

Public Partnerships Division

Update on the context and trends

UNICEF's Public Partnerships Division defines the strategic direction for global public partnerships, manages relationships with public sector partners, and gathers and shares partner insights within UNICEF. It champions child rights in public policies, programmes, and resource allocations. Additionally, the Division offers guidance to other parts of UNICEF regarding the mobilization of public sector resources and effective partnerships management. Through these five functions, the Division contributes to two main results of UNICEF's Strategic Plan 2022-2025: **income** and **influence**.

The 2023 resource mobilization landscape was marked by high economic and political uncertainties. The economic rebound expected post-Covid was derailed by the war in Ukraine, the crises in the Middle East, supply chain disruptions, aggressive inflation and foreign exchange rate volatility. Official Development Assistance (ODA) levels showed resilience and steadiness, driven by sudden onset emergencies and humanitarian needs. Similar to previous years, UNICEF income trends reflected overall increased earmarking and decreased flexibility and predictability of funding. Earmarked funding continued to be concentrated in a small number of country offices (COs).

For the public sector, this demanding fundraising climate was also characterized by the continuous increase in donor conditionalities and complexity of risks. Despite these challenges, PPD successfully led UNICEF's public sector resource mobilization efforts, breaking another public sector income record for the seventh consecutive year and making important strides in terms of influencing public partnerships in 2023.

Public sector funding continued to be the majority of UNICEF's funding, accounting for 73 per cent of the organization's total income in 2023, reaching US\$6.56 billion, an increase of US\$15 million compared to 2022, aided by favorable exchange rate gains. Core Resources for Results (RR) in 2023 reached the highest-ever level of US\$1.57 billion. This is 19 per cent higher than in 2022. Of total RR income, 34 per cent came from public sector partners, or US\$539 million. While the ratio of RR to total income increased from 14 per cent in 2022 to 18 per cent in 2023, following years of decline (the ratio was 49 per cent in 2002, 33 per cent in 2012), the trend continues to be worrisome and far from UN Member States' Funding Compact commitment of bringing core resources to a level of at least 30 per cent by 2023, placing an increasing strain on UNICEF's ability to deliver on its mandate for children.

In terms of leveraging influence, 2023 was marked by a myriad of opportunities for UNICEF to engage with public partners in policy advocacy, particularly Member States and regional institutions, leading to meaningful dialogues and participation of children and youth in intergovernmental fora such as the UN General Assembly and the Sustainable Development Goals (SDGs) Summit, the High-Level Political Forum and other international conferences. PPD was able to continue mobilizing public sector partnerships to ensure that child rights are central to development policy, and to create an enabling environment for UNICEF to deliver results for children everywhere, including in humanitarian settings.

Within the overall framework of UNICEF's Strategic Plan 2022-2025, the Public Partnerships Division (PPD) aims to contribute to two main results: income to support UNICEF's contribution to delivering the Sustainable Development Goals and influence to achieve child rights and sustainable results for children at scale. Some of the Division's key 2023 income and influence results are

highlighted in this report.

Major contributions and drivers of results

1. Sustaining and growing public sector income

In 2023, UNICEF witnessed significant achievements in mobilizing income from the five public sector streams: traditional government partners (OECD-DAC countries), new and emerging government partners (non-DAC countries), International Financial Institutions (IFIs), Global Programme Partnerships (GPPs), and UN Joint Programmes. While income from OECD-DAC partners continued to comprise the majority of UNICEF's total income (50 per cent in 2023), income from IFIs reached 10 per cent, and income from innovative financing arrangements and GPPs generated 7 per cent of UNICEF's total income.

Together with other UNICEF Headquarters Divisions, and Regional and Country Offices (ROs and COs), PPD mobilized a total of US\$6.56 billion in public sector contributions in 2023, US\$15 million more than 2022. This was achieved despite a forecasted decrease in public sector funding for 2023. Sustaining and increasing this level of public sector income reflects PPD's ability to engage in and leverage successful strategic partnerships and advocacy for effective resource mobilization.

Of the total US\$6.56 billion of public sector income in 2023:

Funding streams

- US\$ 4.47 billion was received from OECD-DAC partners (accounting for 68 per cent of total public sector income);
- US\$ 69 million came from non-OECD-DAC partners (1 per cent);
- US\$ 934 million was provided by IFIs (14 per cent);
- US\$ 657 million came from GPPs (10 per cent); and,
- US\$ 424 million was received through UN Joint Programmes (7 per cent).

Funding Types

- US\$ 539 million was Core Resources for Results (RR) (accounting for XX per cent of total public sector income);
- US\$ 3.54 billion was in Other Resources – Regular (ORR) (XX per cent); and,
- US\$ 2.48 billion was Other Resources – Emergencies (XX per cent).

In line with the Division's priority to accelerate flexible and core funding, a notable achievement was the 9 per cent increase in public sector RR funding. This was thanks to PPD's proactive risk management and relentless advocacy efforts that emphasized the importance of core funding as vital resources for sustaining UNICEF's operations and programmes and delivering on UNICEF's mandate for every child. PPD collaborated closely with the Private Sector Fundraising and Partnerships Division (PFP) to lead organization-wide efforts to protect core resources in close collaboration with internal and external stakeholders including National Committees, UN agencies and Member States. Public sector RR went up from US\$494 million in 2022 to US\$539 million in 2023 due to increases in the RR contributions from several governments (e.g. Belgium, Ireland, Luxemburg, Netherlands, Norway, Poland, Portugal, Spain and the United States of America (US)) as well as timely payments of annual RR contributions by all partners. A key focus for the Division in 2023 has been engaging with UNICEF's non-traditional donors (representing Programme Countries) for increased contributions to core funding.

Another key achievement was the 7 per cent increase of Public Sector development funding (ORR) which increased from US\$3.32 billion in 2022 to US\$3.54 billion in 2023. This was due in part to strengthened collaboration with partners and increased cooperation in contexts of mutual strategic interest. ORR Funding from the European Commission (EC) to UNICEF increased 18 per cent in 2023

and contributed to results in the areas of education, gender and Water, Sanitation and Hygiene (WASH) programmes. In terms of flexible global thematic funding, Sweden provided funding to UNICEF's Global Thematic WASH pool for climate related funds – the first time UNICEF has been able to tap into such funds from Sweden. Germany also contributed for the first time to the gender global thematic pool.

The increase in direct financing from International Financial Institutions (IFIs) in countries like Afghanistan, South Sudan and Yemen also contributed to the increase in Public Sector ORR in 2023. Indeed, throughout the year, the comparative advantages of UNICEF continued to help position the organization as a key partner for IFI projects, resulting in steady increases in resource mobilization over the last six years, jumping 23 per cent from 2022 to 2023, resulting in US\$924 million ORR received in the last year through direct and indirect contributions. In November 2023, UNICEF and the World Bank convened its first ever Operational Consultation, followed by a Strategic Partnership Dialogue in early 2024, both of which represented key milestones in shaping the direction of the joint strategic partnership priorities and operational engagement. In collaboration with UNICEF Legal Office and the Office of Internal Audit and Investigations (OIAI) who supported the establishment of novel legal arrangements and templates, PPD played a critical role in expanding the shared understanding of the various regulatory frameworks and operational requirements in order for partnerships to be established with IFIs.

Public Sector ORE funding decreased by 9 per cent from US\$2.73 billion in 2022 to US\$2.48 billion in 2023, mainly driven by the gradual decrease in the Access to COVID-19 Tools Accelerator (ACT-A) funding. Throughout the year, PPD continued to position UNICEF humanitarian funding needs through bilateral engagements, in key donor fora and high-level dialogues. In 2023, six public sector resource partners (the EC, Germany, Japan, the UN Central Emergency Relief Fund, the United Kingdom and the United States) provided contributions above US\$100 million making up 62 per cent of UNICEF's total emergency funding. In addition, Australia, Austria, Belgium, Denmark, France, Kuwait, Norway, Spain, Sweden, Switzerland, the US and the United Nations Development Programme collectively increased their emergency contributions by US\$243 million. Norway started a new window for underfunded emergencies as well as increased its funding for humanitarian response by 85 per cent. Investments made to build and maintain trust with public sector donors such as Australia resulted in contribution agreements being signed swiftly after crisis onsets (e.g. Syria and Turkey earthquake and State of Palestine). These allowed UNICEF to respond quickly with critical life-saving support to the most vulnerable children, demonstrating the effectiveness of UNICEF's public sector partnerships in responding to humanitarian emergencies.

In collaboration with multiple UNICEF HQ Divisions, UNICEF managed to sustain donor interest in flexible humanitarian thematic funding at country, regional and global levels. Despite a lower number of public sector resource partners providing flexible thematic funding, the level of contributions received increased by more than 14 per cent, or US\$11 million, and reached US\$88 million. Public sector resource partners who increased their contributions included Denmark, Estonia and Germany, while Canada returned as a resource partner to the Global Humanitarian Thematic Fund (GHTF). Notably, the government of Germany increased its contribution to the GHTF by 50 per cent compared with 2022. As the most flexible humanitarian funding after RR, GHTF funding is critical to addressing equity in emergency situations and responses, allowing all children in need to be reached.

2. Influencing for child rights and building strategic engagement

In coordination with other parts of UNICEF, PPD achieved significant milestones in 2023 in influencing public partners to advance child rights and sustainable outcomes for children. Advocacy and thought leadership were the main drivers of UNICEF's strategic engagement. PPD facilitated high-level as well as technical engagement with the public sector partners to advance shared-value and meaningful partnerships.

The Division successfully engaged in policy advocacy with Member States and public institutions, leading to advances for child rights in policies and meaningful participation of children and youth in intergovernmental fora. A significant accomplishment was the development of a coordinated UNICEF-wide narrative around child rights and the Sustainable Development Goals (SDGs). This initiative culminated in the coordination of the Champions for Children event in the side lines of the UN General Assembly, which brought together nearly 170 high-level officials and influencers from around the world to prioritize protecting children's rights and issues in all national and global efforts focused on accelerating progress to achieve the SDGs. Speakers included the US First Lady, the Queen of Belgium, the Vice President of the European Commission, LEGO Foundation CEO, several UNICEF global Goodwill Ambassadors as well as youth advocates. These efforts addressed the challenge of shifting global narratives, ensuring child rights remained a priority amidst other global issues.

Concrete results on child rights advocacy for education and climate change were achieved through UNICEF's strategic and systematic engagement with African Leaders and Member States. At the "Special Focus Session on Africa" during the Executive Board meetings in September 2023, Member States renewed their commitment to foster partnerships with UNICEF to address urgent challenges faced by children in Africa. In addition, as a result of the over two-year advocacy work of UNICEF and its partnership with the African Union Commission, 'education' was endorsed by the African Union (AU) Assembly to be the AU Theme of the Year in 2024. Member States across the continent will put the spotlight on the education of Africa's children and implement important policy action and programmatic work towards this objective.

Another example of successful advocacy was UNICEF and Africa Centres for Disease Control and Prevention (CDC) leveraging their common voice for COVID-19 vaccination integration into routine immunization. As a result, COVID-19 investments were leveraged to strengthen primary health care systems and improve access to immunization services, including for the hard-to-reach population and zero-dose children[PB1] .

Strong advocacy results for children's rights were also achieved with Gulf Member States[PB2] . UNICEF's leadership, support and voice for advocating for the basic rights of children, especially during highly complex humanitarian situations, was identified by Gulf Member States as vital to ongoing political and humanitarian dialogue to alleviate the situation.

UNICEF's ongoing engagement with the European Union institutions ensured the centrality of child rights in various legislative processes in 2023, resulting in positive developments and increased resources for children globally. Through consistent advocacy efforts and collaboration with relevant institutions, UNICEF successfully influenced policy documents and legislative directives on critical issues such as air quality and corporate sustainability. This required consistent, ongoing engagement and teamwork among PPD teams and with PFP and UNICEF National Committees to effectively coordinate and combine advocacy at Brussels and capital levels with European Union Member States.

PPD's endeavors to advance child's rights also came through UN coordination. The Division supported meetings with the newly appointed UN Resident Coordinators (RC) to support their seamless transition into the coordination role and ensure a clear understanding of UNICEF priorities and concerns. PPD also influenced the Guidance Note of the Secretary-General on Child Rights which is intended to be a strategy for making children's rights, including their meaningful participation, an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes of the UN system.

UNICEF's collaboration with International Financial Institutions (IFIs) marked a strategic effort to leverage and influence IFI financing to drive positive outcomes for children globally. Throughout

2023, PPD spearheaded UNICEF's endeavors to shape policies and investments critical for children's well-being at both global and country levels. A notable achievement was PPD's pivotal role in shaping the design of financial tools, such as the World Bank's Pandemic Fund. This fund presented a key opportunity for UNICEF to influence national investments in pandemic prevention and preparedness. As an implementing entity, UNICEF participated in eight proposals aimed at strengthening pandemic preparedness in various countries, including Burkina Faso, Ethiopia, and Nepal. The approval of a portfolio of 19 grants totaling US\$338 million under the first Call for Proposals is a significant milestone, with the allocated funding expected to leverage over US\$2 billion in additional resources. Moreover, about 30 per cent of the grants target projects in sub-Saharan Africa, emphasizing UNICEF's commitment to addressing the needs of vulnerable populations in low and lower-middle-income countries.

PPD's continuous advocacy and facilitation of both high-level and technical level engagement contributed to UNICEF being reaffirmed as a partner of choice with key public partners and laid the foundation for future and expanded partnerships. At the G7 Hiroshima Summit, UNICEF successfully influenced the global health track, including through clear UNICEF footprint in the technical documents, solidifying partnerships with the Government of Japan and securing resources for future partnerships. Active engagement with policymakers in the US Congress also proved crucial, yielding greater visibility and awareness of UNICEF's work among decision makers and key influencers in Washington. This presented opportunities for UNICEF to tap into significant funding sources and expand the geographical scope of partnerships. Establishment of a new innovative financing partnership with the European Investment Bank (EIB), the Bill and Melinda Gates Foundation (BMGF), and the European Fund for Sustainable Development Plus (EFSD+) reflects increased acknowledgment of UNICEF as a strategic partner. PPD's efforts were also crucial in the negotiation with the government of Spain (central, regional and local governments) of a legal framework for the establishment and funding of the Giga Tech Centre in Barcelona, to support the UNICEF-ITU joint initiative aiming at connecting every school, worldwide, to the internet.

Lastly, throughout 2023, PPD spearheaded collaborative efforts with the Korea International Cooperation Agency (KOICA) and other UN agencies in Seoul to enhance operational efficiency, influencing KOICA's business model. A new strategic approach was adopted, wherein fund allocation decisions are made jointly with priority UN agencies, focusing on predetermined geographic and thematic priority areas within an agreed funding envelope for a more strategic allocation of resources. This innovative model, utilized for negotiating a US\$40 million climate partnership for UNICEF, exemplified successful negotiations with key partners, setting a precedent for future strategic engagements and partnerships.

3. Strengthening UNICEF's public sector business model and enablers of results

In 2023, together with other parts of UNICEF, PPD undertook significant initiatives to shape and improve UNICEF's public sector business model and enablers of results for children. This involved fostering better collaboration and alignment with other UNICEF offices and the UN system in crucial strategic partnerships and advocacy, as well as constructive diplomatic engagement with partners. Additionally, efforts were directed towards refining internal processes, management systems, and optimizing the Division's client orientation internally and externally to further leverage public partnerships.

Through ongoing interaction and the cultivation of partnerships with the UN Permanent Missions in New York, PPD played a critical role in diplomatically garnering support for the approval of Country Programme Documents by the UNICEF Executive Board. This achievement was facilitated by constructive collaboration amongst UN Missions, UNICEF HQ Divisions and COs, effectively addressing political challenges and concerns. Successful navigation of sensitive partnerships demonstrated adept diplomatic engagement, laying the groundwork for future resource mobilization

and programmatic success while strengthening partnerships and trust.

PPD continued to play a key role in 2023 within the organization in terms of coordination and leadership in the areas of UN Development System (UNDS) reform. The Division continued support to UNICEF's executive management on key UN coherence processes and coordination mechanisms allowed UNICEF to steer top level UN-wide workstreams, and thus promote child-focused SDGs at inter-agency level. PPD coordinated UNICEF's position on the UNDS Reform Checklist including leading on the development of internal and interagency positions to influence negotiations within the UN Sustainable Development Group. The Division also coordinated and led UNICEF's contributions to the new Funding Compact (Funding Compact 2.0), working closely with UN Development Coordination Office. PPD was also instrumental in providing key guidance within UNICEF, especially for COs and ROs, on UNDS reform-related issues facilitating greater alignment.

With guidance from PPD and support from public sector partners, 108 (or 84 per cent) of UNICEF Country Offices were engaged in UN intra-agency pooled funding including Joint Programmes and/or Multi-Partnership Trust Funds in 2023. Additional projects were at the final stages of contractual negotiation at the end of the year. The programmes spanned across all UNICEF Strategic Plan Goal Areas, contributing to coherence and increased coordination among UN sister agencies while reducing transaction costs by using harmonized agreements and reporting.

UNICEF continued to promote South-South and triangular cooperation (SSTC), especially through UNICEF country offices in Brazil and China. Further, 57 per cent of UNICEF country programmes reported engaging in activities in support of SSTC in 2023. These included documenting good practices and solutions, facilitating country-to-country learning and partnerships, and mobilizing resources. To strengthen capacities and increase impact of UNICEF's support, the Public Partnership Division, in collaboration with field offices, produced a partnership guidance note on SSTC in line with the UN system-wide strategy on SSTC. Through its partnership with the African Union Development Agency formalized in 2022, UNICEF pursued initiatives to leverage SSTC in the fight against malaria and to raise awareness on the impact of trade and the implementation of the Africa Continental Free Trade Area agreement on children and the young population. UNICEF also published in 2023, in collaboration with UNESCO and the UN Office for SSC, global good practices on advancing SDG 4 on quality education through SSTC.

Public-Private Partnerships (PPPs) present an important opportunity for UNICEF to grow income and influence. PPD, jointly with PFP, continued to make an important push in 2023 on this agenda to support UNICEF capacity to tap into new PPP opportunities, as well as maintain existing ones. Internally, a process to define and develop a corporate PPP strategy was initiated with expected completion in early 2024. Externally, one key achievement has been to lay the groundwork to unlock the Seoul-based Green Climate Fund as major new Global Programme Partnership (GPP) partner, resulting in increased focus on children within the largest global climate finance institution. At the end of 2023, negotiations were on-going for the first framework agreement to unlock a potential US\$5-25 million in "readiness funding", through which UNICEF will enable countries to build capacity, data and management systems to access climate finance at scale. PPD also acquired additional capacity to support climate financing for children. UNICEF has also engaged major GPP partners such as the Global Fund in discussions around alignment standards in areas such as Sexual Exploitation, Abuse & Harassment, jointly advancing best practice approaches.

PPD also continued to strengthen the capacity of ROs and COs for public sector partnerships and resource mobilization. In addition to targeted guidance and support on strategic and operational engagement, webinars, clinics and other knowledge management and capacity building tools and products were developed and offered throughout 2023 on a wide range of partnership-related topics such as strategy development, partner engagement or donor reporting. PPD also directly supported two emergencies, assigning staff to provide full-time strategic humanitarian resource mobilization support

(Sahel and State of Palestine emergencies).

Lessons Learned and Innovations

The finalization, launch and capacity building around the new donor recognition and visibility handbook was also an important opportunity to build UNICEF staff's capacity and engagement at all levels, especially at CO level, but also among HQ offices including the Office of the Executive Director and the Division for Global Communications and Advocacy. Led by PPD, this work is a key contributor to the successful implementation of UNICEF flexible funding strategy.

PPD also hosted and led the Global Partnerships Network Meeting (GPNM) in New York. Organized for the first time in five years, the meeting brought together 70 partnerships colleagues from 38 countries to exchange ideas and best practices and to strengthen complementarity within the UNICEF partnerships ecosystem.

In 2023, PPD further prioritized and enhanced its partnerships risk management systems, including implementing a fully consulted and expanded risk assessment of all UNICEF public partnerships that included root causes and drivers of risks. For the first time, risk management was also officially streamlined within the Division's annual work planning exercise. Building on 2022 strengthened coordination with OIAI, approximately 40 Sexual Exploitation and Abuse (SEA) cases were processed through the newly established notification process in 2023. PPD also began looking at all contractual arrangements under negotiation through a risk management lens, in an effort to ensure harmonization of donor conditionalities across donors, identify significant issues requiring early escalation, and better document the decision-making process around these negotiations – issues that were flagged during the internal audit of PPD in 2023 and remain risks to the organization. PPD also provided input to close five of nine recommendations from that internal audit report, with the other four issues being on track for finalization by their 2024 deadlines.

In 2023, financial analysis and reporting was also improved due to the development and enhancements of platforms and tools which resulted in easier access to financial data and quality analysis, timely information sharing within PPD as well as with UNICEF Senior Management for informed decision-making and advocacy. UNISON, as UNICEF's customer relationship management platform, was rolled out globally for improved efficiencies and effectiveness in partnerships management. In coordination with relevant stakeholders, efficiencies were also achieved by rationalizing the content of external reports.

In terms of **influence**, the Division is proud of the progress made to raise the profile of child rights to shape policies and investments critical for children's well-being particularly in intergovernmental fora in the context of the Sustainable Development Goals. Nonetheless, the Division still struggles to meaningfully capture and effectively measure all the critical influence efforts being undertaken with public sector partners. In close collaboration with other divisions from UNICEF Partnerships Cone, PPD is discussing what a performance framework could look like to capture efforts done to leverage resources and influence partners to deliver on UNICEF's mandate for every child.

In terms of **income**, while the increase in RR in 2023 improved the **ratio of core funding** to total income (from 14 per cent in 2022 to 18 per cent in 2023), the overall trend of declining ratio of RR to total income is concerning and has contributed to UNICEF being mainly projectized. In response, UNICEF has worked proactively to accelerate core funding as part of the RR Acceleration Strategy. Guided by a cross-divisions (PPD-PFP) Flexible Funding team, this has been an organization-wide effort, in which UNICEF is harnessing its creativity to showcase results in compelling ways, through an improved 'RR Report' that demonstrates the traceability of UNICEF's results. Through the annual Structured Funding Dialogues, UNICEF continues to jointly advocate, along with sister UN Agencies,

for the need for Member States to meet the 30 per cent Funding Compact commitment for core funds – and continuously raise the implications of the declining core resources.

Partnerships rest at the heart of all of UNICEF’s work. Following the submission of an investment case presented to UNICEF Senior Management in 2022, **PPD capacity** was complemented with 10 additional positions with limited duration until the end of 2024. These positions have been critical in the Division’s ability to achieve results in 2023. However, in order to respond to the fragile and increasingly competitive resource mobilization landscape, PPD remains under-capacitated to meet the ever demanding and complex needs of the organization and those of our funding partners. Sustaining the income and influence results, requires staff time and effort, particularly in a difficult fundraising environment.

For PPD, **risk management** remains a growing and pressing priority for the Division, particularly given the global geopolitical situation, increase in donor conditionalities, and increase in OR funding. PPD enhanced its risk management capacity in 2023 with the addition of one temporary position, however the growth in work has outpaced the additional capacity. Going forward, PPD continues to look for additional resources to fund this work and look for software solutions that may increase efficiencies, especially around the issue of contractual negotiations.

Knowledge management is also an identified capacity gap that continues to limit the Division’s ability to service its internal and external clients. Despite limited capacity, over the last two years PPD collaborated closely with the Division for Data, Analytics, Planning and Monitoring on the revamping of UNICEF’s Transparency Portal to make it more responsive to the needs of our funding partners. Internally, the roll-out of tools such as UNISON, supports improved information management for timely and astute partnerships decision-making. However, the uptake of UNISON has been slow, including within PPD, and the full potential has yet to be tapped into. Additionally, with the growing network of partnerships colleagues in other offices around the globe, PPD is unable to keep pace with sharing and facilitating exchanges on public partnerships knowledge.