



Women's,
Children's and
Adolescents'
Health

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2020 Financial Report

Partnership for Maternal, Newborn & Child Health

Hosted by the World Health Organization

August 2021



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1. Introduction

This Financial Report provides information on the budget and finances in 2020 of the Partnership for Maternal, Newborn & Child Health (Partnership; PMNCH). Section 2 of this report provides information on the workplan structure and budget, as approved by the PMNCH Board. Section 3 provides a short analysis of the resource mobilisation efforts, and Section 4 sets out information on expenditure and commitments, as well as on implementation of the PMNCH workplan.

Annex 1 includes the Statement of Financial Performance with notes, as certified by WHO, and Annex 2 includes a WHO certified copy of the Statement of Income and Expenditure for the period 1 January 2020 to 31 December 2020, with balances reported to the World Health Assembly through WHO's audited Financial Report for 2020¹.

2. Programme of work and budget in 2020

In 2020, PMNCH's work was organized in six workstreams, reflecting the PMNCH 2018 to 2020 Business Plan envisaged operational structure.

The Business Plan set out the budget for the six workstreams at two levels. The first level refers to a Comprehensive budget, planned for a maximum set of activities that the Partnership would likely be able to deliver in any one year. This was set at US\$ 15 million per year, should resources be available.

The second level was an Essential budget, which noted a prioritized set of activities deemed most important by the Board. This was set at US\$ 10 million per year for each of the three Business Plan years.

However, in any one given year, it is not guaranteed that PMNCH would be able to raise sufficient resources to meet this budget. In fact, in 2020 (see Section 3 below), PMNCH only had access to US\$ 7.97 million of the needed US\$ 10 million for the Essential budget.

Table 1 below sets out the budget for 2020, as per the 2018 to 2020 Business Plan.

Table 1: PMNCH 2020 Budget (millions, US\$), as highlighted

Budget: Essential and Comprehensive	2018	2019	2020	Total
Workstream 1. Early Childhood Development	1.740	1.700	1.700	5.140
	2.610	2.550	2.550	7.710
Workstream 2. Adolescents' Health and Well-Being	1.780	1.745	1.745	5.270
	2.670	2.620	2.620	7.910
Workstream 3. Quality, Equity and Dignity in Services	1.700	1.705	1.705	5.110
	2.550	2.555	2.555	7.660
Workstream 4. Sexual and Reproductive Health and Rights	1.705	1.690	1.690	5.085
	2.555	2.535	2.535	7.625
Workstream 5. Empowerment of Women, Girls and Communities	1.475	1.540	1.540	4.555
	2.215	2.310	2.310	6.835
Workstream 6. Humanitarian and Fragile Settings	1.600	1.620	1.620	4.840
	2.400	2.430	2.430	7.260
Total Essential Budget	10.00	10.00	10.00	30.00
Total Comprehensive Budget	15.00	15.00	15.00	45.00

¹ See: https://apps.who.int/gb/ebwha/pdf_files/WHA74/A74_29-en.pdf



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3. Available resources and management

The key attributes of PMNCH resource mobilisation and management efforts in 2020 were as follows:

- **Many multi-year awards.** Many grants supporting the work of PMNCH were provided as part of multi-year awards, spanning two or more calendar years. This was exceptionally helpful in supporting planning and operational stability. PMNCH continues to be engaged in discussions with donors about the possibility of renewing existing and establishment of new multi-year grants, especially given the ending of many existing grants with the closure of the 2018 to 2020 Business Plan period.
- **Mostly undesignated contributions.** It has also been very helpful that the majority of funds (around 66%) were provided as undesignated (or un-earmarked) contributions, enabling PMNCH to apply resources to activities across its entire workplan in the most effective manner.
- **Broad donor base.** In 2020, PMNCH was able to draw on resources from 12 different donors², continuing its working relationship with governments (including the Government of India), private foundations, and multilateral initiatives.
- **Variety of financial years and management of resource timing.** The Partnership received grants from governments, multilateral organizations and philanthropic foundations that operate on different financial years to each other and to WHO, which hosts PMNCH. This has both assisted the Partnership in managing its cashflow over the years but has also added a degree of complexity in grant management processes.³
- **Management of donor reporting.** Most PMNCH donors are aware of the reporting burden that PMNCH Secretariat manages across all PMNCH awards. Reflecting this, many have been flexible in accepting some standardization of reporting formats and information. Nevertheless, the Partnership had around 50 reporting points during 2020, which is considered very high and is very time consuming.
- **Funds availability across calendar years.** Given that grants awarded to PMNCH can be both multi-year in nature and from donors whose financial years do not follow a calendar year profile (as noted above), the timing of revenue recognition and timing of expenditures are not always exactly aligned. This means, for example, that whilst revenue may be recognised in one year, expenditure will only be associated with it in future years, to comply with the letter and spirit of grant agreements. (see Section 3.1 of Annex 1).

Overall, PMNCH was able to use US\$ 7.97 million during 2020 to spend on delivering further prioritized activities within the overall US\$ 10 million Essential budget workplan, as set out in Table 2.

² Annex two shows a list of nine donors whose revenues were recognized in 2020. However, grant agreements with three existing donors (Governments of Canada and the UK, and Bill & Melinda Gates Foundation) were signed in the previous years and therefore do not show up Annex 2 revenues for 2020. Some resources from these grants were nevertheless earmarked for activities in 2020.

³ Another consequence of this variability in financial years is that PMNCH has significant brought forward and carry forward balances in WHO certified financial statements, as per Annex 1 and Annex 2. This is not a reflection of unspent resources, but a combination of: (i) when resources are recognized by the WHO system as received; (ii) when individual grant agreements specify funds can be spent; and (iii) variability in the financial years of individual donors.



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Table 2: Resources available in 2020 (US\$, million)

Item	2020
Revenue recorded from new grant agreements signed in 2020, including multi-year agreements and agreements that do not align with the 2020 calendar year (See Annex 2)	5.76
Deferred revenue from previously signed multi-year grant agreements recorded in 2019 and brought into 2020 (see Table A.2 in Annex 1)	4.41
Revenue recorded from new grant agreements signed in 2020, but which is deferred to 2021 and beyond in accordance with the grant agreement requirements (see Table A.2 in Annex 1)	(4.33)
Sub-total	5.84
Other revenues recognized in prior years but earmarked for 2020 through donor agreements and in ongoing discussions with grant managers	2.13
Total	7.97

This has fallen short of the expected US\$ 10 million budget, reflecting the inevitable changes and challenging funding situation associated with the onset of the COVID-19 pandemic in early 2020.

Approximately 62% of funds available for use in 2020 were from governments, 30% from private foundations, and 8% from multilateral agencies / initiatives.

4. Expenditure – Implementing the PMNCH workplans

As noted earlier, PMNCH had available funds in 2020 amounting to US\$ 7.97 million. They were used to deliver the main, prioritized elements of the Board approved 2020 workplan.

PMNCH had a full implementation rate – i.e. it used all of the resource that were available in 2020. As shown in Table 3 below, PMNCH's implementation rate as compared to the available resources was just under 100% as at 31 December 2020.

Table 3: PMNCH 2020 summary of budget, available resources and expenditure

Budget, available funds and expenditure	2020 (US\$)
<i>Essential budget</i>	10,000,000
<i>Comprehensive Budget</i>	15,000,000
Total available funds in 2020	\$7,965,535
Expenditure as at 31 Dec 2020	\$7,845,370
Implementation rate against available funds	98%

PMNCH invests resources at its disposal into delivering activities set out in its workplan. These activities are delivered through a combination of investments into staff at the Secretariat, external contractors (e.g. consultants), travel and event related costs, sub-grants to partners, and some expenses related to equipment and general operating costs. Each activity within the PMNCH workplan has a unique combination of cost allocations across these categories (e.g. some activities are led by Secretariat staff, others are fully outsourced, some include travel and others do not, and many include a combination of all expenditure categories).

Table 4 below sets out how the resources available in 2020 were allocated to various workstreams within the workplan. The PMNCH Board agreed a budget that was set relatively equally across the six



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workstreams. Expenditure and commitments followed a similar level of implementation. There was no reallocation of budget across the different workstreams during 2020.

Table 4: Available resource, expenditure and implementation rate in 2020 (US\$)

Budget: Essential and Comprehensive 2020	Budget	Resources	Expenditure & commitments	Implementation
Workstream 1. Early Childhood Development	1,700,000	1,274,486	1,255,259	
	2,550,000			
Workstream 2. Adolescents' Health and Well-Being	1,745,000	1,672,762	1,647,528	
	2,620,000			
Workstream 3. Quality, Equity and Dignity in Services	1,705,000	1,115,175	1,098,352	
	2,555,000			
Workstream 4. Sexual and Reproductive Health and Rights	1,690,000	1,354,141	1,333,713	
	2,535,000			
Workstream 5. Empowerment of Women, Girls and Communities	1,540,000	1,035,520	1,019,898	
	2,310,000			
Workstream 6. Humanitarian and Fragile Settings	1,620,000	1,513,452	1,490,620	
	2,430,000			
Total Essential Budget	10,000,000	7,965,535	7,845,370	
Total Comprehensive Budget	15,000,000			

The PMNCH's current Conflict of Interest (Col) policy is managed by the Secretariat to protect PMNCH from any known, perceived, or potential conflicts of interest with respect to the implementation of PMNCH's programme of work.

As part of this process, organizations who were either Board Members or Alternates, and who received more than US\$ 100,000 to deliver services during 2020 as part of PMNCH's workplan implementation, are listed below for transparency purposes:

- Core Group: US\$ 101,000 (cumulative total from multiple contracts).
- The Hospital for Sick Children: US\$ 150,290.

The contracts listed above, as is the case with all other contracts issued by PMNCH, fully adhered to WHO's strict procurement rules and regulations, as monitored and enforced by internal WHO processes.



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Annex1: Statement of financial performance and notes

Certification of Statement of Financial Performance and Notes

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Administration and Finance
Officer a.i.
PMNCH-NMC

George Kyriacou
Comptroller and
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World Health Organization

Helga Fogstad
Executive Director
PMNCH-NMC

17 August 2020



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Statement of financial performance

Table A.1 below provides an overview of the financial performance for the Partnership, for the year ended 31 December 2020. Please also refer to Annex 2: Statement of Income and Expenditure.

Table A.1: Statement of financial performance (thousands, US\$)

Description	Notes	2020	2019
Fund balance as at 1 January	3.3	6,968	7,354
REVENUE	3.1		
Voluntary contributions		5,840	8,541
Total revenue		5,840	8,541
EXPENSES	3.2		
Staff and Other Personnel Cost		3,846	3,827
Contractual Services, Transfers and Grants to Counterparts		3,371	3,598
Travel		116	799
General Operating and Other Direct Costs, Equipment, Materials		47	176
Programme Support Costs (PSC)		465	527
Total expenses		7,845	8,927
Fund balance as at 31 December	3.3	4,962	6,968

Notes to the statement of financial performance

1. Basis of preparation

The financial results of PMNCH are consolidated within the Fiduciary Fund of WHO. Revenue and expenses for PMNCH are recorded in a separate fund to allow for financial reporting. A separate balance sheet is not available for PMNCH as all balance sheet transactions are managed in one set of ledgers for WHO.

The PMNCH statement of financial performance has been extracted from WHO accounts and all transactions have been recorded in accordance with relevant WHO accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).



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2. Significant accounting policies

For a full set of accounting policies, please refer to the WHO Audited Financial Statements for the year ended 31 December 2020⁴. These policies support PMNCH's statement of financial performance.

2.1 Revenue

Revenue is recognized following the established criteria of IPSAS 23 (Revenue from Non-Exchange Transactions).

Revenue from voluntary contributions is recorded when a binding agreement is signed by WHO, on behalf of PMNCH, and the contributor. When an agreement contains "subject to" clauses, WHO does not consider the agreement to be binding and does not record the revenue and amount receivable until the cash is received. Where there are no payment terms specified by the contributor or payment terms are in the current accounting year, revenue is recognized in the current period. Where payment terms specify payment after the year end, the amount is reported as *deferred* revenue.

Deferred revenue is reported on the WHO balance sheet as a liability and is released in the period in which it falls due.

2.2 Expenses

WHO recognizes expenses at the point where goods have been received or services rendered (delivery principle) and not when cash or its equivalent payments have been made.

3. Supporting information to the PMNCH statement of financial performance

3.1 Revenue

In 2020, voluntary contributions of US\$ 5.84 million (2019: US\$ 8.5 million) were recognized from governments, intergovernmental organizations, institutions and other United Nations organizations. This is comprised of agreements recorded in 2020 (US\$ 5.76 million) together with amounts deferred from prior periods (US\$ 4.41 million) less amounts recorded in 2020 but deferred to future periods (US\$ 4.33 million).

Please refer to Annex 2 for recognized revenue by donor.

Deferred revenue represents multi-year agreements signed in 2020 or prior years but for which the revenue recognition has been deferred to future financial periods.

⁴ See: https://apps.who.int/gb/ebwha/pdf_files/WHA74/A74_29-en.pdf



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Table A.2: Deferred revenues (millions, US\$)

Deferred revenue by contributor	2020	2019
Bill & Melinda Gates Foundation	1.75	1.75
Fondation Botnar	2.00	
Norway		0.763
Sweden	0.41	0.820
Switzerland	0.174	
Miscellaneous		1.079
Total deferred revenue	4.334	4.412

3.2 Expenses

All expenses shown in Annex 2 and below do not include future commitment.

Staff and Other Personnel Cost

These costs were recorded as US\$ 3.85 million in 2020 (2019: US\$ 3.83 million). They reflect the “total organizational cost” of employing PMNCH Secretariat staff, including charges for base salary, post adjustment and other entitlements (e.g. pension and medical insurance, etc.). The vast majority of these resources are used for professional staff costs, directly involved in delivering activities noted in PMNCH’s Business Plan, with some limited costs associated with administrative support staff.

Contractual Services, Transfers and Grants to Counterparts

These costs were recorded as US\$ 3.37 million in 2020 (2019: US\$ 3.60 million) and represent expenses associated with public procurement of service providers and sub-grants to counterparts. The main components are:

- Agreements for Performance of Work (APW) and short-term consultants (STCs). All have been procured according to the WHO rules and regulations to perform activities required to deliver the PMNCH workplan.
- Letters of Agreement for research or capacity building grants issued to institutions and implementing partners.

Travel

These costs were recorded as US\$ 0.12 million in 2020 (2019: US\$ 0.80 million). They reflect the cost of travel for qualifying representatives of PMNCH governing and advisory bodies (e.g. PMNCH Board members, Executive Committee members, etc.), qualifying broader partner participants in PMNCH organized meetings, some consultants (where travel was not included in their original contracts), and PMNCH staff members. Travel expenses include airfares, per diem and other travel-related costs. This amount does not include statutory travel for home leave or education grants for PMNCH staff. In 2020, these costs were significantly lower than in the previous year, reflecting the cessation of duty travel from March 2020 due to the COVID-19 pandemic.



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General Operating and Other Direct Costs, Equipment, Materials

These costs were recorded as US\$ 0.05 million in 2020 (2019: US\$ 0.18 million). They reflect the cost of general operations to support the office. The reduction in these costs in 2020, as compared to 2019, is again reflective of the changes that were introduced into general operating practices as part of the COVID-19 pandemic.

Programme Support Costs (PSC)

These costs were recorded as US\$ 0.47 million in 2020 (2019: US\$ 0.53 million). PMNCH pays this administrative charge to WHO in accordance with World Health Assembly Resolution 34.17.

3.3 Fund balance at end of year

In 2020, the opening balance was recorded as US\$ 6.97 million and the end of year fund balance was recorded as US\$ 4.96 million. The balance represents the unspent portion of ongoing grant agreements that are planned to be spent in future financial years. These balances are not 'cash' that PMNCH holds at these points in time, but the remaining total value of grant agreements.

These fund balances enable PMNCH to operate uninterrupted from one year to the next, including allowing PMNCH to hold approximately US\$ 1.8 million (i.e. 6 months) of PMNCH Secretariat personnel cost liability carry-forward as recommended by WHO.



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Annex 2: Statement of Income and Expenditure



World Health
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Partnership for Maternal, Newborn and Child Health

Statement of Income and Expenditure for the period 1 January 2020 to 31 December 2020
(expressed in US dollars)

Opening Balance 1 January 2020		6,966,560
Revenue		
Canada (DFATD)	948,663	
Fondation Botnar (FB)	970,000	
Global Financing Facility for Women, Children and Adolescents (GFF)	600,000	
India	1,000,000	
Norway (NORAD)	762,943	
Sweden (MOFA)	109,120	
Sweden (SIDA)	410,088	
Switzerland (SDC/DDC)	904,345	
United States of America (USAID)	135,110	
Total Revenue		5,840,269
Expenditure - 2020		
Staff and Other Personnel Cost	3,845,968	
Supplies, Commodities, Materials	155	
Equipment	5,549	
Contractual Services	3,168,395	
Travel	116,214	
Transfers and Grants to Counterparts	202,659	
General Operating and Other Direct Costs	41,127	
Programme Support Costs (PSC)	465,303	
Total Expenditure		7,845,370
Balance		4,961,459

I certify that the above statement reflects correctly the revenue and expenditure recorded in the WHO Global Accounting System.

George Kyriacou
Comptroller and Director of Finance



World Health
Organization

Comptroller and Director of Finance

