

The Partnership' Finance Committee Meeting
Friday, 15 April 2016, at 15:00 GVA time

DRAFT Note for the Record

FINANCE COMMITTEE MEMBERS

Stefan Germann (Chair) – World Vision International (by telephone)

Rama Lakshminarayanan & Leslie Elder – World Bank

Apologies

Hamid Rushwan – FIGO

Josh Lozman – Bill and Melinda Gates Foundation

PMNCH SECRETARIAT

Robin Gorna (Executive Director), Abir Shady (Governance and Partnerships Manager), & Nicholas Green (Administrative and Finance Officer)

CONSULTANTS

Ryan Weeks (Accenture)

Documents distributed:

- Draft PMNCH 2016 Workplan
- 2016 Resource Mobilization Overview.
- Draft : 2015 Annual Report – Financials 1 pager
- PMNCH Cash flow projection spreadsheet.
- Secretariat Organigram
- WHO NMC Analytics Tool

APOLOGIES

- Apologies from Josh Lozman and Hamid Rushwan were noted

ITEM 1 – DRAFT PMNCH 2016 WORKPLAN

The Secretariat updated the Finance Committee as to the current status of the 2016 work planning process.

Decision:

None was taken.

ITEM 2 – GOVERNANCE UPDATE

Accenture provided the Finance Committee with an update on the current governance strengthening process in relation to the Finance Committee and focused on two specific points raised by the Finance Committee chair:

- Strategic Intent of the Finance Committee – need to stress this in greater detail.
- Strategic Financial guidance and advice expertise on the Executive Committee: explore whether these can be made more explicit in the current governance strengthening process, to ensure this is included in the proposed new mandate for the EC.

Decision: *The Finance Committee recommends the following to the Ad-Hoc Governance Group:*

1. Strategic vision of the Finance Committee should be outlined in the charter.
2. A finance expert, appointed by the Finance Committee Chair, should sit on the Executive Committee in a non-voting capacity to provide financial guidance and advice.

ITEM 3 – ORGANIGRAM

PMNCH Executive Director presented the current status of implementation of the PMNCH Board approved organigram of 12 Secretariat core positions and 3 IAP specific positions, and project specific temporary positions.

The Finance Committee asked the Secretariat to prioritize S01 and S02 for recruitment. S03 and S04 are the means to make everything work. Limited Secretariat resources should be allocated in line with these priorities recognized by the Board.

The Committee asked that S01 should not be “heavy” at the global level but rather congruent with the importance of the work at the country level.

The FC also highlighted that it is important to resource communications adequately as this is a key function of the Secretariat, and this supports SO3 in particular.

Decision: *The Finance Committee recommends:*

The staffing profiles of Secretariat members should focus on coordination and management. Core skills should be enabling, in order to support and serve our members. This is distinct from the technical and expertise qualities which are the traditional WHO profile.

- SO1: Make sure the staffing is congruent with importance of the work at country level. Light touch at the global level.
- SO2: This requires senior support congruent with the strategic importance. There needs to be a firewall with the IAP. Strong (Director level) IAP leadership does not mean that the IAP staffing flow over into SO2.
- Communications staff should complement and support Advocacy.

ITEM 4 – 2016 RESOURCE MOBILIZATION OVERVIEW.

The Secretariat raised the issue of diversification of the PMNCH donor base, and presented details on the efforts currently underway within the Secretariat to raise additional resources. The Secretariat discussed the below table.

Opening Balance : US\$ 1.6 million carry forward from 2015

Secured Pledges:

Resources received:

Bill and Melinda Gates Foundation (BMGF) Strategic Grant
Canada
USAID (2015 grant)
India
MacArthur Foundation.

Contracts received and/or under discussion:

CIFF
Sweden

Anticipated: The Executive Director discussed the current status of each of the below donors and reconfirmed the strong indications received from USAID, Germany and the United Kingdom for funding in 2016.

Priority areas to address /Potential Delays:

Norway:

Step 1: Refunding Norway 2015 backend transfer currently underway,

Step 2 : Secretariat to request Norway to proceed with 2016 funding, and for full funds to be transferred

BMGF:

Feedback received from BMGF concerning the current 2016-2018 proposal has the potential to delay finalization of grant agreement & disbursement from Q2 to Q3. This has cash flow implications which were discussed during the Cash Flow overview.

Decision: *The Finance Committee noted the current resource mobilization status of the Partnership.*

ITEM 5 – PMNCH CASH FLOW PROJECTION SPREADSHEET

The Secretariat presented the PMNCH Cash flow spreadsheet and reviewed each of the major sections focusing on income, expenses (broken down by staff and activity costs) and final surplus/shortfall figures.

The Secretariat informed the Finance Committee of the WHO staff liability accrual requirement of maintaining a 6+1 month staff post costs. WHO have confirmed that the Partnership is currently meeting this obligation, however this scenario is likely to change with the delay in the finalization of the BMGF grants from Q2 into Q3 of 2016. Currently the

Partnership has sufficient funds available to cover staff and activities as outlined in the cash flow spreadsheet, up through August 2016. With no new funding, the Partnership would be insolvent as of August 2016. This is a particularly high risk for the Partnership which needs to be closely monitored and addressed.

The Executive Director discussed the anticipated funding outlook continues to be strong.

Decision: *The Finance Committee noted the following points to be discussed with the Executive Committee:*

1. Stresses its concern on the cash flow projections despite the good intentions from those anticipated donors. This is an ongoing concern of the Finance Committee.
2. Urges the Board to participate actively in resource mobilization.
3. Issue of unfunded mandate with regards to IAP is of critical importance, specifically reputational risk to the Partnership needs to be discussed at the next EC call.
4. Propose to the EC a substantive discussion regarding resource mobilization and financing.
 - a. Financing and Resource Mobilization.
 - b. How do we deliver with the Strategy, Business & Work Plan as they currently stand.
 - c. Governance review process

ITEM 6 – DRAFT : 2015 ANNUAL REPORT – FINANCIALS

The Secretariat presented the Draft : 2015 Annual Report – Financials for comments and general agreement for inclusion in the 2015 PMNCH Annual Report. The Secretariat confirmed that the document is in draft format and some minor cosmetic adjustments will be incorporated in the final document.

Decision: *The Finance Committee agreed to use the draft outline for the 2015 PMNCH Annual Report*

ITEM 7 – ANY OTHER BUSINESS

The Secretariat confirmed with the Finance Committee that the 2015 Annual Finance Report will be provided electronically for review by Finance Committee members. A request for a no-objection approval by the 6th May 2016, in anticipation of being tabled at the 18th Board meeting in Copenhagen, Denmark, May 2016.

Decision: *The Finance Committee agreed to the above approach*

The meeting closed at approximately 15:58, Geneva time, on Friday, 15th April, 2016.