



Financial Report

31 December 2003

Introduction

This Financial Report of the Stop TB Partnership is for the year ending 31 December 2003. It provides information as to the voluntary contributions made by donors to the Stop TB Partnership Secretariat housed in the World Health Organization, operating expenditures incurred by it during the year. It comprises the following two financial statements for the period together with associated notes to them.

- Statement of Income and Expenditure
- Cash Statement

In addition, figures have been given in each of the above financial statements for comparison.

Performance

For year 2003, the Stop TB Partnership Secretariat, including the GDF, received a total contribution of US\$21.6 million against US\$12.7 received in 2002, an increase of over 70% over last year. Contributions totalling US\$10 million, out of the total received were channelled through the "Stop TB Partnership Trust Fund" at the World Bank which became operational in early 2003. Japan and Norway contributed to the Global Drug Facility managed by the Secretariat for the first time during the year. It is encouraging to note that almost all the rise in income came from an increase in cash contributions. Contributions in-kind, around US\$ 0.7 million were almost at the same level as last year.

Operating Expenditure for the year increased to US\$20.8 million from US\$10.4 million in 2002. The expenses incurred by GDF during 2003 increased three-fold reflecting much greater activity by it, while those in other areas remained at the same level as in 2002. Surplus of income over expenditure was US\$0.75 million (2002 figure being US\$2.2 million).

Resource Position

The cash statement shows a balance of US\$ 5.0 million at the end of 2003. Of this nearly US\$3 million cash was received during November and December, therefore, the contractual obligations for this amount could not be entered into during the period. Also, a major activity scheduled for 2003 namely, the Partners Forum had to be postponed to early 2004 and as a result, the associated expenditure was not incurred during 2003 as had been planned. Some key staff positions were not filled till the fourth quarter of the year which also contributed to higher cash balance at the end of the year.

Novartis announced an "in-kind" contribution of 500,000 first-line treatment drugs over a period of five years from 2004 onwards.

**Stop TB Partnership Secretariat
Statement of Income and Expenditure
(All figures in US\$'000)**

	Notes	<u>2002</u>	<u>2003</u>
Income			
Voluntary contributions in cash			
Governments and their Agencies - Specified	1	9,437	17,205
Governments - Unspecified	2	1,418	2,066
Multilateral Organizations	3	1,132	1,029
Foundations and Others	4	<u>21</u>	<u>616</u>
Sub-total		<u>12,008</u>	<u>20,916</u>
Voluntary contributions in-kind			
Governments	5	356	213
Foundations and Others	6	<u>337</u>	<u>462</u>
Sub-total		<u>693</u>	<u>675</u>
Total Income		<u>12,701</u>	<u>21,591</u>
Expenditure			
Partnership		3,190	3,524
Advocacy and Communication		990	855
Global Drug Facility	7	5,641	15,565
Administration		<u>660</u>	<u>898</u>
Total Expenditure		<u>10,481</u>	<u>20,842</u>
Surplus of Income over Expenditure		<u>2,220</u>	<u>749</u>

**Stop TB Partnership Secretariat
Cash Statement
(All figures in US\$'000)**

	<u>2002</u>	<u>2003</u>
Opening cash balance	2,044	4,265
Cash received from voluntary contributions	<u>12,008</u>	<u>20,916</u>
Total cash available for operations	<u>14,052</u>	<u>25,181</u>
Expenditure		
Partnership	2,677	3,195
Advocacy and Communications	968	813
Global Drug Facility	5,482	15,377
Administration	<u>660</u>	<u>786</u>
Total expenditure	<u>9,787</u>	<u>20,171</u>
Balance carried forward at year end	<u>4,265</u>	<u>5,010</u>[*]

* Cash carried forward at year end includes cash received totalling US\$ 3 million during November and December 2003. As a result, contractual obligations for these amounts could not be entered into during the reporting period, and also part of the obligation for the expenditure on Partners Forum had to be deferred to 2004 due to the postponement of the latter.

Stop TB Partnership Secretariat
Notes to the Income and Expenditure Statement
(All figures in US\$'000)

1. Voluntary contributions from Governments and their Agencies - Specified

This comprises the following:

	<u>2002</u>	<u>2003</u>
(a) <u>Global Drug Facility(GDF)</u>		
CIDA	3,723	8,530
Japan	-	46
The Netherlands	1,959	2,587
Norway	-	748
USAID	<u>2,000</u>	<u>3,000</u>
Sub-total	<u>7,682</u>	<u>14,911</u>
(b) <u>Partnership Secretariat</u>		
Japan	-	50
Netherlands	980	1,294
USA-CDC	200	200
USA-USAID	<u>575</u>	<u>750</u>
Sub-total	<u>1,755</u>	<u>2,294</u>
Total contributions	<u>9,437</u>	<u>17,205</u>

The CIDA contribution of US\$8,530,000 in 2003 was channelled through the Stop TB Partnership Trust Fund in the World Bank, while the others were channelled through WHO.

2. Voluntary contributions from Governments – Unspecified

This comprises unspecified resources allocated to the Partnership Secretariat by WHO from donations received by it from its Member States. During the period under review such allocations amounted in total to US\$652,000 (US\$ 1,418,000 for 2002) and were part of contributions received by WHO from Japan, the Netherlands, Switzerland and UK.

The UK-DFID contribution of US\$1,414,000 in 2003, included in the total Government-unspecified category of contributions amounting to US\$ 2,066,000, was channelled through the Stop TB Partnership Trust Fund in the World Bank.

3. Multilateral Organizations

	<u>2002</u>	<u>2003</u>
ILO	-	8
World Bank	700	700
WHO	<u>432</u>	<u>321</u>
Total for Multilateral Organizations	<u>1,132</u>	<u>1,029</u>

WHO allocated US\$321, 000 from its regular budget to STB Partnership Secretariat.

4. Foundations and Others

	<u>2002</u>	<u>2003</u>
(a) <u>For Global Drug Facility</u>		
Procter and Gamble	-	24
Harvard University	<u>-</u>	<u>130</u>
Sub-total for GDF	<u>-</u>	<u>154</u>
(b) <u>For the Partnership Secretariat</u>		
Open Society Institute	-	450
Research Institute of Tuberculosis, Japan	14	-
Partners in Health	-	12
Others-miscellaneous	<u>7</u>	<u>-</u>
Sub-total for Partnership	<u>21</u>	<u>462</u>
Total for Foundations and Others	<u>21</u>	<u>616</u>

The OSI contribution of US\$450,000 in 2003 was channelled through the Stop TB Partnership Trust Fund in the World Bank, while the others were channelled through WHO.

5. In-kind contributions from the Governments

These were received in the form of services of staff and direct support to projects of the Partnership Secretariat as follows:

	<u>2002</u>	<u>2003</u>
Japan	100	-
The Netherlands	163	213
UK-DFID	<u>93</u>	<u>-</u>
Total In-kind contributions from the Governments	<u>356</u>	<u>213</u>

6. In-kind contributions from Foundations and Others

These were received in the form of services of staff and direct support to projects of the Partnership Secretariat as follows:

	<u>2002</u>	<u>2003</u>
(a) <u>For Global Drug Facility</u>		
Management Sciences for Health	137	188
Research Institute of Tuberculosis, Japan	<u>21</u>	<u>-</u>
Sub-total for GDF	<u>158</u>	<u>188</u>
(b) <u>For the Partnership Secretariat</u>		
American Lung Association	2	5
IUATLD	5	154
OSI	100	-
Partner in Health	21	-
Procter and Gamble	31	-
Research Institute of Tuberculosis, Japan	17	-
University of California	-	115
Others	<u>3</u>	<u>-</u>
Sub-total for Partnership	<u>179</u>	<u>274</u>
Total contributions in-kind from Foundations and Others	<u>337</u>	<u>462</u>

7. Expenditure - Global Drug Facility

The expenditures of the Global Drug Facility comprises the following:

	<u>2002</u>	<u>2003</u>
Drugs, including insurance and freight	4,658	13,626
Quality assurance and pre-qualification	118	144
Technical Assistance and Monitoring	469	1,255
Advocacy and Communications	-	21
Indirect costs	<u>396</u>	<u>519</u>
Total expenditure Global Drug Facility	<u>5,641</u>	<u>15,565</u>