

DRAFT Memorandum of Understanding
between the
Stop Tuberculosis Partnership Coordinating Board
and the
World Health Organization
on the
Administration, Operations and Financing
of the
Stop TB Partnership Secretariat, including the Global Drug Facility

1) Introduction

1. The Stop TB Partnership and the Global Drug Facility (GDF) were established in direct response to the March 1998 recommendations of the Ad Hoc Committee on the Tuberculosis Epidemic and to a call from 20 countries with a high burden of TB disease at the Amsterdam conference on TB and Sustainable Development in March 2000.
2. WHO is a major partner and an active supporter of the Stop TB Partnership and has agreed to house the Secretariat of the Stop TB Partnership (which includes the GDF) and to permit it to benefit from the legal status and operational systems established by WHO.
3. The Stop TB Partnership Secretariat (the "Secretariat") is the administrative component of the Stop TB Partnership and its essential purpose is to support, service, and facilitate the Partnership in the achievement of its objectives.
4. The reputation of WHO is enhanced by its housing of the Secretariat; the linkage between WHO and the Secretariat at country level creates mutually beneficial added value.
5. This text amends and replaces previous understandings, signed in October 2001, between the Chair of the Stop TB Partnership Coordinating Board (STBCB) and Director General of WHO.

2) Legal/political aspects

1. The Secretariat, including the GDF, derives its legal status from inclusion within the WHO system and structure.
2. The Secretariat, including the GDF, is owned politically and should be responsive to the Stop TB Partnership.
3. Partners provide the financing of the Secretariat in addition to seconding staff to the Secretariat. Apart from the salaries of the Executive Secretary and his/her assistant and meeting of some other costs the Secretariat is financed entirely by extra-budgetary funds.

4. In light of the above, it is agreed that the Secretariat will be subject to the Rules and Regulations of WHO in terms of financial and human resource aspects and administration.
5. It is further agreed that, while the legal status of the Secretariat as a part of WHO is acknowledged, given the particular, specific functions and responsibilities of the Secretariat, flexibility is required and adaptations will be accorded in the application of WHO Rules and regulations to the Secretariat where appropriate and agreed upon by WHO and the STBCB, including those set out in this MOU.
6. WHO will accommodate the Partnership in allowing the use of its logo for correspondence and publications. The WHO logo will be used in conjunction with the Stop TB Partnership logo.
7. The Secretariat will maintain the partnership website (currently: stoptb.org) independently from WHO.
8. While WHO is responsible in legal terms for the Secretariat, WHO will pay due respect and attention to the recommendations made to it concerning the constitution of the Secretariat and its operations by the STBCB.

3) Administration

1. WHO will provide secretariat functions and organizational structure for the Partnership, by forming a TB Partnership team within the Stop TB Department. This team will include a distinct group to manage the GDF operations. WHO will use its administrative and technical services to otherwise implement, administer and support the activities of the Secretariat.
2. The Executive Committee and STBCB will collaborate with the Secretariat in the preparation of an annual work plan, to be submitted to the STBCB and WHO for approval. The Secretariat will be responsible for implementation of the work plan.
3. The Secretariat will receive technical progress reports from recipients of resources from the Stop TB Partnership Trust Fund and make them available to WHO.
4. Where appropriate, WHO will acknowledge the support of donors in any reference made by WHO with respect to the Secretariat or the GDF in publications, speeches, press releases or other similar communication materials.
5. The Secretariat will make formal reports on its operations, including GDF, advocacy, communications, partnership building and fundraising, to the STBCB at each of the latter's biannual meetings. In addition, WHO will report, as necessary, on any related issues with respect to the operations of the Secretariat.
6. The Secretariat will undertake to place the minimum possible administrative burden on WHO processes and systems.
7. The STBCB will monitor and evaluate the performance of the Secretariat, including output, impact and process.

8. Consequently, procedures for reviewing agreements with third party suppliers of products and services for activities financed by the Stop TB Partnership Secretariat WHO could be fast-tracked.
9. Fast-tracking involves members of the Contract Review Committee and Management Services Unit of WHO considering all Secretariat matters as urgent. WHO will grant Secretariat matters appropriate priority, equivalent to a processing time of 3 working days or less per clearance step.

4) Staffing

The Secretariat will be managed by an Executive Secretary. WHO rules and regulations, in particular those for its administrative, financial and human resource management, will apply to the Secretariat and its operations. There is, however, an agreed necessity to make adaptations to WHO rules and practices in order to meet particular needs and duties of the Secretariat.

These adaptations include:

1. Senior Secretariat staff, including the Executive Secretary, shall be selected through a procedure by which a STBCB advisory panel may choose to have access to the applications, to interview the applicants, to suggest an ordered short list to the WHO staff selection panel and to appoint an observer to the WHO staff selection panel;
2. Secretariat staff vacancies will be advertised through the Stop TB Partnership network as well as on the WHO web site but all applications will be directed through the WHO recruitment system;
3. Contract breaks for Secretariat staff shall be reduced to two weeks, when necessary, in order to maintain efficiency of operations while keeping a "lean secretariat";
4. In order to maintain institutional memory, Secretariat staff may be exempted from the four year limit of engagement for short-term staff;
5. Secretariat staff may receive special exemption from quotas for conversion from short-term to fixed-term status in order to ensure the highest possible level of performance. However, every effort will be made by the Secretariat to target WHO priority countries for new staff appointments;
6. Secretariat staffing levels should be determined solely upon the operational requirements and budget of the Secretariat, and should not be affected by space limitations within WHO;
7. Secretariat hiring and contract review procedures within WHO will be accorded priority and fast-tracked, equivalent to a processing time of 3 days or less per clearance step.

WHO will consider justified requests for further adaptations, provided they are consistent with its Financial and Staff Rules and Regulations and any other requirements established by its governing bodies. Any such adaptations or

exceptions must be expressly approved by an authorized official of WHO and will be recorded by WHO in a “Log of Administrative adaptations for the Stop TB Partnership Secretariat.”

5) GDF

Within the provisions made for the Secretariat as a whole, the following specific arrangements shall apply to the GDF:

1. The basic operating principles of the GDF shall be as follows:
 - i. Grants of free GDF drugs are accessible to countries with per capita GNP equal to or less than US\$ 1,000 subject to the following exception: countries with per capita GNP greater than US\$ 1,000 and less than US\$ 3,000 could be provided with anti-TB drugs if there is prior agreement from the STBCB regarding the selection of these countries.
 - ii. The support provided under GDF grants must be additional to what would have been provided by the developing country government, other donors and international agencies to recipient countries in the absence of such grants.
 - iii. WHO works with partner countries and agencies to ensure that the drugs reach those patients most in need, that diversion is minimized and that distribution to the country is reliable.
 - iv. The drugs provided under GDF grants shall not impact negatively on current national and international commitments.
 - v. WHO will carry out the functions of the GDF as generally described above and in accordance with the provisions of this MOU.
 - vi. Should an independent Global Drug Facility or similar body ever be established by the STBCB for the provision of anti-TB drugs, WHO will transfer to that body any balance remaining after liquidation of all WHO obligations, provided that GDF donors so request and further provided that the body undertakes to meet the operational obligations that have been those of WHO with respect to the GDF.
2. Through the Executive Secretary of the Stop TB Partnership Secretariat, the Executive Committee of the STBCB will oversee the GDF and:
 - i. Provide oversight, including the development of recommendations to the STBCB, in collaboration with the Secretariat;
 - ii. Monitor financial/operational performance against targets;

- iii. Develop a fundraising strategy in collaboration with the Secretariat;
 - iv. Provide operational oversight in key areas including Technical Review Committee (TRC) recommendations and the procurement tendering process;
 - v. Review and analyse regular updates on the GDF including financial statements; and
 - vi. Provide guidance on other strategic issues as they arise.
3. The Secretariat will communicate on a regular basis with the Executive Committee, through the Executive Secretary of the Stop TB Partnership Secretariat. The STBCB or the Executive Committee may direct queries to the Secretariat at any time, and will receive a prompt and appropriate response.
4. WHO will develop terms of reference for the GDF Manager in consultation with and with the consent of the STBCB. WHO will appoint or assign a GDF Manager who will lead the GDF Secretariat in full consultation with, and in consideration of the opinions of the STBCB. Once appointed, the GDF Manager will report to the Executive Secretary of the Stop TB Partnership Secretariat.
5. The GDF element of the Secretariat technical report shall include the following information:
 - i. Countries selected for GDF drug support;
 - ii. A description of the selection process and estimated number of additional TB patients that will be cured in recipient countries, including data and means of estimation used, where "additional" means in addition to what would have happened in the absence of GDF; and
 - iii. Updated information on the procurement process and time taken to clear customs and register GDF drugs in recipient countries including an update on the additional numbers of TB patients started on treatment in recipient countries through GDF support.
6. WHO will manage the GDF TRC which is composed of up to 15 experts to review applications for GDF support. Its detailed terms of reference have been drawn up in consultation with the STBCB.
7. Recommendations of the TRC on GDF applications may be submitted to the Executive Committee for consideration. With the approval of both the Executive Committee and WHO, the recommendations of the TRC on applications for GDF drug supply will be implemented by WHO through the Secretariat. Copies of the recommendations will be made available to the STBCB. The STBCB will provide comments or recommendations in the event of there being no unanimous recommendation on an application.
8. WHO will contract, in accordance with its rules, for procurement, quality control and monitoring/evaluation functions with suitably pre-

qualified agencies based on an ongoing assessment of the most advantageous sources of supply.

9. WHO will use GDF as its supplier of TB drugs requested by countries.
10. The GDF purchasing agent will be chosen through an open tender process.

6) Financial aspects

1. WHO will grant the Executive Secretary signing authority for financial matters appropriate to the needs of the Partnership Secretariat.
2. The financing of the Secretariat will be shared among WHO, other partners and donors. Donor funds received may be held externally, or as "Trust Fund" in WHO. The trust funds held in WHO and any other institution will be governed by the individually negotiated "Operating Principles" of such Trust Funds, or other financing facilities between the STBCB and WHO. The funds held in such Trust Funds will be administered in accordance with WHO Financial Regulations and Financial Rules, financial procedures and practices.
3. Financial management of the funds made available to the Secretariat through any financing facility or instrument, and their utilization by the latter will be determined by policies adopted by the STBCB.
4. WHO accounts are audited and certified by WHO's External Auditor. WHO will furnish reports of such audits to the STBCB as they become available.
5. WHO will, on the advice of the Stop Tb Partnership Secretariat, return to donors, as appropriate, any undisbursed or unaccounted for portion of donor contributions upon full liquidation of all outstanding obligations there from.
6. Any interest earned on donor contributions will be used exclusively for budgetary purposes of the project, or as determined by the STBCB or by the Executive Secretary under delegated authority of the latter.
7. Externally held funds may be established by donors and disbursed based on principles agreed to in the associated grant agreements that will be cleared by WHO.
8. The Secretariat will provide annual and/or semi-annual financial management statements covering income and expenditure to the STBCB. It will also provide such statements for similar periods to donors who have contributed funds for use by GDF.
9. Charges on the Stop TB Partnership Trust Fund will be levied by WHO on the basis of negotiated rates. Currently these are:
 - a. 6% programme support costs to cover administrative costs of WHO on the amount deposited in the Stop TB Partnership Trust Fund.
 - b. 3% for TB control drugs procured by GDF on the CIF value and all associated costs related to the supply of these drugs to countries.

10. Direct procurement of drugs by countries and non-governmental organisations is another source of financing for the GDF. Any financial transactions relating to these will be processed through the Stop TB Trust Fund at WHO and recorded by the Stop TB Partnership Secretariat as such.
11. The Secretariat will receive technical and financial reports from the recipients of Trust Fund monies and make these available to WHO.
12. Where pooled funding sources are placed in financing facilities outside WHO they will be managed by the Secretariat. In that instance, this MOU takes the place of a grant agreement between the donors to the external financing facilities and the Stop TB Partnership Secretariat.

7) Validity of the Agreement

Differences which may arise in the application of the provision of this Memorandum of Understanding will be settled amicably among WHO, the STBCB, and the GDF donors.

This MOU will be valid indefinitely for the period from the date of signature by the parties. Amendments to this Memorandum of Understanding may be proposed by WHO and the Stop TB Coordinating Board for consideration by both parties.

Signed:

J.W. Lee
Director General
World Health Organization

Ernest Loevinsohn
Chair
Stop TB Coordinating Board

Date:

