

Partnership Financial Statements For the Year Ending 31 December 2010

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Washington DC, 31 March - 1 April 2011



Financial Report for the year ending 31 December 2010 - Highlights

All figures USD '000

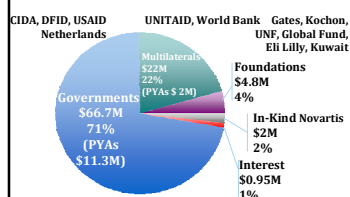
	2009	2010	% CHG	
Total Income	93,864	110,250	17%	↑
Total Expenditure	46,878	82,310	76%	↑
Reserves	400	900	125%	↑
Surplus	46,586	27,040	-42%	↓

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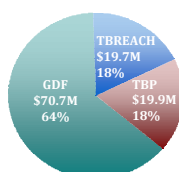


2010 Income Analysis

Income By Source, 2010



Income By Unit, 2010



Total Income in 2010 US\$ 110.3 million

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Expenditure for the year ending 31 December 2010

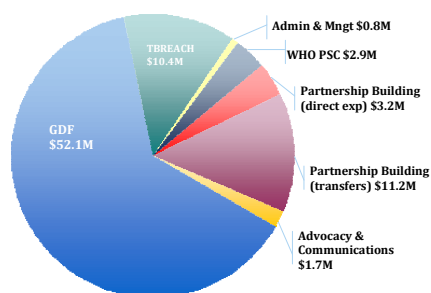
All figures '000 USD

	2009	2010	% CHG over '09	
Expenditure				
Partnership Building	12,993	14,409	11%	↑
Advocacy & Communications	2,603	1,727	-34%	↓
Global Drug Facility	28,300	52,049	84%	↑
TB REACH	74	10,417		↑
Mngt & Admin (incl. WHO PSC)	2,908	3,708	28%	↑
Total Expenditure	46,878	82,310	76%	↑
Transfer to Reserve	400	900	125%	↑
Surplus of Income over Expenditure	46,586	27,040	-42%	↓

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Analysis of Expenditure



Total Expenditure in 2010 US\$ 82.3 million

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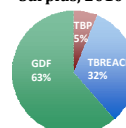
Surplus

All figures US\$ '000

Composition of Surplus

	2009	2010	
TBREACH	15,101	8,520	TBREACH
Partnership Secretariat	2,679	1,375	TBP
Global Drug Facility	28,806	17,145	GDF
Sub-Total	46,586	27,040	

Surplus, 2010



TBREACH: funds from 2010 are earmarked for disbursement in 2011 in accordance with payment schedules for Wave 1 grant recipients.

TBP: funds brought forward to contribute to first quarter operations in the new biennium.

GDF: the majority (82%) of the GDF surplus is due to US\$ 14 million in funds received from UNITAID in December 2010.

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Work Plan Implementation Summary as of 31 Dec 2010 for the biennium 2010 - 2011

PARTNERSHIP	Costs (USD '000)	Expenditure	Implementation rate
Planned cost for activities	44,742	13,421	30%
<i>Normalized for the year 2010</i>	<i>22,371</i>	<i>13,421</i>	<i>60%</i>
Human Resources for the biennium 2010 and 2011	11,487	11,487	100%
GLOBAL DRUG FACILITY	Costs (USD '000)	Expenditure	Implementation rate
Planned cost for drugs and activities	108,205	43,194	40%
<i>Normalized for the year 2010</i>	<i>54,102</i>	<i>43,194*</i>	<i>80%</i>
Human Resources for the biennium 2010 and 2011	8,944	8,944	100%

* This includes the value of firm orders placed with suppliers, which is equivalent to \$ 40 million
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Income & Expenditure Forecasts - TB REACH

	All figures '000 USD		
TBREACH - Grant	2011	2012	2013
Expected Contributions			
Balance brought forward	10,631	656	3,095
Expected income	27,645	2,439	17,278
Total available income	38,276	3,095	20,374
Expenditures			
Waves to be disbursed	37,620	0	20,000
Balance to be carried forward	656	3,095	374

TBREACH - Activity & HR

Expected Contributions			
Balance carried forward	1,383	2,530	1,088
Expected income	2,542	224	1,589
Total available income	3,925	2,754	2,677
Expenditures			
Activity & Salaries	1,395	1,666	1,666
Balance to be carried forward	2,530	1,088	1,011

Income & Expenditure Forecasts - TBP

	All figures '000 USD		
TBP	2011	2012	2013
Contributions			
Balance brought forward	9,607	4,484	2,132
Expected income	2,955	5,625	4,670
Total available income	12,562	10,109	6,802
Expenditures			
Expected Salary (15% increase over 2010 planned cost)	5,278	5,177*	5,177
Expected Activity (projection based on 2010 actual exp)	2,800	2,800	2,000
Total Expenditure	8,078	7,977	7,177
Surplus/(deficit)	4,484	2,132	(375)
Surplus/(Deficit) of income over expenditure carried fwd	4,484	2,132	(375)

Under this forecast, staff expenditures rise by 15%, and activity expenditures in '11 and '12 are roughly stable with 2010 actual levels (including for the WGs)

The forecast assumes no further rise in staff costs in 2012 and 2013, and a contraction (-29%) in activity costs in 2013 due to limited funding

At the end of the 2012/2013 biennium, the equivalent of two staff posts will be at risk and there will be no carry forward to the next biennium without additional funds

* Based upon an expected change in the number of WHO staff receiving support, and the distribution of administrative costs, overall staff costs are expected to go down in 2012 and 2013
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Income & Expenditure Forecasts - GDF I

	All figures '000 USD		
Procurement - Unspecified	2011	2012	2013
Expected Contributions			
Balance brought forward	17,430	2,489	4,107
Expected income	8,929	14,618	8,968
Total Funds available for Procurement	26,359	17,107	13,075
Expenditures			
Expected expenditures for procurement	23,870	13,000	13,000
Balance to be carried forward to next biennium	2,489	4,107	75

Procurement - Specified (Unitaid, DFID India)

	2011	2012	2013
Expected Contributions			
Balance brought forward	39,493	442	26,023
Expected income	7,598	44,846	10,677
Total Funds available for Procurement	47,091	45,288	36,700
Expenditures			
Expected expenditures for procurement	46,649	19,266	36,700
Balance to be carried forward to next biennium	442	26,023	0

Note for all specified expenditure projections (UNITAID, KPHF, DFID) where funds are tied to specific projects and are time limited, assumption made that all funds will be committed by the end date of the governing agreement. In the event that specified funds remain unspent towards the end of agreement cycle, GDF will submit an extension request to the donor to allow for project completion.

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Income & Expenditure Forecasts - GDF II

	All figures '000 USD		
Activities & HR	2011	2012	2013
Expected Contributions			
Balance brought forward	11,625	4,191	4,186
Expected income	3,566	2,494	4,980
Total funds available	15,191	11,686	9,166
Expenditures			
Expected expenditures activities & salaries	11,000	7,500	7,500
Total Expenditures	11,000	7,500	7,500
Balance to be carried forward to next biennium	4,191	4,186	1,666

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Decisions Requested

- Approve the 2010 Partnership Financial Report. A summary of this will be published in the printed version of the Annual Report for 2010
- To increase the reserves to an upper limit of \$ 4.5 million till such time as core funding is secured

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