Update on the context and trends

As the COVID-19 pandemic seemed to finally be under control in 2022, a new threat appeared to destabilize the world: Russia’s invasion of Ukraine. This war not only caused a humanitarian crisis in Ukraine, but also disrupted global supply chains, increased food and energy prices around the world, and threatened the recovery from the pandemic.

The year was also marred by economic and political turmoil, from protests in Iran challenging government policies to conflicts causing humanitarian emergencies in Afghanistan, South Sudan, Syria and Yemen. In addition, it saw the ripple effects of intensified climate change – including floods in Pakistan, record heat waves in Europe and severe drought in East Africa – that have imperilled children and their families around the globe.

Yet, despite the long list of bad news in 2022, UNICEF had some cause to celebrate. These devastating events around the world tugged on donors’ and partners’ heartstrings and emboldened them to dig deep into their coffers to support UNICEF in its noble efforts to create a better world for children. Through extraordinary collaborations and fundraising efforts, UNICEF achieved greater diversification within and between income streams and raised an astounding $2.67 billion from the private sector in 2022. This was $590 million more than the $2.08 billion raised in 2021.

And through engagement with multi-stakeholder partners and deep engagement on key global themes, UNICEF saw success in close collaborations and engagement beyond income. UNICEF’s advocacy and children’s rights agenda and the role of the private sector in using its influence to positively impact children’s rights grew exponentially as well.

This tumultuous – yet highly successful for UNICEF – year was the first in the UNICEF Strategic Plan, 2022–2025. This report reflects the outcomes envisaged in the new Strategic Plan and describes the impact, results and lessons learned in 2022, placing the Division of Private fundraising and Partnerships (PFP, or “the Division”) well on the path to realizing the goals to be achieved in the four years of the plan.

Income + Influence = IMPACT for children

PFP aims to achieve impact for children by maximizing income and leveraging influence from the private sector, jointly with National Committees for UNICEF and UNICEF country offices around the world. 2022 was another year of strong performance in major income streams in which UNICEF continued to grow its engagement with private sector supporters.

Major contributions and drivers of results

The Private Fundraising and Partnerships Division (PFP, or “the Division”), together with the 33 National Committees for UNICEF and 22 UNICEF country offices with structured private sector fundraising operations as well as new markets, 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, based on the following six strategic priorities:
• scaling up digital fundraising;
• optimizing major donor engagement through income, and by leveraging their voices, investments and expertise;
• developing effective strategies for fundraising growth in new markets;
• continuing to mainstream working with business to deliver results for children, to generate income and to leverage non-financial resources, such as innovation, expertise and core assets;
• scaling up financing for children; and
• contributing to strengthened engagement by UNICEF in high-income countries.

Outcome 1 (Income): Sustainable private sector income growth is diversified and further accelerated to raise $7.2 billion of private sector revenue, of which $3.4 billion is Core Resources for Results (RR), from 2022 to 2025 for UNICEF’s contribution to the Sustainable Development Goals (SDGs).

Private sector income was ahead of schedule in 2022, with $2.67 billion in total private sector net revenue raised, driven by humanitarian and emergency crises such as Ukraine, Afghanistan and the Horn of Africa. Over half of UNICEF total core resources for results (RR) came from the private sector.

**Individual giving**

In 2022, revenue from pledge and cash donors continued to grow, and ended at $1.6 billion, which was collected from over 10.5 million individual donors – the target for the year. There was a remarkable surge in cash donations, largely due to the Ukraine emergency and advancements in digital fundraising. Revenue from legacies was lower than foreseen, with an achievement of $120 million, although hand-raiser numbers were well above the plan and new opportunities emerged in markets. The lead time to legacy gifts converting to revenues was slow but is expected to bring higher financial contribution to UNICEF from this fundraising channel in the future.

**Philanthropists and membership-based organizations**

UNICEF mobilized $488 million from philanthropic partners in 2022, $335 million from philanthropists and $153 million from faith- and membership-based organizations.

**Foundations**

Foundation partnerships revenue grew from $266 million in 2021 to $367 million in 2022 – well over the annual target of $223 million.

**Businesses**

$577 million was raised from businesses, a significant increase from 2021. This was the fourth year of double-digit growth, after growing 82 per cent in 2021 and 21 per cent in 2020.

*Note: Figures represented by streams in this report are in gross terms, derived from 2022 Revenue and Expenditure Report (in USD).*

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.

PFP developed the first Private Sector Influence Strategy to complement the Global Resource Mobilization Strategy. Together, they establish a strategic approach to engage the private sector across income and influence.
The Private Sector Influence Strategy aims to bring together private sector partners – businesses, multi-stakeholder platforms, foundations, philanthropy partners and individuals – to mobilize and leverage:

- coalitions, leverage networks, platforms and CEO voices, and rally partners around UNICEF’s priority issue areas, setting global, regional and national advocacy objectives;
- resources (data, technical expertise, assets) to achieve UNICEF results at scale and leverage investments more broadly for the Sustainable Development Goals (SDGs) at global, regional and national levels; and
- change in industry and business policies and practices that adversely impact children.

In 2022, UNICEF recorded significant results that substantiated the approach in the Private Sector Influence Strategy. The Global Coalition for Youth Mental Well Being was launched by UNICEF and the Z Zurich Foundation to advance a global movement to strengthen the social and emotional skills and supportive environments for the mental well-being of 30 million young people, including refugees and migrants, in 30 countries by 2030. As a global platform, the coalition mobilizes public and private sector investment and action to promote youth mental well-being and increase collective action for youth mental health programming globally. In 2022, the coalition mobilized additional support from Jo Malone London and Spotify, both in terms of funding and advocacy for the cause, and is now active in eight countries: Colombia, Ecuador, Indonesia, Maldives, Mexico, Nepal, the Republic of Korea and Viet Nam.

**Influence from individuals, key influencers and business stakeholders**

By the end of 2022, the digital platform of the Supporter Engagement Strategy had been rolled out in 16 markets. The strategy aims to improve the experience of individual supporters and increase their loyalty and commitment through a digital platform.

The engagement of major donors continued online in 2022, with in-person events, meetings and engagement re-established for more meaningful advocacy with stakeholders. Over 1,000 partners and prospects joined virtual or in-person briefings and trips throughout the year.

The UNICEF Multifaith Giving Circle grew to 11 members and collectively raised over $32 million for UNICEF’s programmes in 2022. Members were also key advocacy and social and behaviour change partners for UNICEF.

In 2022, PFP leveraged over $500 million from foundations towards results for children and the SDGs. In addition to providing funding, foundations were fundamental in championing UNICEF advocacy and SDG priorities.

An Advocacy with Business (AwB) strategy was developed to provide a framework to demonstrate the links between income and influence. The strategy was integrated into the wider partnership and advocacy strategies and into ‘Big Ticket/High Value’ propositions.

PFP also worked closely with the Public Partnerships Division to identify opportunities for collaboration between private and public sector stakeholders. The divisions established a public-private partnerships team and a practitioners’ group with more than 100 members.

**Outcome 3 (Income and influence from public and private): Income and influence at scale for children and young people is accelerated through the public and private sectors working together on financing, leveraging and advocacy efforts.**

**Strengthened engagement in high-income countries**
PFP worked with National Committees and the Programme Group to align national child rights issues with UNICEF global priorities, influenced policy change, enhanced knowledge and understanding of child rights and amplified UNICEF global advocacy priorities at the national level. A UNICEF Child Rights School Framework was developed, including toolkits to evaluate how schools are integrating rights-based activities.

In 2022, National Committees made significant progress in advancing policy change for child rights, both domestically and globally. In total, 21 countries reported having influenced policy changes for children.

Child rights education activities reached more than 6 million children, and the Child Friendly Cities Initiative is allowing 14 million children to live in municipalities with an explicit commitment and action plan on child rights.

Sixteen National Committees were implementing or planning to implement Child Rights Schools models, involving over 6,000 schools and 1.8 million children. A UNICEF Child Rights Schools Framework was developed for implementing and assessing such schools.

The Child Friendly Cities Initiative was implemented in 22 National Committees in 2022, with around 1,140 municipalities recognized. Through the initiative, many National Committees continued to support robust activities related to child participation at the local level.

**Innovative financing for children**

UNICEF also pursued innovative finance partnerships to accelerate the SDGs for children, using alternative financial instruments.

The Innovative Financing for Children (IF4C) Global Vision and Strategy was launched in 2022 to develop and scale up new private sector fundraising networks with National Committees and other UNICEF divisions and establish platforms for programme additionality and impact.

At the United Nations Climate Change Conference (COP27), UNICEF announced the Today and Tomorrow Initiative, the first child-focused climate risk financing solution to address climate change risks, in particular the impact of cyclones in eight at-risk countries: Bangladesh, Comoros, Fiji, Haiti, Madagascar, Mozambique, Solomon Islands and Vanuatu.

2022 marked the 10-year anniversary of the United States Fund for UNICEF Impact Fund for Children Bridge Fund. The fund’s stakeholders include institutional partners and corporates as well as numerous UNICEF International Council members. The fund achieved impact by accelerating critical funding for UNICEF’s programmes, procurement of essential supplies and emergency response – as well as provided investments in National Committee RR fundraising.

UNICEF deepened its engagement with the private sector through corporate partnerships with investment managers. To successfully manage these partnerships, UNICEF issued a Policy on Engagement with Investment Managers to create and market investment funds to mobilize funds in support of UNICEF programmatic activities. UNICEF is finalizing a procedure to implement this policy.

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

In 2022, PFP enablers demonstrated their ability to support priority engagements to accelerate resource mobilization and rapidly changing business needs. PFP focused on investing in innovation and
capacity building, tactically using internal communication and knowledge management platforms as well as aligning work processes, systems and human resources to achieve results. PFP also prioritized strengthening good governance practices to achieve sustainable income and influence results for children, managing risks, and building credibility and trust with stakeholders. PFP key results, priorities and strategies were fully integrated into the UNICEF Strategic Plan, 2022–2025, which will formalize and promote a holistic and organization-wide effort and investments towards private sector fundraising and partnerships.

PFP ensured that enablers were agile to respond to a rapidly changing environment and deliver on the new Strategic Plan, 2022–2025. An external review confirmed that enablers were fit-for-purpose and well-positioned, with recommendations to further strengthen capacity.

PFP developed new modalities to support fundraising activities and completed accounting requirements to disburse and manage the new Dynamo Fund to country offices and piloted the use of Bridge Funds for National Committees to fundraise for RR. These achievements were complemented by new business solutions to improve efficiency and identify opportunities to integrate approaches across several enablers (planning, risk, policy) as part of continuous improvement.

Innovative global business solutions were implemented, including updating a fund remittance system, piloting Business to Business to give National Committee staff seamless access to UNICEF resources, and integrating UNICEF’s and National Committees’ CRM systems.

PFP strengthened risk management practices by focusing on key strategic divisional risks and a more proactive approach to managing them. Data security remained a priority and a global project on data security standards achieved significant results in decreasing the risk of data breaches. Enablers reinforced and continued to provide robust partnership advisory and support services to allow UNICEF to make informed partnership decisions by minimizing reputational risks.

Enablers contributed significantly to developing UNICEF’s new modality to engage investment managers and the first climate change risk financing platform for UNICEF, Today and Tomorrow, to provide disaster prevention and climate change responses.

In line with the Principles of Good Governance, National Committees continued to strengthen governance processes. Strategic governance objectives and improvement strategies agreed in Joint Strategic Plans were implemented.

In 2022, PFP started implementing the strategic shift to support fundraising in new markets and contribute to the financial sustainability of UNICEF programmes in upper middle-income and high-income country contexts. This, coupled with continuous efforts to drive private sector fundraising income, resulted in $433 million generated by UNICEF country offices in 2022, a 35 per cent growth compared to 2021.

PFP continued to support country offices with the management, use and repayment of the World Bank Financing Instrument, meeting all payment and reporting (impact and financial) obligations to the World Bank, as well as to the Executive Board. The instrument contributed to sustainable and healthy growth of flexible income in 24 country offices.

PFP continued to capitalize on building brand awareness with private sector audiences and integrating communication to ensure successful fundraising.

**UN collaborations on private sector fundraising**

In line with the UNICEF Strategic Plan, 2022-2025, PFP is committed to working together with other
United Nations entities in private sector fundraising. Highlights of UN collaborations in 2022 include the following.

- UNICEF liaised regularly with peers at the United Nations High Commissioner for Refugees and the World Food Programme on issues of performance and potential areas of collaboration on private sector fundraising to address the evolving needs of children as well as common challenges.
- Partnered with the UN Global Compact at the United Nations Climate Change Conference (COP27) to position children and climate adaptation, which increased visibility through the UN Global Compact network at the conference.
- To mark the 10th anniversary of the Children’s Rights and Business Principles (CRBP), jointly developed by UNICEF, Save the Children and the UN Global Compact, a global milestone event was held as part of the UN Global Compact Leaders’ Summit.
- UNICEF and UNDP continued to roll out a joint global finance initiative that supports the SDGs. A feasibility study was commissioned for a Joint Private Sector Financing Facility to mobilize and align private sector capital through alternative and innovative financing partnerships to accelerate the achievement of the SDGs.
- Engaged with the World Health Organization, the leading agency on policy around hand hygiene and pandemic preparedness and convened public and private sector partners on the Hand Hygiene Market Accelerator group to strengthen national supply chain systems to sustainably design, manufacture and distribute high-quality and affordable products and services.
- In Uganda, UNICEF and the United Nations Capital Development Fund partnered to explore the development of a platform for Youth Empowerment and Early Childhood Development through an impact investment model approach.

Lessons Learned and Innovations

PFP anchors its work around the ‘Income + Influence = Impact’ narrative for the new UNICEF Strategic Plan, 2022-2025, specifically linked to the change strategy on ‘Partnerships and Engagement: Public and Private’. This equation for results has spread across the UNICEF ecosystem.

Income

Funding from the private sector surpassed expected levels in 2022 which was driven by the response to the Ukraine emergency. National Committees and country offices delivered outstanding revenue in 2022, tapping deeper into their market potential and aided by optimized market-level strategies, investment, and fundraising innovation.

In 2022, within total private sector revenue, RR revenue decreased by 5.6 per cent compared to 2021. The decrease in RR contributions is predominantly due to significant strengthening of USD against major fundraising currencies like EUR, JPY, GBP, SEK, and KRW. However, revenue in local currencies continued to grow, which indicates that the fundamental business model and strategy are fit for purpose.

Diversification of funding from the private sector will continue to be a high priority, especially for RR. Lessons from the Ukraine fundraising appeal showed that investments in digital and storytelling are hugely important for UNICEF to maximize opportunities. Similarly, investing in journeys for all donors is a pathway to relationship building and to driving long-term value, especially as individual giving is also the largest funding stream to RR.

Influence

UNICEF’s advocacy partnership with the Bill & Melinda Gates Foundation was instrumental in
driving donor commitments for multiple global health replenishments and initiatives, resulting in investments in Gavi, COVAX and ACT-A, and amplifying key messages and national requests for new commitments. The partnership also secured extensive national policy changes to turn commitments into improved access to vaccines and child health services.

Given the lessons learned of the value and importance of linking key global events to Advocacy with Business (AwB) and business engagement strategies to mobilize income and influence, PFP established an Events Intelligence function. This work takes a forward-looking perspective on key events throughout the year to identify key moments to strategically position priorities and strategies and use the visibility and reach of the events to advance partnerships and engagement. Building and using events anchored in the AwB strategies helps to mobilize a wider group of stakeholders, with events creating urgency and action among stakeholders and catalysing action when planned and pursued strategically. The combination of AwB and engagement strategies with key moments and events creates a journey for partner engagement as milestones for long-term engagement.