

## **PRIVATE SECTOR CONSULTATION MEETING DECEMBER 6-7**

### **World Economic Forum, Geneva, Switzerland**

On December 6 and 7 the World Economic Forum hosted the private sector consultation meeting of the Global Fund. More than 35 private sector representatives were present. The majority of them are part of the WEF's Global Health Initiative, a partnership of WEF member companies in collaboration with UNAIDS and WHO designed to increase private sector activity against HIV/AIDS, TB and malaria. Invitees included companies from a broad range of industry sectors, corporate foundations and business organisations from around the world.

#### **The contribution of the private sector in general:**

To create a public private partnership it has to be clearly defined what the contribution of the private sector (PS) could be. PS could be divided into 4 possible groups of interest.

1. PS foundations
2. Companies wanting to contribute through a sense of social responsibility
3. Companies able to make in kind and other contributions of their products, e.g. pharmaceutical companies
4. Companies who operate in affected countries.

The PS representatives wholeheartedly endorsed the public-private partnership model of the Global Fund. However, there is significant concern that it will not succeed unless the private sector is fully recognized as a partner- not just as a potential donor.

The PS representatives requested to be represented in all governing bodies of the Global Fund, as well as to be part of all stages of the funding process, including technical review, at country level and during the evaluation process. The PS representatives also raised that PS should be eligible to be Fund recipients.

#### **Recommendations on Governance**

##### **The Partnership Forum**

The partnership forum should have a more strategic role and meet more frequently than currently described in the working papers. Sub-fora could be organized on a more frequent basis to discuss on specific issues, such as management mechanisms, technical updates etc.

## The Board

- The presence of only two private representatives on the Board was seen as too little to credibly demonstrate a commitment to full partnership with the private sector. It was recommended to expand the number, or to make provision to expand it in future. In the short term, having an *ex-officio* observer position would be welcomed.
- Sub-committees should support the Board. These should be chaired by Board members and should consist of expert advisors, who should include PS representatives as appropriate.
- Board members should be leading citizens of the world. This will enable them to represent multiple constituencies (or sectors) and to effectively promote the Fund, including for fund raising. The PS representatives in the Board should have broad experiences with strong management credibility that extends beyond health issues.
- In the first set up phase of the Fund, there should be provision for Board membership to have quick rotation, not longer than 12 months. Thereafter, longer terms (greater than 2 years) are recommended. The Board should give guidelines for the nominating process and not leave it up to each constituency.
- The PS recommended that the initial instruction for the Board build in considerable flexibility around country process design. The Board should have latitude to address issues such as the varying requirements for multinational projects and country plans which are led by foundations and companies, not by governments.
- The Board should be given broad direction about general eligibility criteria, but latitude to revise extensively.
- The pharmaceutical industry should not be excluded *a priori*. It has significant potential to contribute in many ways including sharing expertise in research and development and business management. However, there are certain industry sectors that could create conflict, such as tobacco industry representatives.

## Nominations for the PS seat on the Board

- It is difficult to represent the PS with one seat; an option is to appoint a business organisation that represents many sectors and geographies. Such organisations include the WEF, the Global Business Council on HIV and AIDS or the International Chamber of Commerce.
- Recognising the time pressures (especially for the first Board nomination), the nomination process must be transparent with open debate;

- International business organizations including the WEF, IBLF and others who are interested (GBC; International Chamber of Commerce, et al) should coordinate the selection process for the industry representative on the Board.

### **The Secretariat**

The technical secretariat could play a much more active role than presented, along the lines of venture capitalists and actively support projects and CCMs. The Secretariat should be actively engaged in review of metrics, tranche funding, and intervention in management issues- “consultative services to Fund recipients”.

### **Recommendations on Country processes & Eligibility**

- It was recommended that the PS is deeply involved in all stages of the CCM, including participating on the CCM and submission of proposals/ use of the funds. Many PS companies implement health projects in developing countries both for workers and communities. They should also be eligible to assistance for implementing programs.
- PS should be represented on CCMs; CCMs should not be exclusively government driven.
- The CCM leadership should be flexible to allow partners to select appropriate person to chair.
- The Fund should set mechanism to ensure effectiveness and efficiency of the CCM. This requires monitoring and evaluation as well as mechanisms to feedback evaluations and recommendations to CCMs.
- At times, CCM should be able to function relatively distanced from national governments, particularly when the PS is more active or engaged than the local government.
- The meeting recommended the burden of disease- including potential for explosive spread- be used as the primary eligibility criterion. GNP per capita should also be included, and a measure of political commitment should be used. The desired measures should achieve balanced eligibility criteria that do not exclude highly affected countries or relatively developed countries. In addition, or as an alternative to political commitment, national mobilization could be an indicator, meaning how much a proposal will focus on national mobilization.
- For the Quick Start, some evaluation of the emotional impact of proposals might be considered, with a view to enhancing the fund raising impact of early

programs.

- Capacity building was seen as an important issue that requires support to ensure success of the CCMs and of programs.

### **Recommendations on Fundraising strategies**

- Members of the Board should have sufficient profile to effectively attract funding. Barring this, 'patrons' should be appointed.
- Funding disbursements should use a model of matching (e.g. 1 part Fund, 1 part private, 1 part government) to leverage funds.
- There was debate whether fundraising should be considered the most important issue during the initial phase of the Fund. One perspective was that without inflow of funds, the Fund's credibility and capacity diminished. Others felt that the Fund should focus on launching the best possible projects in order to demonstrate 'the new public-private partnership model' and to build confidence and buy-in. Initial success is likely to attract additional resources.

### **Recommendations on how the Fund can attract greater PS engagement**

- Develop structures and processes that ensure private sector involvement at all levels of the Fund
- Have more PS representatives on the Board to clearly demonstrate the commitment to PS involvement and the difference from previous models
- Consistently build open and transparent communications of the Fund's decisions and development
- Use the initial projects to demonstrate the importance of the role of the PS

### **Recommended next steps**

- There is a need for ongoing private sector consultation that should continue beyond the Fund's launch.
- The next 'transitional' phase of detailed design requires expert private sector input, e.g. from a full-time management consultancy, a fund management organization and/or a number of private foundations.

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## PRIVATE SECTOR CONSULTATIVE MEETING FOR GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS, AND MALARIA

WORLD ECONOMIC FORUM, Geneva, 6-7 December 2001

### PARTICIPANTS LIST

Name	Organisation
Paul Aronson	Pfizer
Rob Barbour	Kahama Mining / Barrick Gold
Henry Brehaut	World Alliance for Community Health
Sissel Brinchmann	Merck
Brian Brink	Anglo American
Christophe De Callatey	European Federation of Pharmaceutical Industry
Patricia Carlevaro	Eli Lilly
Kieran Daly	International Business Leaders Forum
Roger Easton	Standard Chartered Bank
Paul Ehmer	Transitional Working Group
Carola Fink-Anthe	Boehringer Ingelheim
Julian Fleet	UNAIDS
Patricia Goldschmid	International Federation of Pharmaceutical Manufacturers Associations
Raymond Hill	AT Kearney
Nina Hvid	European Fed. of Pharmaceutical Industries and Ass.
Naomi Junghae	IRCC & Pan Africa Health & HIV/AIDS Network
Churnrurtai Kanchanachitra	Transitional Working Group
Max Kaufman	Novartis
Jeff Kemprecos	Merck
Gunda Kohlke	Medvantis Medical Services
Eva Krug	Novartis
Ginevra Letizia	Transitional Working Group
Susan Littlefield	Boston Consulting Group
David Nabarro	World Health Organization
Nadia Naki	Kuwait Industries
Claudio Moscato	ENI SPA
Jon Pender	GlaxoSmithKline
Steven Phillips	ExxonMobil
Andre Prost	World Health Organization
Henk Rijckborst	Heineken NV
Nina Schwalbe	The Open Society / Soros Foundation
Michael Sinclair	Kayser Family Foundation
Jeffrey Sturchio	Merck

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Martin Taylor	Transitional Working Group
William Walch	DCA
David E. Webber	International Federation of Pharmaceutical Manufacturers Associations
Melanie Zipperer	Transitional Working Group

### Attending from the World Economic Forum:

Richard Samans	Director, Global Issues, Associate Member of the Managing Board
Kate Taylor	Senior Project Manager, Global Health Initiative
Alf Blikberg	Associate, Global Health Initiative
Brad Ryder	Technical Officer, Global Health Initiative, UNAIDS