Update on the context and trends

For UNICEF’s Public Partnerships Division (PPD), 2021 was largely a continuation of 2020. Despite the increasingly challenging fundraising environment, with more conditionalities from donors, as well as greater number and complexity of risks, PPD successfully led UNICEF’s public sector resource mobilization efforts in 2021, delivering a record-breaking year of fundraising, and making important strides in terms of influencing public sector partnerships for greater results for children. In close collaboration with other UNICEF divisions, PPD managed to secure an overall boost in flexible thematic and multi-year contributions in 2021, including a doubling of flexible humanitarian thematic Funds, which are essential in responding to crises.

In the face of the continued global economic downturn and uncertainty created by COVID-19, UNICEF successfully mobilized resources in 2021 reaching the highest ever total (public + private) income of over $8.1 billion (73 per cent from public sector), an increase by 13 per cent from 2020 – this increase was mainly driven by an increase in earmarked other resources (OR) income, particularly in response to four priorities: COVID, ACT-A, Afghanistan, and Yemen. Together with other UNICEF Divisions, Regional (RO) and Country Offices (CO), PPD mobilized a total of $5,924 million in public sector contributions received (from governments, intergovernmental organizations and interorganizational arrangements), an increase of $473 million (up 9 per cent) from 2020. Contributions from the World Bank and other development banks reached $472 million in 2021 and thematic funding as a share of other resources (OR) increased from 8 per cent in 2020 to 12 per cent in 2021. To sustain this level of results in a difficult fundraising environment, maintaining and growing UNICEF’s level of resources requires a significantly greater investment of staff time and effort across the organization, including PPD – and ultimately, a greater financial investment by UNICEF – than it did prior to the COVID-19 pandemic.

At the same time, the ratio of Regular (core) Resources (RR) to UNICEF’s total overall income continues to show a decreasing and worrying trend. As the COVID-19 pandemic has illustrated, core resources are of critical importance to UNICEF. In this uncertain funding environment, where some governments have chosen to cut core funding to the United Nations development system, greater investments by OECD-DAC partners and new investments by non-DAC partners, including programme country partners, are even more critical to UNICEF being able to fulfil its mandate for all children, to achieve the Sustainable Development Goals and to win back development gains that have been lost due to the pandemic. Greater investments by government partners are needed to meet the funding compact commitment of bringing core resources to a level of at least 30 per cent by 2023. Inadequate core funding means that the critical resources needed to adapt to the evolving needs of children; to support efforts to modernize, streamline and innovate; and to implement critical risk management initiatives, including protection from sexual exploitation and abuse, are falling significantly short. The diverging trends of decreasing RR and increasing OR in relation to total income puts a strain on how UNICEF delivers its mandate for children.

In 2021, PPD—the knowledge leader within UNICEF at global level on partnerships for resource mobilization and leveraging with the public sector—successfully strengthened and broadened UNICEF’s partnership base and engaged in policy advocacy with Member States, leading to meaningful participation of children and youth in intergovernmental fora such as the UN General Assembly. PPD continued to mobilize 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. Following the record-breaking fundraising year in 2020, PPD came together both at the level of individual teams and as an entire Division to share the burden and support each
other to achieve yet another year of record-breaking results in 2021.

**Major contributions and drivers of results**

**Income and influence from OECD DAC partners**

In 2021, PPD secured new funding commitments and cultivated existing commitments from partners belonging to the Development Assistance Committee of the Organisation for Economic Development and Cooperation (OECD DAC). Given competing needs due to the COVID-19 response, collaboration with major partners to secure new funding commitments was crucial for UNICEF to continue to deliver results for children all over the world. The record-breaking income levels demonstrate UNICEF’s position as a partner of choice for key OECD-DAC partners, both for humanitarian action and development programming. Increased levels of funding, including highest-ever amounts of emergency funding, were secured from traditional partners including the Governments of the United States, Australia, New Zealand, Spain, France, Germany, Japan and the Republic of Korea. High-quality RR funding constituted more than 16 per cent of the $2 billion received from European government partners. Other high quality funding partnerships were secured in 2021 as well, including an expansion of fully flexible country thematic (‘CPD’) Funding from the Government of Sweden; new country-level thematic Funding from the Government of Germany, including large scale support to the UNICEF Afghanistan country office across five thematic Windows; as well as – for the first time - predictable and flexible funding from the European Union.

**Income and influence from non-OECD DAC partners**

Resource contributions from countries that are not members of the OECD DAC and programme countries represent valuable partnerships for UNICEF. RR contributions from non-OECD DAC partners reached $5 million in 2021. In addition, UNICEF received $17 million of in-kind contributions as rental of premises from non-OECD DAC partners.

Despite negative socio-economic impacts of COVID-19 and the fall in oil prices, building on UNICEF’s strong relationship with countries in the Gulf region, PPD achieved several important outcomes in resource mobilization, including close to $14 million for RR and OR and $50 million in-kind from the United Arab Emirates for COVAX. The Kingdom of Saudi Arabia and the United Arab Emirates contributed $72 million through the Yemen Relief Fund. Resources were also mobilized from programme countries, including from the Government of Sudan of over $6 million for immunization programmes.

In 2021, PPD increased internal capacity to support countries within the Global South and increased the capability to scale up partnerships, as seen through the example of the India-UN Fund. PPD was instrumental in significantly expanding UNICEF's access to the Fund in 2021, amounting to $2.3 million received for three projects, which demonstrates a significant scale-up in the mobilization of resources from this South-South funding window. PPD’s support in these India-UN fund projects – which provided valuable additional resources for COVID response – also resulted in critical systems improvements in the management of the Fund.

**GPPs and IFIs**

PPD led the acceleration of UNICEF partnerships with International Financial Institutions (IFIs) in 2021. The year saw unprecedented strategic engagement with IFIs which resulted in strengthened relations with key IFI influencers and leaders to champion UNICEF priorities. UNICEF has now opened new, targeted, and innovative communication channels to effectively leverage IFI policies and programmes to deliver results for children and families, and position UNICEF as a partner of choice. New legal frameworks and templates with Regional Development Banks (RDBs) were developed, which set a foundation for future resource mobilization and strategic engagement with RDBs. These frameworks are an important first step to facilitate future partnerships and accelerate
engagement with IFIs.

A total of 73 agreements, with a value of over $1 billion, were signed with the World Bank to support COVID-19 response and recovery in 2021. The majority of the agreements were for COVID-19 vaccine procurement, delivery, readiness as well as human development initiatives. This has positioned UNICEF as a credible and capable partner in helping countries achieve a green, resilient, and inclusive recovery. Looking ahead to 2022, there are 22 draft agreements (valued at $564 million) in the pipeline for projects in 19 countries (15 in Africa). These agreements are strictly related to COVID-19 vaccines, diagnostic, and therapeutics.

PPD also continued to lead the deepening of UNICEF’s engagement in Global Programme Partnerships (GPPs). In 2021 GPPs provided $460 million in funding which accounted for nearly 10 per cent of UNICEF income from public sector partners in 2021.

Advocacy
Throughout 2021, PPD made important strides for child issues, with strategic advocacy and engagement with the public sector, advancing children’s rights globally via ongoing dialogue and engagement with partners at all levels, including in a first-ever Children and Youth Forum (CY21), and high-level political processes such as G20, G7, COP26 and UNGA.

Building on the climate change advocacy priority identified in 2020, PPD contributed to a tripling of the number of UN Member States aligned to the Declaration on Children, Youth and Climate Action; and, a first-ever meeting of the Group of Friends (GoF) of Children and the SDGs on child rights and climate change, followed by a statement at COP26 by the GoF, aligned by 61 Member States, explicitly calling for a decision regarding children and youth participation in Action for Climate Empowerment (ACE) negotiations. Finally, continued PPD outreach to Member States helped to ensure support for the first Human Rights Council resolution on the Human Right to a Healthy Environment, which was adopted by the Human Rights Council (resolution 48/13).

For the first time, the PPD Advocacy Hub organized, in collaboration with ROs, Programme Group (PG) and Private Sector Fundraising and Partnerships division (PFP) two Voluntary National Review (VNR) Clinics aimed at providing practical ideas, guidance, tools and best practices for creating child-sensitive and child-inclusive VNRs and more broadly, to advance the SDGs for and with children.

The impact of UNICEF’s joint advocacy with the African Union (AU) on reimagining education in Africa was strong in influencing 54 AU Member States with economic, social and political priorities. The engagement with the Ministers of Education championing education at the AU led to the adoption of key recommendations on education in Africa and laid the groundwork for advocacy and policy influencing goals in 2022-2023. Driven by PPD, this work led to an agreed advocacy roadmap on education between UNICEF and the AU, to give visibility to children’s access to quality education and promote progress towards SDG4 in 2030 and to Agenda 2063.

Similarly, the EU Strategy on the Rights of the Child adopted in March 2021 firmly positions the EU as a global player on child rights, and further recognizes the imperative of children’s participation as key to both the EU’s internal and external policy agenda. The adoption of the Child Rights Strategy is a direct outcome of PPD advocacy and political/policy engagement with the Commission, key EU institutions and EU working parties (Member States), and the Slovenian and Portuguese presidencies. Eighty per cent of UNICEF’s recommendations were incorporated in the strategy with concrete actions for their implementation. It is also the first-ever EU high-level policy which: (a) consulted children (over 10,000 of them!); and (b) commits to engaging children in the monitoring of its implementation. UNICEF’s technical expertise and assistance both for the Strategy and the EU-AU summit, firmly positioned UNICEF as an ‘agency of choice’ in facilitating child and adolescent participation.
Coordination and leadership within humanitarian and UN Development System (UNDS)

PPD continued to play a key role within the organization in terms of coordination and leadership within the UNDS and humanitarian fora. As part of the UNDS reform, PPD coordinated UNICEF’s position in the new Management Accountability Framework (MAF) internally and with other agencies and provided strategic guidance on its implementation across the organization. The MAF is the foundational document for UNICEF COs’ engagement with UN Country Teams (UNCTs) and UN Resident Coordinators (RCs). Ensuring UNICEF’s position was heeded during the development of the document will have a long-term impact on how UN coherence processes can make a difference for children. PPD’s continued support to UNICEF’s executive management on key UN coherence processes and coordination mechanisms has allowed UNICEF to steer top level UN-wide workstreams and thus promote child-focused SDGs at inter-agency level.

The PPD humanitarian team acted as a key engine for the resource mobilization for UNICEF’s largest-ever Humanitarian Action for Children (HAC) appeal (2021), coordinating an organization-wide effort to mobilize adequate resources for humanitarian response, resulting in $2.96 billion in funding for the HAC appeal. With $1.34 billion available from the previous year, the 2021 appeal was 60 per cent funded.

Another important area of work was around the prioritization of humanitarian resource mobilization strategies and pitches/products which were the key enablers for successful resource mobilization in 2021. This resulted in an overall boost in flexible thematic and multi-year contributions in 2021, which are essential in responding to crises. Humanitarian thematic funds (country, regional and global) reached $410 million, or 14 per cent of overall commitments, which is more than double the year before, out of which Global Humanitarian Thematic Funding (GHTF) – UNICEF’s most flexible resources after regular resources – raised US$39 million, a 25 per cent increase from 2020.

To improve knowledge sharing and management as well as capacity development, PPD also launched a ‘one-stop-shop’ online platform (‘PPD Emergencies’) in 2021, which aims to provide critical support to CO, RO and HQ colleagues on resource mobilization and partnerships in emergencies. Populated with useful resources and the latest updates on the emergency resource mobilization and humanitarian financing, PPD contributed to strengthening capacities and partnerships across all levels of the organization.

COVAX ACT-A

In addition to existing priorities in 2021, PPD adapted well to the organizational priority to support COVAX and vaccine procurement and delivery. PPD played a key role in the COVAX/ACT-A initiative within UNICEF by working in tightly integrated ways across PPD teams; across HQ divisions and managing fast-moving and challenging issues around funding flows, visibility, and reputational risk. In 2021, PPD mobilized almost $500 million towards the 2021 ACT-A HAC fundraising target, with the top five public sector contributors being Gavi and the Governments of Japan and Germany. $458 million was raised in 2021 from public partners for the ACT-A SFF (from Australia, Canada, Republic of Korea, Denmark, ASEAN Secretariat, the UK and Sweden). Looking ahead to 2022, PPD has already secured almost $240 million in funding against the ACT-A HAC, which has a target of $933 million.

Enablers to Achieve Results

To be able to continue to deliver results for the organization and as a result of the constrained donor environment – including an increase in conditionalities and earmarked emergency funding – PPD made a strategic decision in 2021 to increase the focus on flexible funding resource mobilization and risk management.

Building on the RR acceleration strategy developed in 2020, PPD broadened the scope in 2021 to a flexible funding strategy, encompassing both RR and Thematic funding. In a cross-cone partnership,
PPD worked closely together with PFP and the Division of Global Communication and Advocacy (DGCA) with the objectives to spark the beginnings of increased fundraising for flexible resources with donors and partners across all audiences, and to deepen the understanding of RR and Thematic funding within UNICEF and what is required to mobilize and sustain these types of high-quality funding. Together with PFP, PPD rebranded the investment case on the impact of flexible resources for the new Strategic Plan; implemented an integrated country approach in key markets through joint engagement plans for the public and private sectors; and accelerated targeted marketing with select governments and high priority private sector partners to reach stretch targets for RR and Thematic funding. As a result of this expanded strategy, the executive leadership in UNICEF now have consistent messages on flexible funding being a top priority. The organization improved and increased the development of flexible funding content throughout the year, including streamlining of reports (RR report, new thematic narrative and Global Annual Results Reports) as well as new multi-media assets and several investment cases on various flexible funding modalities. Additionally, PPD together with PFP and DGCA, organized several capacity-building exercises across the organization, to strengthen flexible funding partnership management and fundraising. So far, the strategy has yielded some results as Thematic funding increased by 73 per cent in 2021 compared to 2020 (from $438 million to $756 million) and 2021 saw first-time RR partners such as the Governments of Latvia and Lithuania and a high-level of support from the Government of Germany (a continuation of the increase in 2020).

The concerted effort to focus on Risk Management for PPD, together with the Division of Finance and Administration (DFAM) and the Office of Internal Audit and Investigation (OIAI), that began in 2020 continued in 2021. Looking back at the last several years, particularly during the pandemic, there has been a vast increase in the number of strictly earmarked grants with a subsequent increase in donor conditionalities. For an organization like UNICEF, with more than $8 billion in annual income, investment in risk mitigation is essential. As such, in 2021, PPD continued to invest in strengthening and operationalizing risk management. A model was developed to ensure a holistic risk management approach, and to mitigate potential reputational risks for PPD and UNICEF. As part of this, a risk register was established; an internal interdivisional working group on contributions management was created; capacity building webinars and one-on-one advisory support to PPD teams were organized; and bi-weekly meetings with other key stakeholders (including OIAI) were established. The division is currently working on finalizing an analysis of conditionalities in framework agreements to map future potential risks.

**Lessons Learned and Innovations**

**Lessons Learned and Challenges**

The main challenge for PPD in 2021 was the existing donor landscape, namely the lack of RR support and increased earmarking and conditionalities. Because of the COVID-19 pandemic, PPD had to pivot on existing priorities, forcing us to become more agile and quick in our strategic shifts, which again reaffirmed the importance of risk management. The years 2020 and 2021 have been valuable in terms of learning for the future. In that regard, and despite the external challenges, PPD still managed to secure record-breaking levels of fundraising. These past two years have made us more risk-resilient and risk-aware; we now have systems in place, coordinated with other parts of the organization, to quickly identify, address and manage risks.

While public partners remain largely supportive of the goals of ACT-A, and as the ACT-A launches its $23.4 billion fundraising campaign for 2022 in early February, it will be critical to ensure that UNICEF has adequate capacity to represent the interests of children and position itself strategically in this complex partnership framework, where there are both opportunities for synergies and competing interests across the agencies.

During 2021, PPD managed both internal and external transitions – with many new staff, including at
senior management level. Given the organization’s focus on efficiency, internal collaboration with other offices is going to be key moving forward. To maximize results and expertise and minimize duplication and wasted effort, PPD needs to continue the strides taken in 2020 and 2021 to improve collaboration across the organization, with HQ divisions, regional offices, and country offices alike. This has begun, in earnest, with PFP, including a joint/shared outcome, in our respective Office Management Plans (OMPs) and sharing of resources.

PPD needs to improve on managing expectations within the organization, including by being clearer on what we can deliver on and what should be de-prioritized, for example on how and when we invest time and effort in large high-scale events. Similarly, PPD continues to spend a lot of time and energy on managing donor reporting. The Division is working with others to find efficiencies, including tailoring of the UNICEF Donor Reporting Portal, and we are aiming to improve on the donor reporting processes for the new Strategic Plan.

Finally, a clear lesson learned from the past two years of uncertainty due to the global pandemic is that stronger strategic planning will be required to better address and plan for uncertainties.

**Innovations**

PPD spearheaded the organization’s efforts to improve internal financial systems for better tracking, monitoring, and reporting of resources, including by improving the system development of income forecasting as well as on resources utilized for humanitarian action. This helps to strengthen our credibility with and accountability to partners. An important development launched in 2021 to make UNICEF’s systems fit for purpose was the creation of the ‘SH’ grant. In addition to the existing emergency and development grants, PPD led the development of the new SH grant that will be premiering in 2022 to serve as a third option to create development grants that support the HAC ceiling. The new SH grant modality will allow UNICEF to create grants for contributions that come from development partners (development budgets) but support UNICEF humanitarian response. SH grants will serve to help accurately report on how much funding is contributing to our emergency responses while giving the appropriate recognition of donors in our global reporting. This will greatly improve the connection between results and resources received to achieve it.

PPD also continued to digitize parts of the division’s portfolio, including by launching an organization-internal funding dashboard, leading on the rollout of UNISON (Salesforce) within UNICEF and taking steps to move donor reporting (Funding Compendium and Global Annual Results Reports) from print to online.