



REPUBLIC OF ZAMBIA

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CAB Inf. (19)

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CABINET MEMORANDUM COVER PAGE

Heading and Title:	Health: Establishment of a Public Private Foundation for Elimination of Malaria in Zambia.
Initiating Minister:	Minister of Health.
Minister's Action:	To establish a Public Private Foundation for Elimination of Malaria.
Purpose of the Action:	It is necessary to establish a Public Private Foundation to mobilise and manage financial and in-kind contributions for elimination of malaria.
Rationale and Background:	<p>Eliminating malaria is essential to building a healthy and productive Zambia. In 2017, His Excellency President Edgar Chagwa Lungu announced an ambitious plan to eliminate domestic transmissions of malaria in Zambia by 2021 which led to the establishment of the End Malaria Council ('EMC').</p> <p>The overall budget for the implementation of the National Strategic Plan is estimated at US\$647 million and only US\$ 547 million is funded leaving a financing gap of US\$100 million and hence the need to establish the foundation.</p>
Resource requirement:	No financial resources will be required as the Foundation will be formed and operated as a subsidiary of the End Malaria Council.
Impact:	The Foundation will facilitate the achievement of the goal of eliminating malaria in Zambia by 2021 and ultimately contribute to the attainment of SDG3

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CABINET

**HEALTH: ESTABLISHMENT OF A PUBLIC PRIVATE FOUNDATION ON ELIMINATION
MALARIA.**

(Information Memorandum by the Minister of Health)

I. Minister's Action:

1. I wish to inform Cabinet that pursuant to the establishment of the End Malaria Council a Public Private Foundation to mobilise and manage financial and in-kind contributions towards Malaria Elimination in Zambia will be established.

II. Purpose of the Action Taken/Intended:

2. It is necessary to establish a Public Private Foundation in order to mobilise and manage financial and in-kind contributions to finance the eliminating malaria in Zambia by 2021.

III Rationale and Background

3. Malaria remains a leading cause of morbidity and mortality in Zambia. Each case imposes a significant social and economic cost in the form of lower Gross Domestic Product (GDP), reduced worker productivity, worker absenteeism, missed schooling, and deaths in the working-age population.

4. The End Malaria Council was established at the initiative of his Excellence the President, Mr Edgar Chagwa Lungu, in order to eliminate domestic transmissions of malaria in Zambia by 2021.

5. Zambia face significant barriers in an effort to control and eliminate malaria, including insufficient funding. The overall budget for the implementation of the National Strategic Plan is estimated at US\$647 million and only US\$ 547 million is funded leaving a financing gap of US\$100 million.

6. The recently formed End Malaria Council, which convened its first meeting on 7th March 2019, proposes establishing a domestic mechanism to mobilise resources from the private sector, grassroots donors, and private philanthropy to close the funding gap and help Zambia access additional

co-financed funds. The Public Private Foundation will mobilise and manage financial and in-kind contributions to facilitate malaria elimination by 2021.

7. The Foundation will be formed as a private company limited by guarantee. Establishing a legal entity to receive, manage, and distribute money and in-kind contributions is critical to establishing fund accounts, managing liability, increasing donor confidence, and for tax purposes. Several alternative structures were considered including a statutory board, project account, and special fund. These approaches were considered with the legal advisor to the Ministry of Health. However, it was determined that a foundation was the best approach because it is not intended to be a permanent institution, there is need to establish the resource mobilisation mechanism quickly, and the structure will allow the EMC to establish a public-private Board as a subsidiary of the EMC.

8. The End Malaria Council will seek to have the Foundation certified as a Public Benefit Organisation (i.e., charitable institution). Such a designation by the Revenue Authority will make proceeds of the Foundation tax free and donors will be able to deduct contributions, which will provide an incentive to donating to support malaria.

9. The Foundation will be formed and operate as a subsidiary of the End Malaria Council. The members of the End Malaria Council will become subscribers to the Foundation and appoint a Board of Directors to manage it during the annual general meeting. Directors will be drawn from the subscribers / the End Malaria Council members. Members to the board will be elected for two-year terms and will be eligible for re-election to the Board.

10. The number of directors will be limited to nine. An illustrative list of potential directors could include:

- (i) The Government of Zambia (e.g., Ministry of Health, Ministry of Finance, Zambia Revenue Authority)
- (ii) Local interests (e.g., House of Chiefs)
- (iii) The private sector (e.g., ZACCI, private-sector companies)

11. The Board will determine its own procedure subject to specific conditions:

- (i) The Board will elect a Chairperson.
- (ii) The Board must meet at least quarterly to discharge its duties.
- (iii) At least five directors must be present for a quorum.
- (iv) Any action taken by the Foundation must be approved by a majority of the Board. If there is a tie, the Chairperson will get an extra deciding vote.
- (v) All directors will be bound to an anti-corruption and conflicts of interest policy.

(vi) Directors will not be remunerated for their position on the Board.

12. The End Malaria Council will review and approve articles of incorporation for the Foundation at its upcoming council meeting on 17 April 2019. The EMC will then establish the Foundation with a goal of commencing operations in early May 2019.

13. The Foundation is not intended to be a permanent entity and will be terminated following the completion of its objectives (i.e., once Zambia has been certified as having eliminated malaria). The decision to terminate the Foundation will be made by the members of the End Malaria Council, who will be the subscribers to the Foundation.

14. Upon termination, the Foundation will notify the President, Cabinet, Parliament, and Donors of the decisions and specify a process to resolve any outstanding debts and close the books. As required for Public Benefits Organisations, all remaining balances will be disbursed to a similar charitable organisation for the benefit of the people of Zambia.

IV. Resources Used/Required:

15. No financial resources will be required as the Foundation will be formed and operated as a subsidiary of the End Malaria Council.

V. Impact:

16. The establishment of a Public Private Foundation to mobilise and manage financial and in-kind contributions will facilitate the achievement of the goal of eliminating malaria in Zambia by 2021 and ultimately contribute to the attainment of Sustainable Development Goal (SDG) No: 3 of ensuring healthy lives and promoting well-being of all at all ages.

VI. Request that Cabinet Takes Note of the Information:

Cabinet is asked to take note of the information at paragraph one (1) above.

C.C

MH/.../.../...