



3rd UNITAID Board meeting
Geneva 8-9 March 2007

Minutes

1. Quorum : the Board convened in Geneva on 8 and 9 March 2007, in the presence of all its members. The meeting was opened by its Chair, Minister Philippe Douste Blazy. The Board took note that it reached its quorum (i.e. a majority of its 9 voting members) and was in position to make decisions.
2. Election of the Chair: The Chair stated that UNITAID was at a crossroad. He was happy to note that UNITAID first actions have now started and that the first drugs were now already in the field, especially for paediatric ARV.

The Chair was re-elected unanimously by the Board, for a two years period. Board members thanked the Chair for his commitment and for the first results, reached in a short period. The Chair indicated that he would continue working in three main directions:

- attract new members
- ensure that UNITAID operates in complementarity with other initiatives and not as a competitor.
- Promote UNITAID worldwide as socially-minded approach ("une démarche citoyenne")

Report on the status of UNITAID first actions

The acting Executive Secretary thanked the lean Secretariat team for their commitment and hard work , as well as the support of colleagues from WHO. The secretariat team will be reinforced in the coming weeks.

3. Paediatric ARV: The agreement with the Clinton foundation (CHAI) was signed, and this action has started in November 2006 in the field. Today 46 000 children are under treatment, of which 4000 represent new treatments. Already 31 countries signed agreements with CHAI. The goal is to reach 125 000 children by the end of 2007. The first and second disbursements, of USD 6.6 million and USD 2.5 million, respectively, have been made by UNITAID. A third disbursement is expected by end of March 2007.
NGOs requested that a dashboard on timelines and delays be communicated to the Board.
4. 2nd line ARV: The selection process of suppliers has been launched on March 7, 2007 by CHAI and will consist in a 3 phases process.
 - (i) selection of the premier supplier, based on COST+ method (for up to 70% of the volume)

- (ii) establishment of a reference price set up by the premier supplier and possibility for other suppliers to meet this price and become the secondary suppliers
- (iii) final determination of a supplier pool, meeting certain quality and price criteria

The Board stressed their concern in relation to the availability of new products and the quality insurance and prequalification and the beginning of procurement of these drugs.

5. ACT scale up: The Board has agreed to allocate USD 19 021 239 for 12 243 489 treatments for 2007 and has committed for a total scale up of 50 777 927 treatments by 2010. A MoU is currently been developed between UNITAID, the Global Fund and UNICEF. It is expected to be finalized and signed in the coming weeks.
6. ACT Liberia & Burundi: This action, which received a political green light at the previous Board meeting, was submitted for full approval at the present Board meeting. After approval by the Board, and signature of the agreement by the Secretariat, shipments could start in the coming days.
7. MDR-TB: The list of countries has now been finalized. A letter of agreement is currently being developed between UNITAID, GLC and the Global Fund, and is likely to be signed shortly .
8. Paediatric TB: The letter of agreement has been signed on 10 January 2007 and first disbursement of USD 864 000 has been made by UNITAID. A second disbursement is scheduled in March 2007. According to GDF, the drugs for which a tender has been launched, should be delivered to the countries in September 2007, the latest.
9. Round 6: UNITAID and the Global Fund secretariat are working to clarify the conditions of collaboration, and use of UNITAID funds and to ensure that the countries and/or principal recipients of the Global Fund grants observe reference price, to establish the reporting mechanism, and to ensure that there is no overlapping with other actions funded by UNITAID.

UNITAID policy on new donors and governance:

New donors:

10. Acceptation of UNITAID new donors by the Board : The chair informed Board members that 18 African countries have joined UNITAID at the last France-Africa meeting on 16 February 2007. The Board accepted South Korea and Spain as new members. Spain has decided to allocate 15M\$ in 2007 confirmed its intention to consider providing sustainable support to UNITAID in future years. The Chair also indicated that he went to Portugal some days ago to present UNITAID and the air tickets levy to the Portuguese Parliament, and expects some support from the coming Portuguese Presidency of the EU.
The South Korean representative indicated that the law on the air tickets was adopted by the Korean parliament on 6th March 2007 and the allocation of a substantial part of the tax to UNITAID should be announced very soon.
Brazil informed that the disbursement of 10M\$ to UNITAID for 2007 will occur in the coming days, and also that the law on the air tickets levy should be discussed soon in the Parliament.
The NGO stated that Spain should follow the same rules as for other donors, and commit on a long term basis.

Governance:

11. Proposals for enlargement of the Board: UK referred to its written proposal, and explained that a lean Board would allow more open discussion and effectiveness, while constituencies could be proposed in order to ensure the representation of all members. These constituencies should decide of their own organization and decision rules. A rotation system could be established within constituencies to appoint the holder of the seat. On the voting arrangements, it was suggested that a 2/3 majority should be required for key decisions, with a category of special decisions subject to a higher (perhaps 80%) majority.
The representative of the African Union stated that complementarities should be sought between the Board (with a limited number of representatives) and the consultative forum (with a larger representation). Brazil wished that UNITAID allow itself some time to grow before re-examine this issue.
It was proposed that a working group of the Board be established to work on a report and proposals for the next Board meeting. The Board appointed France, NGO and Brazil as members of this group.
12. Consultative forum: A document on the implementation of the consultative forum was discussed by the Board, as well as a suggestion of potential participants.

The Chair suggested to hold a first meeting of the consultative forum at the time of the next Board meeting, in May,. NGO suggested to ensure a balanced representation of generic and brand pharmaceutical manufacturers.
13. Other meetings: NGO representatives proposed to invite stakeholders from the field that could give their feedback on the practical implementation and problems in order to identify where UNITAID could improve its operations . (reprendre le Chair summary)

UNITAID's political principles and guidelines for the collaboration with the GFATM

14. A draft document was presented to the Board on UNITAID's perspective on strategic issues in relation the GFATM. Dr. Feachem, current Executive Director of the Global Fund reminded that UNITAID's impact rests in its creativity, flexibility and innovation capacity and that complementarity with GF should be encouraged.
15. Common pooled procurement mechanism: A pooled procurement mechanism is useful for both organisations and Dr Feachem suggested that UNITAID could well be at the forefront of establishing such mechanism that could be used jointly with GFATM. GFATM currently requires that its principal recipients respect three rules: (i) to buy drugs and commodities at the best price, (ii) to ensure quality, (iii) to buy through an international tender procedure. Furthermore, beneficiaries should publish the cost at which they purchase the drugs. This dynamic may contribute to global prices decrease. A common price notification mechanism may be developed. This mechanism would report not only on purchase price but also on other associated costs: shipping, distribution, duties...
Prices ceiling and reference prices should include all transaction costs when available. A common pooled procurement mechanism presents advantages such as (i) reduction in delivery time, (ii) mitigation of corruption risk, (iii) decrease in prices. GFATM and several board members mentioned that procurement efficiency is fundamental.

16. Flow of funds between UNITAID and GFATM: A common pooled procurement reinforces common purchasing power, influences volumes and contributes to price decrease. UNITAID and GFATM should encourage countries to buy commodities using common pooled procurement. At some point, GFATM could envisage providing funds directly to UNITAID - for countries which decide to be directly delivered by UNITAID/GF pooled procurement - and deduct such amount to the country allocation validated by the GFATM's TRP. This example particularly highlights the complementarity and additionality of UNITAID in terms of operational issues.
17. Products' cost and UNITAID Phase out of market: The purchase price of drugs is not the only factor that contributes to the availability of drugs in low income countries. Several Board members stressed that that the proposal presented in the draft document probably put too much emphasis on UNITAID phase out after prices decrease and stabilisation of a competitive market. Furthermore, they indicated that purchase price generally represented only a small portion (in some instances as low as 10%) of total delivery cost to patients. UNITAID should therefore take into account other factors (shipping, distribution, duties costs...) when analysing market dynamics and key levers to increase availability of drugs to patients.
18. Schedule and implementation: On short term operational aspects, Round 6 MoU has to be discussed and signed within a month.
About middle term strategic aspects, next steps are: 1. Participation of UNITAID to GFATM PSC in March 2007. UNITAID-GFATM roadmap will be discussed as well as a feasibility study on voluntary procurement, 2. another discussion on the UNITAID-GFATM roadmap will be scheduled for next UNITAID Board in May 2007, board members are invited to send their comments to Secretariat shortly so that the draft document can be amended and circulated in its final version rapidly, 3. A first roadmap proposal is to be jointly prepared by September 2007 by the UNITAID Secretariat and the GFATM secretariat. This roadmap could be presented to GFATM Board in November 2007.

UNITAID policy on partnerships

19. Type of partnerships: partnership with pharmaceuticals companies are not recommended because of conflict of interests. The UNITAID Secretariat also indicated that it would be difficult to answer to unsolicited proposals. On the other hand, the importance of broadening the partnership to other partners than the present implementing partners, for instance benefiting from the experience of MSF (on patent pool) or DNDI.
20. Technical review: Two types of reviews are presented in the document, peer and expert reviews. The Executive Secretary indicated that the Secretariat should build in a solid review process in order to screen and assess proposals from Partners. However, in a number of instances, the Secretariat, which will remain a lean structure, might not have the specific expertise in order to perform a detailed and comprehensive review covering all the risk analysis that could be required. Such analysis should not necessarily double check the technical aspects of the proposal (implementing partners are selected on the basis of a proven track record and well established expertise - UNITAID should thus refrain from duplicating the technical analysis that was performed by experimented partners) However, an external expertise could be required in order to assess a specific set of issues not necessarily fully addressed by implementing partners, particularly in the case of innovative projects. UNITAID Secretariat's role would be to raise the relevant questions that could be submitted for further review to a group of experts (extra inputs, risk analysis...). External review can also be organized as an ad hoc meetings and not on a regular basis.

The Board recommended that this proposal be further developed while taking into consideration issues such as the following ones : What is the level of UNITAID Secretariat analysis of proposals required and what should be the required steps for proposal which were already validated by one of UNITAID's partner independent technical review process (TRP, GLC, CHAI...). What about the analysis regarding with non-pharmaceutical issues (health system capacity for instance)?

21. Schedule: The Board decided to appoint several Board members including NGO representative and UK to work on document improvement and submit proposals for the next Board in May.

Long term financial commitment

22. Multi year financial commitment: The Secretariat was instructed to consult donors on the formalization of such long term commitment. This consultation has not yet been finalized. At this stage, the UK is the only donor which concluded a bilateral agreement with WHO to formalize its contribution to UNITAID. This arrangement between UK DFID and WHO was concluded for a period of 20 year. The chair requested that all donors provide all relevant information to UNITAID Secretariat so that a report on long term financial commitment be finalized and presented at the next Board meeting.

The UK also indicated that it will circulate that the annexed Project memorandum to this arrangement. This annex provides details on the monitoring of performance and the list of indicators (KPIs agreed by UNITAID Board) to be used for this evaluation.

Update of Board decisions on actions

23. PMTCT: UNICEF presented jointly with WHO a new proposal on PMTCT on a two years period. This proposal focuses on the following countries: Burkina Faso, Cameroon, Cote d'Ivoire, India, Malawi, Rwanda, Tanzania, Zambia. These countries, with a high burden, have expressed interest in this proposal, are committed to increase the scale up and have adapted their guidelines to follow WHO more efficacious PMTCT regimen.

The Inter-agency Task Team (IATT) will support the technical support to countries.

Today the current level of coverage is low. The main bottleneck is the lack of coordination between partners. So the project proposes a better coordination, rapid expansion of service delivery points, the introduction of routine offers of testing, and a comprehensive package of treatment.

UNICEF and WHO will work closely with the Clinton foundation programme on paediatric ARV in order to avoid overlap and ensure the continuum of care.

The proposed targets for 2007 is an increase of ARV coverage from 6% to 17% to women and the provision of more efficacious regimen. The proposed targets for 2008 is an increase of the coverage to 30%.

The new budget proposed is higher than previously requested, for a total of USD 20,893,506, because of the wish to scale up quickly over the next two years.

24. UNITAID acting Executive Secretary states the importance to impulse therapeutic changes and lower prices for diagnosis. The Board agrees to support the proposal from UNICEF, on the basis of the budget indicated in the resolution.. The resolution will confirm that UNITAID provide support to countries for the purchase of quality drugs or diagnostics only at the lowest possible prices negotiated by UNICEF .

25. ACT for Burundi and Liberia: At its previous meeting, the Board gave a political green light for this action. The Board's full approval for this action was requested at the present meeting. The MoU with UNICEF has been finalized and could be signed after the Board so that shipments to Liberia could be made without delay. Although there is no official report from the TRP on the reasons for the initial refusal of these projects by the Global Fund, it seems that the lack of initial technical support to countries to prepare their application, could be the main reason for the rejection under Round 6. UNITAID Board agrees the commitment for ACTs in Liberia and Burundi in 2007, for a total amount of USD 1 334 755.
26. Pediatric ARVs: the Board adopted the proposed resolution, to update the budget for pediatric ARV, for a new total of USD 35.9 million (instead of USD 33.4 million previously agreed). CHAI has requested such additional resources due to more accurate information on needs provided by national governments, partners and suppliers.

Pro bono partnership proposal on UNITAID Website and communication

27. BBDO, an international private company specialized in communication (present in 100 countries - 17000 employees) briefly presented a proposal to work pro bono for UNITAID (except some external technical costs). Its plan for UNITAID website focuses on transparency, participation and universality. The website should transmit a global initiative as well as a solidarity spirit. A logo proposal was presented to the Board. The idea to mobilize global personalities was also proposed.
28. This pro-Bono offer is non commercial with no DDBO promotion upon products made for UNITAIDS.. The Board took note of this proposal while considering relevant (i) to analyze external technical costs associated to this proposal, and (ii) to take into account WHO requirements in terms of adjudication process for pro bono proposals.

Appointments at the Executive Secretariat

29. Choice of the Executive Secretary: Further to the selection process, and the audition of the five short listed candidates, the Board has decided to recommend Mr Jorge Bermudez to WHO DG to be appointed as UNITAID's Executive Secretary.

The chair also suggested also to take into consideration a possible nomination of a deputy executive Secretary.

30. Other Secretariat recruitments: 5 short term positions have been published and more than 100 applications have been received. The selection process will start next week. For fixed term positions, 8 positions have already been published on WHO website and the remaining positions should be published in the coming days.

Some Board members suggested that the hiring process should be improved so as to attract more candidates from Africa, Asia and Latin America. Other Board members also stressed the importance of having candidates with experience in the field. WHO will use its regional offices, governments, and its website, as well as advertisements in the relevant press.

UNITAID transparency policy and ethics and conflict of interest policy

31. UNITAID transparency policy: NGO explained the amendments they proposed, especially on transparency commercial interests.

WHO expressed its concerns on the transparency policy, stressing that putting all information such as MoUs on the web could be counterproductive. WHO suggested that only summaries of the partners proposals be posted and that some more detailed information could be provided to stakeholders, but rather under request. WHO stressed that posting of prices will require prior agreement of suppliers. The Chair and some Board members stressed that it would be important to ensure that the level of transparency is not lower than the one of the Global Fund and that that transparency and accountability are strong principles for UNITAID. The Board confirmed its intention to conclude rapidly on the finalization of the policy on transparency. Thus the Chair committed to conduct consultation with NGO, WHO and the Secretariat so that in the coming two weeks a final proposal be finalized and circulated to Board members for endorsement.