

# UNITAID

The International Drug Purchase Facility

## 1. Facts and figures

**Type of organisation:** Partnership with the World Health Organization (WHO)

**Established in:** 2006

**Headquarters:** Geneva

**Number of country offices:** Has no country offices. Works through implementing partners

**Head of organisation:** Executive Director Denis Broun (France)

**Dates of Board meetings in 2013:** 6–7 June and 12–13 December

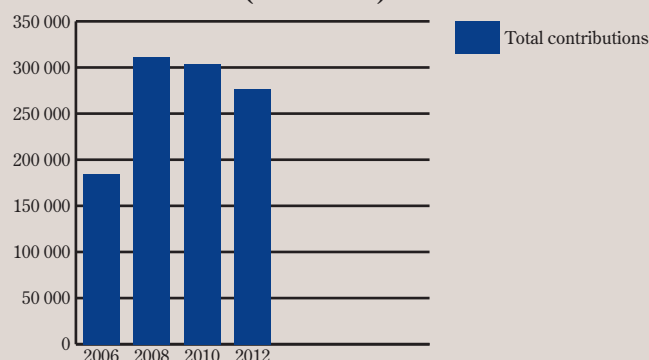
**Norway's representation on Executive Board:** Norway has a permanent seat on the Executive Board

**Number of Norwegian staff:** None

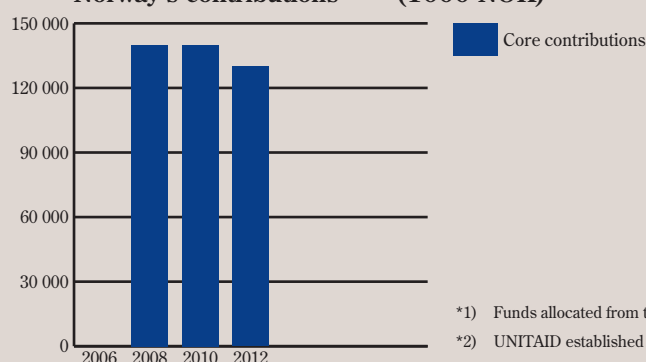
**Competent ministry:** Norwegian Ministry of Foreign Affairs

**Website:** [www.unitaid.eu](http://www.unitaid.eu)

**Total revenues (1000 USD)**



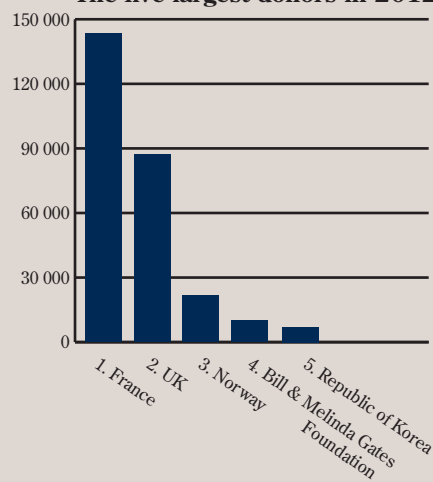
**Norway's contributions \*1)\*2) (1000 NOK)**



\*1) Funds allocated from the MFA's budget

\*2) UNITAID established in 2006

**The five largest donors in 2012 (1000 USD)**



NORWEGIAN MINISTRY  
OF FOREIGN AFFAIRS

## Mandate and areas of activity

The innovative health-financing mechanism UNITAID was established in 2006 by Brazil, Chile, France, Norway and the United Kingdom. UNITAID is primarily (60 per cent) financed by an air-ticket levy, but also through direct contributions from governments. Norway finances UNITAID through the development assistance budget. Countries in every income group contribute, including middle- and low-income countries.

UNITAID's work is guided by UN Millennium Development Goal 6: combat HIV/AIDS, malaria and other diseases.

UNITAID's mandate is to ensure that health products for the prevention, diagnosis and treatment of HIV and AIDS, tuberculosis and malaria are available to the poor at an affordable price, mainly in low-income countries (85 per cent of projects).

UNITAID's four main objectives are to:

- Increase access to efficacious, safe products of assured quality that address public-health problems
- Support adaptation of products targeting specific populations
- Ensure affordable and sustainably priced products
- Assure availability in sufficient quantities and timely delivery to patients

UNITAID is based on a broad platform of cooperation with public and non-governmental actors, working through partners that implement measures using funding granted by UNITAID. The support is provided for a limited period of time, until the country's own health authorities or other donors can take over. UNITAID is hosted by the World Health Organization.

Multi-year purchasing commitments help to ensure necessary predictability and a long-term perspective. This provides strength in negotiating prices and volumes, thereby securing access to effective medicines and diagnostics at affordable prices for the poor. UNITAID supports countries' application of the flexibilities related to patent rights for pharmaceuticals under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), adopted in Doha in 2001. This promotes greater market competition through the manufacture and use of generic medicines, and reduces bottlenecks in quality-control systems.

Many medicines that are relevant to HIV, tuberculosis and malaria are protected by patents. UNITAID therefore initiated efforts to establish a Medicines Patent Pool (MPP). Its purpose is to spur the development of new formulations and lower the prices of HIV medicines by means of an arrangement whereby pharmaceutical manufacturers make patents available in return for compensation from the patent pool. The first licensing agreement was signed in 2011 with the pharmaceutical manufacturer Gilead.

## Results achieved in 2012

UNITAID's Strategy 2010–2012 has resulted in increased access to health products for the treatment and diagnosis of HIV, tuberculosis and malaria. This has been accomplished through efforts to bring about market changes to increase the availability of such products. UNITAID has achieved good results in the following areas:

- Over nine million people are now being treated for HIV. In the first years of treatment, many people become resistant to the first medicines they receive (first-line treatment). They must then be treated with other, often more expensive, medicines. UNITAID obtained price reductions of between 50 and 73 per cent on medicines in 2012, compared with 2008 prices, thereby ensuring cheaper second-line treatment for HIV and other diseases.
- HIV treatment consists of a combination of different medicines. This used to mean that persons being treated for HIV had to take a number of different pills every day. These have gradually been amalgamated in combination tablets. Thanks to UNITAID's market-shaping efforts, the number of manufacturers of generic combination tablets (fixed dose combination) rose from seven in 2008 to 13 in 2012.
- One-third of the world population is infected with the tuberculosis bacterium. As a result of prior interrupted treatment and mutation, there is a rising incidence of tuberculosis bacteria that are resistant to several types of treatment. This type of multi-drug-resistant tuberculosis can be treated, but medicines are expensive and must be taken consistently over a long period of time, often for as long as two years. The price of such treatment is therefore high. In 2012, UNITAID obtained a 16 per cent reduction in the price of medicines to treat multi-drug-resistant tuberculosis compared with 2008 prices. Work is in progress on developing better, cheaper treatment.
- Tuberculosis can be difficult to diagnose, especially multi-drug-resistant tuberculosis. It can also be hard to find out exactly which medicines the patient in question is resistant to. For a long time there were few new developments in this field. In 2012, however, UNITAID helped to bring better diagnostics tools to the market. As a result, more persons who are infected with multi-drug-resistant tuberculosis can be correctly diagnosed and given adapted, effective treatment.
- Malaria is still a widespread disease, and a significant cause of child mortality. Malaria is increasingly resistant to existing malaria medicines such as quinine. In the past few years, artemisinin has been approved by the World Health Organization for treating malaria. The fact that there has not been enough of this effective medicine on the market, and that it was produced in non-user-friendly packaging, has posed a challenge. In 2012, through UNITAID's efforts, eight different types of artemisinin-based malaria tablets from three different manufacturers came on the market. In 2006, there was just one type of artemisinin-based malaria tablet.

- It is important that medicines are of high quality. The World Health Organization works closely with governments in individual countries to assure the quality of medicines that are produced, in addition to which it has a special function for this purpose, called prequalification. UNAID has strengthened this function, boosting the number of UNAID priority medicines that have been prequalified from 18 in 2009 to 34 in 2012.

UNAID also measures the functions of the Secretariat. In this respect, it reports that the median time from signing of an

agreement to disbursement of funds has been reduced from 48 days in 2010 to 27 days in 2012. The share of the planned programme budget that was actually carried out increased from 50 per cent in 2009 to 85 per cent in 2012. The evaluation points out that there is still room for improving the efficiency of application processing and disbursements, and both the Executive Board and the Secretariat have worked to address this aspect; among other things, a new application process was introduced in 2012.

The market for HIV medicines for children is small and fragmented, as a result of which there have been few medicines adapted for children on the market. At the time of its creation in 2006, UNAID made HIV medicines for children one of its main priorities. In partnership with the Clinton Health Access Initiative (CHAI), UNAID has sought to shape the market to increase the availability of more and better medicines. Among other things, UNAID consolidated demand from several countries and entered into a dialogue with manufacturers to spur them to lower prices and develop more relevant products. A mid-term review from 2012 shows that this has stimulated the development of more child-friendly HIV medicines, and that more children now have access to treatment. As a result of greater, more predictable demand, more manufacturers have entered the market, which in turn leads to increased competition, more and better products and lower prices. Today, 350,000 children receive HIV medicines thanks to UNAID, an increase from 68,000 before UNAID began this work. UNAID is now phasing out this support.

## 2. Assessments: Results, effectiveness and monitoring

### The organisation's results-related work

UNAID's results framework consists of a strategy and a standard set of key performance indicators (KPIs). The Secretariat reports on its own performance and that of its implementing partners each year in an annual report and a KPI report. An independent five-year evaluation presented to the Executive Board in 2012 identified several weaknesses in UNAID's results-related work, such as the fact that the organisation does not highlight sufficiently the causal connection between its activities and the desired effects (theory of change) in its results framework, and that there were shortcomings in its strategy for 2010–2012 in terms of future funding priorities and activities.

However, the evaluation also points out that UNAID is a relatively new organisation that has made progress in its work on results. Since the five-year evaluation, a strategy for 2013–2016 has been drawn up that follows up on many of the recommendations. Nonetheless, there is still room for improvement with regard, for example, to the formulation of goals, priorities and a theory of change, and a results matrix would be desirable.

A negative factor in this context is that UNAID lacks a central, independent evaluation function that assesses the organisation's work and outcomes in the various strategic priority areas. An evaluation function of this type would be a

good management tool for the Executive Board, as well as a means of assuring the quality of UNAID's work.

### Planning and budgeting systems

UNAID does not have a results-based budget, i.e. there is no clear link between UNAID's strategic objectives and the organisation's budget. This makes it difficult both to plan and verify that budget funds have been used in accordance with priorities, which also weakens the rest of the results framework. As part of its partnership with WHO, UNAID adheres to WHO's accounting rules and thus switched to International Public Sector Accounting Standards (IPSAS) in 2012. UNAID's work at country level is carried out by implementing partners who receive project funding.

UNAID has invested substantial resources in creating tools to track funding that is channelled through partners. An independent mid-term and final review is carried out for all projects. Furthermore, all partners must report to UNAID on a standard set of criteria every six months. The results of this self-reporting are presented to UNAID's Finance and Accountability Committee (FAC) in the form of a summary in which scores are attributed based on a numerical scale. However, the five-year evaluation points out that there is still room for improvement in the monitoring of partners, particularly with regard to combining partnership and oversight roles. In this respect, UNAID's recent implementation of a

new quality-assurance system (ISO 9001:2008 Quality Management System) and the Internet tool UNIPRO is favourably assessed in the evaluation.

### **Oversight and anti-corruption**

UNITAID uses WHO's internal audit services. The internal audit reports are not publicly available, but are submitted to the Board. UNITAID complies with WHO's anti-corruption guidelines. The organisation also has an agreement with a special investigator for cases of fraud. A work plan has been adopted to raise awareness of corruption issues and prevent financial misconduct, and a special UNITAID group is working to implement this plan, among other things by drawing up special guidelines for fraud, including possible sanctions. In addition, all partners are required to take steps to avoid financial irregularities. So far, UNITAID has reported no cases of financial misconduct relating to the organisation. There is no open channel for whistle-blowing on UNITAID's website, but the organisation has internal procedures for dealing with whistle-blowing.

### **Institution-building and national ownership**

This is not relevant in the case of UNITAID as it does not work directly at country level, but through implementing partners.

### **Willingness to learn and change**

UNITAID is a young organisation that has changed a great deal in its initial years of existence. According to the five-year evaluation, UNITAID has had limited resources for and focus on learning. The evaluation notes, however, that there has been a steady improvement as the Secretariat has acquired more experience and resources. The evaluation also points to the connection between a willingness to learn in project administration and the willingness to learn in UNITAID as an organisation. UNITAID can still improve its performance in several areas. Among other things, its dialogue with the Executive Board has not been satisfactory with regard to the rapid growth in the Secretariat's staffing. However, the overall impression is that UNITAID is responsive to input and suggestions for improvements and change.

## **3. Norway's policy towards UNITAID**

UNITAID is important for Norway because it works to achieve Millennium Development Goal 6 (combat AIDS, malaria and tuberculosis) in a way that is complementary to and reinforces the efforts of the Global Fund to Fight AIDS, Tuberculosis and Malaria. Furthermore, it works in an innovative way that provides "more health for the money" (innovative financing, large-scale purchasing to reduce prices). In addition, UNITAID has a clearly defined poverty perspective (85 per cent of projects are in low-income countries). Nor-

way is one of the founders of UNITAID, and is committed to ensuring that the organisation retains its poverty perspective and that the efforts to achieve MDG 6 are seen in conjunction with MDG 4 and MDG 5 (reduce maternal and child mortality, and increase access to family-planning methods). Norway will also work to encourage UNITAID to concern its efforts with other global health initiatives in a way that generates added value and promotes cooperation and effective burden-sharing.

Norwegian Ministry of Foreign Affairs  
Visiting address: 7. juni plass 1 / Victoria terrasse 5, Oslo,  
P.O.Box 8114 Dep, NO-0032 Oslo, Norway.

For more information, contact the Section for Budget and Administration by  
e-mail at: [sbf-fn@mfa.no](mailto:sbf-fn@mfa.no). This document can be found on our website:  
<http://www.regjeringen.no/en/dep/ud/selected-topics/un>.