

Finance Committee Meeting
13 April, 2015

2014 Financial Report

1 January 2014 to 31 December 2014

1. Introduction

This Financial Report provides information on work undertaken by the Partnership for Maternal, Newborn & Child Health (Partnership; PMNCH) during the 12 month period from 01 January to 31 December, 2014.

As in the previous years, the work undertaken was guided by the annual workplan and budget approved by the Board. As will be noted below, in 2014 the Board decided to restructure the workplan somewhat from that used in 2013, and focus the efforts of the Partnership on four outcomes and two cross cutting activities. This report therefore provides expenditure and encumbrances information according to the 2014 workplan structure.

Following this introduction this report is structured as follows:

- **Section 2 – 2014 workplan structure.** Briefly describes the workplan structure relevant for the year 2014.
- **Section 3 – Income and resource mobilisation overview.** Provides an update on the total grant funding allocations that were available to fund the PMNCH 2014 workplan. It also provides an update to the Finance Committee on the ongoing resource mobilisation efforts.
- **Section 4 – Budget and Expenditure.** Sets out a summary of actual expenditures and encumbrances recorded for the period 01 January to 31 December, 2014 against the budget for the year. These are presented for each of the outcomes, technical and administrative costs, and travel.

2. Workplan structure for 2014

The 2014 Workplan was approved by the Board on 14 February, 2014, following the recommendation of the Executive Committee. The workplan was structured as follows:

- **Outcome 1:** Accelerate progress towards MDGs 4 and 5, and other relevant MDGs.
- **Outcome 2:** Women's and children's health in post-2015 development agenda.
- **Outcome 3:** Improve accountability for women's and children's health.
- **Outcome 4:** Strengthen partner alignment.
- **Countdown to 2015**
- **PMNCH 2014 Partners Forum**

For each of the four noted outcomes and two cross cutting activities, a number of outputs were identified as contributing to the achievement of these outcomes. These outputs linked directly to the Strategic Objectives that continue to be the underpinning of the overall PMNCH 2012 to 2015 Strategic Framework.

3. Income and resource mobilization overview

Donors and foundations, together with all the other Partners and stakeholders more broadly, have continued to be very supportive of the Partnership's four-year 2012 to 2015 Strategic Framework, and its

respective annual workplans. Grant funding for the work of the Partnership also continues to be made available, on the whole, as multi- year and unspecified grants (i.e. supporting the whole workplan as opposed to specific activities).

This ongoing support, coupled with strong resource mobilisation efforts, has resulted in the Partnership managing to secure funding required to deliver the entire 2014 workplan.

Current available funding in 2014 and for 2012 to 2015 Strategic Framework

The 2014 board approved budget is currently US\$ 12.54m, as set out in more detail in Table 3.1. It is comprised of:

- US\$ 11.0m of new funds available for use towards the Partnership's activities in the calendar year 2014; and
- US\$ 1.50m of funds received in 2013 but allocated for 2014 in respective grant agreements.

Table 3.1: US\$ - Donors and foundations funding allocations for 2014¹

Donors and foundations	2014 (US \$)
Allocations for work in 2014 carried over from 2013	1,501,918
Australia	1,019,836
Bill & Melinda Gates Foundation (part of 2012-15 Grant)	2,628,808
Canada	640,900
Canada (Countdown Case Study Funding)	150,000
Finland	390,000
Germany	130,890
Johnson & Johnson	100,000
MacArthur Foundation	175,000
Netherlands	800,000
Norway	995,118
Sweden	382,613
UK	2,739,473
USA	575,000
US Fund for UNICEF	270,000
2014 Funding	12,499,556
2014 Workplan Budget	12,537,350
2014 Funding Gap	37,794

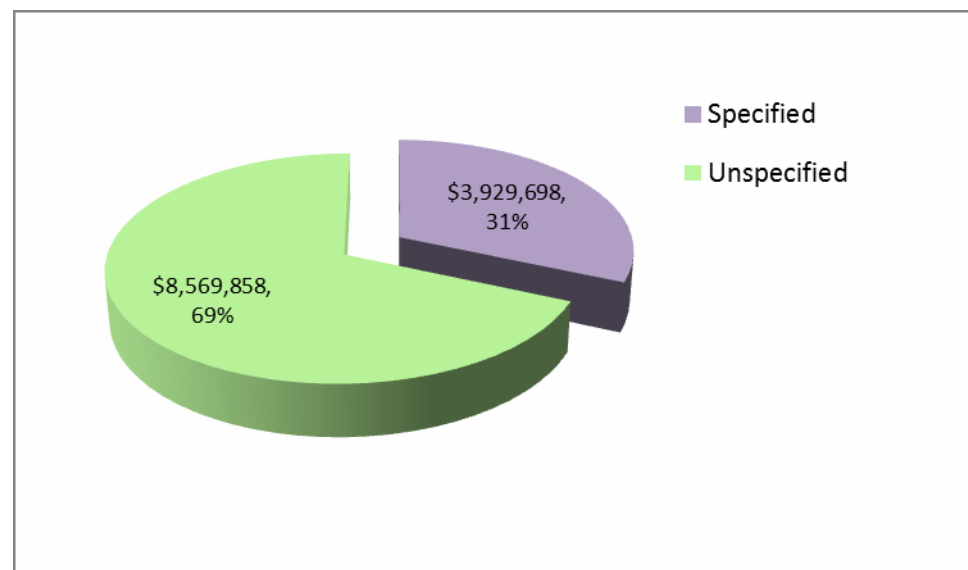
¹ Some US\$ values are approximate, as funding is provided in donor's local currency. In addition, funding is presented as available for the calendar year 2014; many donors and foundations do not use calendar years as their financial years, and so assumptions were made on allocation of funding to 2014.

Nature of funding: Specified versus unspecified

As set out in Figure 3.1 below, the Partnership has been working hard to encourage donors and foundations to provide their grant support as unspecified funding, i.e. funding that is not specified to any one activity, but supportive of the PMNCH Board approved workplan in its entirety.

From January to December 2014, 69% of funding has been made available as unspecified grants. This figure has slightly increased from the 2013 funding level of 66% unspecified funding.

Figure 3.1: Funding commitments in 2014 by funding modalities



PMNCH and Countdown to 2015

The Countdown's project budget for 2014 was maintained at similar levels to 2013. The Countdown budget for 2014 was approved at approximately US\$ 4.72m. Taking account of the funding for technical work made available to Countdown by the Bill and Melinda Gates Foundation, the Board discussed and approved a budget of US\$ 2.32m for Countdown related activities within the PMNCH 2014 workplan, so as to maintain this initiative's budget level and enable it to deliver its work.

Future direction for fundraising

Fundraising to secure resources for Partnership's activities for 2015 and beyond were an important workstream in 2014. PMNCH successfully ensured that there would be sufficient funding at the start of 2015 to take the partnership forward, whilst further work will be required in 2015 to raise resources to complete the requirements for that year.

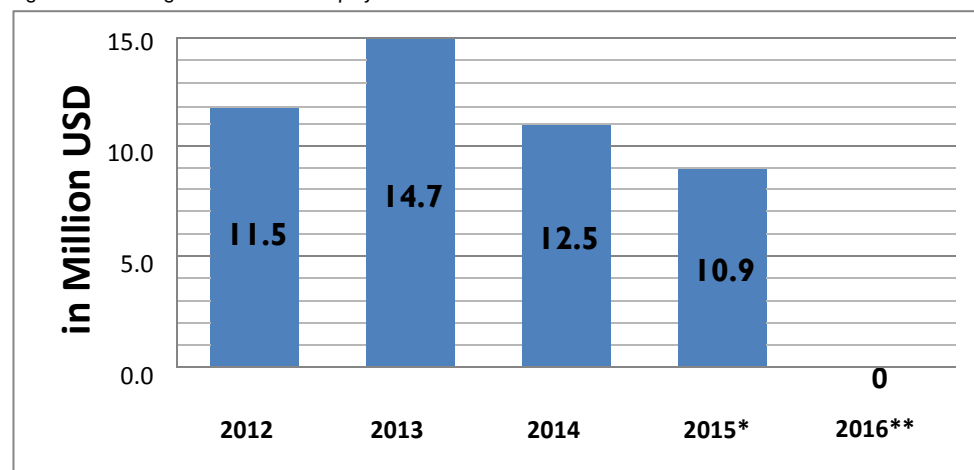
2015 Workplan development

The final year workplan and budget for the Partnership will be developed within the context of the existing PMNCH 2012 to 2015 Strategic Framework. However, the financial position going into 2015 and beyond is a considerable challenge, as discussed below.

PMNCH Funding Levels

As highlighted in the PMNCH external evaluation findings, PMNCH funding has been growing in line with the increasing demands placed upon the Partnership. However there is always a need to critically review the PMNCH resource mobilization efforts to ensure that there are funds available for activities in both 2015 and beyond. This will be an extremely urgent activity throughout 2015. Given that proactive resource mobilization can only begin once the strategic framework is agreed by the Board, and there will still be a process of confirming PMNCH's role in the new global architecture which will not conclude until late 2015.

Figure 3.2: Funding commitments and projections 2012 - 2016



* 2015 figures current as at 31 December 2014.

** Some resources from 2015 may be rolled over subject to agreement with donors. In addition, preliminary discussions are underway with a small number of donors

4. Budget and expenditure

Table 4.1 below provides the details of the 2014 budget² and expenditures recorded in 2014. The total budget of US\$ 12.54 was made up of US\$ 10.22m for PMNCH related activities, US\$ 2.32m for Countdown activities. Table 4.1 also provides details of the expenditure, during January to December 2014 of US\$ 11.90m.

Overall, the overall 2014 budget implementation rate is 94.9%. This figure is in line with budget forecasts, taking into consideration expenses incurred from the 2014 Partners Forum.

² The budget includes Program Support Costs (PSC), which are payable at 13% from all received grant funding to WHO and contribute to the costs related to buildings and office space, equipment, HR administration and staff welfare, legal services, physical security, travel and visa services, etc.

Table 4.1: 2014 Budget, expenditure, and budget implementation rate as at 31 December 2014 (as per PMNCH 2014 workplan), in US\$

Outcomes	Outputs	2014 Budget Allocation	Expenditure	Balance	Percentage
Outcome 1	Accelerate progress towards MDGs 4 and 5, and other relevant MDGs	\$ 3,063,315	\$ 2,913,586	\$ 149,729	95.1%
Outcome 2	Women's and children's health in post-2015 development agenda	\$ 2,254,730	\$ 2,208,738	\$ 45,992	98.0%
Outcome 3	Improve accountability for women's and children's health	\$ 2,228,662	\$ 2,099,122	\$ 129,540	94.2%
Outcome 4	Strengthen partner alignment	\$ 1,978,842	\$ 2,095,617	\$ (116,775)	105.9%
Special Project --- Countdown to 2015		\$ 2,373,000	\$ 1,853,512	\$ 519,488*	78.1%
Cross-cutting Project --- Partners Forum		\$ 638,801	\$ 726,871	\$ (88,070)	113.8%
TOTAL		\$ 12,537,350	\$ 11,897,445	\$ 639,905	94.9%

* Funds will be rolled over for Countdown to 2015 activities.