Update on the context and trends

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.

The resource mobilization landscape in 2022 was marked by continued global economic slowdown and the lingering impact of the COVID-19 pandemic, coupled with international crises such as the war in Ukraine. Despite this challenging environment, characterized also by increasing conditionalities from donors, as well as greater number and complexity of risks, PPD successfully led UNICEF’s public sector resource mobilization efforts in 2022, contributing to another record-breaking year with US$9.3 billion in total income, including US$6.5 billion from the public sector, and making important strides in terms of influencing public sector partnerships.

However, UNICEF’s record-breaking income trend has come with the worrisome and continuing decline in the Public Sector proportion of Core Resources for Results (RR) to total Public Sector income from 9 per cent in 2021 to 8 per cent in 2022. This downward trend in the RR ratio is due mainly to a more rapid rate of growth in OR driven by unprecedented emergency needs. As the COVID-19 pandemic has illustrated, core resources are of critical importance to UNICEF. Unfortunately, in 2022, governments moved even further away from their 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.

Other factors affecting RR income have been the delays in payments of RR contributions by several governments and volatile exchange rates that negatively impacted non-US$ income. Indeed, more than half of Public Sector contributions are received in non-US$ currencies, and public sector income in 2022 has been severely hit by foreign exchange (FX) losses: overall FX loss on public sector income was US$67.6 million, of which US$25.5 million was in RR).

In terms of leveraging influence, in 2022, as a knowledge leader within UNICEF on partnerships for resource mobilization and leveraging with the public sector, PPD welcomed the growing appetite of its public sector partners, and particularly Member States, to engage in policy advocacy, leading to meaningful participation of children and youth in intergovernmental fora such as the UN General Assembly. 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.

Despite already constrained human and financial resources, the Division also demonstrated solidarity with other parts of UNICEF by deploying personnel to support corporate priorities, including multiple staff to boost UNICEF’s humanitarian action in response to the impacts of the war in Ukraine and the floods in Pakistan.

Major contributions and drivers of results

The role of the Public Partnerships Division is to set the strategic direction for global public partnerships, advocate for child rights in policies, programmes and resource allocations, manage relationships with public sector partners and continuously gather partner intelligence, and finally
provide guidance to other parts of UNICEF regarding public sector resource mobilization and management.

1. **Sustaining and growing public sector income**

In the face of the continued global economic slowdown and the lingering impact of the COVID-19 pandemic, coupled with crises such as the war in Ukraine, in 2022, UNICEF reached its highest-ever income of over US$9.3 billion (70 per cent from public sector), an increase by 15 per cent from 2021. This significant increase was mainly driven by a rise in earmarked other resources (OR) income, predominantly for COVID-19/ACT-A, Afghanistan, and Ukraine responses.

UNICEF public sector income comprises five different 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. Together with other UNICEF Divisions, Regional (RO) and Country Offices (CO), PPD mobilized a total of US$6.5 billion in public sector contributions in 2022, an increase of 10 per cent compared to 2021. Bilateral engagements and advocacy efforts with key partners were successful in securing the continuation and increase of commitments, including from the United States (US) and Germany, each contributing US$1 billion or more to UNICEF in 2022. The comparative advantages of UNICEF have also helped position the organization as a key partner for International Financial Institutions (IFI) projects, resulting in steady increases in resource mobilization, which amounted to over US$1 billion worth of signed agreements in 2022.

Of the total US$6.5 billion of public sector income in 2022:
- US$4.5 billion was received from OEDC-DAC partners;
- Nearly US$60 million came from non-OECD-DAC partners;
- Over US$760 million was provided by IFIs;
- Over US$750 million came from GPPs; and,
- Over US$470 million was received through UN Joint Programmes.
- US$494 million was Core Resources for Results (RR) (accounting for 8 per cent of total public sector income);
- US$3.3 billion was in Other Resources – Regular (ORR) (accounting for 51 per cent of total public sector income); and,
- US$2.7 billion was Other Resources – Emergencies (accounting for 42 per cent of total income from the sector).
- Both ORR and ORE income increased 12 per cent compared to 2021.

In terms of quality funding, PPD’s engagement contributed to partners such as Qatar and Switzerland increasing their RR contributions in 2022. Germany also provided supplemental RR for a second year in a row. PPD was instrumental in these results as the Division followed Germany’s budget negotiation process throughout 2022, and coordinated UNICEF’s high-level engagement with Germany’s parliament, making the case for UNICEF’s global mandate. Focused advocacy efforts also resulted in a resumption of RR contributions from Spain, after a one-year hiatus, and in maintaining levels of core support from Denmark, Finland, Ireland, the Netherlands, Norway, Sweden and the United Kingdom (UK). In the case of Norway and Sweden, despite earlier indications of cuts to core resources, PPD proactively engaged with its counterparts in MFAs to highlight the impact of cuts on the most vulnerable children. PPD developed partner engagement and advocacy action plan and steered organization-wide efforts to protect core resources in close collaboration with internal and external stakeholders including National Committees and UN agencies.

Other high-quality partnerships were secured in 2022 with regards to thematic funds, for both humanitarian and non-humanitarian thematic pools. Nordics partners maintained their support to global thematic funds, as well as the new Country Programme Document (CPD) modality, which is fully
flexible at the country level. PPD’s continued advocacy for flexible multi-year humanitarian funding, in line with commitments to the Grand Bargain, contributed to a first-time contribution from Germany to UNICEF’s Global Humanitarian Thematic Fund.

In 2022, UNICEF’s **Humanitarian Appeal for Children** (HAC) reached a record ask of US$11.7 billion, as well as record funding levels of US$4.2 billion (an increase of 41 per cent). In 2022, humanitarian funding from Public Sector donors increased by 27 per cent compared to 2021 and constituted 74% of the total funding received. 57 per cent of public sector humanitarian funding was earmarked for four emergencies: ACT-A, Afghanistan, Ukraine, and Syrian refugees. Robust engagement and advocacy efforts by PPD resulted in public sector partners such as Gavi, Germany, Italy, the UK and the US increasing their ORE funding levels by as much as two-fold compared to 2021 in some cases. PPD was also instrumental in contributing to resource mobilization efforts through improved coordination across UNICEF and direct support to Country and Regional offices vis-à-vis capacity building and systems strengthening. PPD directly supported four emergencies, assigning staff, sometimes more than one, to provide full-time strategic humanitarian resource mobilization support (Horn of Africa, Pakistan, Sahel and Ukraine emergencies).

Through the **Access to COVID-19 Tools Accelerator** (ACT-A) HAC Appeal, PPD continued to support resource mobilization and advocacy for COVID-19 response from a range of public partners in 2022. More than US$880 million was raised in 2022 and used for COVID-19 vaccines, testing, treatment, PPE rollout and related risk communication and community engagement, as well as health systems strengthening. Some 92 per cent of this support came from the public sector, including from Gavi, the Vaccine Alliance.

2. **Influencing public policy decisions and building strategic engagement**

Throughout 2022, PPD made important strides in **influencing public sector partnerships** for greater results for children. The Division successfully strengthened UNICEF’s partnership base and 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 such as the UN General Assembly (UNGA), the High-Level Political Forum (HLPF), and high-level political processes such as G7, G20 and COP27. PPD serves as the Secretariat for the Group of Friends (GoF) on Children and SDGs, working hand-in-hand, year-round on mainstreaming children’s issues in high-level intergovernmental processes among UN Member States. In 2022, the final HLPF Ministerial Declaration took directly into consideration elements from a joint statement by the GoF on foundational learning, part of UNICEF’s advocacy agenda on education. Additionally, for a second consecutive year, the GoF built on previous advocacy regarding children and climate action with the Prime Minister of Luxembourg delivering a joint statement at COP27.

For PPD and UNICEF, a key result of the UN General Assembly 2022 was the **Transforming Education in Africa (TEiA) High-Level Side Event** in which nine African Heads of State or Government participated, together with UNICEF’s Executive Director and other key partners. The concrete outcome was the adoption of the political Declaration on “Transforming Education in Africa” which identified 12 areas of commitment from African Member States. A Youth Manifesto aimed at transforming education in Africa was also presented and endorsed by the Heads of State and the African Union Commission. This laid the foundation for the declaration at the 36th African Union Summit that 2024 will be the AU Year of Transforming Education in Africa. The TEiA Political Declaration was also endorsed more broadly at the AU Summit at which Member States, Regional Economic Committees and development partners were all “called upon” to implement the Declaration.

In addition, PPD led UNICEF’s **strategic advocacy and high-level engagement with the European Union (EU)** regarding the EU Strategy on the Rights of the Child. This strategy was endorsed by all
EU Member States in June 2022 and PPD advocacy and political engagement with the Commission, key EU institutions and presidencies was also instrumental in the 2021 adoption, where 80 per cent of UNICEF’s recommendations were incorporated. The Strategy provides a comprehensive policy framework for children’s rights, bringing all existing and future EU actions and policies under a single umbrella opening the door for country-level engagement with the EU on child-sensitive programmes and children’s agency. It presents a great opportunity to leverage the EU’s global role to help realize child rights everywhere and deliver on the 2030 Agenda. This result is the direct outcome of joint work with the French National Committee and PPD around the Council Presidency and demonstrates direct return on investment and effectiveness of the PPD, PFP and National Committees’ teaming-up approach across the UNICEF Partnerships Cone.

In 2022, UNICEF continued to promote South-South and triangular cooperation (SSTC) to support adaptation of local solutions and technology as well as resource mobilization from global South countries. Sixty per cent of UNICEF country programmes reported engaging in South-South cooperation in 2022 and PPD’s expertise and facilitation role has been key to provide SSTC capacity building and meaningful engagement with partners. With the signature of an MoU in September, PPD also formalized UNICEF’s partnership with the AU Development Agency/New Partnership for Africa’s Development (AUDA-NEPAD) to promote demand-driven SSTC from Africa and to support resource mobilization, ultimately contributing to the promotion of child rights on the continent.

Advocacy and thought leadership were the main drivers of UNICEF’s strategic engagement in 2022. PPD facilitated high-level engagement with the public sector to advance shared-value and meaningful partnerships. In the Republic of Korea (RoK), the UNICEF Executive Director (ED) participated in high-level events on climate, positioning UNICEF as a partner of choice to deliver climate-related actions and results for children and their communities. In Japan, PPD, in collaboration with the Parliamentary League for UNICEF, continued to harness the political commitment to support child rights through visits by UNICEF’s ED and DED to the country, culminating with a meeting between ED Russell and Prime Minister Kishida. In cooperation with the Japan Committee for UNICEF, the League led the movement to enhance Japan’s policies to protect children, and safeguarded Japan’s continued funding to UNICEF. PPD also successfully positioned nutrition as a top US Government (USG) policy and resource priority at the center of the USG’s high-level food security initiative. Increased high-level engagement with three levels of government in Spain served to establish sophisticated partnerships for the mapping of school connectivity and multi-year funding of the Giga Technology Center in Barcelona’s tech hub. Finally, ED Russell’s interventions at events such as the Forum of Small States increased her and UNICEF’s exposure and interactions with over 60 small states, and helped build a trusted relationship with Permanent Missions to the UN, positioning UNICEF as a trusted partner.

In 2022, PPD supported UNICEF’s leveraging and influencing work with International Financial Institutions (IFIs) to shape global policies and investments that improve development outcomes. PPD worked with teams across the organization to ensure that considerations for the benefit of children were included in the respective strategies of various IFIs (e.g. the IMF’s Mainstreaming Gender Strategy). Furthermore, PPD also helped shape the design of financial tools – such as the World Bank’s new Pandemic Fund. In 2022, PPD developed a results-oriented and timebound action plan to enhance and strengthen UNICEF partnerships with IFIs, approved by the Global Management Team. The action plan includes multiple workstreams, including UNICEF’s first IFI Partnerships Strategy to support both the Partnership and Engagement change strategy as well as the Accelerated Resource Mobilization enabler in the UNICEF Strategic Plan, 2022-2025.

Lastly, thanks to continuous engagement and relationship strengthening with partners at the UN Permanent Missions in New York, PPD was instrumental in successfully and diplomatically securing the endorsement by the UNICEF Executive Board of Country Programme Documents, which involved constructive collaboration among Missions, Headquarters, and Country Offices, and mitigating
political contentions and concerns.

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

PPD made considerable efforts in 2022 to influence and enhance UNICEF’s public sector business model, including through improved internal collaboration and coordination with other parts of UNICEF on priority strategic partnerships, but also through strengthened internal processes and management systems, and strategic management of the Division’s human and financial resources.

PPD continued to play a key role in 2022 within the organization in terms of coordination and leadership in the areas of UN Development System (UNDS) reform. 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 led on the strategic thinking to find a coherent and efficient approach to incorporating this tool into existing organizational reporting channels. Additionally, PPD’s 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.

On UN Joint Programmes, 87 per cent of UNICEF Country Offices in 2022 delivered programmes in partnership with UN agencies, with guidance from PPD and support from public sector partners. Beyond crosscutting topics, all UNICEF Strategic Plan goal areas are being increasingly delivered through this strategy. Country experiences have demonstrated that Joint Programmes provides opportunities for equal partnerships, while showcasing the value add of working together. PPD also led the first UNICEF-wide assessment on Joint Programmes to generate evidence on this modality’s effectiveness and identify opportunities, challenges and recommendations linked to all aspects of UN joint programming, including partnerships and resource mobilization. The results of the assessment are now informing UNICEF’s further engagement in joint programming to ensure focus on greater impact for children.

In the context of the organization’s focus on efficiency and internal collaboration with other offices, PPD was able to maximize results and expertise while minimizing duplication by improving and increasing collaboration and synergies across the organization, with Headquarters (HQ) Divisions, ROs, National Committees and COs. In particular, concerted efforts were made to improve UNICEF’s partnerships business model. Improved collaboration within UNICEF’s Partnerships Cone continued to intensify in 2022, notably around joint capacity building and knowledge management efforts, and with regards to the planning and delivery of the flexible funding strategy. Jointly with the Private Fundraising and Partnerships (PFP) Division, PPD launched the new UNICEF Global Resource Mobilization Strategy to align with the 2022-2025 Strategic Plan and offer COs and ROs tools to strengthen field capacity in resource mobilization. Collaboration and coherent strategic engagement across UNICEF’s cones and HQ technical units led to the strengthening of UNICEF’s positioning across the EU Commission resulting in new funding mechanisms being made available to UNICEF.

Collaboration with UNICEF National Committees was further strengthened thanks to the advancement of 20 Joint Engagement Plans (JEPs), each with the goal of harmonizing and integrating UNICEF’s collective approach (National Committees, PPD, and PFP) towards resource mobilization and advocacy on children’s rights and needs in the public space (governments, parliaments, and public stakeholders). Collaboration with National Committees notably contributed to strengthening of UNICEF’s leveraging of the public sector resources, as in the cases of Germany, Norway, the United States and Sweden. Joint efforts were also made to strengthen donor recognition and visibility, and undertake joint advocacy on core funding and joint initiatives. Ahead of Sweden’s Presidency of the EU Council in 2023, PPD collaborated with the National Committee to engage with different parts of the Swedish government to include child rights as a priority in Sweden’s EU Presidency Programme.
Jointly with PFP, PPD made an important push in 2022 regarding the **public-private partnerships (PPP)** agenda to build UNICEF’s capacity and knowledge in order to develop new and to strengthen existing PPPs, as one of the greatest opportunities for the organization to grow income and influence. Internally, the first global PPP practitioners’ group was established with over 100 members, including National Committees, and a strategy and priorities were developed, along with a set of assets to facilitate collaboration and expansion of PPPs. Externally, PPD established a new relationship with the Corporate Engagement Team of the Korean International Cooperation Agency, which holds the promise of delivering new and innovative PPPs that will deliver development outcomes for children and additional funding to UNICEF. As diversification is vital to stabilize GPP income, in 2022, UNICEF advanced GPP business development to add new partners, including a funding partnership with the OPEC Fund.

PPD further improved its **risk management** systems in 2022, including the introduction of a more formal risk assessment process for the Division. PPD also increased its guidance and monitoring of various donor conditionalities. Moreover, the Division strengthened coordination with the Office of Internal Audit and Investigations (OIAI) enabling UNICEF to better communicate with donors about risk management, and agree to oversight, accountability, and reporting measures and requirements that are in alignment with UNICEF’s rules, procedures, and standards. PPD also worked with OIAI to improve UNICEF’s notifications to donors on integrity issues. Additionally, the Division strengthened our internal coordination and mechanisms surrounding reputational risk and how UNICEF communicates with public partners about such issues.

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 and other knowledge management and capacity building tools and products were developed and offered throughout 2022 on a wide range of partnership-related topics such as strategy development, partner engagement, reporting or donor visibility and recognition. The latter is a key element for official acknowledgement of the funding coming to UNICEF. The development of the first handbook on public sector visibility and recognition is an important step towards harmonizing and institutionalizing this key process within UNICEF, particularly in support of the flexible funding strategy. PPD also provided timely hands-on guidance and support, sometimes in person, to offices experiencing onset emergencies, in the areas of partnership development, management and results reporting on the ground.

Regarding **strategic management of the Division’s human and financial resources**, PPD reviewed its functions and presence around the globe, and rationalized its resources and structure to drive maximum benefit from the division’s existing footprint and budget. Additionally, the Division proposed an investment case to UNICEF Senior Management for expanded capacity to make the Division fit for purpose to deliver on its accountabilities and responsibilities in line with the ambition of UNICEF Strategic Plan. PPD also developed and rolled out tools to improve efficiencies and effectiveness in resources and partnerships management such as a new budget monitoring dashboard and the roll-out of UNISION for the entire Division ahead of the global roll-out in 2023.
Similar to previous years, the major challenge for the Division in 2022 was the increasingly uncertain global economic outlook, and demanding fundraising environment, with more conditionalities from donors, as well as greater number and complexity of risks to manage. In response to the declining ratio of RR to OR, PPD’s ability to further diversify the donor base and increase the volume of RR funding from public sector partners remains challenging.

The highly earmarked nature of funding continues to also impact funding for emergencies. While UNICEF achieved record-high funding for emergencies in 2022, challenges remain in meeting the increasing global humanitarian needs, particularly with funding restricted to a few large-scale emergencies, leaving many other crises significantly underfunded. This uneven funding of humanitarian crises is exacerbated by the key challenge of declining core funds. It is RR that allows the organization to rapidly respond and scale-up at the onset of a crisis.

While income growth has been record-breaking for UNICEF (including from the public sector) over the last four years, this has not been matched with commensurate capacity within PPD, with the Division having to continue to do more with the same human and financial resources. To sustain this level of results, particularly 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. While continuously advocating for investment in the Division, PPD also needs to improve on managing expectations within the organization, including being clearer on what the Division can deliver and what will need to be de-prioritized.

For public sector income in 2023 and beyond, UNICEF as a whole, and PPD in particular, will need to continue innovating beyond existing funding streams, which are currently mainly bilateral grants. The bulk of UNICEF’s funding will remain traditional government contributions, especially for public sector RR – and as highlighted above, these partnerships require deliberate and considerable effort to protect, sustain, and grow current income levels. In line with the new Global Resource Mobilization strategy, jointly with PFP, PPD will strive to coordinate across the organization and to accelerate RR beyond the Strategic Plan financial estimates forecast towards the Funding Compact commitment of 30 per cent of total contributions and further tap into the potential of IFIs, the EU and GPPs.

In terms of influence, PPD will seize the momentum of key achievements from 2022, of growing appetite and receptivity from the public sector thanks to advocacy work built-up throughout the years, to push further the integration of child rights in policies, programmes and resource allocations in 2023. One promising avenue for influencing will be the strengthening of UNICEF’s relationship with parliamentarians around the world. The Division will build on the improved collaboration and synergies found with other UNICEF Divisions and offices, particularly PFP and the National Committees, to move forward as one united voice for children.