

Stop TB Partnership Secretariat Financial Management Report			
Summary Statement of Income and Expenditure			
for the year ending 31 December 2010			
(all figures in US\$ '000)			
	Notes	2009	2010
Voluntary contributions			
In cash			
Governments & their Agencies	1	56,844	66,676
Multilateral organizations	2	24,028	22,373
Foundations and others ^A	3	<u>3,417</u>	<u>4,843</u>
Sub-total		<u>84,289</u>	<u>93,892</u>
In-kind			
In-kind contribution for drugs	4	<u>1,690</u>	-
Total voluntary contribution^B		<u>85,979</u>	<u>93,892</u>
Interest income		<u>4,094</u>	<u>950</u>
Other income and adjustments			
WHO support & other income	5	440	56
Prior year adjustment to income from voluntary cash contribution ^C	6	<u>3,351</u>	<u>15,352</u>
Total income		<u>93,864</u>	<u>110,250</u>
Expenditure			
Partnership Building ^D	7	12,993	14,455
Advocacy and Communication		2,603	1,741
Global Drug Facility (GDF) ^E	8	28,300	52,049
TB REACH		74	10,417
General Management and Administration ^F	9	<u>2,908</u>	<u>3,739</u>
Total Expenditure		<u>46,878</u>	<u>82,401</u>
Transfer to reserve	10	<u>400</u>	<u>900</u>
Balance of Income over Expenditure for the year	11	<u>46,586</u>	<u>26,949</u>

Composition of Balance of Income over Expenditure		
TBP Surplus	2,679	1,284
TB REACH Surplus	15,101	8,520
GDF Surplus	<u>28,806</u>	<u>17,145</u>
Total Balance of Income over Expenditure	<u>46,586</u>	<u>26,949</u>

N.B. Figures in these statements are for management discussions and have not been certified by WHO.

(A). In the 2010 income contributions from the Kuwait Patients Helping Fund Society (US\$ 342 thousands) have been included in the funds received from Foundations and others instead of being made part of funds from Governments and their Agencies. Accordingly, the 2009 amount (US\$ 160 thousands) for contributions from Foundations and others has been restated in line with this classification approach, which will be used in future financial reports.

(B). As per WHO published financial report for 2010, total contributions were US\$ 93.892 million which does not include the 2010 in kind contribution from Novartis of US\$ 2.005 million.

(C). Prior year adjustment arises due to the alignment of the Stop TB Partnership financial management report to WHO accounts

(D). In line with the new classification of costs in the 2010 report, US\$ 200 thousands categorized under Advocacy and Communications in 2009 has been restated under Partnership Building.

(E). This report does not include US\$ 87.254 million for income and expenditure related to GDF direct procurement in 2010 (2009, US\$ 47.979 million), as these transactions do not pass through the Stop TB Partnership Trust Fund. These details have been explicitly shown in the GDF Financial Statement as there is an associated cost related to operating the Direct Procurement process.

(F). Expenditure for General Management and Administration rose as a result of greater overall expenditures, which resulted in proportionately higher WHO Programme Support Costs, in 2010.

Notes to the Income and Expenditure Statement		
1. Voluntary contributions from Governments & their Agencies		
	2009	2010
a) Global Drug Facility (GDF)		
CIDA	6,288	6,883
Norway	69	0
USAID ^A	20,917	16,377
DFID	6,289	11,468
Zambia	<u>233</u>	<u>0</u>
Sub-total^B	<u>33,796</u>	<u>34,728</u>
b) Partnership Secretariat		
USA-CDC	191	541
USA-USAID ^C	3,820	3,820
DFID	5,354	4,780
The Netherlands	2,073	1,500
Italy	141	135
CIDA special contribution for TB REACH	15,175	19,666
Spain	<u>1,295</u>	<u>1,506</u>
Sub-total	<u>23,048</u>	<u>31,948</u>
Total voluntary contributions from Governments & their Agencies	<u>56,844</u>	<u>66,676</u>

(A). The contribution from USAID to the Global Drug Facility includes US\$ 15.0 million for the year 2010 (2009, US\$ 15.0 million) as well as an additional US\$ 1.2 million to support procurement of anti-TB drugs in the Democratic Republic of the Congo, and US\$ 177 thousands that was transferred from TBEAM to GDF in 2009 but was recorded as income in 2010.

(B). The sub-total for voluntary contributions received from Governments and their Agencies in 2009 has been restated; income totalling US\$ 160 thousands from Kuwait has been reclassified under the category of Foundations and thus accounts for the decrease by US\$ 160 thousands in Government contributions and the increase of the same amount to Foundations in 2009.

(C). The contribution from USAID includes US\$ 820 thousands in 2010 (2009, US\$ 820 thousands) core funding for the Partnership Secretariat as well as a special contribution for TB TEAM of US\$ 3.0 million provided in each year (2009 and 2010).

2. Multilateral organizations	2009	2010
a) Global Drug Facility (GDF)		
UNITAID	23,208	20,844
World Bank contribution to GDF	0	80
Pan American Health Organization	<u>0</u>	<u>829</u>
Sub-total	<u>23,208</u>	<u>21,753</u>
b) Partnership Secretariat		
World Bank	700	620
UNDP contribution for GF TB Grant	<u>120</u>	<u>0</u>
Sub-total	<u>820</u>	<u>620</u>
Total voluntary contributions from multilateral organizations	<u>24,028</u>	<u>22,373</u>

3. Foundations and others	2009	2010
a) Global Drug Facility		
United Nations Foundation	0	84
Kuwait Patients Helping Fund Society	<u>160</u>	<u>342</u>
Sub-total	<u>160</u>	<u>426</u>
b) Partnership Secretariat		
Kochon Foundation	100	100
Bill & Melinda Gates Foundation	882	938
Global Fund contribution for GLC	1,875	2,850
Global Fund contribution for Operational Research	0	115
Eli Lilly	400	400
United Nations Foundation and other income ^D	0	14
Sub-total	<u>3,257</u>	<u>4,417</u>
Total voluntary contributions from Foundations and others	<u>3,417</u>	<u>4,843</u>

(D). Income from the United Nations Foundation to the Partnership Secretariat totalled US\$ 12 122 in 2010 (US\$ 0 in 2009).

4. Novartis contribution for drug procured for Tanzania^E	1,690	0
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(E). Refer to Note 6 Prior Year Adjustment below for details of the contribution received from Novartis in 2010.

5. In-kind contributions from Multilateral Organizations, Foundations and others	2009	2010
WHO for Partnership	310	56
Management Science for Health	30	0
WHO contribution for TB Research Movement	<u>100</u>	<u>0</u>
Sub total	<u>440</u>	<u>56</u>

6. Prior year adjustment to income from voluntary cash contribution		
Adjustment to income received from USAID (1)	-5,917	-177
Adjustment to income received from DFID (2)	4,387	9,943
Adjustment to income received from DFID (3)	5,001	-762
Adjustment to income received from DFID (4)	0	2,317
Adjustment to income received from UNITAID (5)	-120	2,026
Adjustment to income received from Novartis (6)	<u>0</u>	<u>2,005</u>
Sub-total	<u>3,351</u>	<u>15,352</u>

(1). WHO recorded this portion of 2009 income in 2010 due to the draw down principle according to which money is taken from the line of credit after expenditures have been finalized.

(2). Income from DFID in 2010 equaled US\$ 21.411 million for the WHO (India) procurement project. In order to align Partnership income with WHO's voluntary contribution figures in its annual financial report, a prior year adjustment of US\$ 9.943 million was applied to include income which, while received in December 2009, was intended for use in 2010 and has therefore been recognized as income in 2010 in the Stop TB Partnership's Financial Management Report.

(3). This adjustment to income received by the Partnership from DFID in 2010 is based on the signed grant agreement and the actual income received in and for 2010 (£ 500 thousands).

(4). Income from DFID in 2010 for the Partnership Secretariat and the DFID Technical Assistance project in India equalled US\$ 7.099 million for 2010. In order to align Partnership income with WHO's voluntary contribution figures in its annual financial report, a prior year adjustment of US\$ 2.317 million was applied to include income which, while received in December 2009, was intended for use in 2010 and has therefore been recognized as income in 2010 in the Stop TB Partnership's Financial Management Report.

(5). This income was received in the Stop TB Partnership Trust Fund in 2010 and was directly transferred to GLI.

(6). The in-kind contribution received from Novartis for procurement of anti-TB drugs for Tanzania in 2010 was recorded and received in 2010; WHO recorded its delivery upon notification in early 2011 and consequently has recognized this as 2011 income.

Expenditures		
7. Partnership Building		
7a. Direct Expenditures	2009	2010
National partnership coordination	612	1,267
Partnership building and overall management of the Partnership ^F	673	537
Challenge Facility for Civil Society grants and coordination	378	420
Coordination of the Research Movement	358	518
Governance	<u>1,066</u>	<u>458</u>
Sub-total of Direct Expenditures	<u>3,087</u>	<u>3,200</u>
7b. Transfers to Working Groups		
Working Groups ^G	<u>1,787</u>	<u>1,225</u>
7c. Transfers of funds to WHO		
Technical Assistance for WHO Office (India)	1,995	2,951
Global Fund contribution transferred to GLC	1,752	2,664
UNDP contribution for GF TB Grant transferred to Stop TB Department	112	0
The Netherlands contribution received for TME & transferred to it	291	0
CDC contribution transferred to the Global Laboratory initiative	<u>0</u>	<u>310</u>
Sub-Total of Transfers of funds	<u>4,150</u>	<u>5,925</u>
7d. Transfers from TB TEAM		
Transfers to partners (KNCV, UNION, GLRA, Project HOPE, GIP ESTHER, RIT/JATA, PATH)	747	689
TB TEAM activities, including transfers to WHO regions	<u>2,164</u>	<u>2,025</u>
Sub-Total TB TEAM	<u>2,911</u>	<u>2,714</u>
7e. TBP contributions to WHO Offices (Regional & HQ)		
Transfers to WHO Regional and Country Offices ^H	200	200
Transfers to the Stop TB Department ^I	<u>858</u>	<u>1,191</u>
Sub-Total of TBP contributions to WHO	<u>1,058</u>	<u>1,391</u>
Total Direct Expenditures, Transfers and Contributions	<u>12,993</u>	<u>14,455</u>

(F). Expenditures for 2009 have been restated in accordance with the new classification approach presented in 2010. Consequently expenditures included within Partnership Building and Overall Management of the Partnership in 2009 related to the Challenge Facility for Civil Society, the Research Movement, and TBP contributions to WHO Offices have been restated in line with this new classification approach..

(G). 2009 Contributions of US\$ 323 thousands made to TB TEAM through the DOTS Expansion Working Group to contribute to country based technical assistance and proposal writing have been reclassified as transfers to the Stop TB Department.

(H) In line with the new classification approach, US\$ 200 thousands categorized under Advocacy and Communications in 2009 has now been included in funds transferred to WHO Regional and Country Offices for advocacy activities in WHO Regions.

(I). Contained within this category are funds previously categorized under the "Spain contribution transferred to the Stop TB Department" expenditure line that was present in previous financial reports.

8. Global TB Drug Facility	2009	2010
This covers expenditures in the following areas:		
Procurement of TB drugs ^J	22,134	42,748
Special direct financing of procurement by countries ^K	0	1,850
Quality assurance and prequalification	469	784
Technical Assistance & monitoring and salaries	4,123	4,155
Advocacy and communications & admin	448	545
Fund transferred to Global Laboratory Initiative	<u>1,126</u>	<u>1,967</u>
Total	<u>28,300</u>	<u>52,049</u>

(J). GDF drug procurement does not include direct procurement by countries, which in 2010 amounted to US\$ 88.0 million in 2010 (2009, US\$ 48.0. million), coordinated by GDF, and which is reported separately under the GDF statement.

(K). Special direct financing of procurement by countries includes funding received from PAHO for procurement of anti-TB drugs for Brazil; funds received from USAID for procurement of anti-TB drugs for the Democratic Republic of the Congo; and funds awarded and spent through the TB REACH initiative to countries procuring anti-TB drugs from GDF.

9. General management and administration cost	2009	2010
General management & administration cost comprises of:		
Salaries ^L	738	769
Activities	244	92
WHO professional service charge	<u>1,926</u>	<u>2,878</u>
Total	<u>2,908</u>	<u>3,739</u>

(L). In 2010, salaries under General Management and Administration excludes salaries attributed to the administration of GDF (US\$ 406 thousands) that have been included under expenditure item Technical Assistance, Monitoring and Salaries for GDF in report 1.B (2009, US\$ 352 thousands).

10. Reserve	2009	2010
Balance brought forward	1,200	1,600
Movement (TBP)	400	400
GDF	<u>0</u>	<u>500</u>
Balance as of 31.12.2010	<u>1,600</u>	<u>2,500</u>

11. Surplus of income over expenditure	2009	2010
TBP surplus	2,679	1,284
TB REACH surplus	15,101	8,520
GDF surplus ^M	<u>28,806</u>	<u>17,145</u>
Total surplus	<u>46,586</u>	<u>26,949</u>

(M). 82% of the GDF surplus in 2010, or US\$ 14.019 million, was received from UNITAID in December 2010.

Stop TB Partnership Global TB Drug Facility Financial Management Report			
Statement of Income, contributions received for Direct Procurement and its Expenditures For the year ending 31 December 2010 (US\$ '000)			
	Notes	2009	2010
Income			
Government and their Agencies - specified	1	33,796	34,728
Multi lateral institutions	2	23,208	21,753
In kind contribution for drugs from Novartis	3	1,690	-
Foundations	4	<u>160</u>	<u>426</u>
Total voluntary contribution		<u>58,854</u>	<u>56,907</u>
Other income and adjustments			
Contribution for direct procurement	5	47,979	87,254
Other income	6	30	-
Internal transfers to GDF from contributions received by TBP Secretariat		636	-
Prior year adjustment	7	<u>-1,650</u>	<u>13,797</u>
Sub-total		<u>46,995</u>	<u>101,051</u>
Total income after prior year adjustment		<u>105,849</u>	<u>157,958</u>
Expenditure			
Grant procurement of Anti TB drugs		22,134	42,748
Special direct financing of procurement by countries ¹		0	1,850
Direct procurements		47,979	87,254
Quality assurance and prequalification		469	784
Technical assistance, Monitoring and Salaries		4,123	4,155
Advocacy and Communications & management		448	545
Indirect costs (WHO Programme Support Costs)	8	<u>764</u>	<u>1,010</u>
Total Expenditure		<u>75,917</u>	<u>138,346</u>
Funds transferred to GLI	9	1,126	1,967
Total of expenditures and fund transfers		<u>77,043</u>	<u>140,313</u>
Transfer to Reserve		-	500
Surplus of income over expenditure for the year*		<u>28,806</u>	<u>17,145</u>

(1). Special direct financing of procurement by countries includes funding received from PAHO for procurement of anti-TB drugs for Brazil; funds received from USAID for procurement of anti-TB drugs for the Democratic Republic of the Congo; and funds awarded and spent through the TB REACH initiative to countries procuring anti-TB drugs from GDF.

* Balance of income over expenditure of US\$ 17 million is due primarily to US\$ 14 million in funds received in December 2010.

Notes to the Income and Expenditure Statement

1. Contributions from Government and their Agencies	2009	2010
CIDA	6,288	6,883
USAID	20,917	16,377
Norway	69	0
DFID	6,289	11,468
Zambia	<u>233</u>	<u>0</u>
Sub-total Governments and their Agencies	<u>33,796</u>	<u>34,728</u>

2. Multilateral Institutions		
UNITAID	23,208	20,844
World Bank contribution to GDF	0	80
Pan American Health Organization	<u>0</u>	<u>829</u>
Sub-total Multilateral Institutions	<u>23,208</u>	<u>21,753</u>

3. In-Kind for drugs		
Novartis contribution to procure anti-TB drug for Tanzania ^N	<u>1,690</u>	<u>0</u>

(N). Amount referred to Note 7 Prior Year Adjustment has been recognized by WHO income as income for the year 2011.

4. Foundations		
United Nations Foundation	0	84
Kuwait Patients Helping Fund Society	<u>160</u>	<u>342</u>
Sub-total Foundations	<u>160</u>	<u>426</u>

5. Contribution for direct procurement	<u>47,979</u>	<u>87,254</u>
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6. In-kind contribution (staff secondement)		
Management Science for Health (contribution for drug management work shops)	<u>30</u>	<u>0</u>
Sub-total In-kind contributions	<u>30</u>	<u>0</u>

7. Prior year adjustment		
Adjustment to income received from USAID (1)	-5,917	-177
Adjustment to income received from DFID (2)	4,387	9,943
Adjustment to income received from Novartis (3)	0	2,005
Adjustment to income received from UNITAID (4)	<u>-120</u>	<u>2,026</u>
Sub-total prior year adjustments	<u>-1,650</u>	<u>13,797</u>

1. WHO recorded this portion of 2009 income in 2010 due to the draw down principle according to which money is taken from the line of credit after expenditures have been finalized.

2. Income from DFID in 2010 equaled US\$ 21.411 million for the WHO (India) procurement project. In order to align Partnership income with WHO's voluntary contribution figures in its annual financial report, a prior year adjustment of US\$ 9.943 million was applied to include income which, while received in December 2009, was intended for use in 2010 and has therefore been recognized as income in 2010 in the Stop TB Partnership's Financial Management Report.

3. The in-kind contribution received from Novartis for procurement of anti-TB drugs for Tanzania in 2010 was recorded and received in 2010; WHO recorded its delivery upon notification in early 2011 and consequently has recognized this as 2011 income.

4. This income was received in the Stop TB Partnership Trust Fund in 2010 and was directly transferred to GLI.

8. Indirect cost		
WHO Program Support Cost	764	1,010

9. Funds transferred		
Fund transferred to GLI from UNITAID contribution	1,126	1,967