

2017 Financial Report

Partnership for Maternal, Newborn & Child Health

Hosted by the World Health Organization

1. Introduction

The 2017 Financial Report provides information on the financial performance of the Partnership for Maternal, Newborn & Child Health (Partnership; PMNCH), as certified by its host, the World Health Organization (WHO).

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 on the resource mobilisation efforts and implementation rate. Annex 1 includes the statement of financial performance, as certified by WHO, and Annex 2 includes a certified copy of the Statement of Income and Expenditure for the period 1 January 2017 to 31 December 2017.

2. Workplan structure and budget for 2017

The 2017 Workplan was approved on 2 February 2017, by the Partnership's Executive Committee (EC). The workplan was structured in four Strategic Objectives (SOs) as follows:

- **SO1: Prioritise engagement in countries.** Multi-stakeholder platforms and processes align all stakeholders and most affected communities in on-going inclusive dialogue and planning to shape priorities, policy, financing; programme decision-making in countries and places with the highest burden and need.
- **SO2: Drive accountability.** Unified, independent and mutual accountability processes and platforms hold all Partners to account for results, resources and rights, building accountability by duty bearers to rights holders, and driving advocacy and action for impact.
- **SO3: Focus action for results.** Analysis and advocacy needed to drive results and outcomes for women, newborn, children and adolescents, especially the marginalised, excluded and those lagging behind, sustaining their needs and rights at the centre of the development agenda.
- **SO4: Deepen Partnership.** Collective action to drive effective policies, programmes, finance and accountability, relying upon strengthened, balanced and inclusive engagement of diverse and committed Partners.

In addition, the work undertaken by the Independent Accountability Panel (IAP) was also included within the PMNCH 2017 Workplan, as were Core Functions. Work undertaken in 2017 contributed to the delivery of the overall objectives as set out in the Partnership's 2016 to 2020 Strategic Plan and the 2016 to 2018. Table 1 below sets out a summary of the PMNCH Board approved budget, as reflected in the PMNCH workplan for 2017.

Table 1: PMNCH 2017 Budget

Budget category	Essential budget
SO1: Prioritise engagement in countries	1,335,107
SO2: Drive accountability	1,343,185
Independent Accountability Panel	1,236,903
SO3: Focus action for results	1,630,478
SO4: Deepen partnerships	1,380,543
Core functions – Board	584,515
Core functions – Secretariat	453,871
Sub-total	7,964,602
WHO PSC @ 13%	1,035,398
Total	9,000,000

3. Analysis on resource mobilisation efforts and implementation rate

2017 was an important and successful year in terms of long term fundraising for the Partnership.

The main attributes of PMNCH revenues are as follows:

- **Many multi-year awards.** Many grants are provided as part of multi-year awards, spanning two or more calendar years. This is exceptionally important to support the planning and operational stability of the Partnership.
- **Mostly undesignated contributions.** Most awards are provided as undesignated (or un-earmarked) contributions, enabling the Partnership to apply resources to activities across its workplans.
- **Broad donor base.** In 2017, the Partnership was able to draw on resources from a broad range of donors.
- **In-year delays in contributions.** Many contributions tend to arrive late in the calendar year (which is WHO / PMNCH financial year), reflecting often unavoidable delays in grant making processes.
- **Different financial years among donors.** The Partnership has received grants from governments and organisations that operate on different financial years to each other and to the Partnership itself. For example, WHO / PMNCH operate a biennium financial cycle (i.e. two calendar years), some donors have financial years that align with single calendar years, whilst others have financial years that follow a different calendar pattern, e.g. April to March, or October to September.

The Partnership was able to secure new revenue flows in 2017 to the amount of US\$ 9.2 million (see Annexes 1 and 2 for details). Of this new revenue, PMNCH was able to make funds available for a total of US\$ 7.6 million in the year 2017 to keep in line with grant agreement requirements (i.e. some donors made payments to PMNCH in 2017, whilst

requesting in their grant agreements for a portion of those resources to be used in future years).

Partnership's expenditure for the year was US\$ 7.4m, which reflects an implementation rate of 97% against the resources that were made available in 2017.

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Annex1: Statement of financial performance and notes

Certification of Statement of Financial Performance and Notes



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31 October 2018

Statement of financial performance

Table A.1 below provides an overview of the financial performance for the Partnership, for the year ended 31 December 2017. (Refer also to Annex 2 for the certified version.)

Table A.1: Statement of financial performance (thousands of US dollars)

Description	Notes	2017
Fund balance as at 1 January 2017		2,510
REVENUE	3.1	
Voluntary contributions		9,206
Total revenue		9,206
EXPENSES	3.2	
Staff and Other Personnel Cost		4,024
Contractual Services, Transfers and Grants to Counterparts		1,870
Travel		737
General Operating and Other Direct Costs, Equipment		128
Programme Support Costs (PSC)		661
Total expenses		7,420
Fund balance as at 31 December	3.3	4,296

Notes to the financial statement

1. Basis of preparation

The financial results of PMNCH are consolidated within the General Fund of the World Health Organization (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).

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 2017 (see document [A71/29](#)). The policies below 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 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 is paid.

3. Supporting information to the PMNCH statement of financial performance

3.1 Revenue

Voluntary contributions

Voluntary contributions were US\$ 9.2 million in 2017. These contributions represent revenue recognized from governments, intergovernmental organizations, institutions and other United Nations organizations. (Refer to Annex 2 for details.)

Deferred revenue represents multi-year agreements signed in 2017 or prior years but for which the revenue recognition has been deferred to future financial periods. As at 31 December 2017, deferred revenue amounted to US\$ 9.1 million, as shown in Table A.2.

Table A.2: Deferred revenues (thousands of US dollars)

Deferred revenue by contributor	2017
Norway	830
Sweden	300
United Kingdom of Great Britain and Northern Ireland	4,845
Bill & Melinda Gates Foundation	2,000
Children's Investment Fund Foundation	177
Fondation Botnar	977
Total deferred revenue	9,129

3.2 Expenses

Staff and Other Personnel Cost

US\$ 4.02 million in 2017. Reflects the “total organizational cost” of employing staff, including charges for base salary, post adjustment and other entitlements (e.g. pension and medical insurance).

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Contractual Services, Transfers and Grants to Counterparts

US\$ 1.87 million in 2017 and representing expenses for service providers. The main components are:

- Letters of Agreement for research or capacity building grants issued to individuals and institutions.
- Agreements for Performance of Work (APW) and consultancy contracts given to individuals and institutions/companies to perform activities on behalf of PMNCH.

Travel

US\$ 0.74 million in 2017. Reflecting the cost of travel for PMNCH staff, non-staff participants in Board and other meetings, consultants and representatives of PMNCH governing and advisory bodies. Travel expenses include airfares, per diem and other travel-related costs. This amount does not include statutory travel for home leave or education grants that is accounted for within staff costs.

General Operating and Other Direct Costs, Equipment

US\$ 0.13 million in 2017. Reflecting the cost of general operations to support the office. It includes rent, utilities, internet, global network expenses and telecommunications.

Programme Support Costs (PSC)

US\$ 0.66 million in 2017. WHO implemented a new methodology for apportioning administration and management costs in 2016. This had no significant impact on the 2016-2017 charge. PMNCH pays administrative costs in accordance with World Health Assembly Resolution 34.17.

3.3 Fund balance at end of year

The end of year fund balance of US\$ 4.30 million includes US\$ 1.2 million (set aside as a personnel liability as recommended by WHO). It is intended for implementation of planned activities in 2018-19, according to individual donor grants and PMNCH workplans.

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Annex2: Statement of financial performance and notes



Partnership for Maternal, Newborn and Child Health

Statement of Income and Expenditure for the period 1 January 2017 to 31 December 2017
(expressed in US dollars)

Opening Balance 1 January 2017		2,509,870
Revenue		
Bill & Melinda Gates Foundation	2,000,000	
Canada (DFATD)	1,592,357	
Children's Investment Fund Foundation (UK)	421,490	
Germany (GTZ)	71,868	
India	500,000	
Netherlands (MOFA)	1,500,000	
Norway (NORAD)	830,171	
Sweden (SIDA)	300,481	
United Kingdom of Great Britain and Northern Ireland (DFID)	1,342,282	
United States of America (USAID)	647,175	
Total Revenue		9,205,823
Expenditure - 2017		
Staff and Other Personnel Cost	4,023,725	
Equipment	11,045	
Contractual Services	1,240,079	
Travel	736,855	
Transfers and Grants to Counterparts	629,620	
General Operating and Other Direct Costs	117,313	
Programme Support Costs (PSC)	661,274	
Total Expenditure		7,419,911
Balance		4,295,782

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

PP *Jane Stewart*
Jane Stewart
Director Accounts

24 July 2018

