it would provide to the Foundation at the relevant time.

The Executive Board stressed the need to preserve the link with UNITAID in the name of the MPPF somehow. Responding to a question from one member on the potential liability that could come from using the language proposed by the Chair or the Secretariat that had been presented earlier, the representative from Lenz & Staehelin said that, as UNITAID had followed all other recommendation that his firm had included in its earlier legal analysis, he could see no issue of liability in the MPPF mentioning UNITAID as a sponsor, contributor or key partner, as long as it was not in the Foundation's official, registered name. The Board, Secretariat and the Foundation itself would need to exercise their good judgement in that regard as it was essential not to create the perception that the MPPF was actually part of UNITAID, or that UNITAID had any direct control over the MPPF.

The WHO LEGAL COUNSEL acknowledged the concerns that had been raised by members on the issue of including a reference to UNITAID in the name, letterhead or logo of the MPPF, but WHO also had concerns if such a reference was approved. As UNITAID was hosted by WHO and the Secretariat of the former was also part of that of the latter, WHO stressed that any activity undertaken by UNITAID also constituted WHO activity. In the case of the Patent Pool, if UNITAID was permanently linked to the Foundation via its branding, litigation or liability issues could also be brought against WHO; given the litigious environment of intellectual property, it was certainly expected that the Foundation would be affected by such matters. If WHO were caught up in any such legal issues, its constitutional mandate could be challenged and the organization could risk losing its privileges and immunities.

WHO would equally find it difficult to engage with the Patent Pool in an identifiable way without first receiving a mandate to do so from the World Health Assembly. Intellectual property rights remained controversial among its Member States and any link to UNITAID – and by default, WHO – in the branding of the MPPF could cause further problems in that regard.

WHO recognized that the Patent Pool should acknowledge the crucial way in which UNITAID had been involved in its development. The LEGAL COUNSEL, responding to a question from the CHAIR, explained that, rather than including a reference to the MPPF as being a UNITAID initiative in the logo or branding, WHO would find it acceptable if mentions of the Foundation as a UNITAID initiative were made as a statement of fact. Language could therefore be included in the MoU stating that the MPPF was funded by UNITAID. The Chair emphasized the importance of ensuring public awareness of UNITAID's role in the creation of the MPPF.

Regarding the period of engagement set out in the MoU, the SECRETARIAT responded to questions from members by explaining that while the term of the MoU was five years, the funding amount had only been defined for year one of activities. This reflected what the Board had previously communicated through its resolutions at EB11, which set out the milestones that the MPPF was expected to achieve. The resolution had also foreseen more than a one-year relationship between UNITAID and the MPPF as it had requested further analysis for the period 2011–2015. The MoU therefore incorporated the expectation that, assuming the first year's milestones were satisfactorily met, UNITAID and the MPPF would be obligated to confer on future milestones and possible funding commitments.

One member had concerns that this could lead to UNITAID committing to an undefined amount of funding for subsequent years of the MPPF. As and when the MPPF sought further funding from UNITAID, the Executive Board should treat that request as it would treat those for any other projects.

In response to questions on a transparency policy for the Patent Pool Foundation, the SECRETARIAT said this was already something that it was working on, which it would pass to the MPPF at the relevant time. Such a policy would be essential in assessing the Foundation's work and would be particularly useful to those people who had been following its development and would wish to continue monitoring the outcomes of its work.

BRAZIL proposed several suggestions to the draft MoU:

The CHAIR and FRANCE questioned whether it would be possible to establish an expert group in order to monitor the work of the MPPF. The SECRETARIAT explained that establishment of an expert group might not be the most logical step as the milestones laid out in the MoU were straightforward and would not necessarily require expert knowledge to monitor them. The Secretariat and the Market Dynamics teams would have sufficient expertise to monitor the MPPF. However, it was up to the Executive Board to decide which monitoring mechanisms it wished to put in place.

Responding to the comments by BRAZIL, the SECRETARIAT said that many of the suggestions would be easy to accommodate, but highlighted a number of comments that would need further work and discussion. With regard to the proposed amendment to paragraph 2.1, it was likely that the MPPF would consult with a variety of sources, and by specifying UNITAID it would run the risk of becoming a *de facto* governing member of the Foundation, which was explicitly forbidden by the MoU. However, it was important to note that UNITAID review of milestones was permitted. Regarding the proposed amendment to paragraph 12.1, the Secretariat explained that it was related to the confidentiality agreement between UNITAID and the MPPF and would not determine the transparency policy of the MPPF. Paragraph 10.2 was related to the interaction between UNITAID and the MPPF and allowed MPPF to consult UNITAID if issues arose. The language on insurance arrangements was standard text. In response to a further request from Brazil for clarification of paragraph 6.2 c), it was explained that one of the guiding principles of the MPPF was to ensure standard terms and conditions for licences in order to help to guarantee economies of scale. However, it was not possible at this point to guarantee all licences would have the same terms of conditions, therefore paragraph 6.2 c) was included.

Noting Brazil's proposed amendment to paragraph 6.2 b), the REPRESENTATIVE OF WHO stressed that work on dosage and medicines was one of the core tasks of WHO, and it was important not to bypass this work. The SECRETARIAT explained that the key sources of information that would be used by the MPPF to set priorities would be collaborative work by WHO and UNITAID, including the recent WHO publication on essential medicines. Norway suggested adding "identified by UNITAID based on WHO recommendations" to the end of the paragraph. However, it was suggested by the SECRETARIAT that there could be other

sources of information, so it was important not to limit the MPPF to just UNITAID- and WHO-identified priority health products. It was agreed that the paragraph be amended to read: “taking into account, inter alia, the priority health products identified by UNITAID based on WHO recommendations”.

A revised version of the MoU incorporating proposed amendments was presented to members, in addition to language agreed between UNITAID and WHO relating to paragraph 15.4.

It was proposed that paragraph 15.4 should read as follows: “The Foundation will acknowledge and recognize the important contribution and financial support provided by UNITAID. This may include a reference, when and where appropriate, to the fact that the Patent Pool has been established with the support of UNITAID. The modalities for the use of such acknowledgements will be agreed upon between the Foundation and the UNITAID Secretariat. However, this shall not include any permanent or standing co-branding of the MPPF with UNITAID.”

BRAZIL requested an explanation on the inclusion of the final sentence, to which the REPRESENTATIVE OF WHO explained that it was important that the paragraph not provide a back door to co-branding. Several members expressed their satisfaction with the proposed text as it represented a good compromise between the differing views.

DECISION

The Executive Board adopted draft Resolution n°7 (document UNITAID/EB12/2010/R7) on the Memorandum of Understanding with the Medicines Patent Pool Foundation, as amended by members during the meeting.

8. Report and recommendations of the Governance Working Group (for decision)

The CHAIR OF THE GOVERNANCE WORKING GROUP (GWG) presented the report and recommendations of the GWG from its meeting the previous day, which included the following:

- Procedures for election of the Executive Board Chair:
 - The GWG recommended that the Executive Board approve the draft Procedures for the Election of the UNITAID Executive Board Chair and that the by-laws be amended accordingly (document UNITAID/EB12/2010/8.1, Annex 1);
- Draft calendar for the process for the 2010 election of the UNITAID Executive Board Chair:
 - 12 July 2010:
 - Written announcement by Executive Secretary to Board members of election for Board Chair and call for nominations (procedure 3a);
 - 13 July–10 September 2010:
 - Nominations period (procedure 3c);
 - By 20 September 2010:
 - Executive Secretary informs Board in writing of nominations received (procedure 3e);
 - By 10 October 2010:
 - Board decides a) whether and which Board member candidates should be interviewed by full Board and b) whether and which external qualified personalities should be interviewed (procedures 4b and 5c);

- By 30 October 2010:
 - The relevant authority representing each Board member shall be received by the Executive Secretariat, formally designating the Board member and alternate who shall be empowered to participate in the Board meeting and election (procedure 8a);
- 10–11 November 2010:
 - 13th session of the UNITAID Executive Board;
- Revision of the Board Operating Procedures (GWG decision):
 - The GWG would report on its proposals for the Board Operating Procedures (BOPs) once the whole document had been discussed and agreed upon, rather than providing separate recommendations on each issue as they were discussed;
 - The GWG would aim to complete its discussions prior to EB13 in November 2010 in order to allow the Executive Board to discuss the BOPs at that meeting;
 - The Secretariat would work with GWG members to establish dates for the next GWG meeting to discuss the document;
- EB membership – Spain:
 - The GWG recommended that the Executive Board approve a draft resolution admitting Spain as a full member of the UNITAID Executive Board, effective immediately;
- Constituency representation on the Executive Board:
 - The GWG agreed on the value of maintaining a small Board size, with limited growth, if necessary;
 - The GWG agreed that it would examine further the composition of the Executive Board and its constituencies;
- Advisory group on funding priorities (AGFP):
 - The Chair focused on two questions:
 - Whether the Board needed expert advice on determining funding priorities. GWG members agreed with this proposition;
 - Whether or not the Board had access to the required experts. Some members thought that a degree of access could be obtained via the expertise of the PRC. It was noted that conflict of interest issues required attention;
 - Members agreed they would send written comments on the above questions and on the draft overview of the proposed AGFP.

Board members expressed support for a group that could provide advice to the Board on where its funding should be focused. The CHAIR acknowledged the value of the expertise that could be provided to the Board but emphasized the need not to multiply the number of committees or bodies within the organization; future discussions should focus on whether the Board could find people with the right expertise through already existing entities, such as the PRC.

In response to questions from members on whether any discussion on the election of the Vice-Chair of the Board had taken place during the GWG meeting, the CHAIR OF THE GWG explained that the position was, in accordance with UNITAID resolutions, held by a country, and not a specific person as in the case of the Chair of the Board. The EXECUTIVE SECRETARY recalled Resolution 16 of EB10, which endorsed the position of Vice-Chair and appointed Chile to serve in that role. Both the EXECUTIVE SECRETARY and the LEGAL ADVISER had affirmed that, as the resolution neither specified a time limit for Chile's appointment, nor stated that it was to last in perpetuity, the election of another Board member to the position of

Vice-Chair constituted a governance matter and the GWG would need to decide how to address the matter in its future meetings.

Members agreed with the need for further discussion, particularly in the event that Chile wished to nominate a candidate to the position of Board Chair ahead of the election in November 2010, as it would not be ideal to have both a Chair and Vice-Chair from the same country.

Turning to the draft resolution on the draft Procedures for the Election of the Chair of the UNITAID Executive Board, the Chair read out the text as recommended by the GWG and invited comments.

Concerns were raised over the sentence "The UNITAID by-laws are hereby amended, accordingly", as the necessary changes would not be discussed by the GWG or the Board. The Legal Adviser therefore advised deleting that sentence.

One member expressed support for the draft resolution but regretted the lack of time to review the text in collaboration with their government. It was agreed that, given the broad support expressed by member, the resolution would be formally adopted 10 days after the meeting of 8 June 2010 if no further comments to the contrary were received from members during that time.

DECISION

The Executive Board provisionally adopted draft Resolution n°8, as amended by members during the meeting, on the Procedures for Election of the Chair of the UNITAID Executive Board Chair, provided that no further comments were received in the 10 days following its meeting of 8 June 2010.

The Chair read out the draft resolution on Executive Board membership: Spain, as recommended by the GWG and took it that members wished to support the resolution and welcome Spain as a member of the Executive Board, effective immediately.

DECISION

The Executive Board adopted draft Resolution n°9 on Executive Board membership: Spain.

The member for SPAIN thanked the Executive Board, on behalf of his Government, for accepting his country as a member and hoped that Spain's participation would further enrich the work of UNITAID. Spain looked forward to continuing its work with UNITAID and strengthening its political commitment to the organization.

The CHAIR thanked members for the day's work and the meeting rose at 17:15.

9. Update on operations - Report on implementation of projects approved by the Board

Following the reopening of the meeting at 09:05 on 9 June 2010 by the CHAIR, the SECRETARIAT presented an update on operations and market dynamics, which included the following:

Portfolio overview:

- It included trends for 2007–2009 by niche for the following:

- Estimated number of patients treated or products provided;
- Money spent (US\$) by partners on medicines and diagnostics;
- Prices paid (US\$) per patient per year for two leading second-line regimens;
- Prices paid (US\$) per patient per year for a leading paediatric regimen (2008–2009);

Project progress activities:

- It was noted that countries from the African Region received the largest proportion of funding for each niche;
- Disability-adjusted life year (DALY) comparisons and the top five recipient countries were included according to niche;

Update on other activities:

- In terms of evaluation, the Secretariat had identified nine projects for which a provision for evaluation was set out in the MoUs and discussions were being held with the relevant partners. The Terms of Reference had been written and shared with the WHO Office of Internal Oversight Services.
- Challenges and outlook: Project transition

In response to comments from Board members, the SECRETARIAT acknowledged and agreed with the suggestion that the information contained in the report should be uploaded to the UNITAID website; Secretariat informed that the price of paediatric and second-line ARVs was already available online.

In regard of the DALY comparison, the SECRETARIAT explained it had been asked by the PSC to show the relationship between burden of disease and the decisions taken to invest at the country level, i.e. to show the process of prioritization. The DALY comparison was the most effective tool for this.

Members agreed on the need for a stronger transition strategy and felt that, as a precondition for funding, that strategy should be clearly set out at the beginning of any project. It was also essential that the organization was clear about what was intended by transition, and whether this was something for which partners would have to take responsibility for at the beginning and what role UNITAID would play in transition. The issue of transition was particularly relevant in the case of PMTCT extension request, as there was no information available on whether countries were making efforts to secure funding elsewhere, such as through PEPFAR or Round 10 of the Global Fund.

WHO expressed great appreciation for UNITAID's additionality in many emerging areas, particularly in regard of MDR-TB and XDR-TB and rapid diagnostics for malaria and HIV/AIDS.

The member for FRANCE emphasized the need for a proactive approach within UNITAID; the financial crisis had obviously affected funds for the three disease areas but the organization needed to establish how it would manage future financial flows. The Board would need to decide on the areas in which it wished to focus its interventions prior to reviewing or deciding on project proposals, which covered a wide range of potential areas of activity.

In terms of quality assurance of medicines some members noted that systems used

by some partners did not follow the quality standards used by UNITAID. Specific data on quality assurance should be gathered and the projects that did not adhere to the appropriate quality assurance standards should be listed.

Regarding evaluation, the SECRETARIAT informed members that provisions were included in the MoUs for mid-term and end of term evaluations. These would be carried out during the fourth quarter of 2010 and the first quarter of 2011. UNITAID had a strict quality assurance policy, and measures were being taken to follow up and assess this.

MDR-TB drugs were not included in UNITAID projects, however there were suggestions that it should be taken into account either by UNITAID or by another global funding institution.

[UNITAID's work on malaria focuses on the ACT scale-up, Accelerating scale-up of LLIN and supporting artemisinin extractors to ensure availability of adequate global supply of artemisinin as well as on AMFm.](#)

[Despite the efforts to strengthen availability of ACTs in the public sector, most patients have been reliant in the private sector services where ineffective antimalarial drugs and artemisinin mono-therapies are widely used and the AMFm supplied ACTs are expected to crowd-out ineffective therapies out of the market..](#)

The SECRETARIAT emphasized that the projects used generic products rather than branded medicines.

Regarding key achievements, the Secretariat was in the process of producing a document that demonstrated the market impact of different initiatives. The main achievements during 2009 had been:

- Price reduction for second-line ARVs;
- The increased availability of fixed-dose combination ACTs for malaria;
- Results of strategic rotations of stockpiles of drugs for MDR-TB which has lead decreased lead times for drug availability;
- Prequalification of drugs from new manufacturers has increased availability of drugs and reduced prices.

The key challenges that remained were related to transition.

Regarding FRANCE's comments on niche markets, it was highlighted that the issues were not related to only one project and they would need to be analysed over time within a geographical context. Therefore, the approach needed to be dynamic. Using the example of bednets mentioned by France, the SECRETARIAT explained that when UNITAID had decided to become active in that sphere, an analysis by the Roll Back Malaria Partnership had shown that an intervention was necessary at that time. This analysis had allowed UNITAID to develop a project in conjunction with UNICEF, which would not have been successful if it had not been implemented at the right time.

The GATES FOUNDATION stressed that it was important not to apply the current strategy to analyses of the first projects as the first projects were implemented to take advantage of the funding that was available rather than to identify niches. Further information was also required on the difference between the cost of drugs for poor people in low-income countries and the cost of drugs for poor people in middle-income countries.

Some members agreed that, with regard to new interventions, it was vital that analyses covered the price of different drugs and diagnostics in order to provide a clearer picture of areas requiring interventions.

In response to a request from members, the SECRETARIAT gave a short update on the progress on the market intelligence system. It was explained that since the Executive Board had approved the HR Plan, work on staffing the Market Dynamics team would start immediately. With regard to the implementation of the market intelligence system, the Secretariat was currently in discussions with four proponents and an informal meeting would be held at the beginning of July to settle the main implementation steps.

DECISION

The Executive Board noted and welcomed the update given on the implementation of projects approved by the Board.

It was announced that during the Executive Session the previous evening, participants had decided that there should be a review of the WHO terms of service within the hosting agreement. However, a formal review would be very complicated and since the five-year evaluation was due in 2011, it had been suggested that a small workshop be held with representation from WHO and the Chair to assess and discuss any issues.

10. Funding Priorities

The UNITED KINGDOM proposed that a discussion of funding priorities should be held prior to any discussion of specific projects. It had been decided at the Ninth meeting of the Executive Board in November 2008 that new proposals would not be discussed if there was no funding available. The meeting documentation contained proposals for updates to projects, new proposals and unsolicited proposals amounting to a possible expenditure of over US\$ 750 million, while there was currently only US\$ 28 million available. Therefore it was vital that Board members agreed on how they were to proceed and identify priority projects prior to discussing individual proposals.

The REPRESENTATIVE OF THE IEAG emphasized that although there was limited funding available to consider new projects, it was possible that there would be excellent proposals within the unsolicited proposals that could be missed if no discussion was held. An example of this was the proposal on female condoms. He felt that the concept of additionality, i.e. where could UNITAID fund projects that could not be funded by others, should be considered when discussing funding priorities. In the case of the female condoms proposal, there was a real lack of female-controlled contraceptive interventions, as well as great demand for such a product. UNITAID funding for a project such as that could pave the way for funding from the Global Fund, who would otherwise not be able to provide funding for a concept that did not yet exist. It was also important that the proposals selected had a clear beginning and end in order to reduce the risk of unlimited demands for funding. Shorter projects that would have a long-lasting positive effect could also be given priority. Interventions related to diagnostics were also important as treating misdiagnosed patients for HIV/AIDS or TB could cause more harm than good. Another possible factor that could affect priority setting was the impact that projects would have on the markets.

Several members agreed that a priority-setting framework should be created and implemented in order to address these issues. A matrix of the factors that affected priority setting would be a useful tool. These factors included the uniqueness of the project; the impact of the project, in terms of market impact and possible number of lives saved; the timeframe of the project; the ease of measuring the impact; and the effect on the overall objectives of UNITAID. There was disagreement over who should have responsibility for the

development of this framework. Some members felt that this would fall under the purview of the IEAG, and subsequently the PRC. The CHAIR drew members' attention to document UNITAID/EB12/2010/4.2, which contained a list of priority areas as agreed upon by the PSC. NORWAY suggested that it was important to build on work that had already been completed and stated that clearer understanding of how the criteria would be used was required.

The GATES FOUNDATION emphasized the importance of coordination with other organizations, such as the Global Fund or the Gates Foundation itself, in order to obtain a clear picture of the planned areas of funding of those organizations. This would help to identify market areas that required interventions and also provide an opportunity to gauge their interest in joining UNITAID projects in these areas.

a) PMTCT extension for 2010

The CHAIR informed members that a revised PMTCT proposal had been produced, which requested a lower amount than previously. UNITAID had been involved in that project for some time and although there were convincing arguments for continuing its involvement and funding, that was clear that Board members over whether and how to proceed.

Several members felt that the proposal for a 12-month extension to the project should be the last time that UNITAID allocated funding to PMTCT, particularly as it was not clear that the proposal had been revised to take account of new WHO guidance on paediatric treatment. There was also a lack of information on what action countries were taking in regard of transition and securing other sources of funding, such as the Global Fund. While UNITAID continued to fund the project it seemed unlikely that countries would actively seek those other funding sources.

In light of the concerns raised, members did not feel comfortable approving further funding, unless UNICEF first fulfilled certain conditions and included in its proposal its arrangements for transition and a guarantee that the relevant WHO guidance would be followed. The Board recognized the importance of not unnecessarily delaying a decision on the matter and agreed to the suggestion from one member that the draft resolution be revised to make explicit those conditions, so that UNICEF could review its proposal as soon as possible. The revised draft resolution would not commit the Executive Board to making a decision at that time on further funding for PMTCT.

DECISION

The Executive Board adopted draft Resolution n°10 on Extension and prevention of Mother-to-Child Transmission (PMTCT) and Scale-up of Linkages to Paediatric HIV Care and Treatment, as amended during the meeting.

b) Paediatric HIV transition 2011–2012

The SECRETARIAT explained that CHAI had submitted a two-year plan for transition, and would not be able to engage fully in transition until 2012, hence why the proposal covered the two-year period 2011–2012. Members sought clarification on the two amounts that had been requested by CHAI (US\$ 83 million for 2011 and US\$ 67 for 2012); particularly as the draft Resolution before the Board only mentioned funding for 2011. The SECRETARIAT explained that UNITAID could choose to halt its funding to CHAI either this year or next, but it should be understood that it was unlikely other partners would be able to rapidly take over support for the project. Owing to UNITAID's lack of predictable funding, it was not possible to provide a clear view on the organization's funding capacity in 2011 and beyond.

Responding to questions from members, The REPRESENTATIVE OF THE IEAG stressed that the IEAG had studied the proposals based on their technical merits, with no knowledge of other proposals or UNITAID's financial situation. With regard to the CHAI proposal, a number of points needed to be considered. One of the main achievements of UNITAID was the number of children provided with ARVs by UNITAID projects. If funding was withdrawn from the CHAI project, then this figure would be affected. However, paediatric HIV/AIDS was a very difficult market, and very different from the adult market, so market impact needed to be assessed. Without sustained pressure, it was possible that suppliers would leave the market. The IEAG had been satisfied with the amount of funds requested, but there was a high risk of CHAI asking for more funds at a later date.

The COMMUNITIES LIVING WITH DISEASES questioned whether it would be possible for UNITAID to play a role in assisting CHAI to appeal to governments for financial support and help to ensure a continuous supply of medicines to children. It was likely that a bridging approach would not be effective because UNITAID could not guarantee sufficient funds to continue the project for an undefined period of time. She stressed that, because of the proportion of children reliant on CHAI-supplied ARVs, UNITAID should not stop funding abruptly and so the green light should therefore be given to the project for at least one year. Some members suggested that, as there were not sufficient funds available to support the proposal, a better option would be to request a proposal from CHAI requesting support for the provision of technical support for countries to submit applications for funding to the Global Fund to Fight AIDS, Tuberculosis and Malaria. However, the NGOs pointed out that if CHAI helped all the relevant countries to apply for Round 10 funding, not all would receive funding, so this would not be an effective proposal. In response to this, the CHAIR argued that UNITAID was a market creator, and if it did not support the markets, those markets could collapse. Although the proposal was a good one, cutting the funding immediately would convey a negative signal from the Board. He proposed that a green light be given to the proposal on the understanding that the funding would have to be withdrawn in future. The green light could be given in conjunction with a letter to both CHAI and the relevant governments explaining the situation.

With regard to the draft Resolution, the Chair proposed that it should be amended to state that it was UNITAID's intention to continue to work with CHAI on this issue, but that UNITAID would be writing to the relevant countries to inform them that it would not be possible to provide funding indefinitely and, in light of that, they would need to think about follow-up strategies.

DECISION

The Executive Board adopted draft Resolution n°11 (document UNITAID/EB12/2010/R11), as amended by members during the meeting, on: UNITAID Funded Paediatric HIV/AIDS Treatment Project - Proposal for Project extension for the period 2011-2012

c) Paediatric Tuberculosis extension

Members agreed on the need to prioritize the project extension for paediatric TB, which would allow the Global Drug Facility to provide additional medicines, as a short-term intervention, in light of changes to paediatric TB treatment guidance.

The member for the UNITED KINGDOM felt that the words "Subject to the availability of funds" were redundant to the text and suggested that they be removed from the beginning of the draft resolution text, as the Board already knew the funds were available and could easily allocate the required US\$ 2.2 million. Board members agreed to this proposal to amend the text.

DECISION

The Executive Board adopted draft Resolution n°12 on the Extension to Paediatric TB Project (Component 1), as amended by members.

d) Update on Viral Load

The SECRETARIAT recalled the in-person meeting that had taken place in April with the partners involved in the viral load proposal and emphasized their message to the Board that any funding would also have to take into account implementation costs; while UNITAID did not normally support such costs in the projects it funded, they would be particularly important to the viral load project.

As and when the Board felt that it could support any revised proposal on viral load, it would be important to tell the partners, as they should know sooner rather than later what the funding prospects were, given the amount of work they would need to carry out.

While members emphasized the need for suitable diagnostic tools, the GATES FOUNDATION recalled earlier discussions in which the Chair of the PRC had raised the issue of a lack of clarity in terms of the market impact of the viral load project. Due consideration needed to be given to factors such as the role of viral load in the delivery of ARV treatments, or how the cost of delivering treatments could be substantially lowered. The Board would benefit from being provided with an independent review on, if it wished to influence the market, how much it would cost.

It was accepted that the viral load was a concept that still merited further consideration and discussion by the Board but some members felt that the Board needed a clearer position on what it wanted to see in any proposal on viral load. Consideration of any proposal also needed to be undertaken in the context of UNITAID's strategy and priorities. Members emphasized that the partners would need to fulfil certain criteria within their proposal on its impact on the market and on public health. There was a clear need in countries for a viral load as many were not able to diagnose treatment failure without such a tool.

The Board requested the Secretariat and/or the IEAG to provide answers to the questions that had been raised, particularly on market impact, within the one or two months following the meeting, which the Board would incorporate into its discussions on the viral load at a later date.

11. Unsolicited Proposals

The SECRETARIAT informed the Board that the concept notes for the unsolicited proposals were for information, and no substantive discussion or decision on funding was required. The Secretariat and the IEAG would provide feedback to the proponents on the Board's views on the concept notes.

The representative from the IEAG said that, after reviewing the five concept notes, the IEAG felt that four would merit consideration as full proposals and the Board should request the proponents to develop the concept into full proposals. Following its review, the IEAG gave highest priority to a variation on the female condom proposal, second priority to the two point-of-treatment diagnostic interventions on malaria and on diagnosis of microbacterial infections and simultaneous identification of rifampicin resistance and third priority to community-based management of malaria.

Some members agreed that while it was very valuable to receive concept notes, they would have reservations about asking the proponents to produce full proposals without first assessing the projects already designated as priorities within the UNITAID strategy, particularly as UNITAID could not guarantee any future funding for new proposals based on its current resource level.

Other members noted that within the strategy there was a provision for receiving unsolicited proposals and the Board should be flexible in assessing those proposals and whether they would complement the strategy. However, as with all other proposals, all concept notes should be assessed according to the impact on the market and on public health.

Regarding feedback to the proponents, the Board wished to convey their interest in the concept notes, particularly the one on female condoms, but stressed that, at that time, given the low funding capacity of the organization, the Board wished to defer any decision on whether the concept notes should be made into full proposals.

DECISION

The Executive Board adopted draft Resolution n°. 14, 15, 16, 17, and 18, which took note of the concept notes that had been received by UNITAID and the review that had been conducted by the IEAG. In light of the current level of funds available, the Board would defer decision on those concept notes until a later date; the IEAG would inform the proponents accordingly

12. Update on the Affordable Medicines Facility - malaria

The VICE CHAIR OF THE AFFORDABLE MEDICINES FACILITY – MALARIA (AMFM) AD HOC COMMITTEE, Ms Kirsten Myhr (Norway), gave an update on the work of the AMFM, including the following information:

- Progress update:
 - There were now nine countries participating;
 - Two grand amendments had been signed, and others were in progress;
 - The Global Fund to Fight AIDS, Tuberculosis and Malaria had signed Master Supply Agreements with 6 major artemisinin-based combination therapy (ACT) manufacturers;
 - The universal logo had been finalized;
 - The maximum manufacturer sales prices and co-payment amounts had been defined and sent to countries;
 - Contracts had been awarded to Macro Inc. And the London School of Hygiene and Tropical Medicines for independent evaluation, and with PSI, DNDi and the Centre de Recherche pour le Developpement Humaine for baseline data collection;
 - Training activity to improve in-country supply chain management was being carried out in five countries;
- Next steps:
 - Consultants (E2Pi) had been contracted to review evidence of the achievements of comparable programmes and initiatives. This evaluation was in progress;
 - A meeting was due to be held in London on 22–23 June 2010 to allow review of the approach and the Independent Evaluation Inception Report;

- Identification of contractors for ACT forecasting services on the Global ACT demand, AMFm Phase 1 countries' ACT demand and the global artemisinin demand.;
- Identification of actions to monitor and address pharmacovigilance and drug resistance;
- Key issues and concerns:
 - Market Dynamics Committee approval of limited use (solely in Cambodia) of a product that has not been prequalified by WHO;
 - Use of fixed-dose combinations (FDCs) versus co-blistered ACTs, has not been possible to restrict procurement of FDCs;
 - Market opportunities for ACT manufacturers in AMFm countries whose products are not prequalified;
 - Factors restricting access to RDTs, including price, prescription status of antimalarials, and approaches to negative tests.
 - Arrival in countries, distribution and its impact on measuring success and failure.

The NGOs expressed concerns on over-the-counter selling of ACTs and questioned how much poor people would have to pay for AMFm supplied medicines. In response to this, the DIRECTOR OF THE AMFM explained that it was not possible to predict end-user prices, but that this data would be monitored and collected once the project was under way through surveys. Collection of this data would help to lower prices to the same level as currently available drugs and therefore displace those medicines, to which resistance is currently growing, from the market.

The DIRECTOR OF THE AMFM emphasized that the most significant challenge was providing universal access. Universal access must be extended to the private sector. The AMFm provides an opportunity to study how this would be possible within the private sector. The GATES FOUNDATION added that data on the role of antimalarial drugs in the private sector was limited, particularly related to the flow of drugs from borders to sales outlets. Responding to a comment on evaluation from the NGOs, the DIRECTOR OF AMFM explained that the Secretariat was the commissioner of the independent evaluation, while the Ad-Hoc Committee was the overseer. The next steps in evaluation would be discussed at the upcoming meeting in London in June 2010.

The COMMUNITIES LIVING WITH THE DISEASES stressed that the AMFm was still a pilot project and therefore represented an excellent opportunity to assess lessons learned and then proceed to scaling up the project. However, she requested further information on the prospective funding for effective scaling up of access. The Director of AMFm responded that if phase 1 of the AMFm was a success, it would be the decision of the main funders, including UNITAID, and the Executive Board of the Global Fund to Fight AIDS, Tuberculosis and Malaria to discuss the next steps and decide how they wished to scale up.

Noting comments by the NGOs and COMMUNITIES LIVING WITH THE DISEASES on rapid diagnostic tests, the DIRECTOR OF THE AMFM emphasized that issues relating to negative test results required an urgent response but reiterated that this was not the purview of the Global Fund to Fight AIDS, Tuberculosis and Malaria.

The NGOs urged the UNITAID representatives on the Ad Hoc Committee to assess the market impact of the AMFm interventions.

DECISION

The Executive Board noted and welcomed the update given on the AMFm.

13. Update on Voluntary Solidarity Contribution project report from the Millennium Foundation

The REPRESENTATIVE OF THE MILLENNIUM FOUNDATION gave a short presentation on the MASSIVEGOOD Voluntary Solidarity Contribution (VSC) project. The key points included:

- The VSC was an example of innovative financing;
- Main outcomes of the implementation of the project in United States of America and Spain:
 - The MASSIVEGOOD brand was becoming increasingly well-known;
 - There was increasing enthusiasm for the project and its aims;
 - The technical software was working well and certification recently been granted, allowing full roll-out;
 - There had been a slight delay in the implementation of the programme; however half of the grant provided by UNITAID had not yet been spent, meaning there was sufficient funding to cover the delay;
 - System is deployable worldwide;
 - During the launch in March 2010, 8% of travel agents in United States, all users of the Amadeus system, implemented the project;
 - The launch in the United States was not as successful as hoped;
 - The launch in Spain attracted a large amount of support from celebrities, including the national football team;
- Lessons learned from the launch of the project in March 2010 in the United States and May 2010 in Spain:
 - Strategic issues remain:
 - Breaking further into the American market will require a stronger value proposition and increased brand recognition;
 - Motivating travel agents to participate in the project;
 - Encouraging travel agents to recommend the project to consumers;
 - Good communication and endorsement was important, but would not necessarily result in donations;
 - It was important to incentivize both private and public sector partners to help promote the MASSIVEGOOD brand and VSC project;
 - In order for the project to succeed, it was vital that governments, civil society, the public and private sectors worked together. This was a difficult objective to achieve because each sector wanted different results from their work;
 - The private sector was the most difficult to incentivize as they expected results and to receive something in return. A possible option could be tax sheltering for companies who participate in the project;
 - A balance between management and evaluation of the project needs to be found in order to increase the global presence and success of the MASSIVEGOOD brand and project.

The CHAIR expressed support for the work of the Millennium Foundation and MASSIVEGOOD on the VSC project. He acknowledged that, although the delay had been unfortunate, it was not an insurmountable problem and could now be addressed and rectified since the software was now in place and ready for use. The next step was to find an effective mass communication method in order to increase brand awareness. With regard to the issue of communication and promotion in the United States, a dedicated team should be established to work in the United States, and discussion should be held with Roy Chambers regarding the use of media such as CNN, Facebook and Twitter. With regard to the business model, it was important to wait a few months to see if the model was producing good results.

The NGOs expressed a wish to see clear graphical representation of where the revenue came from. She also explained that advocacy of the VSC project by NGOs was a

difficult issue as it would not be possible for different NGOs to have a link on their website to allow visitors to donate to MASSIVEGOOD. However, it would be possible for them to mention the project and explain how it worked, thus advising visitors to click on the MASSIVEGOOD donation when purchasing flights. With regard to branding, it was important to learn from the prior experiences of other organizations such as the Global Fund, who had help from people within the private sector to raise its profile. Regarding tax exemption, the viability of this idea would depend on whether the focus was on the corporate sector or private individuals.

With regard to the lessons learned from the launches in the United States and Spain, the NGOs said that it was vital that these be taken into account when launching in other countries. FRANCE suggested that work on the project should be paused while the lessons learned from the first two launches were analysed and taken into account.

The SECRETARIAT explained that the MoU between the Millennium Foundation and UNITAID contained a provision for the Executive Director of the Millennium Foundation to present periodic reports on the progress of the initiative to UNITAID to allow discussion of issues such as lessons learned from project implementation. He acknowledged the work of the Millennium Foundation to produce the report but emphasized that a minimum amount of information was reported to UNITAID periodically as it had already provided US\$ 20 million to the project. As provided for in the MoU the Secretariat of UNITAID will command an independent review of the progress of the VSC project.

Several members expressed concerns that UNITAID had invested such a large amount of funds with very little return so far and echoed the requests of the NGOs for explanation of revenue and the use of funds. Although they acknowledged that maintaining momentum on a project such as VSC and increasing brand awareness were difficult tasks that would require a great deal of work, they also questioned how much money would need to be invested to ensure the success of the project. BRAZIL and SPAIN suggested that the project had been affected by the current global economic situation and the earthquake in Haiti, which was understandable.

The COMMUNITIES LIVING WITH THE DISEASES said that it was important that there be clear messaging from the Millennium Foundation and MASSIVEGOOD regarding the relationship with UNITAID. Although they agreed with this, the NGOs pointed out that global awareness of UNITAID was not high.

The REPRESENTATIVE OF THE MILLENNIUM FOUNDATION, responding to the comments of the Executive Board, emphasized the importance of an initiative such as a tax exemption scheme in gaining access to a variety of media, such as television. He recalled data regarding donations after the Haiti earthquake that demonstrated that the more exposure there was on the topic, the more donations were given. In response to the comment from FRANCE regarding evaluation, he acknowledged that evaluation of the project was an important step to ensure future success, but cautioned against spending too much time and funding on this stage.

The CHAIR agreed with the need to find the right celebrity to endorse MASSIVEGOOD and raise its profile and he felt that television would be the most effective medium for publicising the campaign. It was essential to gauge public opinion on the MASSIVEGOOD brand but in order to do so; partners would first need to be sure how the money would be spent and who the initiative would benefit.

DECISION

The Executive Board noted and welcomed the update given on the Voluntary Solidarity Contribution by the Millennium Foundation.

14. Calendar of Board meetings for 2011 and 2012 and other events requiring Board members

The EXECUTIVE SECRETARY informed the Executive Board that its next meeting was scheduled for 10–11 November 2010 and suggested that the next FAC and PSC meetings could take place on 18–19 October 2010. Some members requested that Board and Committee meetings not be scheduled for Mondays or Fridays where possible.

It was possible that an Executive Session retreat could be held in September, if the Board so decided. However, one member recalled that it had been agreed to hold the retreat in the first quarter of 2011.

Details on the 2011–2012 calendars could not yet be provided to the Board as the Secretariat was currently in the process of revising it.

DECISION

The Executive Board adopted draft Resolution n°19 on Executive Sessions.

15. Any other business

Board members agreed that funds should be made available to the Chair in order to facilitate the important resource mobilization work that he carried out on behalf of the organization.

DECISION

The Executive Board adopted draft Resolution n°13 on Support to Resource Mobilization to Expand the Air Ticket Levy

The CHAIR informed members that the current meeting was the last at which Mr Todd Summers would participate for the Gates Foundation. He expressed appreciation for Mr Summers' involvement in the work of the Board, to which he had contributed greatly.

The CHAIR closed the meeting at 17:40.

Annex 1 - List of Participants

MEMBERS

- | | |
|--|--|
| CHAIR | - Mr Philippe Douste-Blazy |
| CHILE | - <u>Vice Chair</u> . H.E. Pedro Oyarce |
| | - Mr Luciano Parodi |
| | - Mr Osvaldo Álvarez |
| AFRICAN UNION | - H.E Shree Baboo Chekitan Servansing |
| ASIAN COUNTRIES – Republic of Korea | - Mr Kim Dong-Jo |
| BRAZIL | - Ms Maria Luisa Escorel |
| | - <u>Alt.:</u> Dr Carlos Passarelli |
| | - Mr Elio Cardoso |
| COMMUNITIES LIVING WITH THE DISEASES | - Dr Esther Tallah |
| | - <u>Alt.:</u> Mr Nelson Otwoma |
| | - Mrs Blessina Kumar |
| FRANCE | - Prof Patrice Debré |
| | - Mr Stephane Renaudin |
| | - Ms Genevieve Chedeville-Murray |
| BILL AND MELINDA GATES FOUNDATION | - Mr Todd Summers |
| | - <u>Alt.:</u> Ms Susan Nazzaro |
| NGOs | - Dr Mogha Kamal Yanni (Oxfam) |
| | - <u>Alt.:</u> Ms Kim Nichols (African Services Committee) |
| | - Mr Khalil Elouardighi (PLUS, Coalition International Sida) |
| | - Ms Jessica Hamer (Oxfam) |
| NORWAY | - Mrs Sissel Hodne Steen |
| | - <u>Alt.:</u> Mr Tom Hunstad |
| | - Ms Kirsten Myhr |
| UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND | - Mr Gavin McGillivray |
| | - <u>Alt:</u> Mr Carlton Evans |
| WHO | - Ms Namita Pradhan |

- Alt.: Dr Hiroki Nakatani
- Mr Gian Luca Burci (Legal Counsel)
- Mr Alex Ross
- Mr Issa Matta
- Dr Ran Wei
- Dr Zafar Ullah Mirza
- Dr Peter Beyer
- Dr Andrew Gray

**INTERIM EXPERT ADVISORY
GROUP**

OBSERVERS

MILLENNIUM FOUNDATION –
INNOVATIVE FINANCE FOR HEALTH

- Mr Bernard Salmoé
- Ms Donna Catliota
- Mr Henk Mulder
- Mr Ken Grimshaw
- Mr Jean-Bernard Le Gargasson
- Ms Maud Biton

NGOs AND COMMUNITIES LIVING
WITH THE DISEASES

- Ms Michelle Childs (Médecins Sans Frontières, London)
- Mr Thiru Balasubramaniam (Knowledge Ecology International)
- Mrs Elodie Jambert (Médecins Sans Frontières)
- Mrs Janice Lee (Médecins Sans Frontières)
- Mrs Mercy Douala (REMEDI)
- Mr Gichinga Ndirangu (HAI Africa)
- Mr Diarmaid McDonald (Stop AIDS Campaign UK)
- Mr Charles Allotey (Health Access Network Ghana)
- Mrs Rosemary Mburu (KANCO)
- Mr Casco Mubanga (NZIP + Zambia)
- Mr Kintu Evarist (NACWOLA)
- Mr Miguel Casado
- Mr Javier Parrondo

SPAIN

THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA	- Ms Carmen Perez-Casas
UNAIDS	- Ms Jantine Jacobi
WIPO	- Mr Hanz-Georg Bartels
WTO	- Mr Antony Taubman
	- Mr Charles Clift
PARTNERS	
ESTHER	- Dr Gilles Raguin
FIND	- Dr G. Roscigno
I+ SOLUTIONS	- Mr Henk den Besten
	- Mrs Ellen van den Berg
ROLL BACK MALARIA PARTNERSHIP	- Mr Julian Fleet
	- Dr Jan Van Erps
THE CLINTON HEALTH ACCESS INITIATIVE	- Mrs Jeanna Haw
THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA	- Mr Humberto Laudares
UNAIDS	- Dr Jean-Elie Malkin
LEGAL RESOURCES	
LENZ & STAEHELIN	- Dr Benoit Merkt
CONSULTANTS – PATENT POOL INITIATIVE	
ACCENTURE DEVELOPMENT PARTNERSHIP	- Mr Ian Lobo
	- Ms Natasha Sunderji
UNITAID SECRETARIAT	- Dr Jorge Bermudez (Executive Secretary)
	- Dr Philippe Duneton (Deputy Executive Secretary)
	- Dr Raquel Child (Director, Market Dynamics and Operations)
	- Ms Brigitte Laude (Director, Administration and Finance)
	- Ms Ellen 't Hoen (Special Adviser, IP and Medicines Patent Pool)

- Ms Daniela Bagozzi (Senior Adviser, Communications)
- Mr Edward Vela (Senior Adviser)
- Mr Paulo Meireles (Acting Coordinator of Operations)
- Mr Frederic Martel (Programme Officer)