

Principles for the Operation of the Stop TB Partnership Trust Fund at the World Bank

For purposes of clarity and consistency, the following are referred to in this document:

World Bank hereinafter referred to as "the Bank";

World Health Organization hereinafter referred to as "WHO"

Stop TB Partnership Trust Fund at the World Bank, hereinafter referred to as "the Bank STBP Trust Fund".

Interim Stop TB Partnership Trust Fund at WHO, hereinafter referred to as "the WHO STBP Trust Fund";

1. Background

The Stop TB Partnership was established at the end of 1998 and now involves over 250 entities including WHO, the International Bank for Reconstruction and Development (the "Bank"), the Global Fund to Fight HIV/AIDS, TB and Malaria, bilateral donors, foundations, high-TB burden countries, national representatives of geographical regions, technical agencies and implementation NGOs, and agencies involved in research and development activities. Its purpose is to eliminate TB as a public health problem and, ultimately, to obtain a world free of TB.

The Partnership comprises a partners' forum, a coordinating board, technical working groups and a secretariat.

The Partnership Secretariat, and Partnership work plan are administered by WHO.

2. The Trust Fund

In response to a request from donors, the Bank established a Trust Fund for the Stop TB Partnership. The Bank STBP Trust Fund facilitates securing of contributions and ensuring efficient flow of funds to support the implementation of the approved work plan. Other funds to support the work plan are received directly by WHO.

The Bank will perform its work related to the Bank STBP Trust Fund according to the following terms.

(A) CONTRIBUTIONS TO THE TRUST FUND

The Coordinating Board facilitates resource mobilization for the Bank STBP Trust Fund. As the trustee of the Bank STBP Trust Fund, the Bank accepts resources into the Bank STBP Trust Fund through the signing of administration agreements with donors following

the principles in this document . The Bank charges an administrative fee of three per cent (3%). Any interest accruing on the balance in the Bank STBP Trust Fund will be deposited in the Bank STBP Trust Fund account.

An amount estimated to range from US\$10 million to US\$30 million is expected in annual contributions from bilateral and multilateral donors, foundations, and other sources.

(B) DISBURSEMENTS FROM THE TRUST FUND

On the basis of the approved biennial work plan for the Partnership, WHO will make a written request each six months to the Bank, for withdrawal of funds from the Bank STBP Trust Fund, on account of estimated expenditures to be incurred during a six-month period and not to exceed resources available in the Bank STBP Trust Fund. The Bank will then transfer funds to the WHO STBP Trust Fund. WHO will charge a reduced Programme Support Cost (PSC) of 6% on funds received from the Trust Fund and other sources until the long-term administrative fee for WHO services has been decided.

Any surplus of funds transferred over those expended during the period will be reapplied to future required expenditures, as per the approved biennial work plan.

Any interest earned on the WHO STBP Trust Fund will be used to finance the activities under the Partnership work plan. Funds will be utilized in the WHO STBP Trust Fund in accordance with WHO Financial Rules, Regulations and Practices, in order to incur expenditures under the approved work plan. It is noted that donors may also make contributions directly to the WHO STBP Trust Fund.

(C) SELECTION OF ACTIVITIES AND RECIPIENTS TO BE FUNDED

The activities to be supported with resources that are disbursed from the Bank STBP Trust Fund to the WHO STBP Trust Fund are among the activities in the approved Partnership work plan. WHO in consultation with relevant partners will have the responsibility to identify and select agencies, other entities and/or consultants to pursue the approved activities.

(D) PROCUREMENT

The procurement policies and procedures of WHO shall apply. These policies and procedures are broadly consistent with the Bank's own procurement guidelines in terms of transparency, efficiency and value for money.

(E) REPORTING TO DONORS AND THE BOARD

The Bank shall maintain separate records and ledger accounts in respect of the contributions deposited in the Bank STBP Trust Fund account and disbursements made there from.

Within ninety (90) days of each March 31, June 30, September 30 and December 31, the Bank shall furnish to the Donors and WHO an unaudited cash-based statement of receipts, disbursements and fund balance in United States dollars with respect to the contributions.

Within six (6) months of the final disbursement date, the Bank shall furnish to the donors and WHO a final unaudited cash-based statement of receipts, disbursements and fund balance in United States dollars with respect to the contribution funds.

The Bank shall provide to the Donors and WHO within six (6) months following the end of each Bank fiscal year, a management assertion together with an attestation from the Bank's external auditors concerning the adequacy of internal control over cash-based financial reporting for trust funds as a whole. The cost of such attestations shall be borne by the Bank.

If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank's external auditors of the trust fund established under this Agreement, the Donor and the Bank shall first consult as to whether such an external audit is necessary. The Bank and the Donor shall agree on the most appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the with respect to such audit, shall be paid by the Donor.

WHO will provide to the Donors and the World Bank a semi-annual report on the operations and progress with respect to its approved work plan, as well as an annual report on the use of funds

The WHO STBP Trust Fund will be subject to internal audit by the WHO's Office of Internal Audit and Oversight (IAO). It will also be subject to audit by WHO's External Auditor, who will issue an audit opinion on WHO's financial statement including the WHO STBP Trust Fund.

3. Disputes

Any dispute relating to the interpretation or execution of these principles will, unless amicably settled, be subject to conciliation. In the event of failure of the latter, the dispute will be settled by arbitration. The arbitration will be conducted in accordance with the modalities to be agreed upon by the parties, or in the absence of agreement, with the rule of arbitration of the UNCITRAL. The parties will accept the arbitral award as final.