



Stop TB Partnership

SUMMARY SHEET

AGENDA NR. 2.10-12	SUBJECT	PARTNERSHIP FINANCIAL ISSUES	
FOR INFORMATION <input type="checkbox"/>	FOR DISCUSSION <input type="checkbox"/>	FOR DECISION <input checked="" type="checkbox"/>	

RATIONALE: The detailed partnership financial report is shared annually with the Coordinating Board and other donors of the partnership. For purposes of transparency, the report is presented to the Coordinating Board to provide the opportunity for questions and open discussion.

SUMMARY: The financial report (Doc.2.10-12.1), comprised of two sections, has been prepared and is provided as a background document: the first section (1A) presents a detailed overall Financial Report of the Partnership; the second section (1B) presents a specific Financial Report for the Global Drug Facility.

Partnership income continued to rise in 2009, due primarily to the launch of the CIDA funded TB REACH initiative. In 2009, new donor agreements and amendments to existing agreements were signed with: (I) UNITAID for US\$ 22.8 million; (II) Spain for US\$ 1.3 million ; (III) CIDA (for TBREACH) for US\$ 96 million; an agreement was signed in 2009 with the United Nations Foundation although no cash was received in 2009 for this; the first tranche of US\$ 96,000 is expected in 2010. In the same period, money received from the Global Fund under the MOU for supporting GLC increased from US\$ 800,000 to US\$ 1.875 million. Total income for the year was US\$ 93 million, a 17% increase over 2008 when income stood at US\$ 80 million. Operating expenditures were US\$ 47 million in 2009, 34% less than the 2008 figure of US\$ 71 million. This reduction reflects a decline in orders placed by the GDF, due in part to unexpected delays in replacing the procurement agent, low levels of GDF activities in 2009.

Partnership Secretariat expenditure of \$18.5 million registered an increase of 21% over 2008, when expenditure stood at US\$ 15.3 million. This increase is attributable to enhancement of Partnership Building activities, with the bulk of the increase due to the support given to the seven working groups.

The 2009 surplus of income over expenditure, US\$ 46.5 million is made up of surpluses for: TBP US\$ 2.6; TBREACH US\$ 15.1 million; and GDF US\$ 28.8 million. With regard TBP surplus, the figure is normal as it is the amount of funds needed to fund activities in the first quarter of the new biennium. The TBREACH surplus arose due to the fact that, although funds was received in 2009, all grants were scheduled for disbursement in 2010. The GDF surplus arose due to a decline in activities.

For the 2009 financial statement, we have adjusted the value of voluntary contribution received by TBP to WHO figures. The difference is due to: WHO systems not reflecting the In-kind contribution of WHO support to Partnership and a prior year adjustment due to difference in recording of income in the two systems.



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US\$ 400,000 were transferred to reserves taking the total reserves to US\$ 1.6 million.

Short term and mid-term (2012-2013 biennium) forecasts of both income and expenditure will be circulated for discussion.

As endorsed at the Executive Committee in September, the full set of three financial statements (i.e. Income and Expenditure Statement, Fund Flow Statement and Balance Sheet) will be produced from 2010 onwards.

It has been agreed with WHO that published financial statement summaries will be cleared by it systematically from 2010 onwards. Accordingly, periodic reconciliation of all income and expenditure has commenced from October 2010.

DECISIONS REQUESTED (FROM STOP TB COORDINATING BOARD):

- To take note of the detailed Stop TB Partnership Financial Report for 2009 ;
- To mobilize resources for the Partnership in 2011 to ensure that activities in the 2012-2013 biennium continue at the same level ;
- To increase the amount allocated to reserves to 5% of income received per year.

IMPLICATIONS (POLITICAL / FINANCIAL / STAFFING, ETC):

Financial implications will be based upon decisions taken by the Coordinating Board during the session regarding the GDF restructuring to be presented by BCG. If approved, the restructuring will have HR implications. IT tools needed for the implementation of the risk management system will be partially provided in a module of the revamped OMS and these costs are reflected in the BCG restructuring report.

NEXT STEPS

ACTION REQUIRED: Preparation of a full set of 3 financial statements from 2010 onwards.

FOCAL POINT: Anant Vijay

TIMEFRAME: Ongoing