



**Minutes of the  
Executive Board Retreat  
23 April 2015**

**Table of Contents**

- 1. Executive Summary ..... 3
- 1. Opening of Meeting..... 3
- 2. Report of Executive Director ..... 3
  - Discussion ..... 4
- 3. Implementing Value for Money..... 4
  - Discussion ..... 5
- 4. Implementing Risk Management ..... 5
  - Overall discussions..... 5
- 5. Design of the New Operating Model including: ..... 8
  - 5.1. Overall design ..... 8
    - Discussion ..... 9
  - 5.2. Options for grant approval..... 10
    - Discussion ..... 10
- 6. Any Other Business .....12
  - 6.1. Farewell to Dr Nakatani .....12
  - 6.2. Process for selecting the next Executive Board chairman.....12
  - 6.3. ED letter.....13
- 2. Close of Meeting.....13
- Appendix: List of Participants.....14

## **1. Executive Summary**

- The approved agenda covered: Report of Executive Director, Implementing Value for Money, Implementing Risk Management, and Design of the New Operating Model. The process of selecting the next Executive Board chair was added under Any Other Business
- Executive Board members noted the progress in articulating UNITAID's vision, defining value for money and the risk management approaches under development.
- The Executive Board requested that the specific comments and recommendations on metrics for assessing value, additional dimensions of risk, and articulation of risk tolerance be incorporated as the work was further developed by the Secretariat.
- Executive Board members noted the progress in developing a new operating model and requested that the specific comments and recommendations be incorporated as the work was further developed by the Secretariat.
- Executive Board members requested that procedures for Board involvement in determining strategic directions and the focus and scope of requests for proposals be developed.
- Executive Board members requested that the proposed grant approval process be revised according to specific suggestions made by Board members, noting that the Board should be more involved in strategic decisions and not micromanaging the grant development and approval process.
- Executive Board members warmly thanked the retiring WHO Assistant Director General Dr Hiroki Nakatani for his hard work in support of UNITAID.
- Executive Board members requested Norway to lead a working group to review the profile of the next Executive Board chair and make a proposal to the next Executive Board meeting.

## **1. Opening of Meeting**

The CHAIR OF THE EXECUTIVE BOARD opened the retreat at 11:00 on 23 April 2015 and invited the Executive Director, Dr Lelio Marmora, to present an update on UNITAID's transformation process.

## **2. Report of Executive Director**

The EXECUTIVE DIRECTOR opened with a summary of health and development in the past 200 years, stressing the health inequities that now existed between the most advantaged developed countries and the most disadvantaged low income countries in the developing world. The major setbacks in progress towards improved wealth and life expectancy in the past 25 years due to the HIV/AIDS, tuberculosis and malaria epidemics had galvanized unprecedented donor investments. UNITAID had been established in 2006 as part of the donor response to catalyse and improve market dynamics and flexibility in delivering global public health goods from development

partners and implementers to reach those in need of better medicines and technologies. This was designed to increase the efficiency and effectiveness of investments in public health to improve health outcomes in low and middle income countries.

The transformation process launched by the Executive Board in late 2014 had focused on five key areas:

1. Operational model, internal processes and systems;
2. Structure and resource allocation;
3. Institutional dynamics and culture;
4. Communication on impact and value for money; and
5. Articulation with other Global Health stakeholders.

The purpose of the Executive Board retreat was to share progress in addressing these areas, but specifically on Value for Money, Risk Management and the New Operating Model, with Board members and solicit the Board's views and inputs on the approach and developments. This would facilitate preparation of final proposals for Board consideration at the forthcoming Executive Board session in June 2015.

The EXECUTIVE DIRECTOR articulated his vision of UNITAID working in the space between global innovators and implementers and the ultimate beneficiaries, the communities and individual people living in low income countries. He stressed that UNITAID's work was anchored within the globally agreed goals and targets for HIV, TB and malaria, identifying the challenges to meet those goals, how UNITAID could play a catalytic and enabling role to solve those challenges by turning ideas into innovation.

Additional presentations by members of the UNITAID team would discuss the ongoing work to articulate the value for money of UNITAID's work, the evolving risk management framework and the new operating model.

### ***Discussion***

The EXECUTIVE BOARD CHAIR congratulated the Executive Director for his articulation of the new UNITAID vision and strategic communication model, and proposed that the discussion be deferred until the end of the team's presentations.

## **3. Implementing Value for Money**

DEPUTY EXECUTIVE DIRECTOR, summarised the work currently underway to articulate why value for money was critical to UNITAID's work, how this was to be used throughout the grant lifecycle (grant selection, monitoring, review of final outcome, and post grant impact monitoring) and the metrics that had been developed to assess value for money. He showed the results from the preliminary assessment of the work on the Medicines Patent Pool, on the GeneXpert TB diagnostic and seasonal malaria chemoprevention (SMC) with the Malaria Consortium. The team planned to refine the work by applying the new approach over the full portfolio of UNITAID's grants, validate the results with grantees and external experts from global development partners, and present the updated framework and external validation plan to the forthcoming Executive Board meeting in June.

## ***Discussion***

All the discussions on Implementing Value for Money are reflected in the overall discussions (page 7, after Risk Management presentation).

## **4. Implementing Risk Management**

DIRECTOR OF FINANCE AND ADMINISTRATION and COMPLIANCE AND RISK MANAGEMENT OFFICER, presented UNITAID's approach to risk management and progress in implementing the approach across the full portfolio and activities. They identified three major dimensions of risk – strategic risk where a project did not align well to a global goal or challenge, implementation risk where an innovation could not be implemented, and sustainability risk where an intervention could not be scaled up and sustained after completion. Risk was an integral part of UNITAID's core business and was not something to be eliminated, but needed to be identified, managed and assessed as being within acceptable limits as defined by senior management and the Executive Board. The team had established a risk taxonomy appropriate to UNITAID's work and applied it to three grants that were illustrative of the diversity of UNITAID's portfolio in malaria, HIV and TB each at different phases of implementation. Applying the risk taxonomy to the three projects had been challenging due to unfilled staff positions, but underscored the importance of working collaboratively within the new management structure to develop the new culture of actively identifying, assessing, and managing risk within a common framework. A senior Grant Risk Committee co-chaired by the Directors of Operations and Strategy & Results had been created to ensure that risks were managed in a common manner across all of UNITAID's portfolio and did not just rely on an individual grant officer's informal assessment of risk. The pilot risk assessment undertaken of the three illustrative projects had revealed that UNITAID required a targeted approach to grant oversight due to the small Geneva-based secretariat with no country-based staff, implementation through grantees rather than directly by UNITAID staff, and the fragile and challenging environments where many interventions and projects were implemented. Nevertheless the risk profiles developed for each grant provided a tool to differentiate the way grants were managed and monitored according to the elements considered to be low, medium or high risk.

The new risk management approach had now been piloted on the three illustrative grants, the Grant Risk Committee had been established and its first formal meeting completed, and the UNITAID risk team was shortly to participate in and present its work at the UNDP Global Health Risk Management Forum in April. The immediate next steps were to extend the approach to the ten largest grants which represented more than 75% of UNITAID's current portfolio.

## ***Overall discussions***

All delegations which took the floor spoke very favourably about the transformation process underway within UNITAID, were pleased to see the excellent progress, and to have the opportunity to learn about the details of the approaches being taken while the work was in process and procedures being developed. Board members complimented the clarity of the presentations and the articulation of UNITAID's vision.

Comments by Executive Board members covered five main areas.

## 1. Process

- Some delegations regretted that there was insufficient time for discussion at the retreat and expressed a desire for a more interactive approach to the discussion. However, the longer than expected Executive session at the start of the retreat had contributed to the time constraints.
- Whereas UNITAID's strategic vision and processes were being well articulated, particularly the interactions with external partners and implementers, the role of the Executive Board in shaping direction was not clear.

## 2. Role of countries (government, civil society and community)

- It was important not to rely only on top-down approaches in determining UNITAID's role, strategy and selection of projects to support, but also to ensure the voice and needs of affected countries and communities were heard and reflected in such decisions. Mechanisms should be developed to facilitate such viewpoints when setting strategic directions and selecting projects to support.
- Similarly it was important to consider bottom-up approaches to generating solutions to problems, and UNITAID needed to find a mechanism to identify and support such initiatives.

## 3. Vision and strategic communication

- The articulation of UNITAID's vision and position in the global development space was excellent, but some more attention was required to develop a portfolio that was strategic and reflected UNITAID's unique role. UNITAID's resources should be used strategically and not all challenges within the global development space required, or would necessarily respond to, UNITAID's intervention and involvement. More work was required to articulate which challenges should, and which should not be taken on. There was a need to develop a clear strategic vision for UNITAID's grant selection process as the current portfolio of UNITAID grants appeared more opportunistic than strategic.
- The close interaction with the main implementers in identifying issues and market challenges for UNITAID to address was important, but the team also needed to seek ideas from a broader constituency.
- In developing UNITAID's strategic vision for the future, it was important to assess how the work might evolve once the new Sustainable Development Goals had been agreed at the forthcoming UN General Assembly in September. These goals would be ambitious and challenging, and provided an opportunity for UNITAID to rethink and forge its place in the global development agenda.
- Given the pressure on limited development resources and competition from challenges other than HIV, TB and malaria, it was important to consider interventions and solutions that would outlive the era of the emergency response to the three diseases and be sustainable well into the future.

#### 4. Value for money

- While value for money was a critical yardstick by which to assess areas to engage in, choice of grant and ultimate impact, it was important to note that dollar value (e.g. dollar return on investment, ratio of dollars saved per dollar invested) was not the only metric to consider, nor necessarily the most important.
- While the value for money framework included public health impact, additional dimensions of UNITAID's impact (e.g. reducing inequity, reducing vulnerability, improving market dynamics, facilitating adoption of new transformative technology ...) should be articulated and assessed for relevance. While these dimensions were sometimes even more difficult to assess objectively, UNITAID was in a unique position to lead the development of such metrics. Metrics developed by the United Kingdom Department for International Development (DFID) were suggested as potential new dimensions to consider.
- A suggestion was made to be more explicit about the relevance of return on investment by stressing value for money *for public health*.

#### 5. Risk management

- An additional dimension that could be included under sustainability risk was the concept of future proofing, reflecting the expected lifespan of the technology. The importance of this was illustrated by the previous investment in CD4 point-of-care tests that had become obsolete due to a move toward HIV viral load tests before any innovative products supported by UNITAID had come to market.
- It was unclear where conflicts of interest fitted into the taxonomy of risks.
- The risk management process under development felt somewhat heavy, for example the requirement for the Risk Management Committee to review all projects. While such a committee may be necessary in the early stages of the risk management work, it would be important to simplify the process and empower staff to identify, assess and manage risks in their daily work. The Risk Management Committee could then concentrate on specific or critical risks.
- Work was required to articulate clearly the tolerance of risks, as not all risks were the same nor had the same implications for the organisation. While the Risk Management Committee and senior UNITAID staff had important roles in defining tolerance of different risks, there was also a role of the Executive Board in articulating the appetite and tolerance of risk.
- The risk management model was an excellent framework for moving to a culture within the organisation of dialogue, openness and willingness to discuss and recognize risks.

### Follow-up actions

**EXECUTIVE BOARD MEMBERS noted the progress in articulating UNITAID's vision, defining value for money and the risk management approaches under development.**

**The EXECUTIVE BOARD requested that the specific comments and recommendations on metrics for assessing value and additional dimensions of risk be incorporated as the work was further developed by the Secretariat.**

**Furthermore THE EXECUTIVE BOARD will discuss its risk appetite at a coming meeting.**

## **5. Design of the New Operating Model including:**

### **5.1. Overall design**

ADVISOR TO THE EXECUTIVE DIRECTOR, presented the work in progress to define a new operating model for grant selection, review, approval and disbursement. Preliminary feedback from early implementation of the partner engagement part of the new model was provided by DIRECTOR A.I. OPERATIONS, and TECHNICAL OFFICER HIV.

The redesign had been prompted by several bottlenecks in the process – limited number of calls for Letters of Intent during the year, Executive Board approval of projects after the proposal development stage but before all details of the full grant had been developed, final reviews and approvals for disbursement limited to two opportunities each year. The redesigned model would have greater flexibility in the types and timing of calls to be issued (broad or targeted, continuously open or tightly time limited according to requirements), an initial 10-15 page proposal (strategy, objective, expected outcomes, high level budget, implementation strategy) to be assessed by a Review Committee before a final grant containing all necessary details plus the result of the external reviews, risk assessments and value for money prepared by Secretariat for an in-depth review and approval by the full Executive Board.

The new operating model would include a reinforced and continuous dialogue with UNITAID's development partners to ensure alignment with global health priorities and work towards improved sustainability of the intervention after the end of the grant. To facilitate such interactions, different channels of communication are being explored, both formal and informal. One example is the recently agreed MoU with the Global Fund was now being operationalised with alignment on high level strategy, portfolio strategies and identification of opportunities to work more closely together. This covered three main areas of joint focus -- Market Shaping and Access Interventions, Market Intelligence Activities, and Policy & Advocacy.

In addition there had been a recent high level discussion between UNITAID, the Global Fund and PEPFAR on areas of joint work and cooperation. These focussed on



simplifying second line ARV regimens, long-acting microbicide products for HIV prevention in women, and optimizing technologies for retaining people with HIV infection in care. Other consultations had been had with PMI, USAID and other partners in the areas of TB and malaria.

### ***Discussion***

EXECUTIVE BOARD MEMBERS were pleased to see the progress being made in defining the new operating model and welcomed the opportunity to comment on the evolving work. Discussion and comments from Board members focussed on four main areas.

#### 1. Strategic directions

- It was important that the views of the ultimate beneficiaries, communities and countries were included in the design, identification and approval of UNITAID's strategic directions. This was particularly important when considering the adoption and sustainability of the products arising from UNITAID's investments and grant making.
- In selection of strategic areas for intervention, it was important to ensure that UNITAID remained focussed on its unique strengths and position (adding value by improving market dynamics in global health products and goods).
- Reflection was needed on mechanisms to set priorities and strategy for cross-cutting issues (e.g. Medicines Patent Pool, WHO prequalification, intellectual property), as well as how such issues would be supported in the longer term as funding for the three priority diseases decreased in the future.

#### 2. Strategic interactions with partners

- Board members strongly supported the strategic discussions with development partners and encouraged that they continue. In addition they supported the development of mechanisms and procedures to engage in strategic discussions with countries, including civil society institutions and representation of people living with the priority diseases in addition to national governments. Such engagement was also critical to ensuring adoption and sustainability of the results from UNITAID investments.
- It was important to ensure that areas selected for joint activity and cooperation reflected not only the priorities and needs of partners, but also identified areas where UNITAID had a specific role and function in the collaboration. Moreover, it was important to recognise when global health challenges may not be solved or alleviated by promoting market interventions.
- Alignment with global goals and priorities was important, but this must not divert UNITAID from working within its mandate and area of expertise.

#### 3. Role of Executive Board

- It was important to consider whether the Executive Board's time and expertise were best used in reviewing all project details or should concentrate on higher level strategic issues and discussions.

#### 4. Types of call

- The breadth and focus of the proposed calls was not clear, nor was there any articulation of how decisions on general areas and specific topics of calls would be made.
- There was a suggestion for including open calls for civil society engagement in UNITAID's work at country or regional level as a means to provide a mechanism for the voices of the affected communities to be heard within countries or regions as well as contribute to priority identification and priority setting.

## **5.2. Options for grant approval**

CONSULTANT from Boston Consulting Group presented various models for Executive Board involvement in assessing which projects to invite to develop a full project proposal. The Review Committee models included:

1. Executive Board only (possibly replaced by the Policy and Strategy Committee),
2. A panel consisting of representatives of Board members (2), the secretariat (2), independent reviewers (2), and non-voting implementing partners (2),
3. A panel consisting of representatives of the secretariat (2), independent reviewers (2), and non-voting implementing partners (2), or
4. Secretariat only.

He stressed that the final funding decision would remain with the full Executive Board under all the models under consideration.

### ***Discussion***

EXECUTIVE BOARD MEMBERS welcomed the proposal for earlier involvement in the process of grant review and approval rather than receiving very detailed final project proposals at the end of the process. However BOARD MEMBERS saw serious limitations in all the models presented and stressed that it was important first to define the level of Board involvement in determining the strategic focus and scope of the initial Calls for Proposals, who could apply, the expected time frame and the funding envelope. If there was strong Board involvement and endorsement at the first stage of the process in identifying the areas of intervention some board members felt there was less need to be involved in the Review Committee. By contrast, in the absence of any involvement in defining the Call for Proposals it was important for the Board to comment at an early stage on the strategic fit of the area of work and proposal before too much time and effort was invested in developing full proposals. Approving the scope and focus of the Calls for Proposals and the final project for funding were the two most important functions of the Board, although some Board members also desired Board involvement at the development stage of the proposals.

BOARD MEMBERS noted that it was important to foster Board involvement with projects at an early stage, but this must be balanced by Board members' workload, the frequency and costs of Executive Board meetings, and the impact on the secretariat's work. BOARD MEMBERS agreed that there needed to be a balance between the activities and responsibilities of Board members and the secretariat. The Board was responsible for selecting and appointing the Executive Director who in turn was responsible for choosing and managing the staff. It was important that the views and

opinions of Board members were considered in the selection of areas of work and the final approval of projects, but it was equally important not to micromanage the process. It was essential that the Board put in place efficient and workable systems that empowered the Executive Director and his staff to perform their work within the broad directions and parameters set by the Board.

Additional comments on the details of the review process included:

- It was unclear whether Board participation in the Review Committee would weaken or strengthen Board involvement. On the one hand there would be earlier review, but this came at the risk of creating different tiers of Board members, and ran the risk of decisions taken by Board members in the Review Committee being reversed by the full Board. In addition Board members were concerned about the mechanisms for selecting individuals to represent the Board in the Review Committee.
- There was support for involvement of independent experts in the review process, either by submitting written reports or by participating in the Review Committee.
- BOARD MEMBERS requested clarification on the role of partners in the review process. While engagement of partners and their support for projects funded by UNITAID was important this could be ensured through other mechanisms, such as continued dialogue with the partners, formal comment on selected proposals and/or the focus and scope of the Calls for Proposals.

The EXECUTIVE DIRECTOR thanked the Board members for their views on the proposed review process which would be carefully considered by the Secretariat. A specific proposal would be tabled at the next Board meeting in June for their decision. HE also stressed that it would be possible to adjust the review process according to experience operating under the new model.

The CHAIR OF THE EXECUTIVE BOARD thanked the Secretariat for the impressive work that had been completed following the request at the last Board meeting in December for a review ways in which UNITAID's work could be reorganised and made more responsive and efficient. The Board had seen excellent progress on several fronts and had an opportunity to discuss in an informal manner very complex and critical issues of governance of the organization. HE looked forward to further discussions on this topic and decisions to be taken at the next Board meeting.

### **Follow-up actions**

**EXECUTIVE BOARD MEMBERS noted the progress in developing a new operating model and requested that the specific comments and recommendations be incorporated as the work was further developed by the Secretariat.**

**EXECUTIVE BOARD MEMBERS requested that procedures for involvement in determining strategic directions and the focus and scope of requests for proposals be developed.**

**EXECUTIVE BOARD MEMBERS requested that proposed grant approval process be revised according to specific suggestions made by Board members, noting that the Board should be more involved in strategic decisions and not micromanaging the grant development and approval process.**

## **6. Any Other Business**

### **6.1. Farewell to Dr Nakatani**

The CHAIR welcomed Dr Hiroki Nakatani, WHO Assistant Director General, who was responsible for UNITAID within the scope of the hosting agreement with WHO. Since he would be retiring from WHO and not attending the next Executive Board meeting, the Chair took the opportunity to thank him warmly for all the work he had done to facilitate UNITAID's activities and in particular to manage the process to appoint a new Executive Director in record time when the organization was going through a very difficult and vulnerable period. Members of the Board and UNITAID staff joined the Chair in expressing their thanks and appreciation to Dr Nakatani in a standing ovation.

### **6.2. Process for selecting the next Executive Board chairman**

NORWAY noted that the term of Executive Board Chair would come to an end in 2016 and suggested that the Board discuss the process and procedures for selecting a new Chair. Members agreed that it was important to establish the criteria and procedures at an early stage, informed by the procedures followed by other similar organizations and the recent experience of recruiting a new Executive Director. They welcomed an in-depth discussion of the issue at the next Executive Board meeting and asked Norway to chair a small working group to consider the profile of the next Executive Board Chair and the selection process.

It was noted that the ideal criteria for chair when the UNITAID was established did not necessarily apply for selection of the chair now that the organization was more mature with a well-established place in the international development architecture. It would be important to define the desired balance between political and technical skills. The working group should solicit the views of stakeholders as well as senior UNITAID staff on the desired profile for the next chair.

### **6.3. ED letter**

France raised that once the main directions of UNITAID's transformation have been agreed, the Board would need to write a letter to the ED, in line with the organization procedures, so as to support and empower the ED by increasing clarity around expectations and enabling him to drive delivery of results. It was agreed to proceed accordingly.

#### **Follow-up actions**

**EXECUTIVE BOARD MEMBERS requested Norway to lead a working group to review the profile of the next Executive Board chair and make a proposal to the next Executive Board meeting.**

## **2. Close of Meeting**

The CHAIR OF THE EXECUTIVE BOARD closed the meeting at 17:00 on 24 April 2015.

## **Appendix: List of Participants**

### **BOARD MEMBERS**

CHAIR

VICE-CHAIR – CHILE

AFRICAN COUNTRIES

ASIAN COUNTRIES – Republic of Korea

BRAZIL

COMMUNITIES LIVING WITH THE  
DISEASES

FRANCE

FOUNDATIONS (GATES)

NGO's

NORWAY

SPAIN

UNITED KINGDOM

WHO

- Philippe Douste-Blazy
- Marta Maurás
- Alt.: Guy Fones
- Najoua El Berrak
- Kim Ganglip
- Regina Maria Cordeiro Dunlop
- Alt.: Jorge Bermudez
- Violeta Gracia Ross Quiroga
- Alt.: Rico Gustav
- Philippe Meunier
- Alt.: Catherine Dauphin-Llorens
- Susan Nazzaro
- Brook Baker
- Alt.: Diarmaid McDonald
- Bjørg Sandkjær
- Gonzalo Vega Molina
- Alt.: Martin Remon Miranzo
- Sarah Boulton
- Alt.: Charlotte Howman
- Hiroki Nakatani

### **OTHER MEMBERS OF DELEGATIONS**

BRAZIL

WHO

LIAISON OFFICEER, NGOs

OFFICE OF THE CHAIR

- José Roberto de Andrade Filho
- Issa Matta
- Alysa Remtulla
- Laurence Thurion

### **RESOURCE PERSONS**

BOSTON CONSULTING GROUP (BCG)

- Mathieu Lamiaux
- Jason Park
- Lorraine Gentin
- Ariane Hamaide

### **UNITAID SECRETARIAT**

EXECUTIVE DIRECTOR

DEPUTY EXECUTIVE DIRECTOR

DIRECTOR OF FINANCE AND  
ADMINISTRATION

DIRECTOR OF EXTERNAL RELATIONS

RISK & COMPLIANCE OFFICER

ADVISER TO EX. DIRECTOR

SENIOR LEGAL OFFICER

DIRECTOR OF OPERATIONS A.I.

- Lelio Marmora
- Philippe Duneton
- David Curry
- Mauricio Cysne
- Fatou Fall
- Sanne Fournier-Wendes
- Sonia Lees-Hilton
- Robert Matiru

**ON SPECIFIC AGENDA ITEMS**

TECHNICAL OFFICER

– Carmen Perez-Casas

**BOARD SUPPORT**

BOARD RELATIONS OFFICER

– Sophie Genay-Diliautas

BOARD ASSISTANT

– Catherine Kirorei Corsini

PARTNERSHIPS OFFICER

– Marina Lins Do Carmo