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Agenda item 3

Report from the Executive Director

For Information **For Review and Advice** **For Decision**

Introduction

In the aftermath of the COVID-19 pandemic, we have learned many valuable lessons and made substantial progress. However, large segments of the global population, particularly in low- and middle-income countries (LMICs), and especially women and children, have not fully benefited from advancements in health care. Despite overall progress in health, there have been notable setbacks, including a resurgence of malaria and tuberculosis, as well as increasing drug resistance, which threatens the effectiveness of key health solutions. In addition, climate change now poses an existential threat to the health and wellbeing of people and the planet if we do not commit to finding solutions. Without collaboration, innovation and ambition we will not meet the global health goals or achieve universal health coverage.

Unitaid plays a unique and essential role in global health by making effective and affordable products available wherever people in low-resource settings need them. We do so by forging strategic partnerships with a wide range of actors to address multiple barriers that hold back access to the best healthcare. We have engaged more systematically with diverse stakeholders, including with communities and civil society, and created a specific ecosystem. It is because we have forged collaborative partnerships that we can succeed collectively.

In implementing our ambitious strategy, we continue to consolidate the work we do on HIV and its co-infections, tuberculosis, malaria, women and children's health, and global health emergencies. We are advancing a record of success that has been built up meticulously over two decades and we are pursuing the long-term future of sustainable solutions that protect people and our planet.

We believe that putting Unitaid on a clearly signposted road to sustainability is the best way to ensure countries can continue to benefit from the essential service Unitaid provides, even as we confront a fast-changing and volatile environment. Climate change is well embedded in our short and long-term planning. We are taking steps to mitigate the impact of climate change on our work in the health sector, while at the same time curbing the impact our work has on the environment.

Unitaid is operating in an increasingly challenging environment, forcing us to manage competing priorities and limited resources while, at the same time, multiple global health replenishments are getting under way. We draw strength from our unique position within the global health architecture, confident that we will deliver on our promises and focus on the right priorities.

By building on our experience and leveraging our expertise, we are rapidly advancing in key strategic areas that are central to the future success of the global health response, including equitable access to health products; pandemic preparedness, prevention and response; climate and health; and regional manufacturing of health products, all of which are underpinned by fostering inclusive partnerships. We have made substantial progress since the launch of our strategy, and I am confident we are on track and moving in the right direction and the latest data demonstrates this. More than 100 countries are procuring and providing access to Unitaid-supported products, reaching approximately 300 million people each year, including 49 million children.

SO1: Accelerate the introduction and adoption of key health products

Unitaid's investments continue to demonstrate a strong dedication to identifying and introducing transformative health products in LMICs. This year with support from the Executive Board we are already implementing an ambitious investment plan with a strong pipeline of interventions. We prioritize impact in all of our investments to ensure equitable access to the most promising health interventions. In line with our current investment plan and funding forecast, we are addressing a broad range of issues under Unitaid's programmatic priorities.

In spite of a challenging funding environment, I am pleased to submit five new areas for intervention in 2025 which will be discussed at the upcoming Executive Board meeting. These include efforts to improve and

increase access to care for moderate and severe anemia in vulnerable groups in LMICs; risk detection and management of pre-eclampsia; access to innovations in sustainable oxygen production, distribution and supply; people-centered care through integrated diagnostic tools and delivery approaches; and regional manufacturing for equitable access. The regional manufacturing area for intervention includes identified priorities from an in-depth review of the Unitaid portfolio of products as well as work that will be funded through specified funds, such as the Executive Board approved investment in regional manufacturing of post-partum hemorrhage commodities. Many of these areas can unlock access to the priority tools needed to address pandemics including diagnostics, oxygen and regional manufacturing.

In addition, based on previous investment decisions taken by the Executive Board, we are advancing our work through three important calls for proposals. The selected proposals will come to the Executive Board for formal go-ahead in June, initiating critical areas of work focused on monoclonal antibodies (mAbs), elimination of mother to child transmission of HIV, syphilis, hepatitis B and Chagas, and the introduction of new treatment regimens for drug-resistant TB (DR-TB).

Through the selected proposals, we aim to create business models that ensure broad and equitable access to mAbs so that these products can improve the global health response for diseases affecting populations in LMICs. As more products targeting infectious diseases in LMICs enter the pipeline, Unitaid is working to enhance fairer access to mAbs; improve health outcomes by addressing treatment and prevention gaps in infectious diseases with mAbs; and enable cost savings through processes that lower the production and delivery costs of mAbs.

To accelerate demand and adoption of tools and integrated delivery strategies for elimination of mother-to-child transmission of HIV, syphilis, hepatitis B and Chagas in endemic areas, we will support countries in creating and implementing integrated elimination programs, while gathering evidence on effective and scalable models in different contexts. In addition, we will address barriers that limit access to essential commodities, such as the availability and affordability of diagnostic and treatment products. We also remain committed to fostering demand for these integrated elimination programs through strategies tailored to local needs and supported by community engagement, advocacy and educational activities.

Finally, through work to accelerate and promote the introduction of new DR-TB drugs and regimens, we aim to reduce DR-TB cases and deaths through treatment and by reducing the spread of infection through better and shorter regimens, increased demand and use, as well as insight into the most effective approaches for implementation, case identification and resistance monitoring.

SO 2: Create systemic conditions for sustainable, equitable access

Equitable access to the best health care lies at the heart of Unitaid's work. Our distinctive approach to enabling access throughout the value chain is essential for delivering tests, treatments and tools to those most in need, including during a health emergency. When the COVID-19 pandemic struck, we were able to quickly leverage our expertise to tackle critical barriers that prevented LMICs from obtaining new and lifesaving medicines, medical oxygen and diagnostic tests. As we move beyond the COVID-19 emergency response, our work in therapeutics, diagnostics, market shaping, oxygen provision, regional manufacturing and climate and health will continue to support countries in addressing current health challenges, while enhancing their capacity to prepare for, and respond to, future pandemics. Based on our experience we continue to lead efforts to ensure equitable access is considered up front, not only in the design of future approaches to pandemics but in all of our health interventions.

Since my last report we have made advancements in key strategic areas of work that will play a critical role in enabling sustainable equitable access.

In order to prepare for new global health emergencies, ensure uninterrupted access to essential health products and build resilience against climate change, it is critical that we further strengthen regional manufacturing of health products. To advance our work in this space Unitaid has expanded its engagement with existing and new partners, including governments, regional economic communities, African institutions and global stakeholders.

We are currently leading a joint effort between the African Union Development Agency and the New Partnership for Africa's Development, the World Health Organization (WHO), Unitaid and the Africa Centers for Disease Control and Prevention (Africa CDC) Health Products Manufacturing Support Project. The project is working to address human resources and technology gaps in product development, manufacturing and business operations related to active pharmaceutical ingredients (API), diagnostics equipment and priority therapeutics, including medicines for postpartum hemorrhage and antimalarials in Africa. Collaboration under the project will facilitate technical assistance between African regional manufacturers and industry experts.

In addition, in May we co-convened the 2024 Industry Engagement Forum in Lagos, Nigeria alongside the African Development Bank, the International Finance Corporation and Nigeria's Presidential Initiative on Unlocking Healthcare Value Chains. More than three hundred participants took part in the event, which focused on enhancing equitable access to vital health products through collaborative partnerships and creating investment opportunities to strengthen local pharmaceutical manufacturing. This initiative aims to mobilize resources through new investments and reshape healthcare in Africa through diverse partnerships and large-scale financial commitments.

Africa has 25% of the world's disease burden - including major infectious diseases like HIV, tuberculosis and malaria - yet it imports over 95% of its API and 70% of its pharmaceuticals. Dependence on imports makes countries vulnerable to price fluctuations, supply chain disruptions and shortages of essential health products, especially when there is high demand or disruptions. Strengthening regional manufacturing in Africa to produce tests, treatments and other health products can improve health security, increase sustainable access to affordable health tools and provide solutions that are specific to the region.

The Unitaid report, [Antimalarial manufacturing in Africa: A call for regional action](#), issued in April 2024 shows that by strengthening regional manufacturing capacity to produce new antimalarials, including non-artemisinin-based treatments, and helping to diversify the use of recommended treatments, we can help fight drug resistance and strengthen health security for millions of people at risk of malaria in Africa. Producing health products close to where they will be used also reduces the climate impact, given that a substantial portion of climate emissions in pharmaceutical production are related to transport.

WHO has called climate change “the single biggest threat facing humanity” and we are already starting to see the impact on global health and related health care. To meet global health goals in spite of climate change, we need to reconsider not only the type of health care that is needed now and in the future, but also how it is developed and delivered.

Since the approval of our climate and health strategy by the Executive Board last November and its formal launch at COP 28, we have made important progress. This strategy, which focuses on mitigation, adaptation and reducing our own carbon footprint, as well as our report [From milligrams to megatons: A climate and nature assessment of 10 key health products](#), have established us as a thought leader in this space. The report exposed that ten lifesaving health products, from HIV medication to mosquito nets, emit 3.5 megatons of carbon each year and impact the environment through manufacturing, transport and disposal. It also calls

for a move to “climate-smart¹” health products and outlines twenty technical solutions that could make these products more climate resilient while reducing emission by 70%.

Over the past few months, we have started to mainstream climate and health within Unitaid investments, including through a climate and health component in the new WHO prequalification grants; eight climate action pilots; and inclusion of climate elements in Unitaid’s area for intervention on pre-eclampsia. We are already focused on the additional efforts that are needed to build a portfolio of investments focused on climate and health.

Partner engagement has also been a central part of our climate and health strategy, and we have built relationships with a diverse range of key entities. Notably, Unitaid is a partner of the WHO Alliance for Transformative Action on Climate and Health (ATACH) which aims to meet the COP26 ambition of creating climate-resilient and sustainable health systems. The Alliance is leveraging the combined efforts of WHO Member States and other stakeholders to rapidly advance this goal by promoting the incorporation of climate change and health into plans at the national, regional and global level.

SO 3: Foster inclusive and demand-driven partnerships for innovation

To meaningfully address access barriers to the best health care and to find sustainable solutions, it requires a breadth of partners with diverse expertise and that is why fostering partnerships for innovation is at the heart of our work.

Communities and civil society

Community engagement is central to Unitaid’s approach and impact, and we are committed to ensuring that our engagement with affected communities and civil society is effective and responsive to their needs. In fact, this is something we are tracking through our key performance indicators. In 2023, 75% of our programmatic priorities had strong or good engagement, up from 40% the previous year, and this is an area we will continue to strengthen.

Working in close partnership with communities, Unitaid helps make the identification, design and introduction of key health products more effective. Our work to improve access to prevention, testing and treatment for hepatitis C virus (HCV) is a powerful example. Interventions funded by Unitaid are pushing boundaries in HCV, and in harm reduction, by supporting access for vulnerable and marginalized communities and introducing new and cutting-edge technologies in LMICs.

Key populations, particularly people who inject drugs, are disproportionately affected by HCV. Yet access to testing, treatment and optimized prevention tools remains limited, undermining efforts to reach the WHO 2030 HCV elimination targets. Through our HCV investments, Unitaid has worked to connect the most at-risk communities to treatment and care, by demonstrating effective ways to simplify and integrate HCV care into HIV and harm reduction programs, and by building outreach efforts to advocate for services and raise awareness at the level of both communities and governments.

In the current HCV portfolio, Unitaid has enhanced its support for people who use drugs by investing in harm reduction initiatives across ten LMICs. In collaboration with Frontline AIDS, Médecins du Monde and PATH, Unitaid’s funding is supporting the incorporation of hepatitis C testing and treatment into harm reduction services. In addition, we are piloting the use of two underutilized products to prevent infection. These include low dead space syringes and long-acting depot buprenorphine, a form of harm reduction for people who use

¹ How Unitaid defines climate-smart health products: Not harmful: Products that are not harmful to climate and nature, globally and locally, all along their life cycle – from minimized greenhouse gas emissions during manufacturing to responsible recycling. Resilient: Products that can be manufactured, delivered, stored and used in a way that is resilient to climate and nature risks. Responsive: Products that address the evolving needs of communities in low- and middle-income countries that are impacted by climate change, including health risks exacerbated by climate change and increases in infectious diseases. Locally adapted: Products that are delivered as part of locally adapted interventions, based on local context and knowledge, delivered through community-led models, and produced regionally. <https://unitaid.org/climate-and-health/#en>

drugs that involves taking medications to prevent withdrawal symptoms. This investment aims to produce evidence to guide WHO global recommendations and support adoption and uptake of these tools in project countries.

In collaboration with partners, we have proactively engaged communities, alongside technical and implementing partners, in research design through the establishment of a portfolio-level Community Advisory Board (CAB), which is led by the International Network of People who Use Drugs (INPUD). The CAB consists of community members from project countries who participate in the development and review of research design and protocols, bringing in valuable “lived experience”. Community members will participate throughout the life cycle of the projects, including in project implementation. The aim is to ensure that people directly affected are not merely consulted but are actively involved in shaping the health solutions that are designed to meet their needs.

Unitaid strongly encourages our implementing partners to consider including CABs in proposals and programs. They have proven to have the potential to create more inclusive and informed community responses. In addition, we are applying a small grants model for the engagement of local communities and civil society organizations as part of several funded projects. This model provides these communities and organizations the financial resources they need to support the development of advocacy and health literacy tools and materials, build capacity, and increase demand for the introduction of new health products.

Intergovernmental fora

Over the past several months, Unitaid has contributed to Brazil’s G20 health agenda by actively participating in the G20 Health Working Group and contributing expertise and resources to help shape effective health strategies and policies. Discussions at this year’s G20 Health Working Group meetings are focused on innovative approaches to today’s global health challenges and identifying a pathway toward more resilient health systems. The G20 Presidency’s key priorities are aligned with Unitaid’s work, notably pandemic prevention, preparedness and response with a focus on local and regional production of medicines, vaccines and strategic health supplies, equitable access to health innovations and the integration of health considerations into health policies.

Global alliances

Unitaid’s work on oxygen - including co-chairing the Global Oxygen Alliance (GO₂AL) alongside the Global Fund and Vice-Chairs Africa CDC and the Pan American Health Organization (PAHO) - remains as relevant as ever. Since the launch of GO₂AL in May 2023, Unitaid has led important progress in advancing the oxygen agenda. In support of the UN General Assembly’s landmark high-level meetings on Universal Health Coverage, pandemic preparedness, prevention and response, and tuberculosis, GO₂AL developed an advocacy toolkit to promote high visibility of oxygen across all three topics. Last fall, GO₂AL also established four working groups that are driving its key objectives, including investment consolidation and sustainability; innovative supply chain and market shaping; country planning and implementation; and advocacy and demand generation. Linked to those efforts, WHO, with the support of Unitaid, convened the first global oxygen scale-up meeting in Senegal in May this year. During this meeting, representatives from 63 member states worked together to develop tools that will help countries generate evidence-based, inclusive and costed national plans for oxygen scale up. Moving forward, with inputs from key stakeholders including UN agencies, ministries of health, donors, industry, health workers, international NGOs and civil society, GO₂AL will launch its full strategy and investment case this fall to support joint resource mobilization and implementation planning. Furthermore, Unitaid continues to chart a pioneering path in the medical oxygen sector by leading the development of future investment opportunities, such as the advancement of production and manufacturing capacity of liquid oxygen in East Africa. Unitaid is actively shaping the landscape of

medical oxygen provision and ensuring long-term supply in Africa, where it is needed the most. We have also been able to leverage funds from the Canadian and Japanese Government to support this work.

Regional organizations

We have also strengthened engagement with country governments and stakeholders. As a part of this effort, we recently signed a Memorandum of Understanding on the sidelines of the Seventy-seventh World Health Assembly to strengthen collaboration with PAHO, a key partner in Latin America. The agreement includes the mobilization of partners and resources to scale up access to global health innovations and affordable and quality-assured health commodities, as well as support the local manufacturing of health technologies. Our strengthened partnership with PAHO marks an important step forward in reaching these goals, especially for vulnerable communities in Latin America. The focus of our cooperation will be on diseases that are part of PAHO's Elimination Initiative and key areas in which Unitaid is engaged, including cervical cancer, Chagas disease, hepatitis B and C, HIV, malaria and other vector borne diseases, syphilis and tuberculosis, with a special focus on health conditions that affect women and children.

Countries and private sector partners

In February Unitaid's Executive Board and a delegation from the Secretariat took part in a trip to Kenya, providing an opportunity to discuss the country's health priorities and its cooperation with Unitaid, with Ministry of Health officials as well as heads of national health programs. The visit included a review of Unitaid's contribution to medical oxygen at a Kenyan manufacturing plant as well as site visits to health facilities focused on HIV, cervical cancer, maternal and child health, COVID-19 and oxygen services. The visit enabled meetings with key partners including the National Cancer Control and TB programs to discuss cervical cancer challenges and opportunities as well as engagement with Unitaid grant implementers based in Kenya.

Resource mobilization and strategic communications

We continue to operate in a challenging funding environment, with organizations pursuing increasingly scarce resources and multiple replenishments taking place. It is clear that there is insufficient funding to meet all global health and international development needs. Furthermore, with several donor governments holding elections in the next two years, future prospects for funding are unclear.

At the end of last year, we outlined our three-year strategy to further strengthen donor engagement and resource mobilization. This year we have focused on increasing the number of multiyear contributions, exploring access to new streams of funding, diversifying our funding with new donors, and leveraging and exploring additional approaches, including the use of co-funding and partnerships. We are pursuing long-term financial sustainability through multiyear commitments with a diverse set of donors, while at the same time exploring new opportunities, such as with the Green Climate Fund.

We have leveraged opportunities for specified funding. For example, in March of this year, Japan committed US\$7.3 million to Unitaid to expand access to a sustainable supply of medical oxygen in Kenya and Tanzania. This funding is an important contribution that supports our broader strategic objective to expand access, lower prices and increase the supply of medical oxygen in countries across Africa.

A second example is our recently forged partnership with UNFPA, backed by EUR 20 million funding from the European Union. With these resources, we will work together with health authorities, communities and partners in Côte d'Ivoire, Madagascar, Nigeria, Uganda, and Zambia to increase access to life-saving solutions for women who might otherwise die from postpartum hemorrhage. Unitaid will lead efforts to address demand, cost, quality, supply and optimal use of three life-saving medicines, including through regional production of products for postpartum hemorrhage, while UNFPA will focus on strengthening national level capacity, notably the capacity of midwives. The evidence generated through our joint efforts will create models of care that can be disseminated to other countries and reduce the risk of death in childbirth across Africa

and beyond. Overcoming these challenges requires not only products, but a health system that is well equipped for their implementation. Therefore, our partnership with UNFPA helps ensure our efforts to enable greater affordability and accessibility to relevant tools translates into widespread uptake and safer births.

Unitaid has also joined the Triple I for Global Health, a groundbreaking initiative endorsed by the G7 leaders at the Hiroshima Summit in 2023 that aims to mobilize private capital alongside public finance to support sustainable financing in global health. This partnership aligns with our mission to introduce innovative, affordable health solutions in LMICs and take them to scale. By mobilizing private capital alongside public funds, we can accelerate progress towards universal health coverage and strengthen pandemic preparedness.

In support of our resource mobilization efforts, we continue to improve external facing reporting and communications. We are establishing an institutional impact report that will be published regularly, increasing visibility and awareness of Unitaid's strong position as a leading influencer, pathfinder and investor in global health. In addition, alongside a wide range of other communication already launched, we recently produced our first donor brief for the UK Government, with additional briefs in development. These materials are being complemented by a new data visualization video series and feature stories that highlight Unitaid's impact, with plans to launch the new Unitaid website in the second half of this year. In the past six months we have also issued opinion pieces and reports that illustrate our unique contribution to the global health response and our thought leadership.

Organizational culture and ways of working

I would like to thank the Executive Board again for their decision to move ahead with Phase I of the Functional Review staffing recommendations in June. We have been actively implementing these recommendations since the Executive Board approved these changes in June 2023, including preparation for the staffing actions approved. Before we could complete those actions, however, we required WHO approval, as we are hosted by WHO. We actively sought that clearance throughout 2023 and into early 2024, but the approval was delayed, and we did not receive it until March of 2024. Upon receiving the approval, these recruitments began immediately, and are now well-underway, with a number of lateral, internal re-assignments completed and new staff recruited. Furthermore, we have been granted flexibilities under WHO rules that allow us to recruit staff more rapidly than in the past. These actions will have positive effects in terms of better partition of workload across the Secretariat, as well as enabling the full implementation of the Strategy.

Unitaid has made important advances in implementing the other change initiatives that emerged from the Functional Review. A new coordinated and more strategic approach to annual planning and monitoring of ongoing work was instituted at the beginning of this year through development of a comprehensive Secretariat work plan for 2024. A mid-year review of progress by all teams against workplans and a renewed look at priorities for the second half of 2024 is already planned for early July. We also streamlined our grant management ways of working to increase efficiency and reduce workload, and we are conducting a systematic review of our portfolio. In addition, we advanced and integrated five key areas of work strengthened under our strategy. As outlined earlier in this report, these areas include access, climate and health, regional manufacturing, global health emergencies (PPPR) and engagement with a broad spectrum of partners.

As a dynamic and innovative organization, we continue to seek ways to improve how we work. Unitaid staff and their commitment is our greatest asset and the key driver of our success. Therefore, staff engagement and their health and well-being remain a priority. Under Unitaid's Culture and Ways of Working Initiative we developed an Action Plan for 2024, which was presented to the Executive Board in March alongside the results of the 2023 Staff Survey, and we are on track with the planned deliverables. In February we held an all-staff retreat focused on staff engagement and the Unitaid Management Charter. We have also offered

training opportunities to staff including sessions focused on leadership and management, while promoting access to individual professional development trainings. In addition, we have provided tailored sessions and webinars on psychological safety, in partnership with WHO. In an effort to increase knowledge-sharing and continue to build our social fabric, we organized regular key thematic sessions as well as in-person workshops, including the Access Fresque, Portfolio Review Sessions, and a Workplan Review. We are already working on a revised staff survey to be administered early next year.

Conclusion

Over the past year, with support from the Executive Board and thanks to the work of the Secretariat, we have doubled down on the implementation of our strategy. We have successfully managed our existing portfolio and integrated new strategic areas of work. We now have a comprehensive strategy implementation plan focused on our portfolio which continues to cover HIV and co-infections, TB, malaria, women and children's health and global health emergencies, including oxygen. In addition, we will continue to advance our work in key strategic areas including climate and health and regional manufacturing.

Unitaid's portfolio of investments builds on our experience with and deep knowledge about access to innovation and people-centered approaches that complement country priorities. To further strengthen our work we are engaging with diverse partners and stakeholders, and we have created the right ecosystem.

We have also built new strategic partnerships and explored new opportunities for potential financial support. We are increasingly recognized for our work and thought leadership, including our recent accomplishments related to equitable access, regional manufacturing and climate and health. This has created an opportunity for us to develop specific investment cases and to engage with new and non-traditional donors.

With regard to Unitaid's performance and impact, we have improved performance management and the Key Performance Indicator Report reflects this. We have also focused on impact with a systematic review of our investment portfolio.

Furthermore, we have demonstrated our capacity to adapt to a rapidly evolving landscape and we remain a pivotal player in tackling critical health issues. Working in close collaboration with a breadth of partners and informed by country and community needs, we are making important progress in the implementation of our strategy. I looked forward to next year, as we will prepare with the Committees and the Board for the mid-term review of our 2023-2027 Strategy.

Looking ahead, with your support, we will build on our achievements, confront emerging health challenges and continue to ensure that people and communities benefit from the best health care advancements.

Best regards,



Dr. Philippe Duneton

Executive Director Unitaid