



Finance Committee Report

Agenda

1. Financial picture for 2009
2. Budget for 2010
3. Resource mobilisation

Overall financial picture for 2009

- The overall PMNCH budget for 2009 was US\$ 5.9m. The Partnership entered the year having sufficient funding from three sources:
 - Underspend carried over from 2008 of US\$ 2.3m
 - US\$ 3.2m of 2009 specific commitments
 - Work paid for in 2008 but delivered in 2009 of US\$ 0.4m
- Annual projected expenditure to the end of 2009 is estimated to be US\$ 5.1m (US\$ 5.5m with work paid for in 2008). This is an under-spend of US\$ 0.4m or 7.2%. These funds are carried over into 2010.
- Total expenditure for the year follows closely budget over the individual Priority Action Areas.

Income for 2009 summarised

Donor	2009
Bill & Melinda Gates Foundation	3,942,559
Norwegian Government	87,034
United Kingdom Government (DFID)	573,074
Australian Government (AUSAID)	205,802
Other Specified Funds (MacArthur Foundation & USAID)	214,821
Other Unspecified Funds (Italy & Netherlands) and other sources (e.g. interest earned)	478,165
Total Funding Available \$	5,501,455
<i>Expenditure funded from 2008</i>	<i>354,545</i>
<i>Total</i>	<i>5,856,000</i>

Expenditure for 2009 summarised

Activities	Budgeted expenditure	10 months actual	Full year estimated	Carried forward
PA 1	235,000	166,933	233,925	1,075
PA 2	100,000	111,000	118,195	(18,195)
PA 3	335,000	60,523	105,639	229,361
PA 4	760,000	255,502	659,819	100,181
PA 5	543,455	345,636	543,623	(168)
PA 6	430,000	83,385	429,350	650
Core Functions	900,000	573,288	924,301	(24,301)
Staff costs	2,198,000	1,490,637	2,090,637	107,363
Total	5,501,455	3,086,904	5,105,489	395,966

Recommendations of the Finance Committee

- **Recommends to the Board to approve the Interim Financial Report for 2009**
- The Committee draws the Board's attention to the following:
 - It is important to build on the work funded and undertaken in 2009 as the programme moves forward (e.g. work by Development Media International in India).
 - As Strengthening Human Resources for MNCH is the main in-country activity by PMNCH, the FC is pleased that there are two planned workshops at the end of this and early next year in Jordan and Bolivia.

Overall budget for 2010

- The budget for 2010 is proposed to remain unchanged at US\$ 7.45m, as approved by the Board in Feb 2009 as part of the Strategy and Workplan 2009 to 2011
- The underspend from 2009 of US\$ 0.4m is pooled for expenditure in 2010
- The only changes to the 2010 budget are proposed to be internal transfers of funds between PAs:
 - increase the PA1 and PA2 budget by \$100,000 each to reflect increased costs; and
 - decrease PA3 budget by \$200,000.

Expenditure for 2010 summarised

Activities	Original Budget	Revised Budget	Change
PA 1	335,000	435,000	100,000
PA 2	200,000	300,000	100,000
PA 3	848,000	648,000	(200,000)
PA 4	230,000	230,000	-
PA 5	2,036,000	2,036,000	-
PA 6	875,000	875,000	-
Core Functions	900,000	900,000	-
Staff costs	2,031,000	2,031,000	-
Total	7,455,000	7,455,000	0

Recommendations of the Finance Committee

- **Recommends to the Board to approve the budget for 2010**
- The Committee draws the Board's attention to the following:
 - Potential conflicts of interest in cases where lead partners, who are also Board members, receive contracts without competitive tender.
 - The Board to consider enlarging the PA4 budget.
 - Encourages Partners to be more ambitious in delivering work against the proposed budget.
 - Clarity on PMNCH financial contributions to upcoming events, especially Women Deliver.

Resource mobilisation

- The committee had insufficient time to fully consider the Resource Mobilisation Strategy, which summarises the current status.
- At the moment total pledges and proposals submitted by PMNCH are equal to US\$ 14.4m, which if successfully raised would be sufficient to cover the workplan budget
- **The Committee calls upon the Board to provide full support to these ongoing efforts**

PMNCH Pledges / Discussions	2010	2011	2012	Total
Total pledged funding	7,545,000	6,861,000	15,000	14,421,000
Existing funding	395,966	0	0	395,966
Work Plan Requirement	(7,455,000)	(6,164,000)	0	(13,619,000)
(Shortfall) / Surplus	485,966	697,000	15,000	1,197,966