



Economic and Social Council

Distr.: Limited
18 April 2022

Original: English

For decision

United Nations Children's Fund

Executive Board

Annual session 2022

14–17 June 2022

Item 11 of the provisional agenda*

Private Fundraising and Partnerships: Financial report for the year ended 31 December 2021

Summary

The present report provides the financial and non-financial results achieved by the Private Fundraising and Partnerships Division, together with the National Committees for UNICEF and country offices, in respect of the 2021 Private Fundraising and Partnerships Division budget.

Elements of a decision for consideration by the Executive Board are provided in section III.

* [E/ICEF/2022/9](#).



I. Overview

1. The Private Fundraising and Partnerships Division (PFP or “the Division”) aims to achieve results for children by maximizing fundraising and influence from the private sector jointly with UNICEF country offices and National Committees for UNICEF around the world. Despite the coronavirus disease 2019 (COVID-19) pandemic, 2021 was another record-breaking year in all income streams in which UNICEF continued to grow its engagement with private sector supporters.

2. In 2021, total private sector revenue reached \$2.08 billion, of which regular resources represented \$755.1 million and other resources represented \$1,323.0 million. Overall private sector revenue was \$574.9 million (38.2 per cent) higher than the planned 2021 target of \$1.50 billion and 29.1 per cent higher than in 2020.

3. The private sector contribution to emergency revenue for 2021 reached \$541.2 million, a \$250.3 million (86 per cent) increase over the 2020 actual revenue. This growth was the result of joint efforts to mitigate the risks associated with the COVID-19 pandemic, which harnessed \$286.9 million for the Access to COVID-19 Tools Accelerator (ACT-A), including a \$70 million donation from the LEGO Foundation.

4. UNICEF largely surpassed the target set for 2021 of mobilizing 100 million individual supporters who volunteer, advocate and donate for the cause of children. The organization reached a total of 160.7 million supporters, including 114.9 million digital supporters, 18.8 million U-Reporters, 12.6 million volunteers and over 9.8 million individual donors. An estimated 4.6 million children were reached with child rights education to become advocates for their rights.

5. In 2021, PFP and the Information and Communication Technology Division (ICTD), with contributions from UNICEF country and regional offices, further developed the Supporter Engagement Strategy by designing a core package configuration for a digital fundraising platform. This new configuration will connect the system and database for customer relationship management to the payment systems, social media and email accounts, as well as to call centres and face-to-face teams, while ensuring that the data and privacy of donors are protected. The platform will increase supporter retention and their conversion into donors and will improve operational efficiency.

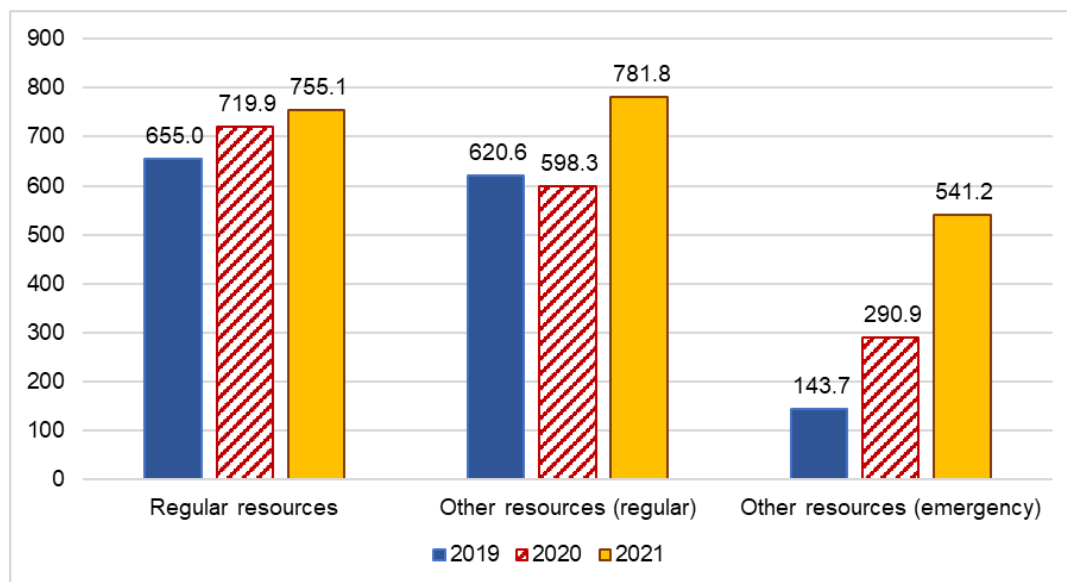
II. Results achieved

A. Financial results by fund type, market and audience

6. Private sector revenue totalled \$2.08 billion in 2021 compared to \$1.61 billion in 2020, an increase of \$469.0 million (29.1 per cent).

7. Within total private sector revenue, regular resources revenue totalled \$755.1 million, an increase of \$35.2 million (4.9 per cent) compared to 2020; other resources revenue totalled \$1,323.0 million, an increase of \$433.8 million (48.8 per cent) compared to 2020. Within other resources revenue, “other resources (regular)” revenue was \$781.8 million, an increase of \$183.5 million (30.7 per cent) compared to 2020; “other resources (emergency)” revenue was \$541.2 million, an increase of \$250.3 million (86 per cent) compared to 2020.

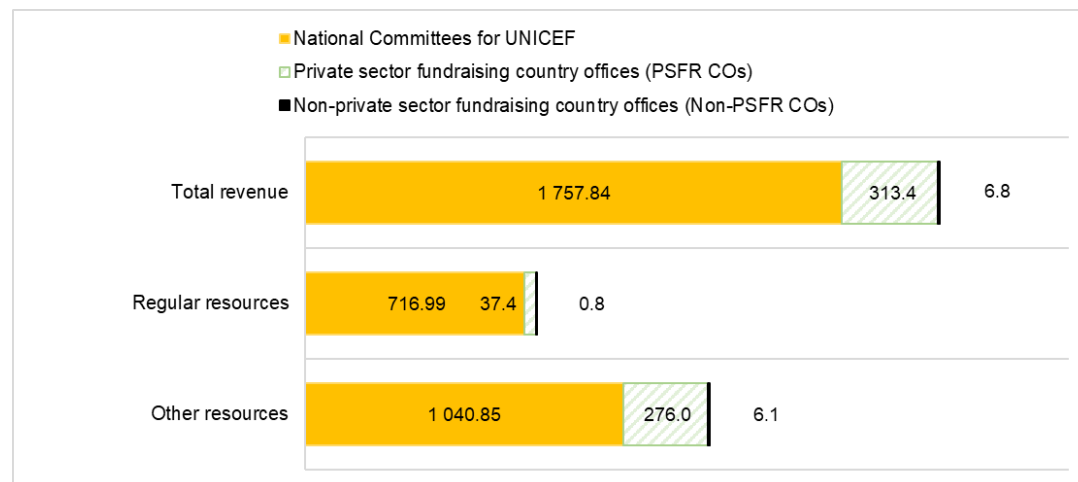
Figure I
Total revenue to UNICEF, 2019–2021
 (in millions of United States dollars)



8. In 2021, private sector revenue was generated in the 33 National Committees, 21 UNICEF country offices with structured private sector fundraising activities (PSFR COs) and 28 other country offices raising funds either locally or through the UNICEF global giving online platform (non-private sector fundraising country offices (non-PSFR COs)).

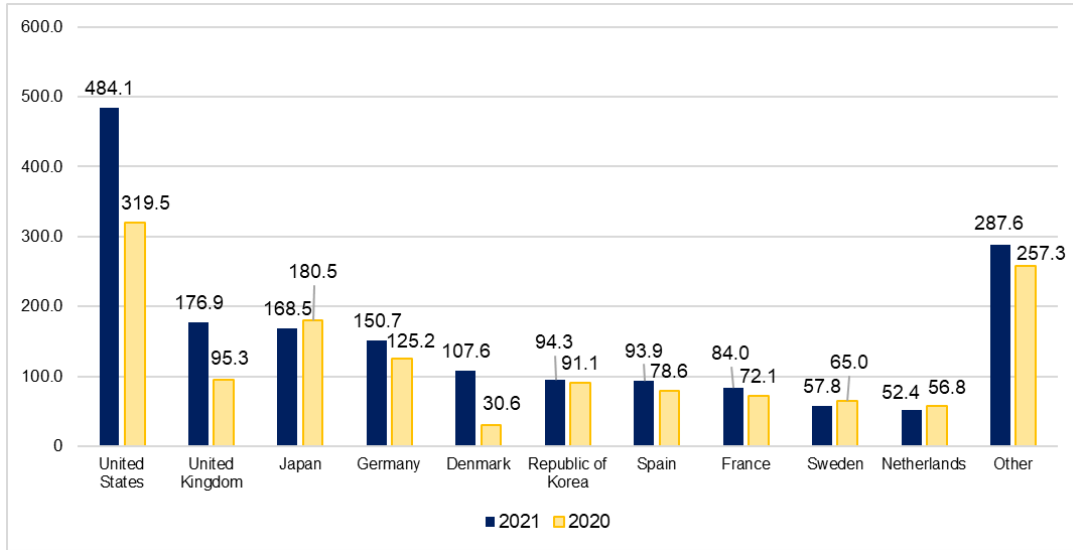
9. Total private sector revenue generated by the National Committees, PSFR COs and non-PSFR COs was \$1,757.8 million, \$313.4 million and \$6.8 million, respectively. Of this total, regular resources revenue from the National Committees, PSFR COs and non-PSFR COs was \$717.0 million, \$37.4 million and \$0.8 million, respectively, and other resources revenue was \$1,040.8 million, \$276.0 million and \$6.1 million, respectively.

Figure II
2021 revenue generated by UNICEF National Committees and country offices
 (in millions of United States dollars)



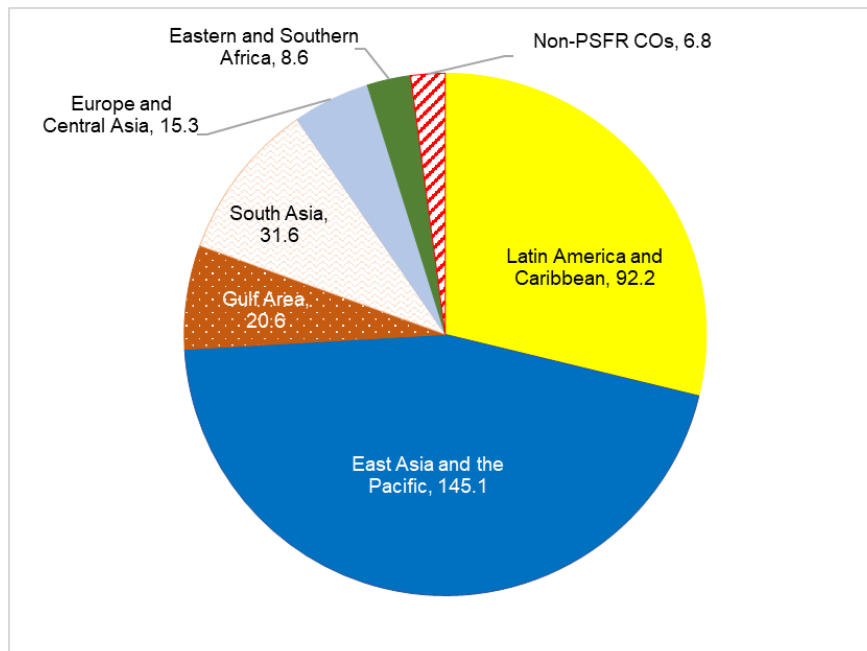
10. Revenue generated by the National Committees increased by \$385.6 million (28.1 per cent) in 2021 compared to 2020. The 10 largest National Committees generated revenue amounting to \$1,470.2 million, which represented 83.6 per cent of the total revenue generated by the National Committees in 2021.

Figure III
2021 versus 2020 revenue from National Committees
 (in millions of United States dollars)



11. Revenue generated by PSFR COs increased by \$88.6 million (39.4 per cent) in 2021 compared to 2020. However, the revenue generated in non-PSFR COs decreased by \$5.3 million (43.6 per cent).

Figure IV
2021 revenue from country offices, by UNICEF region and subregion
 (in millions of United States dollars)

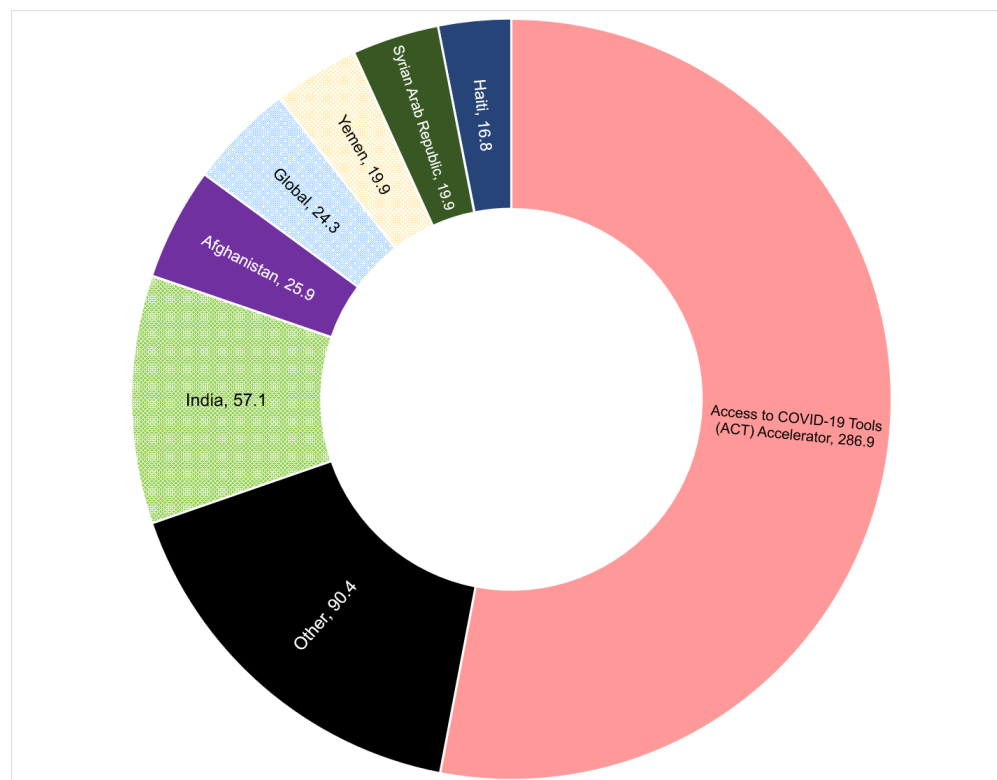


12. The other resources (emergency) revenue raised from the private sector went to 53 Humanitarian Action for Children appeals. The top seven appeals received 83.3 per cent of total amount of other resources (emergency) funding.

Figure V

Private sector contributions to emergency appeals in 2021

(in millions of United States dollars)



13. The revenue figures presented in the section above are provisional, subject to external audit.

B. Financial and non-financial results, by outcome and output

Outcome 1: Individuals – By 2021, 115 million people are changing the world with UNICEF through their voices and donations

14. Despite the challenging private sector fundraising landscape, 2021 was another record-breaking year for individual giving for the cash and pledge income streams, as well as a year of solid performance on legacy revenue. UNICEF was able to engage 160.7 million supporters in 2021, including 114.9 million digital supporters, 18.8 million U-Reporters, 12.6 million volunteers and over 9.8 million individual donors. An estimated 4.6 million children were reached with child rights education, thus enabling them to become advocates for their rights.

15. The drivers of growth were three-fold: (1) Strong performances in digital and direct response television-driven acquisition – more markets, including Australia, Chile, Ireland, the United Kingdom of Great Britain and Northern Ireland and the United States of America had breakthrough digital performances and increased the percentage of digital donors from the previous year; (2) Audience-centric approaches, allowing for better segmentation of donors and the opportunity to address them with

innovative products and propositions around emergencies and the COVID-19 Vaccine Global Access (COVAX) Facility, played a pivotal role in some key markets; (3) Investment in individual giving – continued investments by UNICEF and the National Committees through the investment funds, including the innovative World Bank instrument, contributed to growth. Thereby, at the end of the first two quarters of 2021, UNICEF had acquired more donors than it had through the entirety of 2020.

16. Digital-first approaches are working in a number of markets. The provision of high-quality, audience-centred content and products has improved donor acquisition and engagement with donors. However, the investments must continue. While there are increased investments in financial technology, customer relationship management systems, knowledge management, data and insights capability, additional investments in technology and human resources will form the foundations for the accelerated growth for the next few years.

Output 1.1: By 2021, 11.3 million people are contributing net private sector revenue of \$905 million annually

17. Over 9.8 million individuals are estimated to have donated to UNICEF in 2021, including 6.2 million pledge donors, 3.5 million cash donors and 7,300 legacy donors. One new donor was recruited every 14 seconds via digital channels. Also, 62.5 per cent of all new pledges acquired between July 2020 and June 2021 were received via digital channels.

18. This demonstrates the speed of change and opportunity that a digital fundraising model offers UNICEF. Products and propositions that were based on a more nuanced understanding of the individual donors did extremely well and were central to the success of pledge income. The subscription-based products are a good example of audience-centred products that are helping to drive growth in digital fundraising. UNICEF country offices and National Committees continued to invest in growing individual-giving fundraising across all revenue streams.

Output 1.2: By 2021, 115 million people, including children, are mobilized for children's rights, with 50 million people on the road to giving

19. UNICEF surpassed the target set for 2021 of mobilizing 115 million individual supporters – who volunteer, advocate and donate for the cause of children – by reaching a total of 160.7 million people. Out of these, 133.7 million were digital supporters through social media and U-Report. Young people were agents of change through U-Report (18.8 million) and social media channels.

20. The Supporter Engagement Strategy advanced with the publication of the SESCORE Package application and the launch of the SES Digital Platform. This new platform, accessible by all country offices and National Committees, will support UNICEF to deliver the best experience to individual supporters while realizing operational efficiencies in a secure, payment card industry-compliant environment. The SESCORE Package is an application that is central to the digital platform. With almost 1,000 fields, over 20 key features and a centralized customer relationship management, the application seamlessly integrates with payments, fundraising, communication and marketing solutions to form the digital platform, which can be quickly localized across markets.

Outcome 2: Key influencers – The impact and effectiveness of key influencers are maximized to advance children's rights and well-being

21. The compounding crises of the past two years – the health and socioeconomic emergencies of the COVID-19 pandemic, the widespread reckoning on racial justice, growing political polarization and violence and the looming threat of climate change – have marked a watershed moment for the field of philanthropy. In 2021, key

influencers responded to these threats to children's rights and well-being by providing record-setting levels of support to UNICEF and finding ways to leverage their unique influence in new ways.

22. An estimated total of 1,500 philanthropists, foundations, membership-based and faith-based organizations supported the UNICEF cause through financial contributions. The foundations portfolio grew to 100 foundation partners, with a remarkable increase to 19 partnerships of over \$1 million. Membership in the UNICEF International Council grew by 25 per cent in 2021. This collective of the organization's most significant individual donors – each member has given a minimum of \$1 million since inception – was motivated by the impact they make for children through their partnership with UNICEF, and the sense of community and recognition of their philanthropic leadership.

Output 2.1: Leading philanthropic partners commit to working with UNICEF and investing \$387 million annually by 2021 to achieve transformational change for children

23. UNICEF engaged the world's billionaires to help to address some of the biggest challenges for children, including their support for the equitable distribution of COVID-19 vaccines. Billionaire philanthropists from six countries – the majority of them new donors – contributed approximately \$93.8 million in 2021.

24. The engagement of major donors continued mostly online in 2021 through creative, informative and meaningful virtual experiences. Over 1,000 partners and prospects joined virtual high-value briefings and field visits throughout the year. National Committees also held round-table events for exclusive groups of donors and prospects to highlight the leadership role of UNICEF in the equitable distribution of COVID-19 vaccines through the COVAX Facility and to issue a call to action. The UNICEF International Council was invited for the first time to learn about the Strategic Plan, 2022–2025 and was engaged during the broad-based consultation process as a private sector stakeholder. Members of the Council also attended a mid-year meeting in June 2021 to hear progress updates from the senior leadership on the Plan and UNICEF programmatic priorities affecting children.

Output 2.2: Key influencers amplify UNICEF advocacy messaging on priority issues affecting children

25. In addition to providing record-setting levels of funding, key influencers championed UNICEF advocacy messaging on COVID-19 and the COVAX Facility in bold new ways in 2021. For the first time, the UNICEF International Council released an open letter calling upon fellow philanthropists to invest in UNICEF for the equitable distribution of vaccines and to bring the acute phase of the pandemic to an end. Signed by over 70 members of the Council, the letter was accompanied by a video and shared widely on the UNICEF global website, www.unicef.org, LinkedIn and other social media platforms.

26. UNICEF also partnered with foundations to advance joint advocacy agendas. For example, together with the Education Above All Foundation, UNICEF shaped the education debate at the 2021 WISE Summit in Doha. This included engagement with Heads of State, government ministers and heads of United Nations agencies to gather wide commitments towards universal primary education. The UNICEF advocacy partnership with the Bill & Melinda Gates Foundation has been instrumental in driving donor commitments for multiple global health replenishments and initiatives, resulting in accelerated investments in Gavi, the Vaccine Alliance, the COVAX Facility and ACT-A. The partnership has also secured extensive national policy changes to turn commitments into improved access to vaccines and child health services. For example, over the past year, UNICEF and the Bill & Melinda Gates

Foundation successfully partnered with the African Ministers' Council on Water to launch the Africa Sanitation Policy Guidelines initiative – an ambitious sanitation policy programme that aims to reach African countries over the coming years with improved policy and enabling environments for sanitation.

Outcome 3: Business – The power, reach and influence of business are fully harnessed for children

27. A continued focus on the highest potential growth markets for businesses produced results. In 2021, UNICEF mobilized financial resources from an estimated 20,000 businesses. Partnerships with businesses donating over \$100,000 grew from 253 in 2020 to 320 in 2021, and UNICEF is expecting the third year of double-digit growth, after increases of 21 per cent in 2020 and 19 per cent in 2019. UNICEF successfully renewed 90 per cent of the partnerships up for renewal, and of the 48 additional growth opportunities secured in 2021, 28 were in support of the UNICEF response to the COVID-19 pandemic and 20 were in support of other UNICEF priorities, including education and water, sanitation and hygiene.

28. In 2021, approximately 108 million children were reached globally as a result of partnering or engaging with the business sector. A number of clear trends contributed to this achievement. First, there was a clear upward trend in the number of businesses that were engaged globally; UNICEF engaged more than 5,000 businesses across all its offices to achieve results for children. Second, there was an increase in strategic and multi-stakeholder partnerships, which were important in growing the influence needed to realize UNICEF goals towards achievement of the Sustainable Development Goals. Third, there was a clear trend to anchor the engagement in business more systematically into programming processes, (1) generating more data on the impacts of business on children in the situation analysis or complementary analysis; and (2) considering the positive and negative impacts of business in designing country-level theories of change and results frameworks. Finally, there continued to be a broad spectrum of engagement and partnerships across different UNICEF thematic programme areas.

29. As part of the roll-out of the Business for Results initiative, by December 2021 more than 60 countries had benefited from training and workshops that equip staff to integrate business engagement in their country programming and to fully utilize the spectrum of engagement. This trend is expected to continue as the power, reach and influence of business was strategically positioned in the Strategic Plan, 2022–2025 as a medium-term change for country offices to achieve by 2025. Business for results was linked to the Strategic Plan results frameworks and the programmatic goals for the longer-term 2030 Agenda for Sustainable Development.

Output 3.1: Partnerships with businesses maximize results for children, delivering revenue (projected to be \$190 million in 2021), influence, reach, the protection of children's rights and/or core business and assets

30. The number of highly technical shared-value partnerships increased from 21 in 2020 to 30 in 2021. For example, a partnership with the Z Zurich Foundation promotes young people's mental well-being and raises awareness of the issue. It aims to benefit 400,000 adolescents and 150,000 caregivers in seven countries (Colombia, Ecuador, Indonesia, Maldives, Mexico, Nepal and Viet Nam), but also to drive further support and impact from other private and public sector stakeholders for this area of work by establishing the Global Coalition for Youth Mental Well-Being.

31. Airtel Africa and UNICEF signed a pioneering partnership agreement across 13 countries in the Eastern and Southern Africa and West and Central Africa regions (Chad, Congo, the Democratic Republic of the Congo, Gabon, Kenya, Madagascar, Malawi, Niger, Nigeria, Rwanda, Uganda, the United Republic of Tanzania and

Zambia). The joint goal is to help to accelerate digital access by connecting schools to the Internet and ensuring free access to learning platforms. Airtel Africa is the first private sector partner on the African continent to make a multi-million-dollar commitment to Reimagine Education.

Output 3.2: Businesses take sustainable action to respect children’s rights in all business activities and relationships

32. An estimated 108 million children benefited from more than 5,000 companies and business associations that were engaged by 65 UNICEF country offices and 13 National Committees to address the adverse impact of business on children. In addition, 61 pieces of relevant legislation were enacted, and investors were engaged to strengthen children’s rights considerations in environmental, social and governance investment analysis and decision-making processes.

33. Workplace and supply chain conduct was a priority, with family-friendly policies and practices as a key element. For example, in Bangladesh, 113 garment factories implemented the joint UNICEF-International Labour Organization Mothers at Work programme, reaching over 200,000 women. In China, a family-friendly policies and practices programme was launched by the National Health Commission, the China Population Welfare Foundation and Shenzhen local government at an event attended by over 180,000 online participants. In Argentina, the Companies that Care initiative involved 136 enterprises, including small and medium-sized enterprises, and reached nearly 60,000 children.

Output 3.3: Businesses and business stakeholders advocate for children

34. The ongoing COVID-19 pandemic further advanced the trend of businesses prioritizing systemic issues directly impacting their business models, with an increasing focus on resilience and preparedness for a post-COVID-19 recovery phase. For UNICEF, this provided the opportunity to engage with businesses more broadly across influence and income, rallying partners around priority areas. UNICEF was able to leverage its convening and brokering role of bringing businesses to the table on the global agenda, as well as engaging businesses on concrete programmatic challenges and projects at country level. As a result, in 2021, 52 country offices and 17 National Committees reported that they were engaging at least 896 business and business stakeholders to advance UNICEF priority advocacy goals.

35. In the context of further increasing interest by businesses to contribute to achievement of the Sustainable Development Goals and collaborate with peers and Governments, UNICEF expanded its engagement with private sector initiatives, multi-stakeholder platforms and businesses across the spectrum from advocacy, through collaboration, collective action and partnerships. This allowed UNICEF to engage more with businesses and in business initiatives and platforms, and to be more visible in key moments throughout 2021. These included the virtual Davos Agenda to the Sustainable Development Impact Summit 2021 and the Uniting Business LIVE Private Sector Forum, as well as, for the first time, the Qatar Economic Forum. UNICEF was also able to successfully engage with businesses in the context of key United Nations moments, including the Year for the Elimination of Child Labour session during the United Nations Global Compact Leaders’ Summit, the seventy-sixth session of the United Nations General Assembly, the twenty-sixth session of the Conference of Parties to the United Nations Framework Convention on Climate Change (COP26) and the inaugural Global Forum for Children and Youth. At the local level, country offices and National Committees reported 246 relationships with multi-stakeholder platforms, initiatives and business networks that promote child rights advocacy.

Outcome 4: Governments – Governments at all levels in countries with a National Committee presence deliver on UNICEF priorities for children, as defined in the Strategic Plan, 2018–2021, both domestically and globally

36. In 2021, the National Committees successfully advanced the rights of children and young people at the national, regional and global levels. This work accelerated despite persistent challenges in the operating environment, predominantly due to the COVID-19 pandemic.

37. The United Kingdom and Italy hosted the Group of Seven and Group of 20 summits, respectively, and co-hosted the COP26 summit, to which both the United Kingdom Committee for UNICEF and the Italian Committee for UNICEF – Foundation ONLUS provided significant capacities and leadership. Regional-level coordination between National Committees in Europe was further enhanced in 2021 with the development of the Europe Strategy under the leadership of the UNICEF Public Partnerships Division Brussels Office and the European Union presidencies of Portugal and Slovenia. One highlight was the publication of the first dedicated ‘Brief for Europe’ of *The State of the World’s Children Report*, which was formally launched in October 2021 by UNICEF and the European Commission, along with young people from Belgium, Ireland and Spain and a youth activist from Bulgaria.

38. Internal developments such as the release of programming guidance for high-income countries in April 2021 have provided a framework for UNICEF engagement in these countries. The participation of the six pilot countries (Finland, Germany, Italy, Japan, Slovenia and Spain) provided key insights and learning on the implementation of the framework and will inform the development of future tools and processes to address the multiple and overlapping deprivations faced by vulnerable groups of children in high-income countries.

Output 4.1: Governments maintain and increase budgeting for children domestically and globally

39. Overall official development assistance fell in 13 countries, with the largest declines in Australia, Italy, the Republic of Korea and the United Kingdom (the Organisation for Economic Co-operation and Development, 2021). The United Kingdom Committee for UNICEF continued to engage closely with the Public Partnerships Division and their civil society counterparts to advocate for a return to spending 0.7 per cent of gross national income on official development assistance to ensure that the world’s most vulnerable children are protected. In this context, maintaining future support for international development will be critical as countries consider further reductions in spending.

40. At the domestic level, Iceland achieved a major win when the parliament passed the government’s Child Rights Strategic Plan, a long-standing advocacy objective for the National Committee. The parliament agreed to fund the plan’s implementation in the state’s revised five-year budget for 2021–2025. The plan is focused on the implementation of the Convention on the Rights of the Child through support and funding for the Child-Friendly Cities Initiative and Child Rights Schools programmes of the Icelandic National Committee for UNICEF. As a result, the Child Rights Schools programme is now included in the first action plan for the Government’s Education Policy for the years 2021–2030 and work has started to prepare a three-year contract between the Icelandic National Committee for UNICEF and the Ministry of Education. According to the action plan, the Government will strengthen the programme by 2024, in alignment with the implementation of the Child-Friendly Cities Initiative.

Output 4.2: Governments increase action to respect, protect and fulfil children’s rights domestically and globally

41. National Committees reported 126 changes in policies and laws in 2021, down from 141 in 2020. While Governments continued to face unprecedented challenges in responding to the COVID-19 pandemic, National Committees positioned themselves as strategic partners, assisting in gathering evidence and best practices from other high-income countries and providing global guidance and policy to inform decision-making, emergency measures and responses. In many countries, National Committees directly facilitated child and youth participation in COVID-19 recovery efforts and advocated for their perspectives to be incorporated. Australia, Czechia, France, Germany, Hungary and Luxembourg produced reports and surveys that captured children’s unique experience during the second year of the crisis. Spain conducted its regular children’s barometer survey; Finland carried out consultations with children in connection with the municipal elections; and Portugal undertook a nationwide consultation with children for its legislative elections campaign.

42. One of the most impactful ways that National Committees continue to assess the level of action and commitment by their Governments is through child rights monitoring and engagement in the treaty body reporting processes. In 2021, the National Committees of Czechia, Luxembourg, Poland and Switzerland participated in the processes, and Iceland took a leading role in coordinating the engagement of various stakeholders and ensuring the perspectives of partners and, most critically, children themselves, were incorporated in its report. UNICEF Iceland drafted a voluntary report in coalition with the eight largest humanitarian and human rights non-governmental organizations, facilitated a separate independent children’s report and assisted the Government in submitting its report to the Committee on the Rights of the Child.

Outcome 5: Brand – By 2021, UNICEF is the most trusted and engaging organization improving the lives of children around the globe

43. According to the Edelman Trust Barometer for 2020 and 2021, UNICEF is among the three most trusted organizations in almost all markets and shares the position of being most trusted with the International Red Cross and Red Crescent Movement and Médecins Sans Frontières. This was the outcome of the implementation of the UNICEF Brand Strategy, 2018–2021 to strengthen audience trust in UNICEF to deliver on its mandate for children.

44. UNICEF used its global convening power and brand to launch the first-ever Global Forum for Children and Youth 2021 in December 2021, co-organized with a wide range of partners and co-hosted with the Governments of Botswana and Sweden. At this virtual global platform for children and young people, leaders focused the world’s attention on the urgent needs to identify and celebrate proven and new solutions for children, drive actions and mobilize transformational resources to scale up and advance child rights and meet the ambitions of the Sustainable Development Goals.

45. The forum was a remarkable success. The programme, jointly developed with a youth advisory board, included more than 40 thematic sessions with 230 high-level speakers from over 80 countries in representation of more than 200 organizations from all sectors. A total of 155 commitments were made by Governments, international institutions, businesses, foundations and civil society organizations from 57 countries. The forum was a key event that both demonstrated the power of the UNICEF brand and further solidified the organization as a voice for children.

Output 5.1: The public has increased awareness of and familiarity with the work of UNICEF as the leading organization for children in private sector markets

46. The 2020 and 2021 results of the Edelman Trust Barometer indicated that, among people aware of UNICEF, half of those surveyed spontaneously identified “children” as the organization’s cause, with wide differences among market typologies. However, since the organization started measuring the association in 2013, the level of understanding of what UNICEF does has remained consistently low in a significant number of key markets. For respondents stating they are familiar with UNICEF, the level of “association with children” remained comparable to those stating they are only aware of UNICEF.

47. The incorporation of “for every child” as part of the organization’s logo was for the express purpose of helping UNICEF audiences to better understand the UNICEF mandate and mission, and why the organization exists. Yet, the impact of the change to the logo in promoting such understanding may take a few years to be observed in public polls.

Output 5.2: The work of UNICEF has increased recognition and the organization is viewed as one that ‘gets things done’

48. UNICEF was perceived as equally or more effective than comparable organizations in most markets, a major improvement compared to the baseline (one third of markets in 2016–2017), rising to half of the markets in 2020–2021.

49. The global drive and support to country teams for communicating UNICEF results for children more prominently, more frequently and more clearly seem to have had a positive impact on the perception of the organization’s efficacy. UNICEF brand research reported an increased association with children and with efficacy, which, along with trust, are key drivers of fundraising growth.

Output 5.3: UNICEF mobilizes audiences to take action for children in private sector markets

50. In three out of four markets, UNICEF is among the top three comparable organizations to which people would consider donating. UNICEF is perceived as equally trustworthy compared to other child-focused organizations. This formed a solid ground for UNICEF to mobilize audiences to take action for children in private sector markets.

Output 5.4: UNICEF optimizes the use of compelling, engaging and emotive content to build its brand

51. Engaging and compelling content for supporters was produced and curated throughout the year. Together with Supply Division and the Division of Global Communication and Advocacy, PFP co-led the strategy to produce the content documenting the roll-out of vaccines by the COVAX Facility and the work being done by ACT-A. These efforts led to extensive media and social media coverage, with a high volume of downloads in 2021: 6,972 downloads of content showing UNICEF work on the ground; 3,611 downloads demonstrating the impact of the pandemic on children and 1,488 downloads of bespoke partnership videos supporting the longer-term donor journey.

52. The collaborative work with the high value task force and the emergency task force on virtual donor experiences for non-emergency and emergency work, with 20 events held over 2020 and 2021, helped to strengthen the UNICEF brand among high-value donors. In addition, the results of a January 2022 survey showed that the virtual donor engagements had been very effective as a donor/prospect stewardship tool.

Outcome 6: Enablers – By 2021, UNICEF is well positioned, with a common culture, to deliver on ambitious results with the private sector and with the public sector in National Committee countries

53. In 2021, PFP continued to align its work processes, systems and people to support the achievement of results. There was a focus on innovation to support income and influence, preparation for the UNICEF Strategic Plan, 2022–2025 and continuing to respond to evolving business impacts due to the COVID-19 pandemic.

54. Innovative ways to support income growth were explored. Following approval by the Executive Board for its execution as a pilot project, UNICEF launched the World Bank instrument to strategically invest in private sector fundraising in country offices, to improve the predictability and sustainability of investments to accelerate revenue generation. A commitment was made to integrate and align partnerships within a central data system (UNISON) across PFP, the Public Partnerships Division, National Committees and regional and country offices.

55. To deliver against the Strategic Plan, 2022–2025, PFP prepared people, policies and infrastructure. The Division consulted with National Committees and country offices on existing planning processes. Based on feedback received, the Joint Strategic Plan formulation process and system were revised and simplified for National Committees, and similar improvements are planned for the private sector planning process and system for country offices. Capacity-building was a cross-cutting theme, with planning and delivery progressing for training and learning opportunities in priority areas such as data security, unconscious bias, risk management, innovative finance, impact of regular resources and data systems. The Virtual Skill Share was one of the most prominent platforms used for capacity-building and cross-learning.

Output 6.1: UNICEF is fit for business, with responsive, transparent and accountable governance

56. The Division sought new financing and investment instruments to sustain the generation of significant regular resources. The Executive Board approved a \$50 million financial instrument between UNICEF in partnership with the World Bank as a pilot project. UNICEF has fully allocated the \$50 million to emerging-market countries through two rounds of allocations (30.8 per cent in June 2021 and the balance in December 2021). In addition, PFP was able to reallocate additional funds, increasing the investment fund budget from \$85 million to \$93 million. Establishment of the Dynamo Revolving Fund was also endorsed by the Board in 2021, and the fund will be capitalized in 2022. This contributed to the overall contribution rate for National Committees remaining at 75 per cent, consistent with previous years.

57. New policies were used to simplify and harmonize processes while supporting organizational objectives. Regulatory content was issued to support procurement of increasingly complex fundraising services, due diligence for multi-stakeholder partnerships, and finance private sector fundraising in country offices. In preparation for the new Strategic Plan, research was completed to support high-potential markets such as foundations, major donors and the gaming sector.

Output 6.2: UNICEF plans and delivers as one UNICEF, with the efficient and effective management of results

58. Based on its situation analysis finalized in early 2021, PFP was able to come up with key results, priorities and strategies that are fully embedded in the UNICEF Strategic Plan, 2022–2025. This will help to ensure that the expected contributions of private sector fundraising and partnerships to the delivery of Strategic Plan goals are

formally recognized and that there is an organization-wide effort and investment to drive private sector fundraising and partnerships.

59. The management of private sector results by PFP was further enhanced through several initiatives, including improvements to the IMPACT Platform system; systematic capturing and sharing of good practices in fundraising and partnerships with business; and knowledge-sharing events, with the main highlight being the Virtual Skill Share that brought together over 3,000 UNICEF and National Committee staff to share and learn the latest skills on private sector fundraising, partnerships and engagement.

Output 6.3: Versatile, safe and secure information systems support the delivery of the Private Sector Plan 2018–2021: IMPACT for Every Child

60. In 2021, UNICEF adopted UNISON as its global corporate partnership management platform for private and public sector relationships worldwide, reinforcing synergies and leveraging systems across the Partnership Cone and with regional offices, country offices and National Committees. The Division completed a proof of concept to integrate the funds remittance management system (UNISON), including testing with seven National Committees. There were also key simplifications to the user interface and the introduction of automations helped to save staff time and ensure data quality. Training and capacity-building on system enhancements and on private and public sector donor management were initiated and will continue in 2022.

Output 6.4: The versatile staff of UNICEF and the National Committees collaborate as agents of change with the private sector

61. The Division provided support to the recruitment of high-calibre staff to meet organizational needs. Refinement to the application of the Staff Selection Policy further streamlined recruitment processes to support faster and more effective recruitment, and it brought the average time of recruitment to 38 days for the third consecutive year, well below the global key performance indicator of 60 days and under the emergency recruitment key performance indicator of 40 days.

62. The Division continued to implement the learning strategy and relevant initiatives to support an enabling environment of staff learning and development. The Division delivered 50 training modules (about 2 to 3 hours per module, for a total of 618 participants), 3 customized team retreats (21 participants) and 11 CliftonStrengths team development sessions (114 participants). All sessions were delivered virtually. A total of 135 one-to-one coaching sessions were completed.

C. Resource utilization

63. The results of PFP, together with the National Committees and UNICEF country offices, are funded by three sources:

- The special purpose budget funded by regular resources for investment and other fundraising activities of PFP, Geneva and its regional support centres in Amman, Bangkok, Nairobi and Panama, and the special purpose ceiling funded by other resources for other fundraising activities in PSFR COs.
- The institutional budget for development effectiveness and management activities.
- The forward flow agreement in partnership with the World Bank that raised additional funds for investment in private sector fundraising.

64. In its decision 2021/5, the UNICEF Executive Board approved a special purpose budget funded by regular resources of \$153 million, comprising investment funds of

\$85 million and other private sector fundraising costs of \$68 million, a special purpose ceiling funded by other resources of \$58.4 million and a partnership with the World Bank to raise additional financing as a pilot project limited to \$50 million. The institutional budget allotment to PFP for 2021 totalled \$12.5 million.

Special purpose budget funded by regular resources

Investment funds

65. Investment funds allow PFP, working with the National Committees and country offices, to strategically invest in donor retention, quality and acquisition. In 2021, the available resources were directed to the most-rewarding opportunities that grow regular resources revenue and further develop critical regular resources revenue streams, such as pledge and legacy fundraising, including through digital fundraising activities.

66. Investment fund expenditure in 2021 totalled \$92.6 million and exceeded the budget by \$7.6 million (8.9 per cent), which is within the context of the authority given to the PFP Director to maximize investment in income-generating activities by conducting continuous and rigorous review and reallocation of PFP resources.

67. Investment funds allocations to the National Committees totalled 78 per cent, 14 per cent was allocated to country offices and 8 per cent to global initiatives managed by PFP. The decision-making criteria for investment funds allocations included the cost-effectiveness of proposals received and the revenue-generating potential of markets. Investment funds were allocated to 87 projects for fundraising activities in 47 markets in National Committee countries and country offices. This compares to 2020, when investment funds were allocated to 81 projects for fundraising activities in 46 countries.

Other fundraising activities

68. The budget for other fundraising activities was increased in 2021 by \$1.6 million to \$68.0 million. Expenditure on other fundraising activities in 2021 totalled \$58.3 million, which represented 85.8 per cent of the approved budget. The under-utilization of \$9.7 million (14.2 per cent) resulted from decisions to reallocate \$7.6 million (11.2 per cent) to investment funds, as well as savings (which are retained centrally) totalling \$2.1 million (3.0 per cent), resulting from vacant posts and the revision to standard post costs.

69. Expenditure on other fundraising activities comprises the cost of the technical expertise provided by PFP in global fundraising support to the National Committees (\$32.3 million) and country offices (\$8.1 million); marketing and communications (\$9.7 million); engagement with the private sector (\$7.1 million); and procurement (\$1.1 million). Significant components of the cost of global fundraising support are technical expertise on individual giving (\$13.5 million); corporate partnerships (\$7.1 million); and global philanthropy (\$6.3 million).

Fundraising activities funded by other resources

Other fundraising activities

70. The ceiling for other fundraising activities provides for the direct costs of country office fundraising activities and is established based on projected revenue targets. Country offices are guided to invest up to 25 per cent of their gross private sector revenue raised in-country in any calendar year in fundraising activities. The ceiling represents the estimated cost level. Expenditure is incurred in relation to the revenue raised. Therefore, expenditures that are higher or lower than the ceiling do not result in overspending or savings to UNICEF.

71. Expenditure on other fundraising activities totalled \$62.0 million in 2021 compared to the approved ceiling of \$58.4 million, while total revenue raised by country offices exceeded the budget by \$79.4 million.

Institutional budget

72. The institutional allotment for development effectiveness and management activities totalled \$12.5 million in 2021, a decrease of \$0.1 million compared to 2020. Expenditure related to the PFP Director's Office and the strategic planning, finance and National Committee relations functions totalled \$11.7 million. The underutilization of \$0.8 million (6.4 per cent) comprised savings from vacant posts and revised standard post costs which, based on UNICEF policy, are retained and managed centrally.

World Bank instrument

73. Following the authorization granted by the UNICEF Executive Board, UNICEF executed the forward flow agreement in partnership with the World Bank and raised an additional \$50 million for investment in private sector fundraising as a pilot project. The first round of allocation was made in June 2021 and resulted in additional investment of \$15.4 million in UNICEF country offices. The participating offices raised \$177.1 million of revenue from pledge donors. A further amount of \$34.6 million was allocated in December 2021.

D. Net surplus

74. The net private sector surplus was \$1,837.8 million, or 43.7 per cent higher than planned for 2021, and \$448.5 million, or 32.3 per cent higher than in 2020. The net private sector surplus represents 88.4 per cent of the private sector revenue. The net surplus ratio in 2021 is higher compared to the 2021 budget and the prior year ratio of 85.1 per cent and 86.3 per cent, respectively.

E. Strategic priorities

75. The Division, together with the National Committees for UNICEF and UNICEF country offices, aims to generate income and influence at scale from the private sector to contribute to the delivery of results established in the UNICEF Strategic Plan, 2022–2025, based on the following six strategic priorities:

- (a) Scaling up digital fundraising;
- (b) Optimizing major donor engagement by generating income, and by leveraging their voices, investments and expertise;
- (c) Developing effective strategies for fundraising growth in frontier markets;
- (d) Continuing to mainstream working with business to deliver results for children, to generate income and leverage non-financial resources, such as innovation, expertise and core assets;
- (e) Scaling up financing for children;
- (f) Supporting National Committees and country offices on programming in high-income countries.

III. Draft decision

The Executive Board

1. *Takes note* of the Private Fundraising and Partnerships: financial report for the year ended 31 December 2021.
2. *Also takes note* that the revenue figures presented in this report are subject to external audit and the non-financial results are indicative.

Annex

Revenue and expenditure, 2020–2021

<i>(in millions of United States dollars)</i>	2020 actual			2021 approved budget			2021 actual			2021 actuals vs. 2021 approved budget	
	<i>Regular resources</i>	<i>Other resources</i>	<i>Total</i>	<i>Regular resources</i>	<i>Other resources</i>	<i>Total</i>	<i>Regular resources</i>	<i>Other resources</i>	<i>Total</i>	<i>Amount</i>	<i>Percentage</i>
Private sector revenue											
Revenue from licensing	4.1	-	4.1	5.0	-	5.0	2.2	-	2.2	(2.8)	-56.0%
Private sector fundraising revenue	715.8	889.2	1 605.0	667.6	830.6	1 498.2	752.9	1 323.0	2 075.9	577.7	38.6%
National Committees	680.2	687.9	1 368.1	634.0	629.8	1 263.8	714.8	1 040.8	1 755.5	491.7	38.9%
Country offices	35.6	201.3	236.9	33.6	200.8	234.4	38.1	282.2	320.3	85.9	36.6%
Total private sector revenue	719.9	889.2	1 609.1	672.6	830.6	1 503.2	755.1	1 323.0	2 078.1	574.9	38.2%
PFP expenditure											
A. Development effectiveness:	3.9	-	3.9	4.2	-	4.2	4.1	-	4.1	(0.1)	-2.5%
National Committee relations	3.9	-	3.9	4.2	-	4.2	4.1	-	4.1	(0.1)	-2.5%
B. Management:	7.2	-	7.2	8.3	-	8.3	7.6	-	7.6	(0.8)	-9.1%
Director's Office and strategic planning	1.3	-	1.3	1.6	-	1.6	1.5	-	1.5	(0.1)	-4.2%
Finance and operations	5.9	-	5.9	6.8	-	6.8	6.1	-	6.1	(0.7)	-10.3%
C. Special purpose:	149.3	53.4	202.7	153.0	58.4	211.4	150.9	53.4	228.3	16.9	8.0%
Fundraising	34.8	0.3	35.1	36.8	1.2	38.0	32.3	0.3	32.6	(5.4)	-14.2%
Country office support	5.6	-	5.6	7.0	-	7.0	6.1	-	6.1	(0.9)	-12.8%
Country office direct fundraising costs	2.5	52.6	55.1	3.9	56.4	60.3	2.0	61.3	63.3	3.1	5.1%
Marketing and communication	12.1	0.3	12.4	11.1	-	11.1	9.7	-	9.7	(1.4)	-12.8%
Procurement	1.1	-	1.1	1.5	-	1.5	1.1	-	1.1	(0.4)	-25.9%
Private sector engagement	6.9	0.2	7.1	7.6	0.8	8.4	7.1	0.4	7.5	(1.0)	-11.6%
Investment in fundraising*	86.3	-	86.3	85.0	-	85.0	92.6	15.4	107.9	22.9	27.0%
Total PFP expenditure	160.4	53.4	213.8	165.5	58.4	223.9	162.6	77.3	239.9	16.0	-7.2%
National Committees licensing/sales expenditure	0.8	-	0.8	0.7	-	0.7	0.3	-	0.3	(0.4)	-55.4%
Impairment	5.1	0.1	5.2	-	-	-	-	-	-	-	-
Net private sector surplus	553.6	835.7	1 389.3	506.4	772.2	1 278.6	592.2	1 245.6	1 837.8	559.2	43.7%

*Investment in fundraising: The column titled "2021 actual" represents expenditures of PFP investment funds in the regular resources column; and of the World Bank instrument in the other resources column.