



TERMS OF REFERENCE

Supporting Unitaid in the design and implementation of innovative financing mechanisms

Purpose

These Terms of Reference (TOR) serve as an overall framework for the services to be provided under this consultancy by the Contractor/s selected from the Request for Proposal (RFP Ref. 2024.11).

Desired Timeframe

Anticipated start date: End July 2024
Anticipated completion date: End July 2025
Duration of the contract period: 12 months.

Background and Context

Unitaid is a World Health Organization-hosted partnership. It saves lives by making new health products available and affordable for people in low- and middle-income countries. We identify innovative treatments, tests, and tools, help tackle the market barriers that are holding them back, and get them to the people who need them most – fast.

- 170 million people use Unitaid-supported health products every year
- 100+ ground-breaking products introduced since 2006
- Our approach helps reach global health targets three years faster
- US\$8 billion in savings by 2030

Unitaid was created to help address this inequality. Unitaid fulfils a unique and vital role in the global health ecosystem, bridging the gap between the scientists, researchers, and companies that make health products and the organizations, governments, and health workers that deliver them. Our unique blend of technical expertise and agility allows us to identify effective health products, fast-track their development, and help make them accessible quickly and affordably. A joint study with the Global Fund to Fight AIDS, Tuberculosis and Malaria showed our

approach helps accelerate progress towards HIV, TB and malaria targets by more than three years.

Unitaid focus on addressing some of the world's biggest health challenges: HIV, TB and malaria; women's and children's health; and pandemic prevention, preparedness and response. We also invest in cross-cutting areas that strengthen health systems, including improving access to medical oxygen, increasing regional and domestic manufacturing of health products, addressing the health impacts of climate change, and contributing to the global target of universal health coverage. We work with a broad range of partners, starting with the countries and affected communities who identify challenges and potential solutions, and the researchers and companies creating innovative new products. Through innovative financing solutions like volume guarantees, we lower prices for those products and help get them to market and to those who need them most. Together with implementing partners, we introduce these health products to low- and middle-income countries while overcoming the various barriers that people may face in being able to access them. Then we collaborate with governments and leading global health organizations like the Global Fund and the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) to take those products and best practices to scale. Reduced prices and greater efficiencies that come with the products we deliver are projected to generate more than US\$8 billion in savings by 2030 – much-needed funding that can be reinvested elsewhere.

To accelerate progress toward the health targets in the Sustainable Development Goals, we're already looking ahead and supporting the latest game-changing health products in development: front-runner prevention technologies for HIV and coinfections, innovative delivery mechanisms including long-acting injectables and implants, new HIV, TB and malaria treatments for children, advanced screening and testing for cervical cancer and more.

Unitaid's Strategy 2023-2027¹ sets out the organization's ambition to invest US\$1.5bn to realize 30 life-saving health products taken to scale by 2030.

While traditional funding mechanisms have played a crucial role in addressing global health challenges, there is a growing recognition of the need for innovative financing approaches to bridge funding gaps. Innovative financing encompasses various mechanisms, each with varying expectations regarding investment returns. It presents significant opportunities that could enable Unitaid to implement its ambitious strategy more rapidly.

¹ https://unitaid.org/assets/Unitaid_Strategy_2023-2027.pdf

Unitaid and Innovative Financing

Unitaid's Constitution states it will offer long-term support through sustainable and predictable funding. Unitaid's reliable functioning and the bulk of its added value are assured by the regularity, predictability, and additionality of funding contributions, which are being mobilized by innovative financing mechanisms such as a solidarity contribution on air tickets together with multi-year predictable budgetary contributions. Unitaid will apply this principle in its efforts to attract new donors and develop additional funding sources.

In 2006, Unitaid pioneered the concept of a solidarity levy on airline tickets as a sustainable source of funding for global health. This levy, known as the "airline tax", involves adding a small fee to the price of airline tickets, with the proceeds directed towards supporting health programmes in low-income countries. The airline levy and other solidarity taxes have generated significant and sustainable funding for Unitaid's initiatives and have been adopted by several countries as a means of financing global health, still in place today. Unitaid uses its resources to shape markets for health products and technologies, ensuring their affordability, availability, and suitability for use in low-resource settings. This may involve negotiating volume guarantees with manufacturers to secure preferential pricing for health innovations. By leveraging its purchasing power and collaborating with manufacturers, Unitaid helps drive down prices and increase access to life-saving health interventions.

Today, innovative financing remains crucial in driving progress towards the Health Sustainable Development Goals for the 2030 Agenda. This involves mobilizing resources, enhancing the efficiency of healthcare spending, expanding access to essential services, tackling health inequalities, and ensuring the long-term sustainability of healthcare systems. The Summit for a new Global Financing Pact hosted by France in June 2023 emphasized the need for a revamped international finance system. This entails fulfilling existing commitments to international solidarity, finding ways to generate more public resources and utilize them efficiently, and recognizing the pivotal role of private investors. The Paris Dialogue echoed global discussions on financing sustainable development, led by the G20, G7, COP series, and Finance in Common Summits, aiming at exploring fresh approaches to rethinking multilateral development banks roles, addressing debt crises, fostering innovative financing etc.

Building on its innovative financing history and success, Unitaid aims to look into new and innovative mechanisms aligned to its Strategy 2023-2027.

Objectives of the activity

Building on known revenue streams, this activity will support the creation and implementation of innovative financing mechanisms to mobilize resources, enhance financial sustainability and drive progress towards achieving its resource mobilization target.

As several trends are shaping the landscape of development finance, particularly relevant in global health, contractor/s will suggest the most fit-for-purpose finance strategy for the organization, i.e., outcome-based financing, blended financing, conditional funding, market-shaping interventions, dedicated funds such as consumption-driven fund or others, earmarked taxes, etc. The contractor(s) will also thoroughly examine opportunities for partnering with relevant donors and funding partners, including development finance institutions, governments, bilateral and multilateral organizations, philanthropic organizations, corporations, private banks, financial institutions, high-net-worth individuals, and others.

The proposed mechanism(s) will need to offer a solution that can be anticipated to deliver a predictable and growing revenue stream up to and beyond 2027 at an acceptable return on investment. Any proposed mechanism should not interfere with Unitaids' governance or operating model.

Scope of Work

Selected contractor/s services must include, but are not limited to, the following:

- Assessing existing financing mechanisms utilized for development, particularly for global health, focusing on identifying best practices and innovative approaches, providing an analysis of their economic value and scalability.
- Engaging iteratively with Unitaids' core team working on Innovative Finance.
- Conducting regular monitoring and evaluation of new financing activities, focusing on measuring impact and effectiveness.
- Designing financing models and implementation strategies tailored to work within its institutional parameters.
- Developing a donor-facing prospecting tools aligned to the proposed model, which is tested with key donor audiences.
- Facilitating stakeholder engagement and partnership-building efforts to mobilize support for innovative financing initiatives.
- Providing capacity-building support to Unitaids staff and partners on proposed financing concepts and practices.
- Facilitating introductions to anchor donors, where required.

- Preparing comprehensive reports, presentations, and other deliverables as required for a diverse internal and external audiences.

Regarding methodology, employing a step-by-step iterative approach embedded in Unitaids' model is a requirement to facilitate project implementation and ensure necessary approvals are obtained throughout the project duration.

Deliverables and tentative timelines

Contractor/s will support Unitaids from design to implementation of the proposed innovative financing mechanism(s) as per the table below:

| | Indicative activities could include: | Indicative Timeline |
|---|---|-----------------------------------|
| 1 | Defining an efficient project management setup in partnership with Unitaids secretariat | Throughout the project |
| 2 | Convene external stakeholders, private, public and non-profit funder, innovative/blended finance experts, and others | Throughout the project |
| 3 | Design a compelling high-level business case for a new financing mechanism (for both internal and external audiences) | 1 month after project start date |
| 4 | Detailed design and refinement of selected new financing mechanism(s) | 3 months after project start date |
| 5 | Launch and Implementation of the new financing mechanism(s) | 8 months after project start date |

Resources Required and Qualifications

Bidders are requested to propose staffing dedicated to the project, with skills set and team structure/leadership commensurate to the scope of work of this TOR and responsive to Unitaids' specified timeline and focus. Extensive experience, sufficient qualification, capacity and knowledge are essential.

- Demonstrating a deep understanding of Unitaids' institutional parameters, including its governance, operating model, Specified Funding Policy, Strategy and Programmatic Priorities, and WHO's Framework for Engagement with Non-State Actors (FENSA).
- Contractor/s should have a proven track record of delivering high-quality consultancy services in the field of innovative development financing, particularly for global health matters, with experience working with UN or other international organizations comparable to Unitaids and/or major institutions. In this regard, the contractor/s will include three relevant past performance case examples in the proposal.
- Access to relevant networks and partnerships within the global health and finance sectors would be advantageous.

- Contractor/s must have and demonstrate a sound understanding of the global health architecture and the value added by Unitaid within this context, for example in low and middle-income countries and on specific diseases. More specifically, the contractor/s should demonstrate an awareness of factors that could influence the successful implementation of financing mechanisms at Unitaid.
- The successful contractor/s should demonstrate access to a multidisciplinary team with finance, economics, public health, and development expertise.
- Additionally, the contractor should have access to relevant databases, tools, and resources necessary for conducting comprehensive literature reviews, data analysis, and stakeholder consultations.
- Strong project management skills, analytical skills, effective communication, and working collaboratively with diverse stakeholders are essential.

The proposed team members whom have been agreed on and accepted by Unitaid following the tender evaluation process (including from the outcome of negotiation prior to award recommendation) shall be available throughout the contract period and shall not be changed after the award of contract, unless requested or agreed to by Unitaid.

Place of work

Work will be performed remotely and Contractor/s are free to choose their preferred work location. The selected Contractor/s are expected to be available for meetings during normal business hours in the Geneva time zone.

Bidders shall submit the fee proposal which includes separate costs for two (2) trips to Geneva (actual travels to be confirmed by Unitaid during the contract implementation). Travel to other locations is not seen as a necessity for these TORs. The Contractor/s is also expected to operate in a manner that minimizes their carbon footprint during this exercise.

Method and frequency of interaction:

The selected contractor/s will liaise and coordinate closely with Unitaid's External Relations and Communications Department and other relevant officers from Unitaid secretariat for all aspects of the political and financial outreach.

Contractor/s and Unitaid Secretariat will set up regular online calls to share updates and progress toward the agreed deliverables in addition to the regular email exchanges and and monthly activity reports.

Unitaid could anticipate working with multiple contractors who are expected to collaborate.

Budget

All bidders are expected to submit their proposed budget using the Financial Proposal Template (Annex 5 of the RFP). Please note that Unitaid is an Organization that depends on the budgetary and extra-budgetary contributions it receives for the implementation of its activities. Bidders are, therefore, requested to propose the best and most cost-effective solution to meet Unitaid requirements while ensuring a high level of service. Contractor/s may be required to attend in-person meetings at Unitaid's office in Geneva and should include a budget line for two (2) trips to Unitaid, Geneva.

Financial Compensation

Remuneration shall be made on a quarterly basis (every three months) based on submission of satisfactory progress deliverables and on actual number of days worked and submission of detailed corresponding invoices, including breakdown of travel costs (if applicable and approved by Unitaid). For travel costs, payment will be made in accordance with WHO travel policy and upon submission of invoices indicating actual travel costs with proof of payment. The Contractor/s are responsible to organize all logistics of travel, including hotel booking and local transportation. All travels must be arranged in the most economical way, in line with Unitaid's effort in reducing carbon footprints related to the procurement activities.

Contract Performance Monitoring

The Contractor(s) will be evaluated throughout the implementation of contract on:

- their capacity to deliver the assessments with an optimal technical quality within the agreed timelines;
- the control of the costs within the agreed budget;
- their proper and smooth project management (including communication with Unitaid);
- their customer service orientation, flexibility and responsiveness to Unitaid's needs and expectations.