



44<sup>th</sup> Executive Board Meeting

18-19 June 2024

The Forum, Global Health Campus  
Geneva, Switzerland

**Agenda item 2**

**Minutes from the 43rd meeting  
of the Executive Board  
21-22 November 2023  
Brasilia, Brazil**

For Information  For Review and Advice  For Approval

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*A closed session was held from 12 to 1pm before the start of the open sessions of the meeting.*

## **0. Welcome remarks**

Words of welcome to the Unitaid Executive Board were given by H.E. Nísia Trindade, Minister of Health of Brazil and from H.E. Maria Laura da Rocha, Secretary General of the Ministry of Foreign Affairs of Brazil.

Minister Trindade reminded the strong ties between Brazil, one of the founding members, and Unitaid and the alignment in terms of priorities. She mentioned the recent launch by President Lula da Silva of a National Strategy for the Development of the Health Economic-Industrial Complex, pursuing a "new industrialization" of the country, with a focus on reducing productive and technological dependence, and aimed at ensuring universal access to health. Contribution to global health especially for Latin America and Africa is part of the strategic objectives, this could lead to further opportunities for collaborations.

Ambassador Maria Laura da Rocha reminded the humanist ideals that led to Unitaid's creation 17 years ago. She recalled the important mission of Unitaid to help reach the SDGs and the remarkable impact since its creation. She highlighted the importance of regional production for equitable access, but also the need to address economic, social and environmental determinants of health.

Both Minister Trindade and Ambassador Maria Laura da Rocha reiterated the strong commitment of Brazil to Unitaid, which translates into financial but also political and institutional support, including its active participation to the Executive Board.

## **0. Opening remarks from the Chair**

The Board Chair opened the meeting thanking Brazil for hosting the Board and Ambassador Ishitani and her team, for making it possible, noting that this was the third Board meeting held in Brazil since the creation of Unitaid. She acknowledged the intense preparation and thanked the staff for their hard work. She welcomed Mr. Kitamura, new Board Member from Japan, Ms. Aaronson, new alternate Board Member for the United Kingdom, Mr. Kang representing the Republic of Korea for this Board only and acknowledged the participation of some colleagues online.

In light of the packed agenda, the Board Chair underlined the importance to have focused and conclusive discussions. She reiterated her commitment to ensuring that all voices are heard around the table. This Board meeting will feature two important decisions which will mark the way Unitaid want to be part of this fast-changing world: the area for intervention on monoclonal antibodies and the climate and health strategy. She thanked the committee leadership for their work in building common positions on these topics and asked the Board to remain strategic and constructive in the discussions.

## **1. Agenda of the EB43 meeting**

The EB adopted the agenda of the meeting (UNITAID/EB43/2023/1/REV1).

## **2. Minutes from previous meeting: EB42, 15-16 June 2023**

The EB adopted the minutes of the 42<sup>nd</sup> EB meeting of June 2023 (UNITAID/EB43/2023/2).

### 3. Report from the Executive Director

The Executive Director underlined that the world is not on track to meet the global health targets, let alone efforts to address primary healthcare or pandemic prevention, preparedness, and response. If the international community is to bend the curve to get back on track, he stressed that we need to continue to work collectively with diverse partners, including communities, civil society, and countries. He noted that how we work together will define the future and emphasized that equitable access must not be an afterthought.

He highlighted the impact Unitaid has delivered through its investments over the past year calling out ground-breaking studies to improve treatment of multidrug-resistant tuberculosis in children and landmark clinical trials that redefined multidrug-resistant tuberculosis treatment options, as well as collaboration with partners to accelerate the approval of African-Manufactured HIV rapid tests.

The Executive Director noted that Unitaid, in partnership with the Executive Board, needs to be forward looking and adapt to the current and future context the organization will operate in. In this regard, Unitaid must continue to engage on key areas that are integral to the scope of its work, including climate and health, regional manufacturing, as well as pandemic prevention preparedness and response.

To ensure Unitaid is well positioned to implement the strategy, the Executive Director provided an overview of efforts that have been put in place including bolstering resource mobilization and strategic communication; funding areas of work strengthened in the Strategy, operationalizing Unitaid's performance management framework; and introducing a more robust approach to annual priority setting and planning.

Board members acknowledged the significant impact Unitaid's work has on the global health response and reaffirmed their support for Unitaid's 2023-2027 Strategy. They reiterated the need for the Secretariat to continue to improve its strategic communications and advocacy targeting key stakeholders and donors. There was a specific call for Unitaid to articulate more clearly the unique role it plays alongside partners in the global health response. Board members also committed to increased cooperation in advocating for Unitaid. In addition, the Executive Board noted that given the nature of Unitaid's work, longer term financing is essential and there was a call for members to work towards an increase in multiyear agreements to reinforce core funding.

### 4. Report on the proposed KPI revisions including KPI A

The Secretariat provided a summary of the proposed revisions to the Key Performance Indicators (KPIs), building upon discussions during the October 2023 Policy & Strategy (PSC) and Finance & Accountability (FAC) Committees. Revisions to KPIs were proposed by the Secretariat for three reasons – i) some KPIs had a set review period of 2023, ii) some KPI targets required update after setting baseline performance in 2023, and finally iii) some KPIs would benefit from more precise definition, based on learning from the first cycle of reporting in June 2023.

The proposed revisions were summarized for Strategic Objective KPIs 1.2 (b), 1.3, 2.1, 3.1 and 3.3, and for Organizational KPIs A and B. Of note were the proposed changes to Organizational KPI A. Here, the existing indicator and target had been subject to a more detailed review process during 2023, including a consultation with a sub-group of the FAC. The outcome of these discussions was to propose that the existing KPI A be replaced with four new sub-indicators - i) Budget Implementation Rate, ii) Staff Cost Allocation, iii) Investment Commitment Ratio, and iv) Investment

Disbursement Ratio. Considering feedback provided at the FAC, the existing KPI A would be retained for reporting on 2023 annual performance, before being removed from the KPI framework.

Following the Secretariat's presentation, the PSC Chair and FAC Vice-Chair reported back on the discussions on the KPIs at the October 2023 PSC and FAC meetings. Considering the proposal made by the Secretariat to address these points, the FAC and PSC Chairs recommended that the Executive Board approves the proposed reviewed KPI Framework, as set out in document UNITAID/EB43/2023/4 Annexes A and B.

Board members thanked the Secretariat for the presentation and proposal and noted the importance of reviewing and strengthening Unitaids performance framework, notably considering the Functional Review outcomes. Comments were made regarding the need to further detail and complement indicator 3.3 on country engagement. In addition, specific comments were noted around the importance of tracking progress against the KPIs related to Strategic Objective 3 (Partnerships). On the topic of carbon footprint, a question was raised on whether there is a need to have a similar KPI linked to implementers. Secondly, whether there was a specific plan in place for Secretariat carbon footprint reductions, to meet forward-looking targets.

In response, the Secretariat thanked Executive Board members for the comments and questions. Regarding the process, it was clarified that the objective at this point in time was only to make a few adjustments but not to revisit the full set of KPIs which had been approved with the new strategy. However, should some constituencies require further data or information, the Secretariat expressed its availability to explore how to collect and bring this additional information.

On the topic of country engagement, it was noted that the Secretariat will be working on country memorandums of understanding with a number of target countries, and will be developing plans to engage a range of countries, across different regions to take forward the work agreed within the Functional Review process.

The Executive Board approved the proposed reviewed KPI framework (UNITAID/EB43/2023/R1).

## **5. Report from the Chair of the Proposal Review Committee**

Reflecting on the PRC work for 2023, the PRC Chair noted an important increase in workload, which resulted in a 60% increase in total working days compared to 2022. The Joint Review Committee (gathering PRC and Secretariat) met twice this year to review a total of 19 proposals related to the following areas for intervention: Advanced HIV Disease, TRIPS flexibilities, Antimalarial Drug resistance and Vector Control Toolbox. During these meetings, particular attention was given to the portfolio approach, in particular with regard to potential for evidence generation, country selection, and for coordination and impact across partners' projects. In 2023, the PRC also reviewed 23 grants, amongst which 6 were ACT-A investment grant reviews while the rest were regular grant agreements and extensions. He also mentioned the need to balance the sense of urgency with pragmatism, which is for instance reflected in the need to find the right balance between getting the answers from fundamental research and starting implementation research. The PRC Chair also mentioned the emergence of more atypical proposals such as the proposal on Reproductive Maternal and Child Health (RMNCH) to be funded by the European Commission and the liquid oxygen regional production initiative in Africa which implied a slightly different scope in the review.

The PRC Chair highlighted the good spirit of the meetings and the respect of the independence of the PRC members. He also mentioned the recent resignation of the IP expert. Replacement will be sought for within the last replenishment and a wider search could take place if needed.

The Board Chair and members thanked the PRC Chair for his report. Some members commented it would have been useful to get a written report ahead.

In response to some questions raised on malaria, the PRC Chair explained that while interventions were not specifically designed to address the climate crisis, the learnings regarding the impact of climate change would be crucial. Regarding country and community engagement, he clarified that the degree of upfront engagement of the National Malaria Programme and local partners was taken into account into the scoring and that it is essential that sustainability be built right from the beginning. He also confirmed that the PRC was satisfied with the degree of landscaping they get.

## **6. Process for appointment of the Board Chair & Vice-Chair – for decision**

Following the closed session, the Board approved the extension of the terms of the Board Chair, Mrs. Marisol Touraine and the Board Vice-Chair, Amb. Cecilia Kiku Ishitani, until the closure of the December 2025 Board meeting (UNITAID/EB43/2023/R2 and UNITAID/EB43/2023/R3, respectively).

## **7. Resource Mobilization and Communications Update**

The Deputy Executive Director (DED) provided an update on resource mobilization (RM) and communications. He highlighted the challenging context, with a declining trend in global health funding and multiple replenishments coming up and, presented the key 2023 achievements of the RM and communications team following the increased investment agreed by the Board at EB 41. These include a number of new tools, publications, refreshed visual identify and an overall 12% increase in core funding mobilized in 2023 compared to last year (amounting \$184M), with contributions made by all Board members. Moving forward he explained that consolidating and diversifying Unitaid's donor base will require continuous extensive engagement with multiple stakeholders, and that we will continue to count on the Executive Board as our biggest supporter.

The Board Chair thanked the DED for the detailed presentation. She commended the Secretariat for the progress this year in developing new communication materials with simplified explanations for donors and underlined the usefulness and need for materials in different languages. She thanked the Board members for their contributions in this first year of Unitaid's new Strategy.

She underlined the challenges of resource mobilization in the current environment and noted the move to annualized (rather than multi-year) contributions, which poses a management challenge. Increasing multi-year engagement is something that the Board needs to think through. She observed the responsibility of all Board members in building political support within their own organizations and beyond.

Board members welcomed the presentation and expressed their support to Unitaid's resource mobilization efforts, highlighting that the resource mobilization environment for global health is the most challenging in the past 20 years. They noted that 2024 – 2025 are important years with several upcoming global health replenishments and it is not clear where funds will come from to meet overall needs. They noted Unitaid, as a comparatively speaking, smaller global health multilateral, needs to adapt its resource mobilization efforts accordingly and should not necessarily seek to replicate

approaches taken by larger global health multilaterals. They agreed with the Secretariat's suggestion to start exploring innovative finance as a potential avenue for additional resources in the medium term. France and Brazil both encouraged the Secretariat to explore the possibility of coordinating with other global health actors who would be undertaking replenishments or investment rounds in the next two years. They agreed with the Secretariat's suggestion to start exploring innovative finance as a potential avenue for additional resources in the medium term.

Board members emphasized that the internal advocates in each donor can make a big difference. They noted in particular the importance of multi-year funding agreements in providing the predictability needed for new product introduction so critical to the collective global health response and that the Board and Secretariat need to further explore how to encourage increased predictability and multi-year funding.

The strengthening of the coordination with other global health initiatives was encouraged, including joint communications such as the recent publications with WHO and the Global Fund. WHO suggested that as part of the hosting arrangement, Unitaïd could explore coordination with the WHO CRM to participate in annual donor briefings of WHO.

Several Board members also noted the Future of Global Health Initiatives (FGHI) and felt the report did not adequately reflect Unitaïd's role in the global health architecture as it focused primarily on larger health multilaterals namely, GFF, GAVI and GF. The NGO delegation advised they had raised this issue with the FGHI Secretariat.

Japan announced that it had secured contribution for 2024, including part from the supplemental budget which would support Unitaïd's work on oxygen (pending Diet confirmation in early December 2023).

Board members expressed their willingness to support Unitaïd resource mobilization efforts and asked the Secretariat to share a calendar of key political moments and simplified communication materials on Unitaïd's work. They also acknowledged the Board and Secretariat must continue efforts to secure predictability of funding for the important work of the organization.

## **8. Investment Plan update**

### **9. Area for intervention on Monoclonal Antibodies**

The Board Chair introduced the agenda items related to investing for impact: the Strategic Investment Plan and the Area for Intervention (Afl) on monoclonal antibodies (mAbs).

The Director, Strategy presented a brief reminder of the strategic investment plan, a document that is updated on a rolling basis to show how opportunities are prioritized and reconciled with the funding forecast. She noted that it can be useful context for the substantial body of work that is being executed against the plan (i.e., new funding commitments and new work in development).

The Director, Strategy provided a reminder on how prioritization informs the investment plan. The Secretariat assesses each actionable opportunity against agreed prioritization criteria, and then prioritizes – in the baseline investment pipeline – high-impact opportunities where Unitaïd can make the greatest difference.

She presented a mapping of 2024 investment opportunities, noting that most were in progress following EB42. At that time, one opportunity (pre-eclampsia) had been positioned in the upside pipeline, subject to additional funds, and one opportunity (monoclonal antibodies) had been flagged

to revisit in PSC29 and EB43. She noted that the prioritization exercise had confirmed the positioning of the monoclonal antibodies opportunity as a priority for Unitaid, in the baseline investment pipeline.

The Director, Strategy then presented an overview of the Area for Intervention on monoclonal antibodies (mAbs), prioritized for Unitaid investment. She noted the increasing relevance of mAbs for low- and middle-income countries (LMICs), given emerging pipeline products in infectious disease and newborn health – but also the range of access barriers that exist.

She explained that a phased approach to implementation had been built into the Afl. This reflects an understanding that it is not a given that every product will be applicable or viable everywhere – and we do not expect that Unitaid would be in a position to tackle all access challenges at once. However, there are promising use cases where doses are small, product would be used in hospitals or could eliminate major programmatic costs. Among the most relevant use cases, some could be amenable to production at a cost and scale that can work in LMICs, when combined with manufacturing improvements and enabling interventions.

The Afl therefore outlines work that Unitaid may do now to establish business models and support enabling elements – like regulatory, quality, licensing and technology transfer. She presented the areas of work described in the Afl that would be the subject of initial investments and those that that would be the subject of potential further investments, informed by initial work, as follows:

#### **Initial investments (as outlined in Afl):**

- Demonstrating feasibility and viability of mAbs business models considering: optimal product use cases and their targeted market size; opportunities to lower costs and simplify production and use of mAbs; and production capacity needs and potential role of regional manufacturing and technology transfer
- Regulatory support: enhancing regulatory capacity for mAbs in LMICs; harmonizing and simplifying regulatory guidance for mAbs; and establishing expedited approval mechanisms for mAbs in PPPR.
- Licensing and technology transfer: supporting licensing and technology transfer models for mAbs to expedite pipeline, and sufficient capacity of production including in LMICs as relevant.
- Preparatory activities to facilitate adoption later: community engagement to inform the development of mAbs targeting LMICs

#### **Potential further investments to be informed by initial work:**

- Advancing the pipeline: targeted investments to complement late-stage clinical trials and fill specific evidence gaps; and early identification of commercial manufacturers to ensure continuity from clinical batches to potential scale-up.
- Facilitating early adoption in LMICs as products emerge from pipeline: community engagement to increase awareness and treatment literacy and facilitate uptake; evidence generation on feasibility and acceptability of mAbs in LMICs; and implementation studies to determine how mAbs can best be used in complement to other tools in real-world settings.

The PSC Chair provided feedback from PSC29 in October 2023. She confirmed that during the meeting, the majority of the PSC supported the recommendation that the Executive Board endorse



the Afl. However the Foundations representative was not able to confirm a position and agreed to do so in advance of the Executive Board meeting.

The PSC Chair then explained that the Foundations representative later confirmed the value of proposed work on several points, but requested a phased approach to implementation, noting that they did not recommend endorsement of the Afl without further assurance on a phased approach. As such, the PSC Co-chairs sought compromise from PSC members on a phased approach, including:

- 1) Adjusting the amount initially committed in 2024 from \$25m to a lower amount, capping initial investment in this area at \$8-12m
- 2) Focusing near-term investments on addressing cross-cutting access barriers and establishing viable business models that incorporate manufacturing process optimization.

The PSC Chair confirmed that no objections were received on this approach from PSC members, and therefore proposed proceeding with the phased approach, noting that this would not preclude subsequent investments but would allow them to be informed by initial work. She also proposed to include a process point in the resolution that launching further investments would be on the advice of the PSC.

The Board Chair thanked the PSC Chair for the update, congratulated her and PSC members on the efforts to build consensus and find a compromise position, and opened the discussion to Board members.

The Foundations representative emphasized the importance of prioritization and noted appreciation for the phased approach and the clarity of the Secretariat's presentation on the areas of work foreseen as initial investments. He noted concerns on the opportunity cost of blocking funds for future mAbs investments now but confirmed that the phased approach would mitigate those concerns. He raised a question on the process for the PSC advising on further investments.

Representatives from NGOs, Communities, France, Norway and Brazil reiterated their strong support for the Afl, with the representatives from NGOs, Communities and Brazil specifically noting that they would support endorsing the full Afl and funding envelope but also support a phased approach as a compromise. NGOs noted that they were comfortable with earmarking a smaller amount for 2024 on the understanding that a placeholder for the balance would be retained in 2025, with further investments beyond that if warranted. The Communities representative requested confirmation that community engagement would be part of the initial phase of work and noted that resource mobilization efforts will have bearing on the discussion about future trade-offs in the Investment Plan. The Representative from France raised questions about continuity of work with the phased approach and how we could have assurances on future investments. Representatives of African Countries and Chile expressed agreement with the phased approach.

The Board Chair summarized the discussion on the importance of having resources available for subsequent investments on monoclonal antibodies if initial investments show promising outcomes and suggest that further investment would be warranted but acknowledged the challenge of allocating resources now that may be used for other priorities. She asked the Secretariat for confirmation on the level of flexibility in the Investment Plan.

The Executive Director confirmed that the Investment Plan is reviewed every six months and that the Secretariat will have the opportunity to make adjustments, taking available resources into consideration. The Director, Strategy clarified that the decision today would be to signal the strategic relevance of this work for Unitaid and to enable initial investments. She explained that the Secretariat

could retain a placeholder in the Investment Plan for 2025 and beyond that would be subject to change and revisited on a regular basis. She also responded to the Communities representative to confirm that community engagement would be part of the initial phase of work.

The Foundations representative confirmed that he was comfortable with the approach as outlined by the Secretariat. The Communities representative requested that the next PSC meeting provide a detailed understanding of the potential trade-offs in the Investment Plan.

The Board Chair asked for confirmation of commitment from the Board to proceed with further investments if initial investments show promise, and of consensus that further investments could be launched on advice of the PSC. Board members agreed with both points, noting that the minutes of this Executive Board meeting would be taken into consideration by the PSC.

The Board Chair confirmed the Board's endorsement of the proposed resolution (UNITAID/EB43/2023/R4).

## **10. Functional review implementation & special initiatives update**

The Board Chair opened the session by recalling that a Functional Review of the Secretariat had been undertaken in 2022-2023, that the recommendations of the Review were presented to the Board during its meeting in June 2023 (EB42), and that the session during EB43 was an opportunity for the Secretariat to brief the Board on progress made implementing those recommendations over the past six months.

The Secretariat began by presenting an overview of Functional Review recommendations that had been endorsed by the Board during EB42 and the follow-up actions that the Board had requested at that time, including increased human resourcing for core areas of work and five areas of work strengthened in the 2023-2027 Strategy (Access, Climate and Health, Engagement with Partners, Global Health Emergencies/PPPR, Regional Manufacturing). Directors from within the Secretariat then spoke to the progress made in each of the areas since June, highlighting achievements made to date and steps taken to advance work towards the achievement of planned goals. The Director of Finance and Administration within the Secretariat then provided an update on the recruitment of the personnel authorized by the Board during EB42, before concluding with a summary of next steps in terms of these recruitments.

After the Secretariat presentation was completed, the PSC Chair noted that at the time of the Board decision during EB42, the Board had required that the Secretariat provide a formal update to the PSC in Q4 of 2023 and in Q2 of 2024, in advance of the FAC and PSC developing a recommendation for the Board regarding a possible Phase 2 of resourcing for the five areas of work strengthened in the Strategy. The PSC Chair reported that the Secretariat had provided its briefing to the PSC in October 2023 as required and that at that time members of the PSC could see the progress already made and the work that had been done well, as well as the work that remained to be done.

Board members thanked the Secretariat for the impressive progress made since the Board decision in June. As regards the updates on the specific areas, Board members thanked the Secretariat for their engagement and involvement in planning and execution of some of the activities associated with these areas and requested that the Secretariat continue this engagement and increase it to the extent possible. It was noted that there are close linkages between all five areas strengthened in the Strategy and emphasized the need for close coordination both within the Secretariat as well as between the Secretariat and other partners working in these areas. The increased emphasis on engagement with communities and civil society during the proposal review, proposal section, and project implementation processes within the Secretariat was also recognized and appreciated, and the Secretariat was encouraged to continue and to strengthen these efforts further. The Secretariat

was asked to provide an update in the future on actions planned and taken to encourage South-based implementers. Lastly, Board members requested an update on the possibility of future delays in recruitment of resources approved during EB42.

## 11. Climate and Health strategy

The Secretariat presented the journey of the organization over the last few years on the Climate and Health initiative: an initiative from the ground up, that started with the calculation of the Secretariat footprint in 2021 up to the development of the Climate and Health strategy in 2023. The Climate and Health strategy is built on solid work conducted in the last few months, including an in-depth analysis of 10 key health products (public report), a partner landscape, climate and disease mapping, partner consultation, EB and PSC consultations and meetings as well as work with the Climate Action Accelerator. Climate change is impacting Unitaid's mission and the response that Unitaid is proposing through this strategy is to work both on the mitigation and adaptation sides of climate change, while also reducing its own carbon emissions. Based on Unitaid's strengths, knowledge and skills, the strategy is articulated around the concept of "Climate-smart health products" for which a precise definition was presented. The Climate and Health Strategy has for ambition "Climate-smart health products that enable sustainable and equitable access to health for all" and is meant to be a chapter of the 2023-2027 Unitaid's Strategy, with its objectives embedded within the three Strategic Objectives of the 2023-2027 Unitaid's Strategy. Its implementation is meant to be immediate, with investments being either integrated into broader AfIs or done through the creation of a Climate and Health Afi (through Board submission). The COP 28, organized in Dubai early December, will be the opportunity to launch the Unitaid Climate and Health strategy as well as the study of 10 key health products.

The PSC feedback was presented, with a very strong consensus on the importance of this area of work for Unitaid, and some suggestions for improvement that the Secretariat has taken onboard when developing the final strategy draft. The PSC recommended the Executive Board to consider the proposed documents for adoption. It was proposed that the Board: ask the Secretariat to develop AfIs as a basis for future investments in Climate and Health and to consider whether to use the term "Strategy" and to discuss the use of the terminology "Climate-smart products".

Dr Diarmid Campbell-Lendrum, head of the climate change and health program at WHO, was invited to speak. WHO very warmly welcomed the approach by Unitaid on climate and health. As efforts are ongoing at the WHO to elevate climate and health as the most important priority of the organization, he welcomed the commitment of Unitaid to support adaptation and mitigation actions, particularly on innovation and market shaping.

All Board members expressed support for the Climate and Health Strategy and commended the quality of the work done for and around the development of the strategy. There were a few points of discussions raised that will lead to the amendment of parts of the Strategy document. Around regional/local manufacturing, it was mentioned that the work done on climate & health should be a source of support to local manufacturing and not impede it, and the strategy document will be amended to reflect this. After discussion, it was decided that the terms "climate-smart" and "Strategy" would be kept, with an added footnote that will frame the terminology of "climate-smart" within the broader climate negotiation landscape. Reference to the Rio principles will also be added. Several Board members expressed the need for Unitaid to prioritize the work that it should focus on first (eg. through an Afi) and to build and strengthen partnerships to progress together with other organizations. Community and country ownership should also remain at the heart of this work so that they can contribute to the decision-making.

Consequently, the Board endorsed the Climate and Health strategy (UNITAID/EB43/2023/R5).

## 12. Approval of 2024 budget and constituency budgets

The Secretariat provided a brief overview of the proposed operating expenses budget for 2024: \$31.9M, showing a 3% increase compared to last year, essentially driven by the increase in the cost of staff. The Chair's office, Communities, NGOs and African countries constituencies proposed budgets also show an increase compared to last year (8 to 9%), mostly due to extra travel and increase in staff costs. Additional budget requests for constituencies overspends in 2023 and 2022, amounting about 100M in total over the two years, were also presented for the Board's approval.

The FAC Vice-Chair indicated that robust discussions took place at the FAC on these topics, leading to a clear recommendation from the FAC to adopt them.

As per the recommendation of the FAC, the Board approved 1) the 2024 Unitaid Budget (UNITAID/EB43/2023/R6), 2) revisions to 2023 Operating budget (UNITAID/EB43/2023/R7) and 3) revisions to 2022 Operating budget (UNITAID/EB43/2023/R8).

## 13. Policy on the Acceptance of Specified Funding

The Chair of the GWG reminded the EB that currently, additional contributions are approved by the Board on the basis of the "Principles for Acceptance of Additional Contributions" endorsed by the PSC in 2018. These principles served well but need to evolve in light of the changing context, different needs but also the lessons learnt.

The proposed policy builds on the existing principles, with the following adjustments:

### Principle 1 – Board approval and transparency requirements

- The Executive Director is authorized to accept all Specified Contributions (SCs) with no need for Board approval unless exceptions noted under Principles 1 and 2 apply (i.e. very granular specified conditions or ORC contributions that are less than the target range).
- SCs must comply with any WHO requirements (e.g. FENSA, if relevant).
- Secretariat to present a self-standing, 6-monthly written report to FAC and provide an opportunity for FAC to raise questions. The report will include:
  - a) Percentage share of Unitaid's total portfolio funded by SC;
  - b) SC as a percentage of the total funding received during the calendar year;
  - c) The names of Specified Funders that have contributed since the last Report, together with any specified conditions;
  - d) The amount of OCR as a percentage of the SC and total amount included in the SC;
  - e) The total amount of ORC secured through SCs for the current calendar year.

### Principle 2 – Scope of specified conditions

- SCs must normally be for work within scope of Strategy and aligned with either AFIs or one or more Programmatic Priorities.
- As an exception, more granular SCs can be recommended by the Executive Director – such as for specific programs, projects or implementers – but would be subject to Board approval at the earliest opportunity.

### Principle 3 – Financial threshold

- Large majority of active portfolio should be financed from Core Funding.

- OCR should normally cover any transactional and operating cost resulting from the SC. It should be a *de minimis* of 7% to contribute to the financing of overheads in the organization.
- Exceptions to reduce OCR will require EB approval (passing of funds, procurement for emergencies).
- Additional programmatic costs may be applied over and above OCR.
- Acceptance of small SC must consider proportionality and justification of associated costs with amount of SC.

#### **Principle 4 – Governance considerations (Principle unchanged )**

- Specified Funds do not affect existing governance structure or give any decision rights in the governance structure.
- Recognition of the value of keeping specified funders informed and ensuring their voices are heard.

The Chair of the GWG pointed out that the policy will be reviewed in the second half of 2025, and that both GWG and FAC had endorsed the policy.

The Board approved the Policy on Acceptance of Specified Funding (UNITAID/EB43/2023/R9).

### **14. Any other business**

The French representative informed Board members that they were invited to attend the restitution of the evaluation of the French contribution to Unitaid on 27 November in person in Paris or online.

The UK representative sought clarification on when risk, and the topic of ethics and safeguarding (which are part of the assurance review plan) could be discussed by the Board. She also suggested that, in due time, the Board finds a way to discuss many interlinked topics (specified contributions, Board membership, staffing model, RM picture) holistically and their longer-term implications for Unitaid's future.

The NGO representative encouraged Unitaid Secretariat to be more inclusive in terms of racial diversity and to take that into account for future recruitments.

The Foundations representative highlighted the importance of the upcoming spring discussion around the investment plan and the link to the risk discussion. Seconding the UK regarding the suggestion to have a strategic conversation around governance, staffing and risk, he suggested that the Board holds a retreat on the topic. He also highlighted the need to have a conversation on the timelines for receiving Board and Committee pre-reads.

The Chair informed that Board that the dates of the next Board and Committee meetings would be communicated before the end of the year. She also confirmed that she would like to organise a retreat before the summer. She mentions that a field visit for Board members was foreseen to take place in Kenya, potentially at the beginning of February and that, as per the African countries constituency's proposal, the second Board meeting of the year might take place in Africa.

As this was her last Board meeting, the Chair thanked Ambassador Izata for her commitment and constructive contributions to the Executive Board during her tenure and wished her the best in her future endeavours.