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Private Fundraising and Partnerships: Financial report for the year ended 31 December 2023

Summary

This report provides the financial and non-financial results achieved by the Private Fundraising and Partnerships Division, together with the National Committees for UNICEF and UNICEF country offices, in respect of the Private Fundraising and Partnerships Division budget for 2023.

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

* E/ICEF/2024/10.



I. Overview

1. The Private Fundraising and Partnerships Division (PFP or “the Division”) aims to achieve impact for children by maximizing income and leveraging influence from the private sector through efforts across the UNICEF ecosystem, which includes the National Committees for UNICEF and UNICEF country offices around the world. Private sector engagement – through advocacy, fundraising, influence and partnerships – continued to evolve and expand in 2023. Although the year was characterized by a challenging and rapidly changing external environment, PFP responded to these circumstances to deliver on the UNICEF Strategic Plan, 2022–2025. The Division focused on providing support to initiatives that accelerated income and influence, innovative business solutions and digital transformation as an enabler for private sector fundraising and partnerships.

2. In 2023, total private sector revenue reached \$2.07 billion, of which regular resources¹ represented \$734.8 million and other resources represented \$1.34 billion. Overall, private sector revenue was \$204.1 million (10.9 per cent) higher than the 2023 approved budget of \$1.87 billion but 22.3 per cent lower than 2022 actual revenue. 2023 revenue is on par with 2021 revenue, which is the second highest on record after 2022, when the Division saw unprecedented levels of fundraising due to contributions to the Ukraine emergency response. The 2023 figures presented in this report are unaudited.

3. The private sector contribution to the UNICEF emergency response for 2023 reached \$478.9 million, a \$630.9 million (56.8 per cent) decrease over 2022 actual revenue. The 2023 performance reflected mobilization efforts to pursue emergency needs at scale for different humanitarian crises – such as the earthquakes affecting Türkiye and the Syrian Arab Republic, the conflict escalation in the Gaza Strip and the war in Ukraine. In contrast, the high level of 2022 fundraising performance for other revenue (emergency) was driven primarily by donors’ response to the humanitarian appeal for Ukraine.

4. In 2023, the National Committees and country offices continued to deliver solid results. Total private sector revenue generated by the National Committees and country offices was \$1.63 billion and \$446.5 million, respectively. This represents a decrease of \$609.5 million (27.3 per cent) and an increase of \$13.8 million (3.2 per cent) over the 2022 result for the National Committees and country offices, respectively.

5. Based on the ‘income + influence = impact’ for children adage, the approach to engage the private sector across income and influence was mainstreamed further in 2023. Influence and advocacy were increasingly integrated into partnerships across all channels, including individual donors, businesses, foundations, philanthropists and multi-stakeholder platforms. This comprehensive approach strengthened the UNICEF value proposition to private sector partners, while leveraging the organization’s ability to convene, including with public sector counterparts.

6. UNICEF National Committees made laudable contributions to the progress in private sector engagement, yet they faced new challenges in 2023. The National Committees, like many other countries, are increasingly affected by rising inequality, climate change, polarized political views, high costs of living and conflicts around the world – long-term trends that interact with short-term emergency appeals and worsen their effects. In many countries, the focus on domestic issues has, to some

¹ Revenue allocated to cover fundraising expenses (\$94.3 million in 2023) is presented under other resources in this report, while in the UNICEF financial statements it is presented under regular resources revenue.

extent, reduced attention on global issues and human rights, creating constraints for the advocacy work of the National Committees and making progress on children's rights challenging.

7. Nevertheless, National Committees continued to successfully advocate for children's rights. Working with technical experts in the National Committees and the UNICEF Programme Group, PFP supported the Committees in aligning national child rights issues with UNICEF global priorities and amplified UNICEF global advocacy priorities at the national level.

8. Throughout the year, PFP demonstrated the ability to support priority activities to accelerate private sector engagement and to adapt to rapidly changing business needs. The Division developed new business solutions to improve efficiency and identified opportunities to integrate innovative approaches as part of continuous improvements, leading to new ways of working and contributing to its overall performance.

9. In 2023, in line with the UNICEF Strategic Plan, 2022–2025, PFP remained committed to working together with other United Nations entities on private sector fundraising. Key collaborations across the United Nations system to drive influence and income from the private sector towards achievement of the Sustainable Development Goals, included partnerships with the United Nations Development Programme, the World Food Programme, the United Nations High Commissioner for Refugees, the International Labour Organization, the World Health Organization, the Office of the United Nations High Commissioner for Human Rights, the International Telecommunication Union, and the United Nations Global Compact, among others. Highlights of these collaborations include:

(a) UNICEF participates in the coordination meetings of the inter-agency private sector emergency focal points convened by the Office for the Coordination of Humanitarian Affairs; the newly established United Nations Private Sector Engagement network convened by the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), as well as recently in the revision of the UN – World Economic Forum Strategic Partnerships Framework coordinated by the United Nations Global Compact on behalf of the United Nations Secretariat.

(b) UNICEF has partnered with the United Nations Global Compact for nearly 15 years, including with Global Compact Local Networks at country level focusing on family-friendly policies. More recently, collaboration has been on climate change and water, with UNICEF engaging with the Global Compact in the Think Lab on Just Transition, collaborating around the yearly meetings of the Conference of the Parties to the United Nations Framework Convention on Climate Change, and the CEO Water Mandate initiative hosted by the United Nations Global Compact in the context of the UN 2023 Water Conference.

(c) UNICEF engages with businesses operating at national level in disaster risk management efforts and to support business and community resilience, working closely with the United Nations Development Programme/Office for the Coordination of Humanitarian Affairs (in the Connecting Business initiative) and with the United Nations Office for Disaster Risk Reduction (in the context of the ARISE networks).

(d) UNICEF and the International Telecommunication Union continued collaboration on the global Giga initiative, which aims to connect every school to the Internet.

(e) UNICEF and the World Health Organization partnered with the Bill & Melinda Gates Foundation (Gates Foundation), the Global Polio Eradication Initiative and the European Investment Bank to finalize an agreement pre-financing 500 million

euros over three years. This will cover polio vaccinations for 370 million children annually, deliver vital health services alongside polio campaigns, including measles vaccines and other routine immunizations, and strengthen health systems to prepare for and respond to emerging health threats.

(f) UNICEF and the United Nations Development Programme finalized a feasibility study for a joint private sector financing facility. If capitalized and implemented, the facility will drive private capital towards Sustainable Development Goal-aligned impact investing opportunities.

II. Results achieved

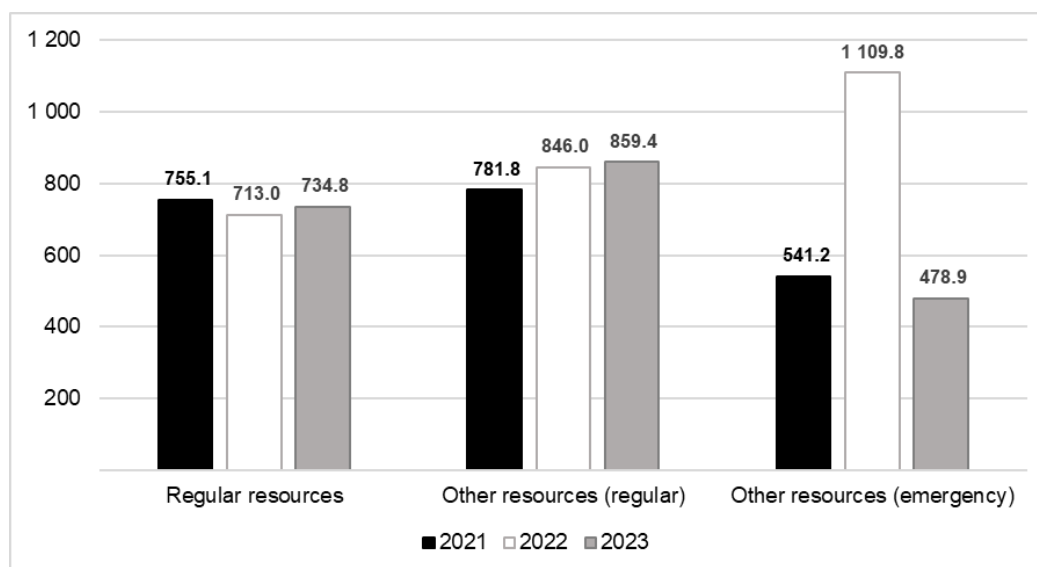
A. Financial results by fund type, market and audience

10. Private sector revenue totalled \$2.07 billion in 2023 compared to \$2.67 billion in 2022, a decrease of \$595.7 million (22.3 per cent).

11. Within total private sector revenue, regular resources revenue totalled \$734.8 million, an increase of \$21.8 million (3.1 per cent) compared to regular resources revenue of \$713 million in 2022. The top private sector contributions to regular resources came from the National Committees of Japan, the Republic of Korea, Germany, Spain and France.

12. Other resources revenue, which includes revenue from other resources (regular) and other resources (emergency), totalled \$1.34 billion, a decrease of \$617.5 million (31.6 per cent) compared to 2022. Other resources (regular) revenue was \$859.4 million, an increase of \$13.4 million (1.6 per cent) compared to 2022; other resources (emergency) revenue was \$478.9 million, a decrease of \$630.9 million (56.8 per cent) compared to 2022. The decrease in other resources revenue is predominantly due to lower level of funding raised to respond to emergencies beyond Ukraine.

Figure I
Total revenue to UNICEF, 2021–2023
 (in millions of United States dollars)



13. In 2023, private sector revenue was generated by the 33 National Committees, 24 UNICEF country offices and multi-country clusters with structured private sector fundraising activities (PSFR COs and clusters) and 19 other country offices raising

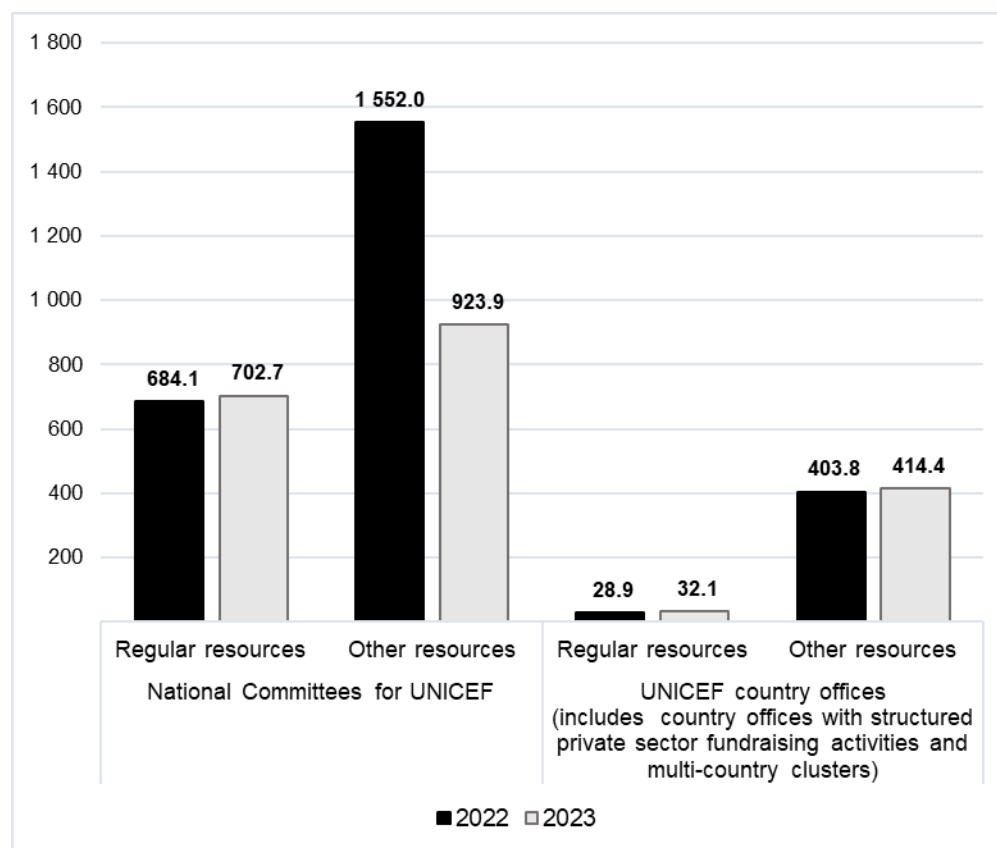
funds either locally or through the UNICEF global giving online platform (non-private sector fundraising country offices (non-PSFR COs)).

14. Total private sector revenue generated by the National Committees, PSFR COs and clusters and non-PSFR COs was \$1.63 billion, \$385.9 million and \$60.6 million, respectively. Of this total, regular resources revenue from the National Committees, PSFR COs and clusters and non-PSFR COs was \$702.7 million, \$30.0 million and \$2.1 million, respectively, and other resources revenue was \$923.9 million, \$355.9 million and \$58.5 million, respectively.

Figure II

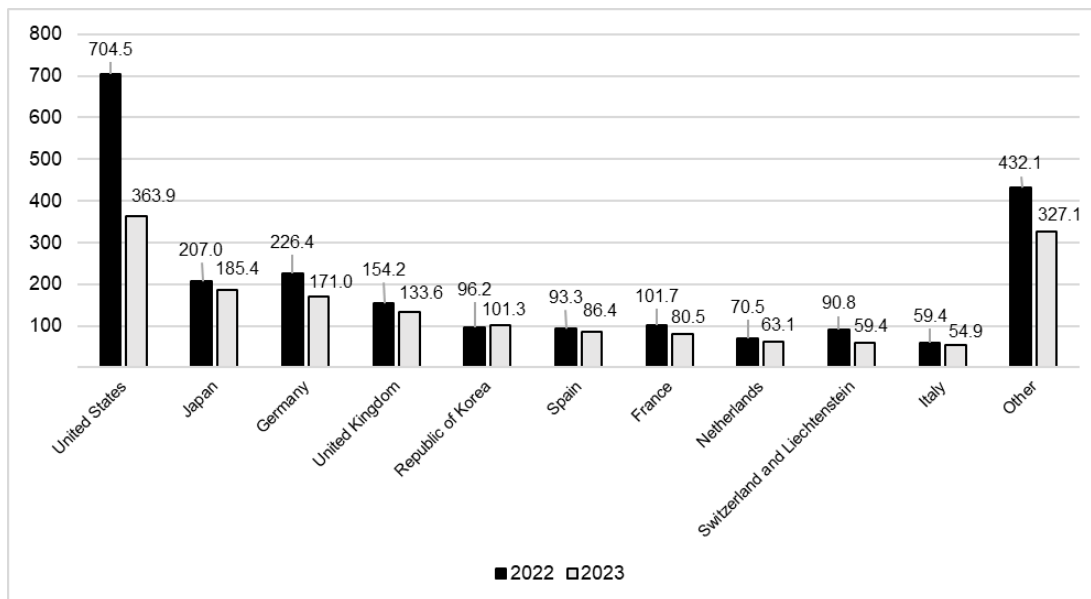
Revenue generated by UNICEF National Committees and country offices and multi-country clusters, 2023

(in millions of United States dollars)



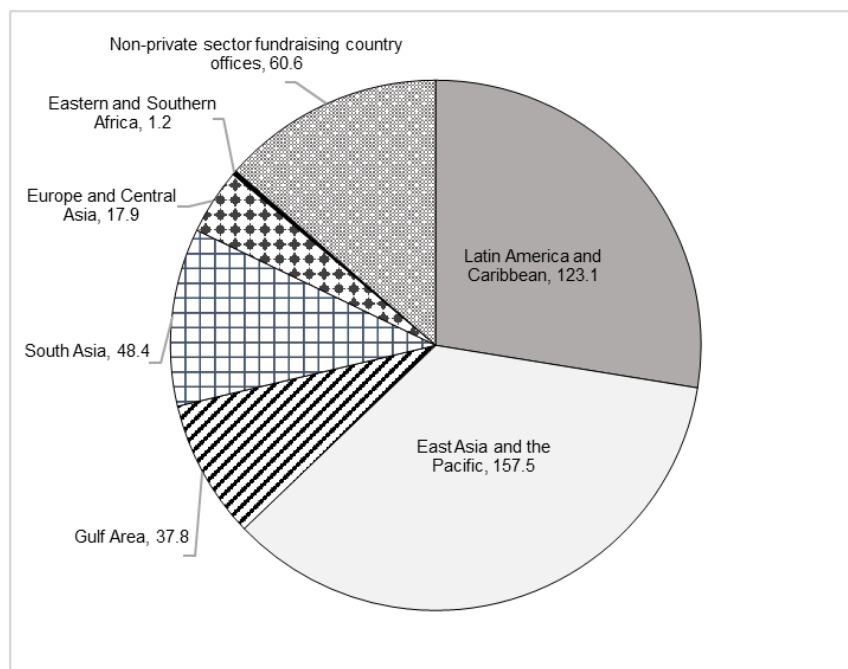
15. Revenue generated by the National Committees decreased by \$609.5 million (27.3 per cent) in 2023 compared to 2022, which is attributable to a decrease in emergency funding. The 10 largest National Committees generated revenue amounting to \$1.3 billion, which represented 79.9 per cent of the total revenue generated by the National Committees in 2023.

Figure III
Revenue from the UNICEF National Committees, 2023 versus 2022
 (in millions of United States dollars)



16. Revenue generated by PSFR COs and clusters decreased by \$10.9 million (2.7 per cent) in 2023 compared to 2022, which is attributable mainly to a decrease in revenue recorded as other resources (emergency). Revenue generated by non-PSFR COs increased by \$24.7 million (68.8 per cent) as a result of receipt of several large donations earmarked for the UNICEF emergency response in Ukraine.

Figure IV
Revenue from country offices and multi-country clusters in 2023, by UNICEF regions and subregions
 (in millions of United States dollars)



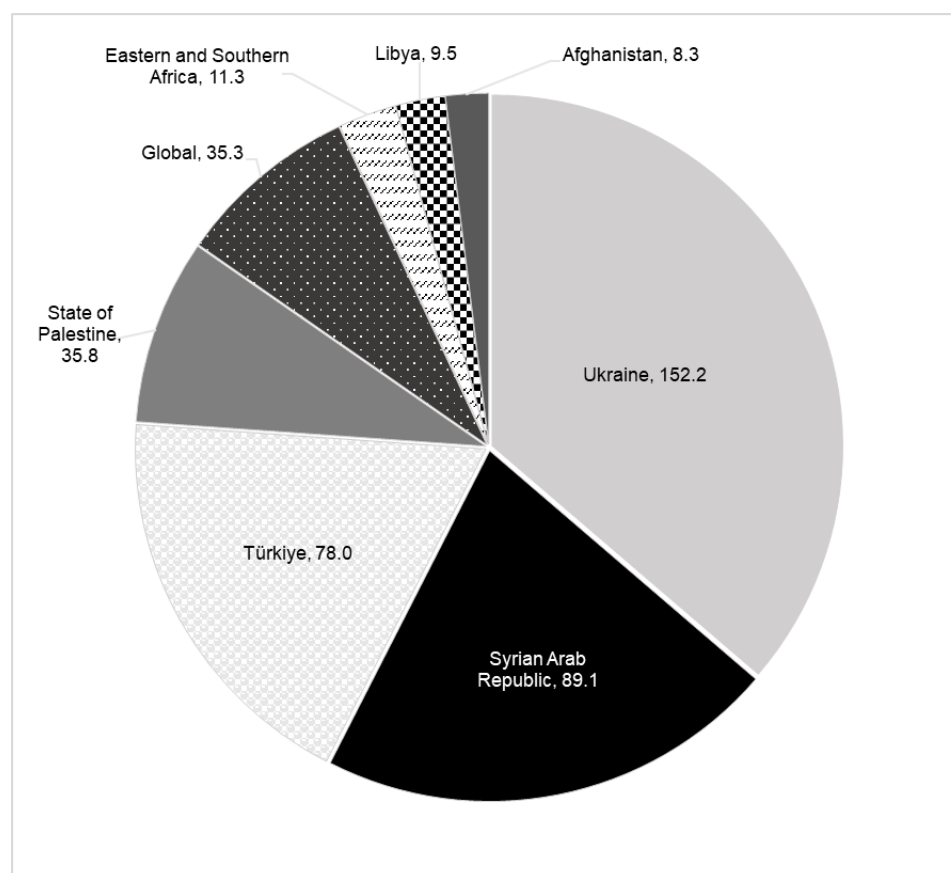
17. The other resources (emergency) revenue raised from the private sector went to 51 Humanitarian Action for Children appeals. The top eight appeals received 88.3 per cent of total amount of other resources (emergency) funding from voluntary contributions.

18. In 2023, UNICEF launched the Today and Tomorrow Initiative. The initiative is a financing solution focusing on children to address climate change risks and the impact of cyclones in particular. In response to cyclones in six of the countries covered by the initiative, UNICEF has received payouts of \$4 million from parametric insurance, which is included in the total amount of other resources (emergency) funding.

Figure V

Private sector contributions to emergency appeals in 2023

(in millions of United States dollars)



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

Outcome 1: Income – Sustainable private sector income growth is diversified and further accelerated to raise \$7.2 billion in private sector revenue from 2022 to 2025, of which \$3.4 billion will be regular resources, for the UNICEF contribution to achievement of the Sustainable Development Goals.

19. Following the unparalleled high of 2022, a year that was driven by the Ukraine emergency response, revenue was forecast to settle back to a lower level. However,

due to the increased effectiveness of UNICEF strategic engagement across its ecosystem, private sector revenue continued to perform strongly in 2023, reaching \$2.07 billion. The 2023 results confirm that the new ‘baseline’ of private sector revenue is anchored sustainably at significantly higher levels than in previous years, giving confidence that the UNICEF private sector income strategy is proving to be effective over the long term.

Output 1.1: Market development

20. The Division continued to work closely with National Committees and country offices in optimizing market-level strategies as part of the annual joint strategy review. It supported the effective deployment of market strategies through the provision of enablers such as staff capacity and skill development, best practice sharing and investments, and the development of innovative fundraising solutions.

21. The investment fund budget of \$85.0 million was fully utilized, supporting private sector fundraising in 34 markets. The investment is projected to raise nearly \$300 million over four years, the majority of which will be critical unearmarked funds. Furthermore, the Korean Committee for UNICEF used an additional \$1 million investment from the United States Fund for UNICEF Bridge Fund alternative financing mechanism.

22. A total of \$30.5 million from the Dynamo Revolving Fund was utilized to invest in private sector fundraising in PSFR COs and clusters in 2023. The investment is projected to raise an additional \$130.1 million over four years, which will provide unrestricted funding to country offices and to UNICEF globally.

Output 1.2: Income from pledge and cash donors

23. In 2023, individual giving revenue was almost at the same level as the previous year, even though UNICEF had an extraordinary performance linked closely to the Ukraine emergency response in 2022.

24. Exceptional performance in cash donations continued in 2023 and exceeded the plan for the year. This was in large part due to multiple emergencies and improvements in digital fundraising, which enabled UNICEF teams to maximize fundraising opportunities.

25. The main drivers of growth in fundraising efforts were investments in digital capabilities including the roll-out of new technology platforms, improved data and analytics capabilities and guidance on digital marketing that enabled the harnessing of emergency fundraising. Investments in individual giving by UNICEF, National Committees and country offices played a central role to this as well. Additionally, access to high-quality content and proposals was a key enabler for fundraising campaigns.

Output 1.3: Income from legacy donors

26. Preliminary results from markets in 2023 showed higher volumes and increased number of recorded gifts of more than \$1 million. However, the overall average value of legacy donations decreased as real estate values declined in many key legacy markets. The Division continued to focus markets on the quality of new handraisers, optimizing donor conversion journeys and prioritizing high-value legacy gifts of over \$100,000.

Output 1.4: Income from philanthropists and membership-based organizations

27. The bespoke approach to global philanthropy has proven to be highly effective, enabling the major donor channel (those contributing over \$100,000 a year) to grow by 101 per cent since 2020. With rising private wealth and awareness of inequities globally, there is an opportunity to continue to grow private philanthropic contributions to UNICEF – which is proven by the multi-million-dollar grants received in 2023. As philanthropists are increasingly engaged in global issues, the cumulative giving of the UNICEF International Council officially passed the half-billion-dollar mark since its inception in 2017. In 2023, 12 new members joined the Council, which now comprises of 142 members representing 22 countries.

28. UNICEF continued to develop and refine customized offers for the different audiences and segments within its remit, such as mid-level donors, philanthropic families and the next generation of philanthropists. The global UNICEF Next Generation (NextGen) community, with leadership hubs in Germany, Italy, the United Kingdom of Great Britain and Northern Ireland, the United States of America and Viet Nam, and newly welcomed Austria, mobilized over \$7.9 million for UNICEF programmes worldwide in 2023. As the second year of UNICEF NextGen Global Principals three-year term ended, two gifts from principals were secured in 2023: \$2 million for UNICEF work in climate, and \$500,000 for the emergency in Gaza. Furthermore, one principal's family has given over \$900,000 since joining the cohort.

29. In 2023, faith- and membership-based organizations, along with non-profit organizations in 18 countries, made contributions to National Committees for the work of UNICEF.

Output 1.5: Income from foundations

30. In 2023, UNICEF continued to successfully mobilize revenue from top global foundation partners, surpassing its annual target. Support was received from over 20 foundations that gave more than \$1 million during the year.

31. To strengthen foundation engagement, strategic partnership support was given to priority markets and National Committees. The Division continued to collaborate across UNICEF on engagement with foundations at key global events, including at the World Economic Forum, Philea Forum, World Health Summit, World Health Assembly, the twenty-eighth Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28) and the high-level week of the seventy-eighth session of the General Assembly.

32. The Bill & Melinda Gates Foundation, the organization's largest foundation partner, contributed to various UNICEF programmes, including support to polio eradication efforts. In addition to funding, the partnership leveraged UNICEF and the Foundation's technical expertise and influence to progress towards their joint partnership goals for 2030. The partnership also increased its focus on emerging areas of mutual interest, such as education; emergencies; maternal, newborn and child health; and nutrition and multiple micronutrient supplements.

33. The Children's Investment Fund Foundation, a longstanding partner, also increased contributions to UNICEF in 2023. Partnership growth with the Foundation is attributed to additional contributions to the Child Nutrition Fund and programmatic successes in India, including for nutrition, as well as for young people's education and skills-building as part of the Generation Unlimited global partnership.

Output 1.6: Income from business

34. While revenue in 2023 was lower than the revenue in 2022, which was driven by the unprecedented response by businesses to the war in Ukraine, it reflected notable growth compared to 2019 and 2018 – the two most recent years prior to the coronavirus disease (COVID-19) pandemic and Ukraine emergency – with a compound annual growth rate of 17 per cent (over the period 2018 to 2023). In 2023, UNICEF also brought in significant funding towards responses to the earthquakes in Türkiye and the Syrian Arab Republic, the war in Ukraine and the Gaza emergency with corporate donors.

35. The focus in 2023 was on securing new long-term, multi-year partnerships to provide sustainable revenue. Building on the successes in 2022, where contributions to the Ukraine emergency represented 41 per cent of total corporate revenue, in 2023 UNICEF successfully converted 13 one-off emergency supporters into long-term multi-year partners.

36. In terms of existing partnerships, the global corporate partnerships portfolio in 2023 was comprised of more than 200 partnerships over \$100,000, of which over 40 partners give \$1 million or more each year – representing one quarter of the total corporate revenue. Additionally, UNICEF continued to secure growth and renewal opportunities with existing partners in tripartite agreements. These opportunities represented almost three quarters of corporate contributions from the largest existing global partners.

37. A continued focus on the highest potential growth markets produced results: over 83 per cent of global corporate revenue in 2023 and 86 per cent of the growth since 2020 came from 15 markets. Most of the growth was gained at the top-level international partnerships, including high-value partnerships over \$5 million.

Outcome 2: Influence – The spectrum of engagement and investment with private sector stakeholders enhances systems, services and practices for children and young people at scale

38. Following the introduction of the Division's first private sector influence strategy in 2022 to complement the private sector resource mobilization strategy, the strategic approach to engage the private sector was mainstreamed in 2023 across UNICEF, based on the 'income + influence = impact' narrative. In practice, this meant that influence and advocacy were increasingly integrated into partnership engagement across all channels – businesses, foundations, philanthropists and multi-stakeholder platforms.

39. This comprehensive approach strengthened the UNICEF value proposition, responding to the changing external environment and the demand for private sector partner engagement with impact, while leveraging the organization's ability to convene key stakeholders, including public sector counterparts. Building on the influence strategy, this approach was implemented through mobilizing and leveraging:

(a) Coalitions, networks, platforms and chief executive officers' voices to rally partners around UNICEF priority issue areas and setting global, regional and national advocacy objectives;

(b) Resources – data, technical expertise and assets – to achieve UNICEF results at scale and to leverage investments more broadly for the Sustainable Development Goals at a global, regional and national level;

(c) Changes in industry and business policies and practices that adversely impact children.

Output 2.1: Influence from individuals

40. The supporter engagement strategy aims to improve the experience of individual supporters and increase their loyalty and commitment by supporting the deployment of a digital platform across 33 UNICEF markets. This will help to grow the base of individuals who donate their money, voice and time to the cause of children and youth. The strategy will do this while avoiding risks linked to the management and storage of data and increasing efficiencies in data processing, operations and payments across country offices, National Committees and partners.

Output 2.2: Influence from key influencers – leveraging assets

41. Jointly with the Programme Group, PFP continued to drive engagements with businesses, Governments and the finance sector to deliver results for children, both through mobilizing core business assets in support of UNICEF programming and through influencing business practices that have harmful impacts on children’s rights.

42. In 2023, a total of 53 UNICEF country offices and National Committees reported on engaging businesses, industry associations and investors to address business practices that have a negative impact on children’s rights. Over 5,000 companies improved their business practices during the reporting year, including by adopting family-friendly workplace practices, improving online safety policies, addressing gender stereotyping in marketing and conducting child rights impact assessments.

43. Building on UNICEF work with businesses to implement child rights policies and practices, 33 country offices and National Committees reported successful advocacy efforts towards improving laws, policies and industry-led standards that address business practices impacting children’s rights. Additionally, 2023 saw the adoption of several important international and regional standards, with UNICEF providing technical support and contributions to many of them. For example, as a result of successful advocacy efforts by UNICEF, the European Sustainability Reporting Standards adopted by the European Union included key child rights disclosure standards.

Output 2.3: Influence from key influencers – leveraging voice and finance

44. The UNICEF advocacy partnership with the Gates Foundation has been instrumental in driving donor commitments for multiple global health replenishments and initiatives, resulting in investments in Gavi, the Vaccine Alliance and the Global Polio Eradication Initiative, and amplifying key messages and national requests for new commitments. Additionally, through Countdown to 2030, UNICEF and the Gates Foundation strengthened the statistical and analytical capacity of 22 countries in their use of data to inform policymaking for reproductive, maternal, newborn, child and adolescent health in addition to nutrition in those countries with a high burden of malnutrition.

45. UNICEF and Education Above All celebrated their 10-year partnership through the ‘A Decade of Dreams’ event in September 2023. The event highlighted the impact of this long-standing partnership in 17 countries, where it has enrolled 5 million out-of-school children in school through the Educate A Child programme.

46. The engagement of major donors continued in 2023, and over 1,000 high-value partners and prospects joined virtual and in-person briefings and meetings throughout

the year. The UNICEF International Council met in Mexico City in November 2023 to discuss the key issues children face globally and agree on how to optimize their philanthropic investments for children by bringing together their funding, leadership and expertise.

Output 2.4: Influence from business stakeholders

47. The results achieved in 2023 showcased the successful integration of influence within income-generating activities and demonstrated how engaging the private sector around influence establishes a compelling value proposition that helps to mobilize increased revenue. This was exemplified in the achievements of the expanded and operationalized advocacy with business strategy, the strategic use of global moments to further partnerships and deepen engagement with multi-stakeholder platforms, and the exploration of public-private partnerships.

48. In 2023, significant progress was achieved with the advocacy with business approach in mental health, water security and climate change, providing examples of the integration of influence and income into a coherent strategy, which included the addition of health as a thematic area.

49. The UNICEF-led Global Coalition for Youth Mental Health welcomed two new companies in 2023, uniting six global business leaders to address the rising global burden of youth mental health and collectively investing over \$30 million. The advocacy with business climate strategy strengthened engagements with networks such as the United Nations Global Compact, the B Team, the Forum for the Future and the We Mean Business Coalition. The advocacy with business climate narrative informed most of the stakeholder discussions at COP28, including partnering with We Mean Business on a campaign with over 200 business signatures on phasing out fossil fuels. Water security achievements included high-level positioning for business action at the UN 2023 Water Conference, joining forces with other platforms and a global call to action at COP28. The business and community resilience approach continued to be implemented in seven countries, with an additional \$0.5 million secured for 2024.

50. The high-level week of the General Assembly, COP28 and the World Economic Forum Annual Meeting remained the flagship moments for advancing partnership and advocacy priorities, with an unprecedented level of engagement in UNICEF-hosted events and UNICEF participation in key events. These global events are now integrated into a wider marketing strategy to target high-value audiences, as well as a PFP-wide process – in consultation with regional offices, – to align on priorities and objectives for these annual key moments.

Outcome 3: Income and influence from public and private – Income and influence at scale for children and young people are accelerated through the public and private sectors working together on financing, leveraging and advocacy efforts

51. Working with technical experts in the National Committees and the Programme Group, PFP supported the Committees in aligning national child rights issues with UNICEF global priorities and amplified UNICEF global advocacy priorities at the national level. The National Committees advocated for children's rights, resulting in positive progress in policies, programmes, budgets and practices of Governments and other key stakeholders reported in 21 countries. In 2023, child rights education activities reached over 6 million children, almost 2 million children are enrolled in Child Rights Schools, and thanks to the Child Friendly Cities Initiative, 14.5 million

children are living in municipalities that have officially committed to the realization of child rights.

52. National Committees continue to play a crucial role in influencing the debate regarding the importance of official development assistance and facilitating and encouraging Governments' contributions to UNICEF.

53. UNICEF pursued partnerships with financial institutions and other catalytic donors, including private donors and investors, to broaden funding and financing sources through innovative and alternative financing instruments to address the diverse needs of children.

Output 3.1: Contributing to strengthened engagement in high-income countries

54. In 2023, National Committees made significant progress in advancing policy changes for children's rights, both domestically and globally, resulting in reported positive progress in policies, programmes, budgets and practices of Governments and other key stakeholders in 21 countries. For example, in Canada, the National Committee influenced the adoption of the Child Rights Impact Assessment (tool and e-learning course) by the Department of Justice, building on years of advocacy work. As a result, every new national law or policy will consider its impact on children's rights. Following devastating floods in August 2023 Slovenia, the National Committee successfully advocated for social protection funds to be prioritized and adjusted with inflation, preventing austerity measures that would have adversely impacted children. This is a reminder that protecting the gains made in children's rights is paramount, alongside advancing children's rights.

55. National Committees continued to advance UNICEF global advocacy priorities, with the strongest results in mental health (19 countries) and climate change (17 countries). In New Zealand, the Committee advocated for children and young people's mental health needs in domestic emergencies, which contributed to the Ministry of Social Development identifying mental health impacts in its long-term recovery approach plan. National Committees also played an instrumental role in their capitals ahead of COP28, influencing Member States to consider the unique and disproportionate impacts of climate change on children's health and well-being.

56. Child rights education activities reached 6 million children. On average, 16 per cent of the respondents in recent brand tracking across 25 countries with a National Committee presence had 'high' awareness of child rights, 42 per cent had 'medium' awareness, 33 per cent had 'low' awareness and 9 per cent had 'zero' awareness of child rights. Fourteen National Committees were implementing or planning to implement Child Rights Schools or similar models, currently involving over 6,300 schools and reaching nearly 2 million children.

57. In 2023, the Child Friendly Cities Initiative (CFCI) was implemented in 22 National Committee countries, with around 1,140 cities and municipalities recognized as UNICEF Child Friendly Cities. In Finland, the Republic of Korea and Spain, more than half of the children live in child-friendly cities. Through CFCI, National Committees contributed to successful local implementation of child-friendly policies and established mechanisms enabling children and youth to participate in local decision-making, including on local budget planning, urban planning and social services. New monitoring indicators were developed by UNICEF to support measurement of results on child-friendly local plans and budgets in CFCI municipalities.

Output 3.2: Development finance

58. UNICEF implemented the Today and Tomorrow Initiative, the first child-focused climate risk financing solution. The initiative aims to address climate change risks and in particular the impact of cyclones in eight at-risk countries: Bangladesh, Comoros, Fiji, Haiti, Madagascar, Mozambique, Solomon Islands and Vanuatu. One year since the pilot was launched, UNICEF secured more than \$100 million in cyclone risk coverage and received approximately \$4 million in parametric insurance payouts to respond to tropical cyclone-induced emergencies in six of the eight coverage countries.

59. The Division supported the Office of Innovation's Innovative Finance Hub in Helsinki and also lent support to the United States Fund for UNICEF in developing the Child-lens Investing Framework, with technical expertise and socialization with National Committees.

Outcome 4: Cross-cutting enablers – The UNICEF business model enables effective partnership and engagement to accelerate income and influence for children and young people.

60. In 2023, PFP enablers demonstrated their ability to support priority engagements to accelerate resource mobilization and rapidly changing business needs. The Division developed new business solutions to improve efficiency and identified opportunities to integrate approaches across several enablers as part of continuous improvement. The Division focused on innovation and capacity-building, utilizing internal communication and knowledge management platforms, and aligning workplanning and processes, systems and human resources to drive results. Additionally, PFP worked with National Committees to strengthen good governance practices and supported new markets, building country office capacity in private sector fundraising operations.

Output 4.1: Agile and responsive business model

61. The Division ensured that enablers were agile and responsive to the rapidly changing external environment, especially due to increasing humanitarian emergencies. The enablers supported all of the outcomes in the PFP office management plan to scale up private sector fundraising efforts globally, including on the use of new payments technology through multi-country payment service providers. Innovative global business solutions were implemented to continue to drive efficiencies. These included launching an updated fund remittance system linked to the UNICEF and National Committees' Customer Relationship Management system, and piloting a business-to-business programme as well as integration of UNICEF and National Committee systems.

62. In 2023, PFP strengthened risk management practices by focusing and proactively managing key strategic divisional risks. Data security remained a priority and significant efforts went into guiding UNICEF private sector fundraising country offices in meeting data security standards. In addition, enablers continued to provide robust partnership advisory and support services, helping UNICEF to make informed partnership decisions and minimizing reputational risks.

Output 4.2: Internal communication and staff engagement

63. The PFP internal communication and staff engagement strategy was implemented in 2023 to elevate the quality of engagement across the UNICEF private

sector ecosystem. As an enabler of the Strategic Plan, 2022–2025, internal communication increasingly played a key role in amplifying the voices of leadership, staff and National Committees, aligning strategic decision-making and supporting all areas of the organization to communicate on results, priorities and successes. In line with the global internal communication and staff engagement strategy, PFP increased audience-focused content, using the most effective digital workplace tools to support its work.

Output 4.3: Decentralized and empowered governance and oversight

64. In 2023, there was a continued focus on strengthening and supporting good governance practices and effectively mitigating risks, together with the National Committees. The Division continued to work in close partnership with and provide support to the National Committees to strengthen good governance and child safeguarding practices in their organizations, enabling results and supporting risk management in line with the agreed governance framework. Joint Strategic Plans included risk assessments and agreed governance strategies, including on child safeguarding, which were implemented in 2023.

65. Strategic collaboration, capacity development and knowledge-sharing initiatives supported intentional governance approaches by National Committees. Areas of focus included effective enterprise risk management, sustainability, crisis prevention and preparedness and National Committee board effectiveness.

66. The Division implemented the first private sector fundraising multi-country clusters to expand fundraising into new markets and contribute to the financial sustainability of UNICEF programmes. The three clusters, in Europe and Central Asia, Latin America and Caribbean, and South Asia, will be fully established and encompass 13 country offices in 2024. In total, the clusters fundraised \$6.3 million in 2023.

67. The Division continued to support country offices with the management, use and repayment of the World Bank financing instrument, and supported country offices investing through the Dynamo Revolving Fund, thus contributing to a sustainable and healthy growth of flexible revenue in country offices.

68. Further investments were made to drive excellence in PSFR and partnerships through talent and skills development, such as the Senior Staff Orientation, launch of the Fundraisers Excellence Programme and the PSFR Chiefs Learning Journey. In 2023, these programmes supported 55 country office fundraising talents in their professional development.

Output 4.4: Dynamic people and inclusive culture

69. Divisional human resources supported with the recruitment, development and retention of high-calibre staff to meet organizational needs. Refining application of the staff selection policy resulted in faster, more effective recruitments, with an average recruitment time of 44 days, well below the global target of 60 days. The Division continued to implement the learning strategy and relevant initiatives to support an enabling environment for staff learning, development and support. A key focus was to provide coaching to support staff development; 51 staff benefited from individual coaching with internal and external coaches in areas such as career, strengths, leadership skills and personal development. The global UNICEF-National Committee People and Culture Network, led by PFP, also continued to increase engagement in 2023, providing key insights and increasing visibility on evolving people and culture practices.

Output 4.5: Brand and marketing

70. UNICEF intensified efforts to position itself as the partner of choice with high-value audiences, and launched the Shape the Future marketing campaign in 2023. Markets were provided with communication and brand-building assets, supporting over 20 crises with media outreach and content, which enabled National Committees to effectively and efficiently source assets for their visibility and fundraising needs. Twelve thematic global PFP virtual experiences for high-value audiences, which included new prospects, had over 5,000 attendees. Storytelling increasingly became an important part of the high-value stewardship process to develop trust, engagement and inspiration leading to fundraising results, leveraging a peer-to-peer referral strategy via personal testimonial videos and other content assets featuring members of the UNICEF International Council.

Output 4.6: Evidence and knowledge management – Data, market and business intelligence

71. In 2023, PFP focused on robust and audience-centric evidence generation, experience and lessons capture and knowledge exchange, which provided inspiration and contributions to strengthen National Committee and country office campaigns and to drive innovations and new ways of working. The provision of media insights reached new heights with PFP securing a Gold AMEC (International Association for the Measurement and Evaluation of Communication) award for work that enabled PFP corporate partnership team's fundraising.

72. Capturing experiences and good practices was expanded through the inclusion of new categories on partnerships and advocacy in the Inspire Awards. The Knowledge Exchange Platform, which was rolled out in broader areas of fundraising and partnerships, documented approximately 150 cases.

C. Resource utilization

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

(a) The special purpose budget, which is funded by regular resources for investment and other private sector fundraising activities of PFP and its regional support centres in Amman, Bangkok, Nairobi and Panama; and the special purpose ceiling funded by other resources for fundraising activities in PSFR country offices.

(b) The institutional budget for development effectiveness and management activities.

(c) The forward flow agreement in partnership with the World Bank that raised additional funds for investment in private sector fundraising.

(d) The Dynamo Revolving Fund that was created to provide a sustainable investment mechanism for UNICEF country and regional offices to drive private sector fundraising growth.

74. In its decision 2023/5, the Executive Board approved a special purpose budget funded by regular resources of \$160.3 million, comprising investment funds of \$85 million and other private sector fundraising costs of \$75.3 million, and the establishment of an other resources ceiling of \$66.0 million. The institutional budget allotment to PFP for 2023 totalled \$14.5 million.

1. Activities funded by regular resources

Investment funds – Special purpose

75. Investment funds allow PFP, working with the National Committees and country offices, to strategically invest in donor retention, quality and acquisition. In 2023, the available resources were directed to the most-rewarding opportunities that could grow regular resources revenue and further develop critical regular resources revenue streams, such as pledge and legacy fundraising, including through digital fundraising activities.

76. Investment fund expenditure in 2023 totalled \$89.8 million and was above the approved budget by \$4.8 million (5.6 per cent).

77. Investment funds allocations to the National Committees totalled 79 per cent of the total allocations, 2 per cent was allocated to country offices and 19 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 34 markets for fundraising activities in National Committee countries and UNICEF country offices. This compares to 2022, when investment funds were allocated to 36 countries.

Fundraising activities – Special purpose

78. The budget for fundraising activities was increased in 2023 by \$2.7 million to \$75.3 million. Expenditure on other fundraising activities in 2023 totalled \$69.9 million, which represented 92.8 per cent of the approved budget. The underutilization of \$5.4 million (7.2 per cent) was a result of savings from vacant posts.

79. Expenditure on fundraising activities comprises the cost of the technical expertise provided by PFP in global fundraising support to the National Committees (\$40.3 million) and country offices (\$8.8 million); marketing and communications (\$9.9 million); engagement with the private sector (\$8.1 million); and procurement (\$1.3 million). Significant components of the cost of global fundraising support are technical expertise on individual giving, corporate partnerships and global philanthropy.

Institutional budget

80. The institutional allotment for development effectiveness and management activities totalled \$14.5 million in 2023, an increase of \$0.9 million compared to 2022. 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 \$2.8 million (19.3 per cent) comprised savings from vacant posts which, based on UNICEF policy, are retained and managed centrally.

2. Other funding types

Fundraising activities – Other resources

81. 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.

82. Expenditure on other fundraising activities totalled \$73.0 million in 2023 compared to the approved ceiling of \$66.0 million, while total revenue raised by country offices exceeded the budget by \$97.4 million.

World Bank instrument

83. During 2021–2023, 24 countries benefited from the World Bank financing facility, with \$4.4 million utilized in 2023 from the current year commitments. These 24 country offices have raised \$382.5 million in revenue from pledge donors since implementation of the instrument in 2021, with \$150.9 million raised during 2023.

Dynamo Revolving Fund

84. The Dynamo Revolving Fund was created to provide a sustainable investment mechanism for UNICEF country and regional offices to drive private sector fundraising growth. In total, \$30.5 million was utilized from the Dynamo Revolving Fund for fundraising growth in country and regional markets during 2023. The Dynamo Revolving Fund is not part of the PFP budget and therefore is not reported in the annex to this report.

D. Net surplus

85. The net private sector surplus, which comprises an integral part of the resources available for the work of UNICEF, was \$1.83 billion in 2023, or 12.2 per cent higher than planned, and \$580.6 million, or 24.1 per cent, lower than in 2022. The net private sector surplus represents 88.2 per cent of the private sector revenue. The net surplus ratio in 2023 was higher compared to the 2023 budget of 87.1 per cent, but lower compared to the prior year rate of 90.2 per cent.

E. Strategic shifts

86. The Division, together with the National Committees for UNICEF and UNICEF country offices and multi-country clusters, 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, through the PFP office management plan, which comprises of four outcomes:

- (a) income;
- (b) influence;
- (c) income and influence from public and private;
- (d) cross-cutting enablers.

87. Embedded within the framework of the four outcomes, PFP will maintain its focus on the following six strategic shifts:

- (a) scaling up digital fundraising;
- (b) optimizing major donor engagement;
- (c) developing effective strategies for fundraising growth in new markets;
- (d) scaling up financing for children;
- (e) continuing to mainstream working with business;
- (f) contributing to strengthened engagement by UNICEF 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 2023 ([E/ICEF/2024/AB/L.7](#)).
2. *Also takes note* that the revenue figures presented in this report are subject to external audit and that the non-financial results are indicative.

Annex

Revenue and expenditure, 2022–2023

	2022 actual			2023 approved budget			2023 actual			2023 actuals vs. 2023 approved budget	
	Regular resources	Other resources	Total	Regular resources	Other resources	Total	Regular resources	Other resources	Total	Amount	Percentage
<i>(in millions of United States dollars)</i>											
Private-sector revenue											
Revenue from licensing	4.8	-	4.8	-	-	-	2.1	-	2.1	2.1	0.0%
Private-sector fundraising revenue	708.2	1 955.8	2 664.0	758.2	1 110.8	1 869.0	732.7	1 334.3	2 067.0	198.0	10.6%
National Committees	679.3	1 552.0	2 231.3	728.4	791.5	1 519.9	700.6	919.9	1 620.5	100.6	6.6%
Country offices	28.9	403.8	432.7	29.8	319.3	349.1	32.1	414.4	446.5	97.4	27.9%
Other revenue	-	-	-	-	-	-	-	4.0	4.0	4.0	0.0%
Total private-sector revenue	713.0	1 955.8	2 668.8	758.2	1 110.8	1 869.0	734.8	1 338.3	2 073.1	204.1	10.9%
PFP expenditure											
A. Development effectiveness:	4.1	-	4.1	5.0	-	5.0	4.0	-	4.0	(1.0)	-20.0%
National Committee relations	4.1	-	4.1	5.0	-	5.0	4.0	-	4.0	(1.0)	-20.0%
B. Management:	6.7	-	6.7	9.5	-	9.5	7.7	-	7.7	(1.8)	-18.9%
Director's Office and Strategic Planning	1.4	-	1.4	1.7	-	1.7	1.4	-	1.4	(0.3)	-17.6%
Finance and Operations	5.3	-	5.3	7.8	-	7.8	6.3	-	6.3	(1.5)	-19.2%
C. Special purpose:	148.6	97.9	246.5	160.4	66.0	226.4	159.7	73.0	232.7	6.3	2.7%
Fundraising	36.4	-	36.4	42.4	2.0	44.4	39.4	0.9	40.3	(4.1)	-9.2%
Country office support	7.9	0.7	8.6	8.4	-	8.4	8.8	-	8.8	0.4	4.8%
Country office direct fundraising costs	2.1	61.0	63.1	3.0	64.0	67.0	2.4	72.1	74.5	7.5	11.2%
Marketing and communication	9.3	-	9.3	12.1	-	12.1	9.9	-	9.9	(2.2)	-18.2%
Procurement	1.2	-	1.2	1.6	-	1.6	1.3	-	1.3	(0.3)	-18.8%
Private sector engagement	7.3	0.2	7.5	7.9	-	7.9	8.1	-	8.1	0.2	2.5%
Investment in fundraising*	84.4	36.0	120.4	85.0	-	85.0	89.8	-	89.8	4.8	5.6%
Total PFP expenditure	159.4	97.9	257.3	174.9	66.0	240.9	171.4	73.0	244.4	3.5	1.5%
National Committees licensing/sales expenditure	0.9	-	0.9	-	-	-	0.3	-	0.3	0.3	0.0%
Impairment	1.2	1.3	2.5	-	-	-	1.1	(0.2)	0.9	0.9	0.0%
Net private sector surplus	551.5	1 856.6	2 408.1	583.3	1 044.8	1 628.1	562.0	1 265.5	1 827.5	199.4	12.2%

* Investment in fundraising: The column titled "2023 actual" represents expenditures of private fundraising and partnerships investment funds in the regular resources column.