



Interim Financial Report
Stop TB Partnership Secretariat
1 January - 30 June 2004

September 2004

Introduction

This Financial Report of the Stop TB Partnership is for the six months period 1 January to 30 June 2004. It provides information with respect to voluntary contributions made by donors and partners to the Stop TB Partnership Secretariat hosted by the World Health Organization, and operating expenditures incurred during the first six months of 2004. As six monthly records were not kept and no financial statement for such period was prepared for 2003, or any of the earlier years, no comparative figures for a similar period are available.

It also gives a projected income and expenditure for the whole year. The income is estimated on the basis of contributions actually received and those for which firm pledges have been received. The expenditure estimate is based on the operational work plan for the year 2004.

Highlights

New reporting and financial management arrangements

The period from January to June was the first in which the new financial policy for internal use of the Partnership finances was applied. Under this a system of appropriations, use of reserves and monthly monitoring of cash flows was instituted. This has given more flexibility to the various task managers on the one hand while maintaining more efficient financial control on the other.

Rationalisation of Financial Operations

The contract for payments for drugs to IAPSO was amended and signed by WHO and IAPSO. The amendment was to streamline financial transactions of the Global Drug Facility (GDF) and to improve financial control of its operations. A regular system for reconciliation of purchase orders with invoices and delivery confirmation was instituted. Arrangements were also made to disaggregate charges for quality control and monitoring from those related to payments for TB drugs.

The operating principles of the Trust Fund at the World Bank and those for the new Stop TB Trust Fund at WHO are to be cleared by WHO and the WB after negotiations have been completed between the nominated Coordinating Board members and the WHO.

Resource Position for 2004

The interim Statement of Income and Expenditure for the six-month period ending 30 June 2004 shows a surplus in income over expenditure of US\$ 3 million based on available information as of that date regarding contributions received and firm pledges made.

The projected income and expenditure statement for the full year ending 31 December 2004 indicates a total shortfall of US\$0.5 million if all the activities of the operational workplan are undertaken and a shortfall of US\$16 million if the targeted workplan is to be implemented. The projected income and expenditure for the Global TB Drug Facility indicates a shortfall of US\$ 1 million with respect to the operational workplan, and US\$ 15 million with respect to the targeted workplan for the year 2004.

Stop TB Partnership Secretariat
Interim Statement of Income and Expenditure
1 January to 30 June 2004
(All figures in US\$'000)

Income	Notes	
Governments and their Agencies - Specified	1	11 818
Multilateral Organizations	2	1,988
Foundations and Others		<u>10</u>
Total Income		<u>13,816</u>
Expenditure		
Partnership	3	856
Advocacy and Communication	4	746
Global Drug Facility	5	8,381
Administration	6	<u>826</u>
Total Expenditure		<u>10,809</u>
Surplus of Income over Expenditure		<u>3,007</u>

Stop TB Partnership Secretariat
Notes to the Interim Income and Expenditure Statement
1 January to 30 June 2004
(All figures in US\$'000)

1. Voluntary contributions from Governments and their Agencies - Specified

This comprises the following:

CIDA	9,624
The Netherlands	194
USAID	<u>2,000</u>
Total	<u>11,818</u>

2. Multilateral Organizations

This comprises the following:

World Bank	700
WHO	<u>1,288</u>
Total	<u>1,988</u>

3. Partnership

This covers expenditure in the following areas:

Governance	179
Coordination and Growth	636
Working Groups	<u>41</u>
Total	<u>856</u>

The expenditure under Coordination and Growth includes part of the cost (US\$65,000) for holding the Partners Forum in March 2004. It also includes costs for activities relating to building national and regional partnerships

4. Advocacy and Communications

The expenditure in this area covers the advocacy and communications part of the 2004 World TB Day which coincided with opening of the Partners Forum on 24 March 2004. It also includes the cost of preparation and printing of advocacy materials for the meeting.

5. Global TB Drug Facility

The expenditure in this area includes the following:

Procurement of TB Drugs	7,265
Technical assistance, monitoring and salaries	571
Advocacy and Communications	52
Service charge levied by the World Bank	176
Programme support cost levied by WHO	<u>317</u>
Total	<u>8,381</u>

6. Administration

The expenditure in this area covers the salary and staff required for administering the Partnership Secretariat, which includes the salary of the Executive Secretary and his general administration staff, cost of meetings, computers, software and other supplies and equipment for the use of the entire Partnership Secretariat.

**Stop TB Partnership Secretariat
 Projected Income and Expenditure Statement
 1 January to 31 December 2004
 (All figures in US\$'000)**

	<u>Operational Workplan</u>	<u>Targeted Workplan</u>
Projected income		
Income received from:		
CIDA	9,624	9,624
DFID	1,815	1,815
Netherlands	194	194
USAID	2,000	2,000
World Bank	700	700
WHO	1,288	1,288
American Lung Association	<u>10</u>	<u>10</u>
Sub-total	<u>15,631</u>	<u>15,631</u>
Pledges receivable		
CDC	183	183
CIDA	4,325	4,325
OSI	200	200
WHO	1,000	1,000
USAID	<u>1,775</u>	<u>1,775</u>
Sub-total	<u>7,483</u>	<u>7,483</u>
Total projected income	<u>23,114</u>	<u>23,114</u>
Projected expenditure		
Partnership	2,058	2,918
Advocacy and Communications	1,701	2,474
Global Drug Facility	15,247	29,070
General Management and Administration	979	979
Working Groups	663	663
ISAC	<u>3,000</u>	<u>3,000</u>
Total projected expenditure	<u>23,648</u>	<u>39,104</u>
Surplus (Deficit)	<u>(534)</u>	<u>(15,990)</u>

**Stop TB Partnership Secretariat
Global TB Drug Facility
Projected Income and Expenditure Statement
1 January to 31 December 2004
(All figures in US\$'000)**

	<u>Operational Workplan</u>	<u>Targeted Workplan</u>
Projected income		
Income received from:		
CIDA	6,888	6,888
Netherlands	194	194
USAID	<u>2,000</u>	<u>2,000</u>
Sub total	<u>9,082</u>	<u>9,082</u>
Pledges receivable		
CIDA	4,000	4,000
USAID	<u>1,000</u>	<u>1,000</u>
Sub-total	<u>5,000</u>	<u>5,000</u>
Total projected income	<u>14,082</u>	<u>14,082</u>
Projected expenditure		
Application Review and Monitoring	936	1,247
Supply	13,649	26,980
Drug Management	77	107
General Management and Support	<u>585</u>	<u>736</u>
Total projected expenditure	<u>15,247</u>	<u>29,070</u>
Surplus (Deficit)	<u>(1,165)</u>	<u>(14,988)</u>