

Office of Innovation

Update on the context and trends

UNICEF Office of Innovation positions the organization as a public sector leader in innovation for children. This ambition is only successful by galvanizing coordinated, consistent and cohesive collaboration - within UNICEF and externally with a global network of multisectoral stakeholders. With a shared purpose to steer innovation as a key driver for accelerated progress to achieve the global sustainable development goals (SDGs), great strides can be achieved by co-creating to discover, iterate and scale transformative solutions, approaches and technologies that can impact the lives of millions of children and the communities globally.

2023 marked the midpoint towards achieving the SDGs. UNICEF data shows that 150 million - only 6 per cent of children - live in the 11 countries where 50 per cent of child related goal targets have been met. Mapping children's lived experiences across 48 indicators on child-related targets, figures unveil a generation of children born into contexts requiring accelerated progress to ensure they survive and thrive, learn, are safe from harm, have a safe and clean environment and live free from poverty. Bridging progress gaps for children at current projections requires a systematic and strategic business *unusual* approach to complement conventional methods of delivering the services and interventions critical to improving children's lives.

In key strategic areas, UNICEF's innovation portfolio approach helps bolster programmatic efforts towards fast-tracking progress for children and their communities. Adopted across UNICEF's global network, implementation is demonstrating impact through the portfolio approach addressing, climate change, gender equality, humanitarian response, health, mental health and psychosocial support, water, sanitation and hygiene and youth and learning.

Converting the promising demonstration of innovation to impact at a global scale requires capacity building and governance within the organization.

Alongside the Programme Group, OOI supported the evolution of the UNICEF innovation governance structure. The new structure will aid prioritization and the alignment to deliver greater impact via three modalities; a high-level "Global Innovation Board" to provide organization-wide strategic direction and program-focused innovation priorities; a revitalized Innovation Portfolio Steering Committee that includes additional field and program expertise and a technical decision making mandate; and a formalized portfolio-level management through thematic teams delivering expertise across the organization.

This strengthened structure of innovation management is complemented by the adoption of a five-dimensional innovation framework for selecting and scaling novel, impactful and scalable solutions with viable business models.

Given time to innovate, alongside mentoring and funding to develop solutions, UNICEF colleagues on the frontlines of challenges affecting children's lives displayed an ingenuity and creativity to develop solutions showing great promise to make significant impact. Engaging about 10 per cent of the workforce in the Spark Incubator and Awards initiative, OOI identified nine promising solutions in the areas of humanitarian response, climate change and youth entrepreneurship. Of these, three stand out solutions were selected for funding and mentoring support. From a digitized feedback capture tool aiding the delivery of humanitarian supplies, to the use of drones to mitigate loss of connectivity during emergencies, support emergency response and recovery, to an initiative strengthening youth

representation and participation in national climate and environmental policies, the incubator and awards initiative was a key demonstration of enabling intrapreneurship in UNICEF. Complementing this initiative and the innovation governance structure enhancement, OOI also supported the organization's innovation efforts via support of country strategy development, capacity building, evidence generation, incubating and supporting the scaling of promising solutions.

Cultivating a culture of innovation within UNICEF adds legitimacy to positioning UNICEF as a public sector leader for innovation. Ensuring our network of over 190 countries are equipped and enabled to adapt to a fast-paced global environment with rapidly evolving technologies and volatile geopolitical and environmental crises, OOI's business model convenes and catalyzes multisectoral collaboration at this pivotal intersection. It continues to do so with the ambition to leverage opportunities to mitigate and address the threats and challenges they represent and accelerate progress for this and coming generations.

Driven by a problem-led approach to identify innovation priorities, the Portfolio, Culture, and Scale team which leads innovation portfolio management, aims to have at least one innovation solution in each innovation thematic/sectoral portfolio reaching 1+ million people in multiple countries. With this target in mind, a pipeline of over 40 solutions were supported for iteration and acceleration between 2021-2023. These solutions catalyzed over \$40 million in additional financing, formed partnerships with over 600 public, private, and non-profit entities in supporting piloting/accelerating; and strengthened UNICEF's role as a leader in innovation for children. These include all partners at country, regional and global level who have supported innovation implementation since 2021. Across all innovation thematic portfolios, 56 per cent recorded at least one solution attaining multi-country scale reaching or mapping 1 million or more people, benchmarked against a target of 78 per cent. This accounts for eight solutions hosted by five portfolios focused on youth, water, sanitation, and hygiene (WASH), health, climate change and learning. In addition, 89 per cent of UNICEF's innovation thematic portfolios secured the minimum investment threshold of 3 million USD per portfolio, exceeding the target set at 50%.

Major contributions and drivers of results

In 2022, the Transforming Education Summit drew attention to the global learning crisis and the urgent need for collective action and solutions to improve learning outcomes for children. With nearly two-thirds of 10-year-olds estimated to be unable to read and understand a simple text, UNICEF warned that without urgent action, the global learning crisis would become a generational catastrophe. Noted as a goal area requiring the highest level of effort, the Office of Innovation deployed multiple approaches and interventions to address the learning crisis leveraging internal and external collaboration to pilot new approaches and scale tried and tested solutions.

One year on since its launch, the Learning Innovation Hub gained traction with its country office collaboration to kickstart the digital transformation of education systems. As an entry point for innovative pedagogies, technologies, and approaches in alignment with ministries of education in Bhutan, Laos and Uzbekistan, the hub modelled to scale Eduten - a gamified, AI-based education technology (edtech) tool designed to improve math learning outcomes of students. Initial results in Bhutan showed students who used Eduten at home and in school for 10 weeks improved mathematics skills by over 40 per cent and arithmetic fluency by over 45 per cent compared to students in the same grade without access to the platform. Eduten, the winner of the UNICEF Edtech Award 2022 in collaboration with Extreme Tech Challenge (XTC), shows evidence of impact in improving numeracy skills of students in over 50 countries. The two-year pilot is expected to yield valuable insights for accelerated rollout in more countries, and collaborative efforts between the hub and edtech innovators modeling solutions with the potential to reach over 100 million children.

Country level digital transformation efforts are enabled by Giga, the ITU/UNICEF initiative with a mission to connect every school to the internet. Building momentum on previous years, it expanded its geographical reach to include 12 countries totaling 30 countries committed to implementing connectivity at scale. The initiative mapped 2.1 million schools across 140 countries. In addition, 90,000 schools are actively reporting connectivity status data on Project Connect, a crucial foundation for identifying connectivity needs and prioritizing interventions to foster transparency and accountability for the provision and quality of internet services. To date, Giga has supported the connectivity of 5,889 schools in 21 countries, increasing access to connectivity for approximately 2.5 million children. Giga's impact also leverages \$1.7 billion towards school connectivity in eight countries: Brazil, Sierra Leone, Kenya, El Salvador, Rwanda, Niger, Honduras, and Sao Tome and Principe. This substantial funding, 55 per cent from the proceeds of a 5G network government auction, 35 per cent loans, 4 per cent from Universal Service Fund (USF), and 6 per cent from grants, exemplifies the diverse and sustainable financing strategies employed to enhance school connectivity. OOI extended its learning initiatives to skills building by expanding on UNICEF's existing work training girls with digital and 21st-century acumen through the Skills4Girls portfolio, spanning 22 countries and reaching close to 6 million girls. OOI and PG Gender launched the Game Changers' initiative in six countries with the ambition to partner with the multi-billion-dollar video game industry to enhance the Science Technology, Engineering Art and Mathematics curriculum tailored to equip girls with skills and experiences. Through the initiative pilot, 10,000 girls, parents and teachers engaged in *game jams* tailored to equip girls to become coders and designers of a more inclusive and equitable digital future.

FunDoo, a digital life coach equipping young people with employability skills, launched in five countries—Uzbekistan, Mozambique, Uganda, Jamaica, and Greece—reaching a milestone of 1 million new micro-learners. And UPSHIFT - UNICEF's social innovator accelerator for 10–24-year-olds currently active in 47 countries recorded about 1 million young people successfully graduating in 2023, accumulating an impressive 27.5 million learning hours. This brought the total number of graduates to 4.1 million since its launch in 2014 galvanizing plans to reach a total 15 million by 2026. This acceleration in delivery underscores the program's ability to support government systems to improve outcomes for young people.

In alignment with the UNICEF Sustainability and Climate Change Action Plan, Office of Innovation launched Innovation 30: *Young Climate Innovators Shaping the Future*. With a consortium of leading global innovation accelerators, the initiative focused on climate change solutions, scientifically vetted, investment ready and created by a diversity of young innovators from around the world. 24 solutions were identified with the ambition to validate for further scale an active pipeline of bold localized climate solutions addressing challenges affecting children.

With equity and inclusivity at the heart of the Sustainable Development Goals, embracing and applying innovation as a change strategy presents UNICEF with a unique opportunity to not only deliver for children but also shape global industry trends such as the growth and development of the \$100B industries of frontier-tech (i.e., AI, machine learning and blockchain). The philanthropic UNICEF Venture Fund is a model for equity and inclusivity impact. A decade on, the Fund continues to focus on frontier tech for social development impact, by identifying, piloting, and growing- via equity-free investment- 148 open technology solutions from UNICEF country offices and tech start-ups in 86 countries in emerging markets. The investments have reached over 41 million children and their communities. Recent cohorts of frontier tech solutions have focused on climate impact, with upcoming cohorts poised for impact across the health and wellness spectrum including mental health and nutrition. As a public innovation sector leader, it adds legitimacy to our bold ambitions for children and youth to align with partners engaged in the frontier tech market, unlocking new resources to respond for children today and collectively unlocking the diverse tech entrepreneurship talent wealth from emerging economies.

Within its first fully operational year, the Innovative Finance (IF) hub launched the sector-shaping Child-Lens Investing Framework. Across its emerging fundraising and innovative finance teams, the hub aims to unlock global capital to plug the widening trillion-dollar funding gap needed to deliver on the SDGs for children. As well as convening and engaging over 60 global stakeholders including UN Global Compact, UNHCR, Impact Investment Exchange and the Asian Venture Philanthropy Network, the hub helped catalyze innovative finance at regional and country level through a variety of initiatives including the West Centra Africa Regional Office on the First Food Initiative to address stunting in 23 African countries, Early Childhood Development in Uganda and the Revolving Fund for Sanitation in Ghana, Nigeria and Togo. Given the potentially catalytic nature of innovative financing, the Sustainable Water, Sanitation and Hygiene (WASH) Hub is exploring several opportunities in partnership with the IF Hub to facilitate the development, implementation, and scaling of innovative financing models including the West African sanitation revolving fund project and a review of financing options for long-term emergency WASH services.

Demonstrating multisectoral collaboration and dynamic partnerships with diverse public and private leaders to unlock funding and co-create innovative approaches and solutions promises to deliver a systemic shift in accelerating progress for children across all goal areas. Office of Innovation continues to broker such collaborations on the shared purpose to accelerate results to improve access to quality mental health and psychosocial support and services for adolescents and validating and accrediting scientifically vetted innovative solutions by young entrepreneurs addressing the impact of climate change on children's lives.

Lessons Learned and Innovations

Public sector support in recent years has been a source of foundational investment in line with UNICEF global innovation strategy. This strategic partnership has seeded innovation as a key to accelerating progress for children. The governments of Sweden, Denmark, Finland, Spain, Switzerland and the United States of America respectively host UNICEF HQ innovation division as well as a range of global thematic innovation hubs, satellite office and centers of excellence for Sustainable Water, Sanitation and Hygiene in Copenhagen, Innovative Finance and Learning Innovation in Helsinki, Giga technological center in Barcelona and administrative hub in Geneva, and the Office of Innovation headquarter presence in Stockholm and New York. 2023 showed the early shoots of impact from each of these units positioning UNICEF to catalyze and convene a diversity of innovation expertise.

Governance

Embedding innovation as a core programme change strategy and practice takes investment and governance. A conscious change in culture is required to ensure capturing and sharing of lessons, technology insights and leadership consistently and across divisions and offices. This will help mitigate competing interests and objectives within the organisation. From discovering and piloting solutions to iterating and scale, developing and implementing governance structures for innovation are critical for establishing grounds for success. To leverage this, particularly to unlock dynamic partnerships, UNICEF requires a coordinated approach and consistent narrative on the importance and significance of innovation as a key driver for delivering accelerated results for children and young people.

Innovative Financing

Bridging the trillion-dollar funding gap to meet the SDGs, particularly at a time of restricted funding sources, UNICEF can leverage emerging fundraising approaches to unlock the resources required to deliver transformative solutions.

Across public and private sector - venture capitalism, philanthropies and foundations have well

established funding models geared towards accelerating groundbreaking results to staunch challenges. With a track record spanning over seven decades, UNICEF is well known for identifying and addressing the challenges affecting the world's children, approaching traditional and new donor groups as the sector leader for solutions to these challenges helps shape a strong narrative of alignment with current donor trends.

Taking this approach a step further, through collaborations with other donor agencies with a shared purpose to unlock innovation as a key driver for strategic change, OOI helps model the value of trust-based philanthropy and funding. With the Venture Fund serving as a model of philanthropic venture capitalism, UNICEF stands in a strong position of thought leadership and expertise on models that see investment dollars work harder and go farther with those right at the heart of the very issues addressed.

Giga's collaboration with the Government of Rwanda and the Ethereum Foundation resulted in the acquisition of cryptocurrency used to offset ongoing school connectivity fees covering costs for up to six months.

The Emerging Fundraising team at the Innovative Finance Hub continues to explore web 3 fundraising opportunities, convening multisectoral experts to co-create initiatives i.e. metaverse, art for good. The team looks to build on from learning conceptualized on in a documentation series on; Web3 Fundraising at UNICEF offering good practice paper fundraisers; The First Mile focused on enhancing donor experience and transparency by tokenizing UNICEF supply chain; Art for Good introducing a new income generating business model for UNICEF and artists.

Emerging Opportunities

As digital and technological tools like Artificial Intelligence continue to present both threats and opportunities, investing in the organization's agility to adapt and respond to emerging trends will pay dividends towards the organization's overall efforts to accelerate progress for all children. Rapid technological advancement creates unpredictability which directly impacts ongoing projects. For instance, the – emergence of ChatGPT in public consciousness forced a course correction and refocus of resource; collapse of banking and emerging regulation led to changes on internal engagement on cryptocurrencies.

The combination of collective influence, ideas and investments holds immense promise to close the significant gaps we currently face to achieving the SDGs. Being able to weather the storms and volatility of socio- economic and technological challenges will position UNICEF to identify opportunities where they exist.

Amidst this, young people, the architects of our shared digital future continue to create and develop innovative solutions. Building a legacy of youth innovators and entrepreneurs is part of the solution to being ready for the future. At the 2024 Summit of the Future, agreements will be made on a Global Digital Compact (GDC), described by the UN Tech Envoy as, “the highest-level capturing of political will in terms of a comprehensive view of the digital world.”

Through its Summit of OUR Future campaign, UNICEF Office of Innovation, its partners, and collaborators will position tech justice, equity, inclusivity and young people at the heart of the consultation process. Alongside youth, they call for collective action to unlock resources to build and strengthen digital innovation ecosystems of young tech innovators and entrepreneurs in emerging economies.

Over the next decade, this ambition can become a reality as pooled funds like the Venture Fund refine their investment thesis towards an intentional effort to identify, invest in, and support youth - the

architects of our shared digital future.