



Chair's Summary UNITAID Executive Board meeting

7-9 May 2007

1. Quorum: the Board convened in Geneva on March 8 and 9, 2007, in the presence of all its members. 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. Pediatric ARV : The supply of drugs for children have started in the recipient countries. The Clinton foundation will send before the end of May its first quarterly report on the implementation of actions in the field.
3. Second line ARV : The Clinton foundation will supply 7 second line formulations funded by UNITAID in 27 countries in 2007-2008.
The procedure has now been finalized, providers have been selected, following the COST plus method, which has allowed to announce lower prices up to 25% for low income countries and 50% for lower middle income countries. A procurement agent has been selected. The first drugs will be delivered by July 2007. A further competitive bid will be launched in order to get better prices and diversify the offer. MoUs will be signed with each of the recipient countries. The Clinton foundation will provide support for the implementation of actions in the field, especially for technical assistance. Partnerships will also be developed in the field with other partners, such as the Global Fund.
4. ACT for Liberia & Burundi: Agreements have been signed and funds have been transferred. Drugs will arrive in the field in July in Liberia.
5. MDR-TB: The project has been finalized with WHO and the Global Fund and will be signed in May.
6. ACT scale up and Round 6: The template for the MDR TB agreement will be used for ACT scale up and Round 6 agreements that will be finalized in the coming weeks with the Global Fund and UNICEF.
7. Partnership policy and selection of proposals by UNITAID: A template for the submission of proposals by UNITAID's partners has been prepared by the secretariat. A working group on the assessment process for new proposals has been established. It will present its conclusions during the next Board, taking into account specific constraints such as the limited size of the secretariat (external assistance, support by our partners, such as the Green light Committee for example...).

8. UNITAID added value : UK made a presentation of the main points of a discussion note prepared by DFID on UNITAID added value. This note suggests that UNITAID action should incorporate 3 mechanisms in all its actions:
- incentives for lower prices through larger volumes
 - pool procurement to reduce production costs
 - reducing barriers to market entry

As a result, this notes argues that UNITAID main added value is about market dynamics and that a reflection must be drawn on the "phase in" and "phase out" approach. It also suggests that a closer link with the Global Fund be developed and that future prospects for UNITAID could involve medicines of the future and new forms of treatments.

The Board took note of this contribution and expressed the need to further reflect on the discussion note by DFID at the time of the next Board meeting, in relation with the topic on UNITAID partnership policy.

9. Proposition for new actions :

- Tuberculosis : GDF has made a new proposal on the provision of first line drugs against tuberculosis, the establishment of a strategic stockpile, to face disruption in treatments, and emergency grants. The Executive Board has examined this proposal and suggested that a revised proposal with a particular focus on market dynamics be prepared by GDF and UNITAID Secretariat and submitted for consideration at the time of the next Board meeting.
- ACT : a proposal has been presented by Roll Back Malaria's harmonization group, which represents major donors and implementers in malaria (PMI, World Bank, DFID, UNICEF, WHO, Gates Foundation, NGOs...). This proposal targets 19 million treatments in 17 countries. The Executive Board has examined this proposal and suggested that a revised proposal taking into account the impact on market dynamics be prepared by RBM and UNITAID Secretariat and submitted for consideration at the time of the next Board meeting.

10. Transparency policy: After a meeting of the working group gathering UNITAID Secretariat, the Chair, Norway, NGOs and WHO, the document on transparency policy has been adopted by the Executive Board. Internal audits will be transmitted to the Board, but their publication will depend on WHO internal policy, which should be settled by the autumn. The last Board in 2007 will review this issue.

11. Review of the hosting agreement with WHO: The Executive Board recognized the mutual efforts of WHO and the UNITAID Secretariat to establish a solid partnership. However, the Board also noted that administrative constraints applied to UNITAID overshadowed the focus on the strategic framework and coordination, Furthermore, it noted that such constraints, as illustrated in particular by the long delays in the recruitment process, would need to be addressed so as not to jeopardize the fast and ambitious implementation of the priorities set up by the Board. Hence, the Board adopted a resolution calling for a revision of the Agreement signed on September 19, 2006, in order to find a better balance between strategic orientations and the capacity to implement innovatively and rapidly. In conducting the review of the hosting arrangement, the Board emphasized the need to pay particular attention to the recruitment process, the procurement procedures, the communication policy, the structure of the fees paid to WHO and the insurance coverage. The Board requested that the Secretary take all necessary steps to conduct such review and asked its Chair to ensure a direct dialogue with the WHO Director general on this issue. The Board also suggested that contacts need to be made with GAVI and the Global Fund, which

are reviewing their hosting policy. The Board endorsed the recourse to an outside legal advice to support the UNITAID Secretariat in this review. The WHO representative underlined that, as representative of the host of UNITAID, its participation in the Board's deliberations on the above decisions does not necessarily mean that WHO agrees with all the statements contained in the resolution adopted by the Board or that it endorses the negotiating position decided by the Board. He also noted that the arrangements currently in force will remain applicable until new or revised arrangement has been agreed by UNITAID and WHO.

12. UNITAID Secretariat organisation: The new Executive Secretary, Jorge Bermudez will start to work on July 1st. Philippe Duneton, acting Executive secretary will continue to provide support to UNITAID secretariat in order to ensure a smooth transition process. The Board approved the creation of the position of Deputy Executive Secretary and requested that the recruitment process be launched in the coming days.
13. UNITAID Governance: The Board decided to postpone the discussion on the enlargement of UNITAID Executive Board through geographical constituencies at an upcoming Board meeting. The Board decided to create a working group (composed of Brazil, France, NGOs, Norway and the United Kingdom) which will prepare an orientation document on this issue.

The Board endorsed the creation of a seat for foundations and agreed that the Gates Foundation would be designated as representative of foundations at UNITAID Board. The Board took note of the commitment by the Gates foundation to allocate 10 million \$ per year over 10 years to UNITAID.

14. Road map with the Global Fund: It will be elaborated in 3 phases :
 - before mid June: the Global Fund and UNITAID should agree on the modalities of their cooperation and on the scope of questions to be worked on
 - June - September : discussion of a first document within the Global Fund Political and Strategy Committee and within an ad hoc UNITAID working group (UK, France, NGOs, Chile, Brazil, Communities)
 - October / November : document finalized for adoptionParallel discussions will be held on a global procurement system, in order to avoid duplications, but the discussion on pooled procurement will take longer.

15. Results of the consultative forum: Board members have welcomed the open and constructive discussions at the consultative forum. The main issues were related to:
 - the importance of a good coordination with the main donors (especially with the Global Fund) ;
 - the need to strengthen national health capacities of recipient countries, especially for the distribution of drugs;
 - the relevance for UNITAID to develop a specific niche for diagnostics ;
 - the need of an assessment of the capacities and role of the procurement agencies, especially for distribution in the field;
 - the need to strengthen WHO prequalification program as well as the national regulation authorities (capacity building);
 - the need to accompany our partners in the field for the implementation of actions.

16. Support to initiatives to use compulsory licensing: Brazil has requested a support from the Board regarding the issuing by Brazil and Thailand of compulsory licensing in order to produce or import anti-HIV drugs. Some Board members have considered

that a general support was not a problem but that a specific support to some countries would imply prior consultation of their capital. The chair suggested that all Board members would convey their comments to the Secretariat shortly after the Board meeting.

17. Partnership with the Islamic Bank of Development: This strategic partnership consists of a pilot project to fight malaria in 10 countries, which should later be extended to other UNITAID niches (HIV/AIDS and tuberculosis). The IDB would allocate 10 million \$ per year to UNITAID in 2007 and 2008, and spend an additional 15 million \$ per year in the recipient countries for the implementation of the program. The Islamic Conference will establish soon a Fund to fight poverty. Part of this fund could be allocated to health. The Board has underlined the political significance of this partnership, while recalling the need of an IDB long term commitment, for the 3 diseases, and the direct responsibility of IDB to ensure the coverage of operational costs for drug distribution.
18. Long term financial commitment: At this stage, only France and Norway have sent a long term commitment letter for the funding of the ACT program. WHO will review the UK commitment in order to assess whether it can be considered as sufficiently binding for the ACT program. It is requested from other donors to send their commitment letter before the next Board. WHO will circulate a document on its requirements for financial commitments.
19. Financial situation: The secretariat presented a summary table on UNITAID financial situation. A total of 208 million \$ has been committed on programs in the budget for 2007, about 70 million \$ are still uncommitted and available for new actions. 83% of funds have therefore been committed. The secretariat is requested to start each board meeting with an overview of UNITAID financial situation, in order to inform the Board prior to consideration of proposed decisions to fund new actions.

20. Next steps:

The next Board meeting will meet on 9/10 July 2007. The agenda should include a presentation of the financial situation, a presentation on the analysis of price structure and price monitoring (presentation by WHO), UNITAID strategic orientations and the partnership policy, the roadmap with the Global Fund, specific report on the review of the WHO hosting arrangement on insurance coverage and cost, a report by partners on the implementation of approved actions in the field, a note by WHO on the financial long term commitment pledge received by UNITAID from donors, governance, a preliminary report on the legal feasibility of the patent pool, a follow up on the partnership with IDB.

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