Executive Board
4-5 November 2015
Kofi Annan Conference Room
UNAIDS Building
Geneva, Switzerland

Agenda item 3

Minutes of the 22nd Executive Board Meeting

For Information ☐ **For Review and Advice** ☐ **For Decision** ☒

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Executive Summary

- The draft agenda for EB22 was adopted with no changes.
- The minutes from the 21st Executive Board Meeting were approved without amendment.
- The minutes of the Executive Board retreat were approved subject to a small textual change indicating that some members wished to retain Executive Board involvement in review of projects before giving a 'green light' to full proposal development.
- Executive Board members noted the report of the Chair of the Policy and Strategy Committee.
- Executive Board members noted the report on progress with articulation of the UNITAID 2017-2020 strategy.
- Executive Board members noted the report of the FAC chair, the comments of WHO External Auditor and adopted Resolution 1 on the UNITAID Audited Financial Statements.
- The Executive Board noted the report of the FAC.
- The Executive Board congratulated the Executive Director on his report and warmly thanked the secretariat for their hard work and impressive progress in managing and implementing the transformation process.
- The Executive Board approved Resolution 2 on the New Operating Model.
- The Executive Board approved Resolution 3 on the Project Preparation Facility.
- The Executive Board approved Resolution 4 on Improvement of Adult Antiretroviral Therapy in Low and Middle-Income Countries as a new Area for Intervention.
- The Executive Board approved Resolution 5 on Enabling Scale-up of PrEP and Linkage to Test as a new Area for Intervention.
- The Executive Board approved Resolution 6 on Development of Better Tools to Diagnose HCV, in Particular in Case of HIV/HCV co-Infection as a new Area for Intervention.
- The Executive Board strongly supported the new approach, level of detail and justifications for identifying new Areas for Intervention within the context of the New Operating Model.
- The Executive Board thanked the Secretariat for their analysis of the conflict of interest of two consultants with the assessment of the Northwest University Global Health Fund grant and strongly supported the actions taken by the Secretariat.
- Executive Board agreed that a single response to the letter received by some Board members from one of the consultants involved should be sent by the UNITAID Secretariat.

- The Executive Board approved Resolution 7 on Market Intervention to Accelerate Uptake of New Vector Control Tools.
- The Executive Board approved Resolution 8 on the Strategic Rotating Stockpile for Multi-Drug Resistant Tuberculosis.
- Executive Board members requested the Vice-Chair to lead discussions between Board members to finalise the profile of the next Chair and agree on a revised procedure for identifying, nominating, screening, interviewing and electing the next Board Chair. These discussions should involve the WHO Legal Officer and the procedures should be finalized at the next Board meeting in EB23.

1. Opening of Meeting

The EXECUTIVE BOARD CHAIR opened the 22nd session of the Board meeting at 09:40 on 3 June 2015 and thanked Brazil for hosting the Board meeting, noting that the country and its former President Luiz Inácio Lula da Silva has been instrumental in the creation of UNITAID and leading the drive to ensure affordable access to essential medicines in low and middle income countries.

DR PAULO GADELHA, President of FIOCRUZ, welcomed the opportunity to host the UNITAID Executive Board meeting, acknowledging the impact of UNITAID on global health. HE underlined the pivotal role of UNITAID in financing and catalysing innovation in market forces to address market shortcomings in access to diagnostics and medicines for HIV, tuberculosis and malaria. HE looked forward to exploring ways to foster greater collaboration between FIOCRUZ and UNITAID.

JULIANA VALLINI, Adviser to the Minister, International Affairs Brazilian Ministry of Health welcomed UNITAID Executive Board members, delegates and Secretariat to Brazil on behalf of the Minister of Health and stressed the importance of ensuring access to affordable essential medicines, in Brazil, other UNASUR and BRICS countries.

2. Adoption of the Agenda

The draft agenda for EB22 was adopted with no changes.

3. Minutes from Previous Meetings

Minutes from EB21

The minutes from the 21st Executive Board Meeting were approved without amendment.

Minutes from EB Retreat, 23 April 2015

EXECUTIVE BOARD MEMBERS thanked the Secretariat for the prompt, more concise minutes from the retreat in April. Given the shorter minutes, THE BOARD MEMBERS reiterated the importance to send the minutes within the two-week deadline.

The minutes of the Executive Board retreat were approved subject to a textual change indicating that some members wished to retain Executive Board involvement in review of projects before giving a 'green light' to full grant development and a mention of the performance evaluation of the Executive Director.

4. Report of the Chair of the Policy and Strategy Committee

The CHAIR OF THE POLICY AND STRATEGY COMMITTEE gave a brief summary of the discussions to articulate UNITAID's new vision and implementation of the New Operating Model.

Executive Board members noted the report of the Chair of the Policy and Strategy Committee.

Mid-term Review of UNITAID Strategy

The DEPUTY EXECUTIVE DIRECTOR provided an update on progress in developing the new 2017-2020 strategy. The new articulation of UNITAID's vision and role had been presented at the Executive Board retreat, with a greater focus on UNITAID's unique position and value added in the global health architecture. The functional review was still underway and lessons from implementing the New Operating Model, risk management and assessment of value for money are key elements in the development of the new strategy. The draft strategy would be further discussed with Executive Board members and key partner countries with the objective of presenting the Board with a final strategy for discussion and approval at its meeting in mid-2016.

Executive Board members noted the report on progress with articulation of the UNITAID 2017-2020 strategy.

5. Report of the Chair of the Finance and Accountability Committee

The CHAIR OF THE FINANCE AND ACCOUNTABILITY COMMITTEE summarized the issues discussed at the 14th FAC. SHE reported that the 2014 Audited Financial Statements had been reviewed during a teleconference call following the issuance of the audit opinion by the WHO External Auditors. The Auditors' Management Letter had included recommendations on resource mobilization and disbursements to grantees, which UNITAID was in the process of implementing before the recommendations were made. The auditors had commended UNITAID on the positive actions following the 2013 recommendations.

Executive Board members noted the report of the FAC chair, the comments of WHO External Auditors and adopted Resolution 1 on the UNITAID Audited Financial Statements.

The FAC CHAIR presented the calculations behind the US$ 132 M project funding ceiling available for new projects under consideration at EB22. The FAC had discussed risk management, the need to improve models to forecast the financial implementation rate, ways to reduce the large cash balance (US$ 359 M of uncommitted cash at end 2014) and ways to invest available UNITAID cash.

The Executive Board noted the report of the FAC.

6. Report from the Executive Director

The EXECUTIVE DIRECTOR thanked Brazil and FIOCRUZ for hosting the UNITAID Executive Board meeting, as well as Board members for their engagement and support during

UNITAID's transformation process. HE also gave special thanks to the Secretariat for having prepared documents and procedures for the Board meeting that was taking place only 25 working days after the retreat. The intervening period had also included the World Health Assembly during which UNITAID had arranged meetings with several Ministers of Health and their staff, a high-level panel on innovations in global health, and a working dinner on access to malaria diagnostics and artemisinin-containing treatments.
The Executive Director summarised progress in the main work streams of the transformation process.

1. Human Resources – some vacancies had been filled in the past 6 months and recruitment was still underway for the areas of Operations, Strategy & Results and Finance. Working relationships within UNITAID were improving and the number of personal conflicts that had been referred to the WHO Ombudsman were being resolved. Work on staff relations and team building was being accelerated through articulation of UNITAID's values and ethics which were shared with all staff, and being reinforced through retreats of all UNITAID staff as well as of specific teams.
2. Finance – work to improve management of funds, forecasting and management of cash balances were underway and further improvements were expected to be seen in the future.
3. Partnership Boards – UNITAID participated in meetings of the boards of Roll Back Malaria, Stop TB, the Global Fund, and MPP and meetings organized by the Bill and Melinda Gates Foundation and the Global Fund Partnership Forum in Addis Ababa. These meetings were an opportunity to ensure clarity on UNITAID's unique position in the global health architecture and being able to communicate it clearly.
4. Communications – a new Head of Communications had started work in May and would focus on UNITAID's communication strategy tailored to different audiences.
5. Operational Risk – the new risk taxonomy had been presented at the Executive Board retreat, together with results of its pilot application to selected projects in each main disease area. The team was on target to have applied the new risk management approach to 75% - 80% of UNITAID's portfolio (by value) by end 2015.
6. Value for Money – the new model for assessing value for money was now being integrated throughout UNITAID's work, grant selection, management and reporting processes with the goal of having 75% of the active portfolio assessed by mid 2016.
7. Office move – the lease on the new office in Blandonnet, close to the Global Fund, had been finalised in April and the Secretariat would move from the WHO campus at the end of June.
8. Operations – several important events had occurred since the Executive Director's last report: signing the MDR-TB grant with Partners in Health (PIH) and Médecins Sans Frontières (MSF), US FDA approval of new ARV paediatric formulation and expected regulatory approval of paediatric TB medications.
9. New Operating Model – the model had been updated and revised following the comments made at the Executive Board retreat and further discussions had taken place with individual Executive Board members. The results would be

evident in the later agenda items on Areas of Intervention and discussion of specific projects.

THE EXECUTIVE DIRECTOR identified several challenges in implementing the transformation process: 1) translating the New Operating Model into action by moving on all elements in parallel, 2) facilitating cultural change in the Secretariat as well as in governing bodies, 3) maintaining the pace and momentum for implementation, 4) ensuring the quality of documentation, ideas and interactions with donors, key partners and grantees, and 5) communicating the new procedures and vision. HE closed his report by thanking the Executive Board for their support, engagement, and ready availability for constructive discussions throughout the transformation process.

Discussion

EXECUTIVE BOARD MEMBERS thanked and congratulated the Executive Director and Secretariat for their hard work and impressive progress that has been made in transforming UNITAID. Particular points stressed by Board members included:

- The progress made in the short period since the Executive Board retreat;
- The excellent outreach to Board members and opportunities for engagement with partners at the recent WHA and other meetings;
- Congratulations on the progress with regulatory approvals of paediatric ARV and TB medications through work with Drugs for Neglected Diseases and the Clinton Health Access Initiative;
- The improved communication of UNITAID's vision and position in the global health architecture;
- The actions taken to reach out to and engage with civil society in identifying strategic areas and implementing the products developed with UNITAID funds.

Specific suggestions for further action included consideration on how to more closely involve African nations and civil society in UNITAID's work.

THE EXECUTIVE BOARD congratulated the Executive Director on his report and warmly thanked the Secretariat for their hard work and impressive progress in managing and implementing the transformation process.

7. Implementing the New Operating Model

THE ADVISER TO THE EXECUTIVE DIRECTOR provided an update on the New Operating Model, certain elements of which had been refined following the comments made at the Executive Board retreat and subsequent discussions with individual Board members.
SHE recalled that the primary reasons for revising the operating model were to increase the speed of grant review and approval process, align more clearly with global health priorities, ensure that UNITAID projects are scaled up by partners, and decision making was transparent, using value for money and risk frameworks.
Areas for Intervention were defined as strategic areas of investment to respond to specific challenges in achieving global goals for the three priority diseases. Within these areas several projects may be appropriate for UNITAID investment, e.g. within issues of intellectual property (IP), price and delivery. Other issues in the value chain from discovery to

implementation may also be considered if there was a clear and appropriate rationale for UNITAID intervention. The New Operating Model proposed that the Secretariat identifies opportunities for Areas for Intervention to be submitted for consideration by the Executive Board before launching calls for proposals. These areas would be justified with a qualitative assessment covering the public health need (rationale and expected change, global alignment and equity) and potential value added by UNITAID (fit with mandate, fit with existing portfolio, fit with other global investments and timeline).
The calls within an approved area would be for short proposals (expected length no more than 15 pages) covering strategy and rationale, impact and value for money, design, implementation and sustainability, risks, organization and team, and high level budget. Responsive proposals would be reviewed by a Review Committee (RC) consisting of the Proposal Review Committee (PRC) and the Secretariat and those deemed suitable for 'go-ahead' would be submitted to the Executive Board together with the summary of the RC comments and a preliminary risk analysis. The Board would have one week to review and if no objections were raised the proposal would be given a formal 'go-ahead' for development into a full grant agreement with more details on the previous elements but supplemented by a detailed project plan, logframe, legal agreement and communications plan.
A Project Preparation Facility (PPF) was proposed to support development of a full grant, for entities that have a justified need. The PPF would be capped at 2% of proposed full budget or US$ 500,000, whichever was lower, support only eligible costs such as staff and consultant costs for development of the grant agreement, take account of levels of co-investment in grant development and be attributed according to demonstrated need.
The final grant agreement would again be reviewed by the PRC before submission as a final grant for Board review and approval, with all elements in place for signature immediately after approval.

Discussion

EXECUTIVE BOARD MEMBERS welcomed the proposed New Operating Model and thanked the Secretariat for taking into account suggestions made at the Retreat and in subsequent discussions. THEY especially thanked the Secretariat for making last minute changes to the presentations to reflect the discussions in the days up until the Board meeting.
Discussions and comments of the Executive Board centred on several themes:

- Involvement of the Board in the 'Go-Ahead' review

  Board members discussed the need for Board involvement in the decision to give a project a 'go-ahead' for development into a full grant agreement. Different options for Board involvement were discussed from Board involvement in all key decisions to the importance of empowering and trusting the Secretariat and PRC to do their work within the structures and parameters set by the Board. It may be sufficient for the Board to receive a summary of the Secretariat and PRC assessments, as well as a summary of the comments made by Board members and how these had been addressed in the development of the final grant agreement.
  Recognizing the diversity of opinion, SEVERAL BOARD MEMBERS argued for considering the proposed operating model as an intermediate step that should be implemented to allow the Secretariat and governing bodies to learn by doing, with an explicit intention of moving to more hands-off oversight procedures, delegating more responsibility to the Secretariat and allowing the Board to focus on key high-level policy discussions and decisions.
- Involvement of partners in the review process

  Caution was expressed about involvement of partners in the review process. While partners' views and engagement were critical in identifying areas of intervention, care

needed to be taken about potential conflicts of interest in the formal review and approval processes. The Secretariat noted that UNITAID sat on various project review committees of key partners and such a reciprocal arrangement reflected the good working relationships, but agreed to revise the proposed procedures so that partners would be consulted during proposal review but would not be directly involved in the decision.
While integration and alignment with objectives and strategies of key partners such as the Global Fund and PEPFAR was critical, caution was expressed about clearly differentiating UNITAID's role and position at the risk of losing its unique position in the global health landscape. There was a danger of being swallowed by bigger dragons in a very crowded and competitive space.

- Areas for Intervention

  The analysis leading to identification of specific areas of intervention should include an assessment of what is being done by other agencies and institutions. This would help identify UNITAID's specific role and whether proposed intervention(s) would have impact.
  While UNITAID's interventions and grant making were not restricted to low-income countries, the analysis should include an assessment of the expected impact (direct or ultimate) in low-income countries.
  Clarification was requested on the role of the Market Forum mechanism in the New Operating Model. The Secretariat responded that Market Forums could be organized on a case by case basis and would be convened as the need arose instead of being in a fixed cycle within each strategic area.
  While the main strategy was to seek proposals within defined Areas for Intervention, the option for open calls in any area falling within UNITAID's mandate should be maintained.
- Screening of proposals

  The Executive Board did not want to see all proposals received in response to the Call, but only those that met minimum criteria, supplemented with a brief summary of proposals that were not submitted to the Board for consideration.
  A similar mechanism could be developed for the Secretariat to exclude non-responsive proposals and thus allow PRC to concentrate its resources on relevant proposals.
- 'No objection' process

  The proposed one week period for raising objections to the proposal at the 'go-ahead' stage may be too short and logistically challenging for some Executive Board members. Suggestions were made to make sure that the timing of the week was notified well in advance allowing Board members to plan for their review.
  Members proposed to include a mechanism to make comments and suggestions on the proposal with a view to improving its strategic alignment or other feature, without necessarily raising the issue to the level of an objection.
- Documentation for Board review

  Proposals should include a one-page summary of key elements prepared by the applicant.
  Consider submitting the full assessments made by the Secretariat and PRC as appendices to the summaries presented to the Board. However it was agreed to submit three documents for Board review: the Proposal, the Review Committee joint assessment and the risk analysis.
- Additional comments and suggestions included:

- Clearly articulate that value for money should stress value for money *in health*;
- Articulate how civil society perspectives and community engagement were to be included in proposals;
- Consider mechanisms whereby proposals prepared in languages other than English could be admissible as this might facilitate applications from and increased involvement of civil society in UNITAID's work;
- There was strong endorsement of including equity as a criterion for assessing strategic areas of intervention, but consider adding gender;
- A caution was expressed to ensure that Board members did not have potential or perceived conflicts of interest when considering projects for the 'go-ahead' and final approval processes;
- While the Market Landscape reports were interesting to read it was unclear how exactly they were used. There may be merit in an alternative approach of first identifying problems, analysing reasons for market failures and then identifying potential UNITAID interventions;
- While joint Secretariat and PRC reviews of proposals had merit it was important to maintain PRC's independence as an external advisory group.

The Executive Board approved Resolution 2 on the New Operating Model.

The Executive Board approved Resolution 3 on the Project Preparation Facility.

8. Areas of Intervention

THE DEPUTY EXECUTIVE DIRECTOR summarised the new approach to identifying Areas for Intervention under the New Operating Model based on public health need (rationale and expected change, global alignment and equity) and UNITAID value added (fit with mandate, fit with existing portfolio, fit with other global investments and timeline).

Improving Adult Antiretroviral Therapy in Low- and Middle-Income Countries

THE TECHNICAL OFFICER, STRATEGY & RESULTS, presented an analysis of the status of access to antiretroviral (ARV) therapy for adults in low- and middle-income countries (LMICs), reviewed currently available medicines, likely evolution over the next 4 years, the costs of not taking action now, and proposed three main strategies – support to generating evidence on new ARVs in LMICs, ensure market preparedness for introduction of new ARV combinations, and preparing for rapid introduction and scale-up once these products become available.

Discussion

EXECUTIVE BOARD MEMBERS congratulated the team on a very clear presentation and rationale for defining this as a priority Area for Intervention and noted the clarity that emerged with application of the New Operating Model.

SEVERAL BOARD MEMBERS wished to see more information presented about how the perspectives of users and communities had been solicited and take into account in identifying this as a suitable Area for Intervention.

BOARD MEMBERS commented that in discussions with potential implementers be clarified that projects could also address IP barriers to access to adult antiretroviral therapy.

SOME BOARD MEMBERS request that future documentation provide more detail on how and why the areas of interventions were intervention were chosen, including more contextual information including potential future projects of UNITAID and others in the problem area.

BOARD MEMBERS welcomed the specific mention of MICs as affordability remained a major issue for them as well as LICs, and noted that affordable ARV medicines in MICs was one path toward affordable ARV medicines in LICs. MEMBERS suggested that proposals within this Area for Intervention, if not focussed specifically on LICs, be asked to articulate how their project would translate into affordable ARV medicines in LICs.

BOARD MEMBERS noted that supporting generation of evidence on new ARVs could require UNITAID to become further involved in clinical or epidemiological research or implementation science. Caution was expressed that this may have implications for more staff resources and different skills within the Secretariat.

THE EXECUTIVE BOARD approved Resolution 4 on Improvement of Adult Antiretroviral Therapy in Low and Middle-Income Countries as a new Area for Intervention.

Enabling Scale-up of PrEP and Linkage to Test

THE DEPUTY EXECUTIVE DIRECTOR presented the analysis of the evidence on safety, efficacy and acceptability of PrEP for people at high risk of HIV infection, particularly men who have sex with men (MSM) and the negative partner in sero-discordant couples. Key barriers to wider implementation were 1) lack of information on how to deliver PrEP to other groups at high risk of infection, such as young women, female sex workers, and other occupational groups, and 2) current market shortcomings with regard to affordability, accessibility, delivery and demand creation.

Discussion

EXECUTIVE BOARD MEMBERS concurred that this was an important Area for Intervention. They noted that demonstration projects must be designed and implemented with close involvement of at risk communities, and included community mobilization and demand creation, reducing barriers to stigma. These aspects were as important as ensuring affordable and sustainable supply of medicines.

BOARD MEMBERS noted that a better understanding of resistance will be important, with one suggestion that the net impact of PrEP may actually be less resistance, due to averted infections that mean fewer people on lifelong ART.

THE EXECUTIVE BOARD approved Resolution 5 on Enabling Scale-up of PrEP and Linkage to Test as a new Area for Intervention.

Development of Better Tools to Diagnose HCV, in Particular in Case of HIV/HCV co-Infection

THE TECHNICAL OFFICER, STRATEGY & RESULTS, presented the analysis of the need to improve diagnosis of HCV infection, in particular identifying those who will benefit most

from treatment, as well as patients co-infected with HIV and HCV. Robust, practical and accurate tests were important to facilitate access to HCV treatments and investments in diagnostics were needed now to avoid future bottle necks as the costs of treatment come down.

Discussion

EXECUTIVE BOARD MEMBERS welcomed the articulation of this Area for Intervention and stressed that work to ensure access to affordable HCV and HIV medicines must continue in parallel.
BOARD MEMBERS requested that the HVC diagnostics should be developed with the purpose of connecting patients to care and treatment.

THE EXECUTIVE BOARD approved Resolution 6 on Development of Better Tools to Diagnose HCV, in Particular in Case of HIV/HCV co-Infection.

General Comments on the Process of Identifying Areas for Intervention

Following the approval of the three resolutions on specific Areas for Interventions THE BOARD discussed the new model for identifying areas and making the case for UNITAID involvement. There was strong support for the new approach and level of detail in the justifications presented by the Secretariat. ONE MEMBER requested a brief summary of potential Areas for Intervention that had been considered but not presented to the Board.

THE EXECUTIVE BOARD strongly supported the new approach, level of detail and justifications for identifying new Areas for Intervention within the context of the New Operating Model.

9. Update on Ongoing Projects

THE DIRECTOR OF OPERATIONS A.I. provided an update on trends and performance of existing grants (HIV, TB, malaria and cross-cutting), the Medicines Patent Pool and engagement with strategic partners.
THE SENIOR LEGAL OFFICER provided a detailed explanation regarding the Secretariat's decision to stop the negotiation of a grant agreement with Northwestern Global Health Foundation (NWGHF), after the Secretariat became aware of a serious conflict of interest. The conflict arose from the fact that two consultants who evaluated NWGHF's proposal on behalf of the Secretariat, were members of the Board of NWGHF at the time they carried out their evaluation. The Secretariat became aware of this during the due diligence process prior to grant signature.
Following this a detailed analysis had been undertaken regarding the history, interests declared by the consultants and actions by the Secretariat. It transpired that one consultant had submitted a formal Declaration of Interests Form in which she incorrectly declared that she had no such interests. The other consultant had informally notified a member of the Secretariat of her NWGHF Board membership in an email. However, she had not updated her formal Declaration of Interests Form in line with WHO's requirements and the interests of that consultant were unfortunately not properly managed by the Secretariat, so she also went on to evaluate the NWGHF proposal. It was underlined that the Secretariat's recommendation to the UNITAID Board to approve funding for NWGHF had relied heavily on the evaluation

provided by the two consultants and as a result, the decision of the Board had been compromised.
THE DIRECTOR OF FINANCE & ADMINISTRATION proceeded to explain that the Secretariat has since taken several steps to prevent any recurrence of such undeclared conflicts, including sensitizing all staff to potential conflicts, together with the correct procedures to follow, and ensuring that all consultants complete a formal WHO Declaration of Interests Form before any contract is issued to them.

Discussion

EXECUTIVE BOARD MEMBERS thanked Director of Operations a.i. for his clear summary of the performance of existing grants and partner engagement, and was pleased to note that the suggestions made at the Executive Board retreat had been incorporated. BOARD MEMBERS suggested that the summary could be further improved by summarizing key performance indicators for each area, and relative portfolio investments, before going into the detailed performance of each grant. This discussion should precede the discussion of new Areas for Intervention and new grant proposals.
EXECUTIVE BOARD MEMBERS thanked the Secretariat for the transparency and detailed analysis of the NWGHF grant negotiations. They strongly supported the clear actions taken by the Secretariat and reiterated the necessity of a strong conflicts of interest policy for UNITAID's work.
BOARD MEMBERS proposed that procedures for declaring, updating and managing potential conflicts of interests at other levels of UNITAID's work, including the Executive Board, all review committees and staff, should be reviewed.
THE BOARD agreed that UNITAID should respond directly to NWGHF as the relationship was between the Secretariat and the foundation. THEY suggested that a brief summary of the history and actions taken should be prepared in case the issue became public knowledge.

THE EXECUTIVE BOARD thanked the Secretariat for their analysis of the conflict of interest of two consultants with the assessment of the Northwest University Global Health Fund grant and strongly supported the actions taken by the Secretariat.

THE EXECUTIVE BOARD agreed that a single response to NWGHF should be sent by the UNITAID Secretariat.

10. Projects Entering Grant Development

IVCC Proposal on Market interventions to Accelerate Uptake of New Vector Control Tools

THE TECHNICAL OFFICER, STRATEGY & RESULTS and THE CHAIR OF THE PROPOSAL REVIEW COMMITTEE gave a summary of the updated Innovative Vector Control Consortium (IVCC) proposal on accelerating uptake of third generation malaria vector control tools. Issues raised during the previous Board review had been addressed, including the level of proposed co-payment needed to encourage country adoption, a simplified mechanism for managing the co-payment, willingness of the insecticide manufacturer to enter into price negotiations, and greater clarity of roles, responsibilities and interactions of the project partners.

Discussion

EXECUTIVE BOARD MEMBERS thanked the Secretariat for the update and summary of the revised IVCC proposal which had been presented in the context of the new strategic framework. They agreed that the project was complex and high risk, though underlined its public health importance and potential. Specific comments included:

- Ensure there is good community involvement to support indoor spraying activities;
- Project timelines are ambitious given the complexity of the project and a no-cost extension beyond four years may be necessary;
- Equity should be a prime consideration in selecting countries after Year 1;
- Given that resistance management calls for the use of multiple insecticides in rotation, it is unclear how competition in this market place will work. The willingness of the manufacturer to discuss preferential pricing was encouraging, but difficult and complex negotiations should be expected;
- Proponent should consider the merits of negotiating a target price for the product at the end of the grant period;
- Given the complexity of the project, it was important to consider the impact on Secretariat workload, particularly if there are to be other complex projects in this area. The implications of managing complex project portfolios should be considered by the Board when reviewing and approving future projects;
- The details of the logframe were excellent, but could be supplemented by articulation of three or four high-level targets that would be able to indicate whether the project had achieved its aims;
- Consider including an assessment of environmental impact of the project, particularly as there had been reports that the new insecticide was toxic to some water species. But it was acknowledged that the assessment needed also to consider the environmental impact of other currently used insecticides.

THE EXECUTIVE BOARD approved Resolution 7 on Market Intervention to Accelerate Uptake of New Vector Control Tools.

11. Grant for Board approval

Strategic Rotating Stockpile for Multi-Drug Resistant Tuberculosis

THE DIRECTOR OF OPERATIONS A.I. gave a summary of the grant to the STOP-TB Partnership's Global Drug Facility (GDF) for a Strategic Rotating Stockpile for Multi-Drug Resistant Tuberculosis (MDR-TB). The first grant of US$ 11.5 M in the period 2008 – 2011 was to service emergency treatment requests, prevent stock outs and reduce lead times for MDR-TB treatments, reduce demand uncertainty and order volatility and encourage suppliers to prequalify their products to increase global availability of quality a-assured MDR-TB medicines. Two no-cost extensions had been granted in January 2012 and December 2013 in order to transition the facility to the Global Fund Rapid Supply Mechanism and increase the capacity of the stockpile to address the increasing number of MDR-TB cases and drive the market-shaping objectives of the project.

The SRS had reduced the lead time from order placement to delivery in countries and had demonstrated its value as an emergency supply facility to avoid stock-outs, as well as being complementary to UNITAID's investment in the GeneXpert TB diagnostic test. However, there had been a US$ 1.7 M drug write off due to the failure of GDF to proactively anticipate the impact of guideline changes on the drug in question by directly consulting the technical committee deciding on those changes and the recipient countries about the implications thereof on their future orders of this product. Moreover, the project has had limited market-shaping impact. The Secretariat recommended extending the SRS as a credit facility for up to four years to enable a smooth transition of the responsibility for MDR-TB medicines stockpiling to other stakeholders, with any residual balance of funds returned to UNITAID upon liquation of the stockpile by the end of the extension term

Discussion

EXECUTIVE BOARD MEMBERS recognised the importance of the drug stockpile for helping countries treat MDR-TB but were disappointed that the market-shaping objectives of the project had not been achieved and that a significant loss of stock had occurred. They were pleased to see that UNITAID will exit the project, since after 7 years it had already exceeded significantly the normal duration of UNITAID's catalytic, term-limited investments for innovative medicines, technologies or systems. THE BOARD, however, insisted that this should be done over a two-, not four-, year period. They requested a clear transition plan to be presented to the Board by end 2015.

BOARD MEMBERS were highly critical of the US$ 1.7 M stock write-off and suggested further investigation into the reasons so that similar losses could be prevented in the future.

THE EXECUTIVE BOARD approved Resolution 8 on the Strategic Rotating Stockpile for Multi-Drug Resistant Tuberculosis.

12. Governance

Procedure of the Selection of a New Board Chair

NORWAY presented a summary of the discussions that had been held by a subgroup of Board members on the procedures for electing a new Board Chair. They had reviewed the existing Board Operating Procedures and Annex, adopted in 2010.
THE SUBGROUP made the following proposals for consideration by Board members:

- Include an option for candidates both external and internal to current to Board composition and members to be eligible. All candidates should be treated equally and hence both external and internal candidates would be required to submit a two to three page vision statement, resume and other supporting documentation as requested (changes to Articles 4 and 5).
- The procedures for election of the vice-chair should be formalized.
- A draft profile of the Board Chair was presented for discussion.

BOARD MEMBERS thanked the subgroup for their work and discussed suggested competencies for the future Chair.
In discussion BOARD MEMBERS suggested that several issues needed to be defined, including conflict of interest, working in the best interests of UNITAID, level of remuneration and support to perform the work of the Board, and reporting requirements.

THE EXECUTIVE BOARD CHAIR proposed to consider an 'Ambassador' to advocate on behalf of UNITAID at the highest political level. Without a skilful politician able to speak directly with senior government representatives, there was a risk that UNITAID would lose its relevance amongst other global health institutions.
BOARD MEMBERS agreed to have the period between the announcement of elections by the Secretariat to Board Members be extended from at least 120 to 150 days prior to the opening day of the Board meeting at which the election will take place. This would require an amendment to article 3.a of Annex 1 of the Board Operating Procedures.

EXECUTIVE BOARD MEMBERS requested Norway to continue to lead the process of finalizing the Terms of Reference of the new Chair and to achieve agreement on the procedure for screening, interviewing and electing the next Board Chair. These discussions should involve the WHO Legal Officer, and to accommodate the requirements of the selection process the procedures should be finalized at the next Board meeting in October at the latest

The Vice Chair was requested to include the additional governance related issues that were identified by the working group, in the work of the Governance Working Group. These issues included the process and framework for assessing the Executive Director's performance, the roles of PSC and FAC and Executive Committee and assessing the Board's performance

Close of Meeting

THE CHAIR OF THE EXECUTIVE BOARD thanked members for their active participation in the meeting, and congratulated the Secretariat on the careful and detailed preparations for the Board. Special thanks were extended by Board members by acclamation to Laurence Thurion, Office of the Chair of UNITAID Board, who would cease to be funded by UNITAID from the end of June. THE CHAIR closed the meeting at 16:30 on 4 June 2015.

Appendix: List of Participants

BOARD MEMBERS

CHAIR	Philippe Douste-Blazy
VICE-CHAIR (Chile)	Guy Fones
	Additional delegation member:
	Raquel Child
AFRICAN COUNTRIES (South Africa)	Lindiwe Makubalo
ASIAN COUNTRIES (Republic of Korea)	Kyu Cheol Kang
BRAZIL	Alt.: Jorge Bermudez
	Additional delegation members:
	Juliana Vallini
	Francisco Viegas N. da Silva
COMMUNITIES LIVING WITH THE THREE DISEASES	Violeta Gracia Ross Quiroga
	Alt.: Kenly Sikwese
	Additional delegation members:
	Wim Vandevelde
	Endalkachew Fekadu Demmisse
	Pablo Annamaria
FRANCE	Philippe Meunier
	Alt.: Catherine Dauphin-Llorens
	Additional delegation members:
	Patrick Risselin
FOUNDATIONS (GATES)	Blair Hanewall
NGOs	Brook Baker
	Alt.: Diarmaid McDonald
	Additional delegation members:
	Alysa Remtulla
	Morgane A. Ahmar
	Pavel Aksenov
	David Deakin
	Michel Lotrowska
	Philip Waweru Mbugua
	Austin Arinze Obeifuna
	Bruno Rivalan
	Marcela Vieira
NORWAY	Bjørg Sandkjær
	Additional delegation member:
	Jens Plahte
UNITED KINGDOM	Sarah Boulton
	Alt.: Jay Bagaria
WHO	Issa Matta

PROPOSAL REVIEW COMMITTEE	
Chair	Andy Gray
PARTNERS (OBSERVERS)	
UNAIDS	Maeve Brito de Mello
RESOURCE PERSONS	
Boston Consulting Group	Johana Benesty
OTHER	
Office of the Chair of UNITAID Board	Laurence Thurion
UNITAID SECRETARIAT	
Executive Director	Lelio Marmora
Deputy Executive Director	Philippe Duneton
Director of Finance and Administration	David Curry
Director of External Relations	Mauricio Cysne
Adviser to Executive Director	Sanne Fournier-Wendes
Senior Legal Officer	Sonia Lees-Hilton
Director of Operations a.i.	Robert Matiru
On Specific Agenda Items:	
Technical Officer, Strategy & Results	Alexandra Cameron
Technical Officer, Strategy & Results	Janet Ginnard
Board Support:	
Board Relations Officer	Sophie Genay-Diliautas
Executive Board Assistant	Catherine Kirorei Corsini
External Relations Officer	Marina Lins Do Carmo