

**Background Note on the Biennium Work Plan 2008- 2009
(Tables I and II)**

The work plan for the next biennium was developed using WHO's guidelines to achieve its Strategic Objective 2 (To combat HIV/AIDS, Tuberculosis and Malaria) through a results based management approach. Inputs for the plan were provided by all functional teams of the Secretariat and the WGs. A process of iterative consultations and peer review in WHO were used to integrate all sections of the plan.

The total planned cost is US\$111 million (US\$28 million for the Partnership and US\$83 million for the GDF). The expected income is US\$95 million (US\$16 million for the partnership and US\$79 million for GDF). Resource mobilization efforts are currently in progress and there is a reasonable probability that resources totalling US\$16 million will be secured to meet this shortfall.

The proposed Work-Plan for 2008-2009 has two major elements:

A. Partnership (Table I- Plan Cost US\$28 million; Budgeted cost US\$16 million)

The planned cost for the Partnership work plan is (US\$28 million) and the budgeted cost (US\$16million) which is based on the estimated amount of income that can be realistically received based on signed pledges and a pledge from a key donor that is very likely to be extended at the same level for at least one year.

Total Planned cost for the next biennium shows an increase of around 33% over the planned cost for the current biennium (US\$21 million). For the next biennium maximum resources have been planned for allocation as follows: ACSM (29%), Governance (15%), Partnership Building (11%), Support and Innovation (4%), and Administration (4%). In addition the six Working Groups have been allocated 37% of the planned resources. The costs of the seventh working group on ACSM have been included within the ACSM component of the Partnership Secretariat.

Budgeted cost for the Partnership Secretariat for the plan period is US\$16 million (based on the expected income) comparing to the planned cost of US\$28 million. This leaves a gap of US\$12 million. Distributions of available financial resources across the five different areas of work undertaken by the Secretariat have been made with priority accorded to ACSM which has been allocated 53% of the expected income. Governance receives 17%, Support to WGs 12%; Partnership building 10%, while Support & innovation and administration each receive 5%.

In reducing planned costs to budgeted costs an attempt has been made to make no reductions in high priority activities thus: Country level ACSM, Strategy development, building tools and capacity enhancement for advocacy have not been reduced.

Partnership activities can be classified into six main headings

1. ACSM,

This includes support to the Working Group on ACSM and activities of the Secretariat in this area. It has two sub-components:

1.1 Global ACSM

Products/services to be provided under this area of work will support: (i) Strategy development, building tools, capacity enhancement; (ii) Donor country Advocacy; (iii) Communication; and (iv) TB Profile enhancement

Planned cost for this work plan sub-component is US\$4.5 million and the budgeted cost is: US\$3.3 million.

1.2 Country level ACSM

This covers work on cross cutting issues for all endemic countries as well as activities to strengthen activities in support of TB control programmes.

Planned cost for this work plan sub-component is US\$1.2 million and the budgeted cost is the same. Having highest priority no cuts were imposed on this sub-component.

2. Governance

This comprises activities relating to the governing bodies of the Partnership namely the Partners forum and the Coordinating Board and the Executive Committee and the Office of the Executive Secretary for overall coordination of the work of the partnership and special projects that may be commissioned by the Coordinating Board.

Planned cost for this work plan sub-component is US\$3.0 million and the budgeted cost is: US\$1.4 million.

3. Partnership Building

This covers building and strengthening of regional and national partnerships, providing direct support to the Civil Society Organization and enhancing engagement of partners

Planned cost for this work plan sub-component is US\$2.2 million and the budgeted cost is: US\$0.8 million..

4. Administration and Financial Management

This covers operations of the administration and management infrastructure of the Secretariat and development of new financial instruments for tapping into innovations like Advance Market Commitment (AMC).

Planned cost for this work plan sub-component is US\$0.7million and the budgeted cost is US\$0.4million.

5. Support and innovation

Planned cost for this work plan sub-component is US\$0.8 million and the budgeted cost is: US\$0.4 million

6. Support to Working Groups

This covers financial support extends to the six working groups whose Secretariats' are not within the Partnership Secretariat. Planned cost for this is US\$7.3 million and the budgeted cost is US\$1 million.

Staff costs.

Planned cost for the partnership sub-component is US\$8.3 million for the biennium while the budgeted cost is: US\$7.8 million

B. Global Drug Facility (Planned cost USS\$ 83 million; budget cost US\$79 million)

The next biennium work plan for GDF has been developed on a conservative basis and on the understanding that grants for first line drugs should decline. Total Planned cost of USS\$ 83 million for the next biennium shows an increase of around 0.6% over the planned cost for the current biennium (US\$82.5 million).

The plan proposes a cost of US\$72 million for anti-TB drugs (US\$73 million for the current biennium).

The budgeted cost for such drugs is US\$69 million based on estimated drug component of expected income for GDF. The planned costs for activities of GDF are US\$4.0 million while the budgeted costs are US\$3.0 million. The total shortfall for GDF in the next biennium is US\$4.0 million which is expected to be mobilized as a result of the ongoing resource mobilization efforts of the Partnership.

In the resources available for procurement of anti-TB drugs US\$28.1 million is available as - earmarked funds from donors.

In addition there is planned cost of US\$ 26.8 million for first line anti TB drugs from un-earmarked donor funds. These will have to be first applied to countries that already have an approved three year grant in order to meet their second year and third year drug requirements on the understanding that drugs will be supplied to them for 2008 and 2009 (being the second or third year of their current grant cycle of three years). Supply of drugs under this category is subject to a satisfactory TRC review and resources being available. Such second and third year grants total US\$16.8 million. This leaves US\$10 million available for grants to new applicants under a planned cost of the above mentioned US\$26.8 million. If however the only funds available are those expected at present for such grants, namely US\$23.7 million, then only US\$6.9 million will be available for new grants as indicated in the "Breakdown" section of table II (Summary of GDF Planned/Budgeted Costs).

Grants for first line drugs from un-earmarked funds have fallen from US\$43.4 million in the biennium 2006-2007 to US\$26.8 million, a reduction of 38% in this segment of grants, and is caused by countries transitioning out from GDF support to other sources of funding such as government budget lines or donors, such as the Global Fund.

First line anti-TB Paediatric drugs totalling US\$8.7 million and Second line anti-TB drugs totalling US\$8.2 million will be supplied from earmarked funds in both categories.

Staff cost for GDF have been planned and budgeted at US\$7 million.