

Tel. direct: 00 41 22 791 5503
Fax direct: 00 41 22 791 4890
E-mail : bround@unitaid.who.int

In reply please
refer to: 2013 DFID MAR Assessment

Mr Mark Bowman
Director-General
Humanitarian, Security & Conflict &
International Finance
22 Whitehall
London, SW1A 2EG

09 July 2013

Dear Mr Bowman,

It is with pleasure that I acknowledge receipt of the 2013 UK Multilateral Aid Review (MAR) assessment for UNITAID. We take this opportunity to thank the UK for its strong support of UNITAID and its commitment to sharpening UNITAID's capacity to deliver good value for money for UK aid, consistent with DFID's strategic and reform priorities.

We agree fully that UNITAID operates in a fast moving environment in which commitment to on-going reform is critical to achieving impact on markets for drugs, diagnostics and preventative interventions for AIDS, TB and malaria. We are grateful for DFID's appreciation of the December 2012 independent 5-Year Evaluation (5YE) of UNITAID, which noted that UNITAID has moved rapidly to achieve significant market impact through interventions that have decreased prices, increased access and acted as a catalyst for new, innovative treatments and formulations.

The 5YE noted that these achievements from UNITAID's start-up to the current consolidation phase resulted from strong commitment by the UNITAID Board and Secretariat to constant evolution in its working processes, including i) strategic prioritization and performance management, ii) financial resource management, iii) cost and value consciousness, and iv) transparency and accountability. Progress has been made in all of these, but we agree that we can improve, and are determined to do so.

As confirmed by the 5YE, we have taken seriously and followed-up the recommendations of previous assessments by France (2010) and the UK (MAR 2011). In 2010 and 2011 the Board took action, endorsing Secretariat plans to strengthen senior management as well as processes, policies and tools for implementing and managing projects, finance and monitoring and evaluation. The Board overhauled completely its governance mechanisms and has established regular self-assessments, as led by the Finance and Accountability Committee. It oversaw the transition of UNITAID grants to other donors in line with MAR 2011 expectations and intensified focus on further refining UNITAID's strategic priorities to maximize market and public health impact.

UNITAID is an international drug purchase facility to accelerate access to high-quality drugs and diagnostics for HIV/AIDS, malaria and tuberculosis in high-burdened countries.

UNITAID is hosted and administered by the World Health Organization



The new Strategy 2013-2016 was designed to build on evaluation findings and lessons learned and was completed within the approved timeframe. In line with the Board's instructions, we have moved forward with vigorous responses to the 5YE recommendations through implementation of the Strategy 2013-2016, with emphasis on systems to refine priority setting. These systems will facilitate explicit links between strategic plans and annual workplans, action on lessons learned and evolution of quality management protocols to improve portfolio outcomes.

UNITAID places high value on monitoring and evaluation, and has gone beyond M&E in our tools development to strengthen Strategic and Performance Management. The tools described under the rubric of M&E in MAR 2013 were designed primarily as additions to our Programme Management processes. These were implemented rapidly to reinforce strategic decision making, portfolio management, transparency and accountability.

We wish to draw your attention to additional progress made in transparency and accountability, which we consider to be a priority. Our small communications and M&E teams made important strides in completely restructuring our website this year and in facilitating access to volumes of priority documentation. Since 2011, regular board updates and the Key Performance Indicators (KPI) report have been posted, and a new, dynamic and interactive version is now being uploaded to the web. This information is important, but we believe that even more profound additions to increase transparency and accountability can be seen in the management processes described above, as well as in

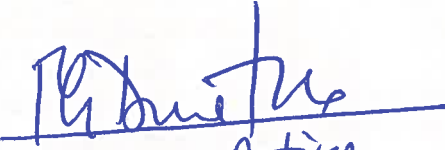
- i) candid, in-depth presentations to the Board and its committees in May and June on mid-term and final project evaluations (published on the website with increased accessibility features in June 2013);
- ii) forward-looking course corrections to ensure partner readiness to implement projects; and
- iii) new policies adopted by the Board in June 2013, concerning for example risk management.

Forthcoming Board discussions will contribute to elaboration of audit and fraud prevention practices and policies. Transparency and accountability are also enhanced by UNITAID's close work with civil society in countries to better understand needs in countries. We believe that the inclusion of these facts in MAR 2013 would justify a reasonable progress rating in the Review's section on transparency and accountability.

On the issue of predictability of donor support, we wish to express our gratitude to the UK government for the leadership it has shown, particularly in its multi-year funding commitment to UNITAID. We have more work to do in securing a more predictable financial base through such commitments. The example set by the UK as well as our own efforts to strengthen UNITAID's performance and address issues raised by the MAR are keys to accomplishment of our shared development objectives.

We look forward to meeting these expectations and to our continuing collaboration.

Please accept, Sir, the assurance of my highest consideration.


Denis Broun *Acting*
Executive Director