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Private Fundraising and Partnerships: Financial report for the year ended 31 December 2019

Summary

The present report provides the financial and non-financial results achieved by the Private Fundraising and Partnerships Division, together with the National Committees for UNICEF and country offices, in respect of the 2019 Private Fundraising and Partnerships Division budget.

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

* E/ICEF/2020/17.



I. Overview

1. The end of 2019 marked the midway point of the UNICEF Strategic Plan, 2018–2021 and the Private Sector Plan 2018–2021: IMPACT for Every Child (the “IMPACT Plan”). The IMPACT Plan laid out a vision for UNICEF to fully embrace the power of the private sector to deliver income and impact for children.
2. In 2019, total private sector revenue was \$1.42 billion, of which regular resources represented \$657.7 million and other resources represented \$764.2 million. Overall private sector revenue was \$354.4 million (20 per cent) less than the original 2019 target of \$1.78 billion and 0.7 per cent less than in 2018.
3. UNICEF engaged 95.5 million supporters in 2019, including 7.7 million individual cash, pledge and legacy donors. UNICEF also significantly enhanced its work with the business sector, engaging with 29,670 businesses around the world, reaching an estimated 34.25 million children and raising total revenue of \$215.2 million.
4. UNICEF made strategic decisions in 2019 to continue to invest in key fundraising activities to maintain its market position, further develop emerging markets and secure future revenue streams, while carefully controlling the cost of other fundraising activities. The Private Fundraising and Partnerships (PFP) Division fully utilized the investment funds and other fundraising activity budgets allotted in 2019.
5. The global fundraising market contracted for the first time in more than a decade in 2018 and further still in 2019. UNICEF fared better than its peers through this period and remained the second-biggest private sector fundraising organization globally, after the International Red Cross and Red Crescent Movement.¹ UNICEF maintained this position by continuing to invest strategically in donor and partner acquisition, and to focus increasingly on donor quality and retention.
6. Given the constrained fundraising market conditions in 2019, PFP presented revised IMPACT Plan revenue targets to the Executive Board in the document Private Fundraising and Partnerships: 2020 workplan and proposed budget ([E/ICEF/2020/AB/L.1](#)). UNICEF reviews these targets continuously and, in view of the coronavirus disease 2019 (COVID-19) pandemic and its likely recessive impact on the global economy, PFP has revised those projections to be even more conservative.
7. UNICEF will focus on key fundraising growth areas, especially for regular resources, to remediate for the global market contraction. This includes a focus on high-performing markets; high-potential emerging markets; engagement and retention of supporters and donors; innovation, sharing and scaling up new fundraising models; and agile responses to fundraising for emergencies, including pivoting from traditional face-to-face donor acquisition to telemarketing, television marketing and digital fundraising during the COVID-19 lockdowns.
8. The strategic priorities in 2020 and beyond include:
 - Identifying alternative financing solutions to maintain and, where possible, grow investment in fundraising activities, including by establishing a revolving fund for investment;
 - Accelerating the supporter engagement strategy to global scale, using the power of digital technologies to reach, engage and activate donors;

¹ A full analysis of comparators will be available at the end of July 2020.

- Continuing the roll-out of business for results, the organization-wide initiative to position business as a key stakeholder in the UNICEF agenda for children;
- Recognizing the universality of the Sustainable Development Goals and enhancing the important contributions, during and after the COVID-19 pandemic, of the National Committees for UNICEF to achieving results for disadvantaged children in high-income countries.

II. Results achieved

A. Financial results by fund type, market and audience

9. The global fundraising market contracted for the first time in more than a decade in 2018, and further still in 2019. This was in large part due to rising populist movements which, in turn, led the media in many countries to focus on domestic rather than international issues and the general public to donate less to international causes. So far, UNICEF has fared better than its peers and has remained the second-biggest private sector fundraising organization globally after the International Red Cross and Red Crescent movement. UNICEF maintained this position by continuing to invest strategically in donor and partner acquisition and to focus increasingly on donor quality and retention through enhanced communication and engagement.

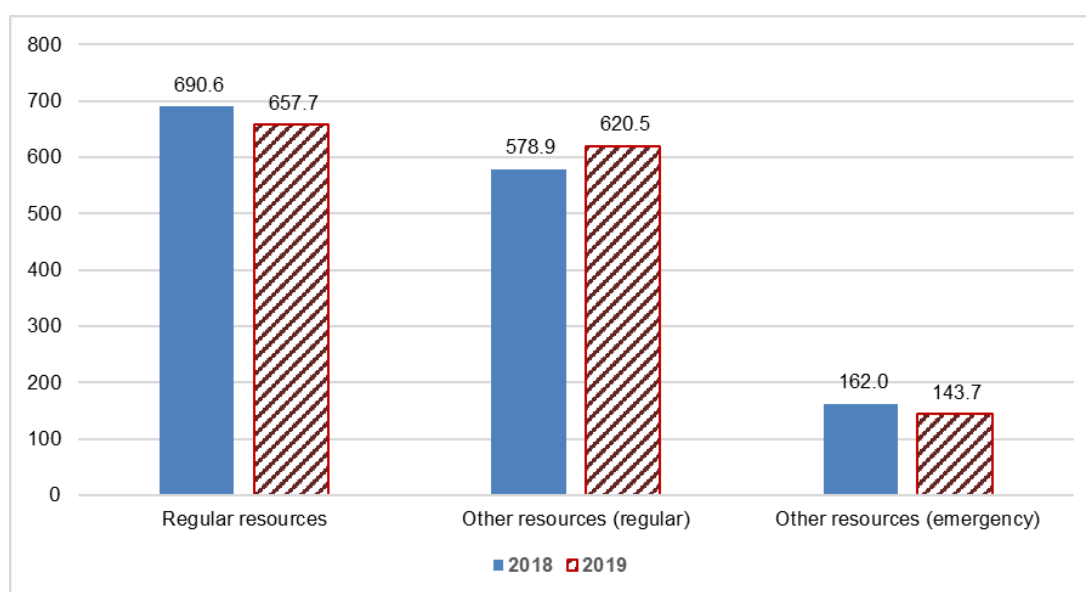
10. Private sector revenue totalled \$1.42 billion in 2019 compared with \$1.43 billion in 2018, a decrease of \$9.6 million (0.7 per cent).

11. Within total private sector revenue, regular resources revenue totalled \$657.7 million, a decrease of \$32.8 million (4.7 per cent) compared to 2018; and other resources revenue totalled \$764.2 million, an increase of \$23.3 million (3.1 per cent) compared to 2018. Further, within other resources revenue, other resources regular revenue was \$620.5 million, an increase of \$41.6 million (7.2 per cent) compared to 2018; and other resources emergency revenue was \$143.7 million, a decrease of \$18.2 million (11.3 per cent) compared to 2018.

Figure 1

Total revenue to UNICEF, 2018–2019

(in millions of United States dollars)



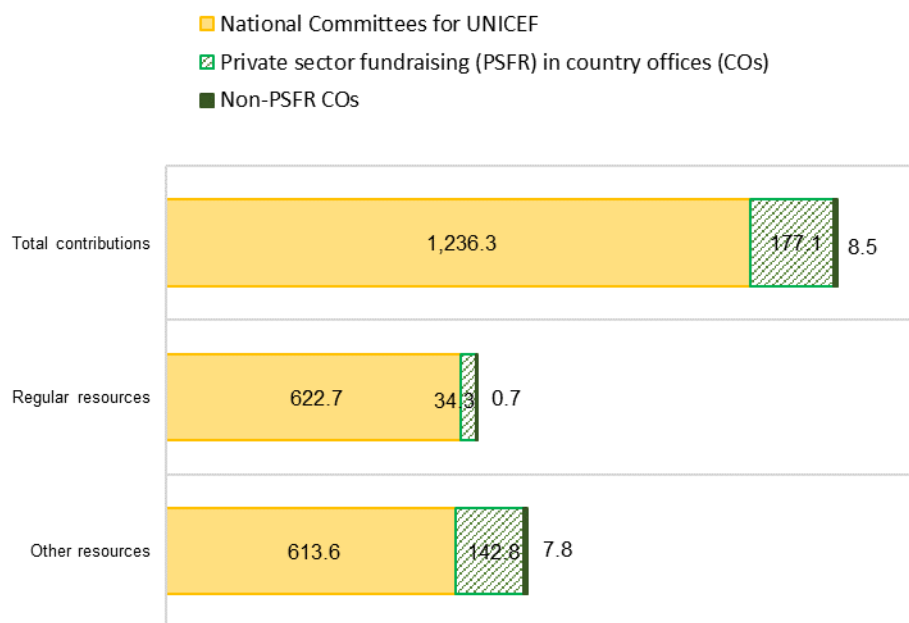
12. In 2019, private sector revenue was generated in the 33 National Committees, 21 UNICEF country offices with structured private sector fundraising activities (PSFR COs) and 25 other country offices raising funds either locally or through the UNICEF global giving online platform (non-PSFR COs).

13. Total private sector revenue generated by National Committees, PSFR COs and non-PSFR COs was \$1,236.3 million, \$177.1 million and \$8.5 million, respectively. Of this total, regular resources revenue from National Committees, PSFR COs and non-PSFR COs was \$622.7 million, \$34.3 million, and \$0.7 million, respectively; and OR revenue \$613.6 million, \$142.8 million and \$7.8 million respectively.

Figure 2

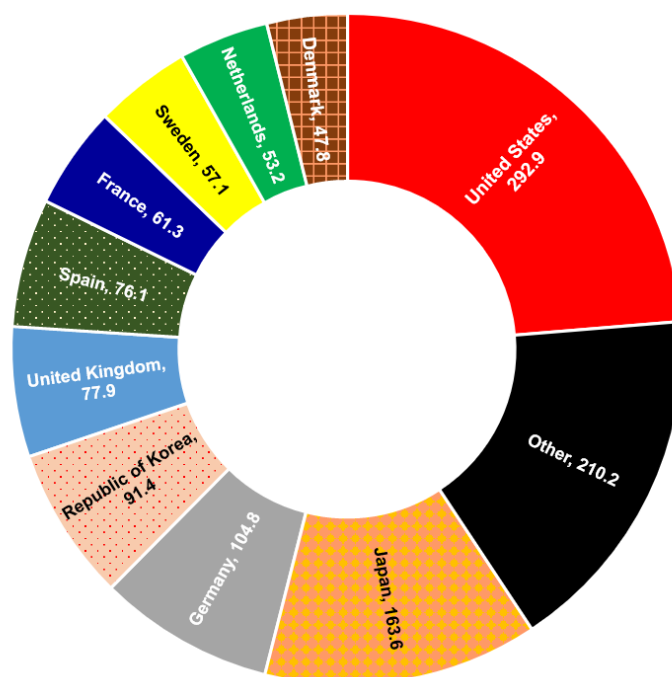
2019 revenue generated by UNICEF National Committees and country offices

(in millions of United States dollars)



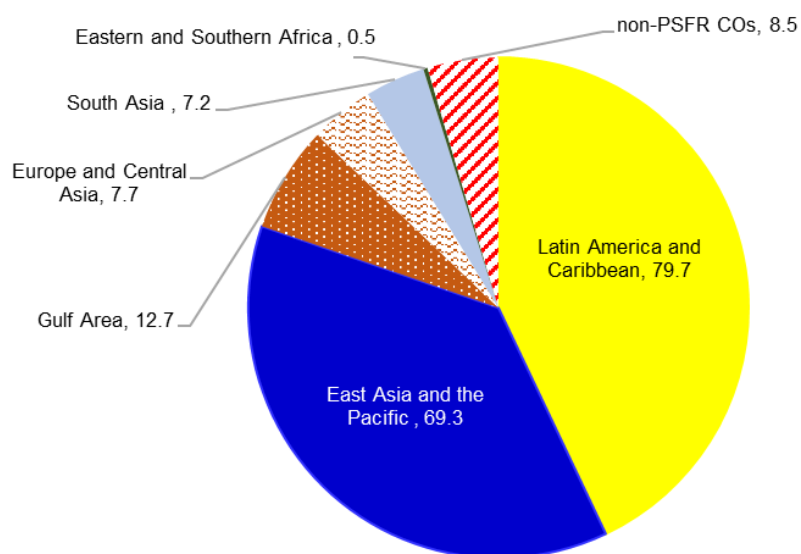
14. Revenue generated by National Committees increased by \$38.5 million (3.2 per cent) in 2019 compared to 2018, mostly due to acquisition of new business partners. The 10 largest National Committees generated revenue amounting to \$1,026.1 million, which represented 83 per cent of the total revenue generated by the National Committees in 2019.

Figure 3
2019 revenue from National Committees
(in millions of United States dollars)



15. Revenue generated by PSFR COs decreased by \$51.5 million (22.5 per cent) in 2019 compared with 2018, mostly due to longer than foreseen negotiation processes with large foundations. By contrast, the revenue generated in non-PSFR COs increased by \$3.4 million (66.7 per cent).

Figure 4
2019 revenue from country offices, by region
(in millions of United States dollars)



16. The largest audience was individual pledge, cash and legacy donors, who represent 62 per cent of the total 2019 private sector revenue and almost 100 per cent of the regular resources. Of the other audiences, key influencers represented 22 per cent, businesses 15 per cent and Governments providing funding to UNICEF programmes through the National Committees, 1 per cent of total revenue.

Table 1

Private sector fundraising audiences, 2018–2019

	2018	2019	Variance	
			Amount	Percentage
Individual supporters	891.6	875.9	-15.7	-1.8%
Key influencers	374.7	311.8	-62.9	-16.8%
Business	145.2	215.2	70.0	48.2%
Governments	16.9	16.4	-0.5	-3.0%
Other	3.1	2.6	-0.5	-16.1%
Total	1 431.5	1,421.9	-9.6	-0.7%

17. There are significant variances between the 2018 and 2019 results for key influencers and businesses, since receipt of funds from these groups is dependent upon the negotiation process and signature of donor agreements.

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

Outcome 1: Individuals – 100 million people are changing the world with UNICEF through their voices and donations

18. In 2019, UNICEF continued to significantly grow its engagement with individual supporters to deliver on its cause by becoming a more vigorous advocacy, campaigning, fundraising and communication force for children. This was achieved through prioritized integrated fundraising, advocacy campaigns and events for recruiting and retaining donors and supporters by the collective efforts of National Committees, regional and country offices and headquarters divisions and offices.

19. Despite the challenging private sector fundraising landscape, UNICEF was able to engage a total of 95.5 million supporters in 2019 – 81.4 million digital supporters, 1.28 million volunteers, 7.7 million individual donors and 5.1 million children reached with child rights education to advocate for child rights.

20. Revenue from individuals totalled \$875.9 million, a decrease of \$15.7 million compared to 2018, and 84.7 per cent of the IMPACT Plan goal of \$1.03 billion. More children and young people were engaged as agents of change in 2019 as compared to 2018.

21. In order to continue to mobilize people (including children) for children's rights, more work is needed to ensure that digital supporters are contactable and given the opportunity to donate and volunteer for UNICEF. This will also help to increase individuals' satisfaction and loyalty to, and long-term support of, the organization.

Output 1.1: 11 million people donating \$1.03 billion by 2019

22. Performance on pledge and legacy revenue remained solid and noted an increase by 0.3 per cent (\$1.9 million) and 8.1 per cent (\$7.4 million), respectively, compared to 2018. While UNICEF reached 7.7 million individual donors – the number of pledge donors increased to 5.2 million from 4.9 million in 2018, showing growth in pledge donors, but not at the planned rate of growth.

Output 1.2: 100 million people (including children) mobilized for children's rights, with 50 million people on the road to giving

23. UNICEF increased its base of supporters – who volunteer, advocate and donate – towards achievement of the 100 million target by 2021, from 76.7 million in 2018 to 95.4 million in 2019. Out of these, 81.4 million were digital supporters through social media and U-Report.

24. Young people were agents of change through U-Report (8.6 million) and social media channels, especially Instagram. A total of 5.1 million children were engaged through child rights education efforts in 2019, an increase of 45 per cent from 2018 and already reaching the target set for 2021.

Outcome 2: Key influencers – Impact and effectiveness of key influencers maximized to advance children's rights and well-being, in accordance with UNICEF priorities, through meaningful and effective relationships

25. In 2019, key influencers saw the largest decrease in revenue, \$311.8 million compared to \$374.7 million (a 16.8 per cent decrease), with UNICEF losing several large foundations who shifted their strategic priorities during this period. Lengthy donor negotiation processes continued to be a challenge to fundraising from businesses and key influencers, compared to revenue raised from individual pledging, which tends to be a steadier income stream.

26. In 2019, UNICEF focused on strategic relationships with regional philanthropic networks, including the Central America Donors Forum; European Venture Philanthropy Association; Group of Institutes, Foundations & Enterprises (Brazil); and Worldwide Initiatives for Grantmaker Support. UNICEF is a long-standing associate member of the European Foundation Centre, which guides and engages more than 200 foundations in their philanthropic work. UNICEF is also an inaugural member of the European Foundation Centre's new child well-being network.

27. UNICEF continued to mobilize funding from international foundations and membership-based organizations to support programmes that will have a significant impact on children's rights around the world.

28. In addition, PFP launched the new global network of foundation practitioners among the National Committees and regional and country offices that have existing foundation activities, emerging foundation programmes, or proven market potential. The Division has created this community of practice for participating offices to exchange experiences and best practices, and to provide a forum to share regular updates and relevant information on foundation news and trends.

Output 2.1: Leading philanthropic partners commit to working with UNICEF and investing \$563.2 million annually by 2019 to achieve transformational change for children

29. Philanthropic partners contributed \$311.8 million for programmes for children: \$66.3 million from mid-level and major donors, \$84.9 million from membership-based organizations, and \$160.6 million from foundation partners (as compared to \$83.2 million, \$85.4 million and \$206.1 million respectively in 2018).

30. More than 25 international foundation partners – mainly from the United Kingdom of Great Britain and Northern Ireland, the United States of America and the Gulf region – gave more than \$100,000 to UNICEF. There were several new and renewed partnerships in 2019, as well as strengthened existing partnerships, with the Bill & Melinda Gates Foundation, Educate A Child and other top global foundations.

Output 2.2: Key influencers engage their voice in delivering on child rights, amplifying UNICEF advocacy messaging on priority issues

31. In 2019, Rotary International continued to join forces with UNICEF to scale up ambitious vaccination campaigns in urban slums and remote villages, and to engage with the public and key leaders on the importance of eradicating polio. Similarly, Kiwanis International supported and advocated for the need to address maternal and neonatal tetanus, and the organization has used its influence to bring additional partners on board.

32. National Committees worked with national and regional ambassadors to amplify advocacy and fundraising campaigns and messages. Highlights included the Spanish Committee National Ambassador David Bisbal for the 30th anniversary of the Convention on the Rights of the Child, alongside Her Majesty Queen Mathilde of Belgium and David-Maria Sassoli, President of the European Parliament; and UNICEF Uruguay National Ambassador Diego Forlán's farewell match, which was organized with all the proceeds going to UNICEF. Some new Ambassadors were appointed in 2019, including actress Olivia Colman and singer Rita Ora, both from the United Kingdom.

Outcome 3: Business – Power, reach and influence of businesses are fully maximized for children

33. The drive to strengthen the integration of the world of business into programming and advocacy for results for children under the framework of the Sustainable Development Goals was an area of growth throughout 2019.

34. In 2019, revenue from businesses reached \$215.2 million, exceeding the Plan target by 35.9 million (20 per cent) and marking 48.2 per cent growth from 2018. In addition, UNICEF more than trebled the total of contracted value in new business from \$18 million in 2018 to \$65 million in 2019, with existing international partnerships growing by 10 per cent.

35. Throughout 2019, UNICEF continued to: (a) cooperate closely with policymakers and business actors to identify and address the impact on children of business practices and (b) mobilize business partners for resources – assets, capacities, skills, data and funds – to support programming for children.

36. To enhance organizational understanding and capacity on how to work with the business sector, training packages were developed for UNICEF staff and piloted in three countries before being rolled out to an additional 40 countries in 2020. Meetings of senior staff in every region were also organized and included dedicated sessions on expanding programmatic work with the private sector.

37. In 2019, the United Nations system leveraged UNICEF experience in working with the private sector, with PFP leading the development of a harmonized United Nations common framework on integrity principles and due diligence parameters for engaging with business.

38. UNICEF, the International Labour Organization, the International Organization for Migration and the Organisation for Economic Co-operation and Development launched a joint report under the framework of the Alliance 8.7 partnership, which identified government and business policies and practices to end child labour and human trafficking. A pilot project was implemented in Indonesia to engage the private sector in supporting disaster risk reduction capacity and advance children's rights, which resulted in a "One UN" coordinated approach for engaging with the private sector. In addition, UNICEF closely collaborated with the Connecting Business initiative, a United Nations-hosted multi-stakeholder initiative advancing the engagement of private and public sector partners with the United Nations. This

collaboration included exploring the possibility of establishing a Connecting Business initiative network in Indonesia.

Output 3.1: Partnerships with businesses maximize results for children, delivering income (\$179.3 million), influence, reach, CRB [child rights and business], and/or core business and assets

39. As mentioned, in 2019, revenue from businesses reached \$215.2 million. The revenue was generated from 331 high-value international, national and priority shared-value partners that contributed more than \$100,000 per year. Of those partners, 118 were multi-country alliances (higher than the target of 112 for 2019), 15 were priority shared-value partnerships (again exceeding the goal of 14), and 198 were national partners (as compared to the target of 300) that are active in just one country.

40. An estimated 34.3 million children were reached by interventions involving business in 2019, contributing to results in all UNICEF programme areas (compared to 14.6 million children reached in 2018), and \$201.4 million was raised from corporate partners around the world. A total of 136 countries reported working with 29,670 businesses and business platforms to mobilize resources, skills and assets to secure business support for advocacy on children's issues, and to address the business impact on children (child rights and business).

41. Partnership objectives across the portfolio were diverse and offered shared value across the full spectrum of business engagement, from resource mobilization through child rights and business and influence. While there was success in new shared-value partnerships with multi-year commitments towards a shared impact goal, there was also significant growth with long-standing partners, which expanded either in types of activation with UNICEF or through their geographic scope. The UNICEF competitive advantage was in the high-value and multi-year engagement with businesses.

Output 3.2: Businesses take sustainable action to respect children's rights in all business activities and relationships

42. Sixty-two UNICEF offices (48 country offices and 14 National Committees) engaged 1,139 businesses – as well as governmental bodies, business associations, multi-stakeholder platforms and financial institutions – to address the risks to children posed by business activities in the workplace, supply chain, marketing and advertising, the digital space and the wider environment. This element of the organization's work with the business sector has two main pillars: (a) identifying the impact of businesses on children and integrating work to address it within programmes and advocacy across the core Goal Areas of UNICEF; and (b) working with Governments and others who influence business behaviour in regulatory, policy and infrastructural action that supports businesses' respect for children's rights.

43. An example of the former was work with business associations, businesses and Governments on family-friendly workplace policies and practices in support of early childhood development, gender and nutrition goals. In July 2019, UNICEF convened Governments, businesses, trade associations and civil society organizations from around the world in New York to advocate for a transformative shift in workplace policies and practices. With support from UNICEF, national business platforms and workplaces in at least 16 programme countries advanced this agenda programmatically. Other examples include companies in Denmark, the Philippines, Sweden and the United Kingdom integrating child safeguarding practices into management systems. In many countries, businesses and business platforms implemented measures to support the protection of children, both online and offline.

44. An example of these measures to support the protection of children was new partnerships with the World Benchmarking Alliance and institutional investors expanding the range of child rights criteria included in environmental, social and governance assessments. Work in the nutrition sector exemplified the significance of policy-based approaches. The UNICEF Latin America and Caribbean Regional Office led the way in several countries within the region with a series of reports and advocacy initiatives driving action on business practice and its impact on obesity.

Output 3.3: Businesses and business stakeholders advocate for children

45. As part of its 2018–2019 restructuring exercise, PFP added to its workplan a focus on advocacy and engagement through multi-stakeholder platforms. This strategic focus targets engagement in these platforms and leverages their power. The added focus builds on the findings of a recent stocktaking exercise on existing multi-stakeholder engagement across UNICEF, as well as a landscape mapping of platforms at the intersection of UNICEF priorities, private sector interests and thematic areas requiring multi-stakeholder engagement to achieve systemic changes. Identifying private sector platforms as aggregators and multipliers to advance UNICEF private sector engagement in advocacy, as well as a collective action and partnerships goals, is a key objective of multi-stakeholder engagement for UNICEF.

46. In addition to the strategy for targeted engagement with platforms, UNICEF expanded the breadth and depth of engagement with existing global platform partnerships, for example with the World Economic Forum, United Nations Global Compact and GSM Association. This has positioned UNICEF firmly as a critical participant in significant platform events and facilitated prospecting and incubation of new partnerships with vital cross-cutting platforms such as the International Chamber of Commerce, World Business Council for Sustainable Development, Chief Executives for Corporate Purpose, Global Humanitarian Action Executive Alliance and Global Battery Alliance. Furthermore, UNICEF National Committees, as well as regional and country offices and headquarters divisions, were directly engaged in specific thematic areas, capturing and building on the long-standing experience of working with multi-stakeholder partnerships, including in the area of child rights and business in industry-specific platforms.

Outcome 4: Governments – Governments at all levels in countries with a National Committee presence deliver on UNICEF priorities for children as defined in the Strategic Plan, both domestically and globally, including through the implementation of the Cause Framework

47. Revenue from Government and intergovernmental organizations channelled via National Committees reached \$16.4 million in 2019 (as compared to \$16.9 million in 2018). This was coupled with a significant increase in the number of child rights laws, regulations and policies introduced by Governments in several high-income settings.

48. The rapidly changing external environment – which is defined by multiple shocks, polarized audiences, retreating Governments and a crisis of institutional trust – has posed and continues to pose significant challenges to UNICEF operations. Despite this, the National Committees continued to accelerate the change agenda for children and youth in their countries and territories.

49. For children living in high-income countries, 2019 was a time of vulnerability and uncertainty beyond the economic crisis. These countries are witnessing a general deterioration in children's protection and socio-economic well-being due to widening inequalities. National Committees, who are positioned as trusted intermediaries with solid principles, institutional reliability and an on-the-ground presence, have had to make sense of this increasingly complex situation.

50. The overarching trend in advocacy and programming is one of progress – National Committees are securing increasing policy and legislative changes and budgetary commitments at a time where the space for political dialogue and policy alternatives has shrunk. National Committees continue to optimize the institutional brand and to adapt to their context in responding to national concerns. They provide consistency and impact over time.

51. The development of a programming framework for National Committees is further enabling them to balance core objectives around advocacy and fundraising by demonstrating the organization’s commitment to children everywhere; its supporters are willing to dedicate their time, effort and money to help to fulfil the UNICEF global mandate.

52. At a time when the external environment continues to shift, the internal operating environment has strengthened and provided National Committees with a license to accelerate this work.

Output 4.1: Governments maintain and increase budgeting for children domestically and globally

53. Available evidence from National Committees shows reliable results at the national and local level that are leading to increased domestic resource allocations and official development assistance for children.

54. UNICEF Ireland influenced the Government’s new development policy, securing an increase of €2 million to UNICEF, as well as €500,000 for the Generation Unlimited partnership. UNICEF Ireland devised a strategy in partnership with the UNICEF Public Partnerships Division and the Deputy Executive Director for Partnerships to secure increased funding for education following the Government’s announcement of a new €250 million education funding window for the next five years (2019–2024). Mr. Ciarán Cannon, then Minister of State for the Diaspora and International Development at the Department of Foreign Affairs and Trade was subsequently appointed a Champion for Generation Unlimited.

55. In July 2019, the Government of France announced a new matching fund with UNICEF during the Group of Seven France-United Nations Educational, Scientific and Cultural Organization international conference on “Innovating for girls’ and women’s empowerment through education.” The matching fund is the first private-public fund created in France in which the Ministry of Foreign Affairs doubles every €1 million collected by foundations, companies and major donors.

56. The Spanish Committee for UNICEF created and applied a methodology to measure investments in children in public budgets, which resulted in the introduction of a national law in March 2019 that increased social security benefits for families with children who are living in poverty. The approximate cost of this measure to the Government is €266 million per year, and it benefits around 1.2 million children.

57. The first-ever international Child-Friendly Cities Summit was hosted in Cologne, Germany, in October 2019, bringing together children, young people and mayors from 251 cities in 67 countries. The Child-Friendly Cities Child and Youth Manifesto gathered contributions from 120,000 children and youth from more than 60 countries and will ensure that their voices shape the Child-Friendly Cities Initiative going forward.

Output 4.2: Increased action by Government to respect, protect and fulfil children’s rights nationally and globally

58. National Committees reported that in 2019, 75 child rights laws and 100 child rights policies were adopted nationally, a 30 per cent increase from 2018. Despite a

challenging political environment characterized by hostility towards human rights, multilateralism and vulnerable groups including refugees and migrant children, the National Committees secured increased commitments from their Governments. They managed to depoliticize some sensitive issues by focusing on their impact on children.

59. The 30th anniversary of the Convention on the Rights of the Child was a global milestone that drew considerable interest from Governments and ensured that UNICEF and the National Committees could show that the Sustainable Development Goals and the Convention are mutually reinforcing. Thirty governments from countries with a National Committee presence signed the global pledge to reaffirm their commitment to the Convention on the Rights of the Child. In Scotland, the government committed to incorporating the Convention “fully and directly” and to “using the language of the Convention wherever possible”. Kids takeovers in Germany, Ireland and the United Kingdom placed children at the heart of decision-making during the “CRC@30” celebrations.

60. New child rights education materials guided and informed discussions for adults and children alike in the development of a child-friendly Convention on the Rights of the Child. Finland, Japan and Norway sent a new Convention poster to every school in the country – in Japan alone, it reached 43,037 schools.

61. The Korean Committee for UNICEF leveraged its participation in the Convention on the Rights of the Child reporting process and facilitated child participation through a child-led alternative report. In May 2019, the Government incorporated the children’s recommendations from the report into its policies for children towards building an inclusive society, a direct response to the experiences of children and youth.

62. The Icelandic National Committee conducted an end violence campaign in May 2019, and the Government agreed to establish a dedicated agency to oversee research on violence against children, monitor data on violence, and provide educational materials for professionals in different sectors working with children and youth on violence.

Outcome 5: Brand – UNICEF is the leading organization mobilizing support for every child

63. In 2019, UNICEF scored strongly on most of the global brand indicators and, overall, the UNICEF brand continued to maintain a strong position. UNICEF benefited from a high level of awareness and trust from the public, was seen as an effective organization and remained one of the best-known and influential organizations for children globally. Improvements still need to be made in gaining a stronger association with children in the public’s perception. A close eye will be kept on the levels of trust in certain national contexts, where external and internal factors have resulted in reduced levels of trust for UNICEF together with other international organizations. Strengthening of engagement and relevance through powerful emotional content will be the key to rebuilding trust, in alignment with the Global Communication and Advocacy Strategy, 2019–2021.

Output 5.1: UNICEF is the most trusted and engaging organization improving the lives of children across the globe

64. In 2019, UNICEF was the second-most-trusted organization globally, behind the International Red Cross and Red Crescent Movement. UNICEF ranked first place in trust in 33 per cent of countries, below the 2019 target of ranking first in 40 per cent of countries. However, UNICEF was among the top three organizations in 87 per cent of countries, exceeding the 2019 target of 85 per cent of countries.

65. The organization's level of trust remained stable in most countries, with a few countries experiencing a decline in the level of trust in international organizations, including UNICEF.

Outcome 6: Enablers – UNICEF (including headquarters divisions, regional offices, country offices, PFP and National Committees) are best positioned, with a common culture, to deliver on ambitious results with the private sector (and public sector, in National Committee countries)

66. In 2019, PFP continued to make progress towards unlocking enablers to support the implementation of the IMPACT Plan and to reducing administrative bottlenecks that hinder growth. This covered a broad range of activities and actions from PFP in support of regional offices, country offices and National Committees. Furthermore, enablers assured earlier and frequent reporting from National Committees, improvements to the IMPACT Platform system and donor reporting, building capacity and knowledge-exchange across offices around the world, the roll-out of adequate levels of investment in private sector fundraising activities and streamlined recruitment processes. Enablers also played a key role in mobilizing the operations enablers community at the regional, country office and National Committee levels, and supporting them to become fit for business in support of the delivery of the IMPACT Plan.

Output 6.1: Fit for business: responsive, transparent and accountable governance

67. In 2019, PFP continued to provide tailored support to individual National Committees through ongoing interactions and collaboration to strengthen responsible, transparent and accountable governance and compliance with the Cooperation Agreement with each National Committee. There was a renewed joint focus on ensuring fitness for business, through crisis preparedness and effective risk management as part of robust, relevant and current good governance practices. To put this commitment into action, the National Committees agreed at the 2019 annual meeting to a joint review and update of the Principles of Good Governance for National Committees, which were adopted in 2009.

Output 6.2: Planning and delivering as One UNICEF: Efficient and effective management of results

68. In 2019, the management of private sector results was further enhanced through several initiatives, including improvements to the IMPACT Platform and systematic capturing and sharing of good practices in fundraising and partnerships with business. Several knowledge-sharing events, with the main highlight being the 2019 Skill Share event to share knowledge and skills with the National Committees and UNICEF country offices, also helped to enhance the management of results. Donor reporting on private sector results was improved through the launch of a new content development methodology and a strategy for quality donor reporting.

Output 6.3: Versatile, safe and secure information systems support the delivery of the IMPACT Plan

69. The Private Fundraising and Partnerships Division completed the integration of its business-critical applications with the UNICEF enterprise architecture. This has allowed seamless data flow between qualified applications so that they present correct and consistent information across platforms. The integrated application landscape was migrated to cloud-based technologies and has improved data access, availability and security while improving business continuity with a reduced carbon footprint and lowered maintenance costs.

70. All business applications owned by PFP have been classified and registered in a global project portfolio to ensure transparency and organizational compliance. A

cybersecurity audit of PFP (and two sampled country offices) presented several opportunities to further improve the security, governance and compliance of information and communication technology (ICT) resources across PFP. An ICT assessment conducted in four PSFR COs in the Europe and Central Asia Region led to the adoption of a modern fundraising platform in Bulgaria and Romania, and to security and compliance improvements in Croatia and Serbia. The Division also completed the design and roll-out of enterprise content management sites across all of its sections. Content migration progressed at an acceptable pace in 2019. The UNICORN Innovation Management Platform developed by PFP was a highly strategic tool for the entire organization and beyond UNICEF. A National Committee staff onboarding application was implemented to automate user registration and to improve user-administration and information security.

Output 6.4: People: Versatile staff (UNICEF and National Committee) as agents of change with the private sector

71. The Division provided support to implement the office management plan for 2018–2021 and to recruit high calibre staff to meet organizational needs. Refinements to the application of the Staff Selection Policy further streamlined recruitment processes to support faster and more effective recruitment.

72. A total of 55 training events and 13 customized retreats for 399 participants were delivered by PFP, covering over 90 per cent of its staff. A highlight in 2019 was the introduction and implementation of customized team retreats, which responded to the needs of teams and is contributing to building stronger teams in PFP. Another highlight was the Management Masterclass programme, which aims to strengthen the personal leadership and managerial capacities of existing supervisors, as well as colleagues transitioning into supervisory positions. A train-the-trainer/certification programme for the facilitators of the 7 Habits of Highly Effective People was also completed, and Team Leadership Foundational Training was delivered by McKinsey and Company.

C. Resource utilization

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

- The special purpose budget funded by regular resources for investment and other fundraising activities in PFP in Geneva and its Regional Support Centres in Amman, Bangkok, Nairobi and Panama, and the special purpose ceiling funded by other resources for other fundraising activities in PSFR COs;
- The institutional budget for development effectiveness and management activities.

74. In its decision 2019/7, the UNICEF Executive Board approved a special purpose budget funded by regular resources of \$181.5 million, comprising investment funds of \$115.0 million and other private sector fundraising costs of \$66.5 million, and a special purpose ceiling funded by other resources of \$63.9 million. The institutional budget allotment to PFP for 2019 totalled \$12.6 million.

75. In 2019, the Comptroller approved the carry forward of open commitments for the special purpose budget with the same limitations applicable to the institutional budget in financial regulation 9.15. The information reported in this section is presented, in accordance with a clarification provided by the Comptroller, on a budgetary basis (i.e., expenses incurred plus commitments entered into during the period). In 2018, the information was reported based on an expense-incurred basis as the carry forward of open commitments was not permitted.

Special purpose budget funded by regular resources

Investment funds

76. The investment funds budget was increased in 2019 by \$10 million to \$115 million in order to grow regular resources revenue and further develop critical regular resources revenue streams such as pledge and legacy fundraising, including through digital fundraising activities. Investment fund expenditure in 2019 totalled \$116.2 million and exceeded the budget by \$1.2 million (1 per cent) within the context of the authority given to the PFP Director to maximize investment in income-generating activities. This was facilitated by continuous and rigorous review of resource utilization in and reallocation of resources from other areas of PFP activities.

77. Investment funds allocations to the National Committees totalled 60 per cent, to country offices 38 per cent, and to global initiatives managed by PFP, 2 per cent of total investment funds. 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 91 projects for fundraising activities in 48 National Committee and country office markets. This compares to 2018, when investment funds were allocated to 89 projects for fundraising activities in 52 countries.

78. In 2019, investment funds of \$15.9 million, representing 13.7 per cent of the total investment portfolio, were allocated to legacy fundraising, which offers an even higher return and elevated levels of regular resources in the medium to long term.

79. In the context of the contraction of the global fundraising market, investment funds allowed PFP, working with National Committees and country offices, to strategically invest in donor and partner acquisition, and to increasingly focus on donor quality and retention through enhanced communication and engagement.

Other fundraising activities

80. The budget for other fundraising activities was increased in 2019 by \$2.1 million to \$66.5 million. Expenditure on other fundraising activities in 2019 totalled \$60.6 million, which represented 91.1 per cent of the approved budget. The under-utilization of \$5.9 million (8.9 per cent) resulted from decisions to reallocate \$1.2 million (1.8 per cent) to the investment funds and, in the context of the global fundraising market constraints and the related impact on regular resources revenue, to target a cost reduction of \$4.7 million (7.0 per cent), which was equivalent to savings resulting from vacant posts and the revision to standard post costs.

81. Expenditure on other fundraising activities comprises the cost of the technical expertise provided by PFP in global fundraising support to the National Committees (\$34.5 million) and country offices (\$8.1 million); marketing and communications (\$10.2 million); engagement with the private sector (\$6.5 million); and procurement (\$1.3 million). Significant components of the cost of global fundraising support are technical expertise on individual giving (\$12.6 million, including \$2.9 million for the supporter engagement strategy project); corporate partnerships of \$6.8 million; and major donors of \$6.8 million.

Special purpose ceiling funded by other resources

Other fundraising activities

82. 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 on fundraising activities. The ceiling represents the maximum cost level permitted by PFP guidelines. Expenditure

will not be incurred and utilization within the ceiling will not be reported unless revenue is raised. Therefore, lower than expected ceiling utilization does not result in savings to UNICEF.

83. Expenditure on other fundraising activities totalled \$45.0 million in 2019 compared to the approved budget of \$63.9 million.

Institutional budget

84. The institutional allotment for development effectiveness and management activities totalled \$12.6 million in 2019. Expenditure related to the PFP Director's Office and the strategic planning, finance and National Committee relations functions totalled \$11.0 million. The underutilization of \$1.6 million (12.7 per cent) comprised savings from vacant posts and revised standard post costs and, based on UNICEF policy, were retained and managed centrally.

Other

85. UNICEF initiated a significant transformation in the way that it attracts and engages supporters, including the use of customer relationship management technology. As part of customer relationship management, and to become a supporter-focused organization, the supporter engagement strategy allows UNICEF to listen to supporters and create engagement journeys. The aim is to double UNICEF supporters to 100 million people who are willing to donate, advocate and volunteer, and to modernize how UNICEF reaches, listens to and inspires individuals by putting them at the heart of how it delivers results for children. This is led by the Director of the Private Fundraising and Partnerships Division, in collaboration with the Directors of the Divisions of Communication, and Information and Communication Technology.

86. In 2019, \$4.4 million was allocated from the UNICEF global ICT budget to fund supporter engagement strategy activities. One of the significant results achieved was the implementation of integrated supporter engagement tools that combine multiple digital and traditional fundraising activities and financial flows in the UNICEF India Country Office.

D. Net surplus

87. The net private sector surplus was \$1,184.4 million, or 22.0 per cent lower than the budget in 2019, and \$45.9 million, or 3.7 per cent lower than in 2018. Given the global fundraising market contraction, PFP made the strategic decisions to continue to invest in the fundraising activities to maintain market position and secure future revenue streams while carefully controlling and reducing the cost of other fundraising activities by close to 10 per cent.

III. Strategic priorities

88. As a result of the constrained fundraising market conditions in 2019, PFP presented revised IMPACT Plan revenue targets to the Executive Board as part of its report Private Fundraising and Partnerships: 2020 workplan and proposed budget ([E/ICEF/2020/AB/L.1](#)). Now, in view of the COVID-19 pandemic and its likely recessive impact on the global economy, PFP has revised those projections to be more conservative, and is continuously and rigorously monitoring progress, in conjunction with the National Committee and country offices.

89. The COVID-19 pandemic has further underscored the importance of being agile and investing in innovation and digital fundraising. The large majority of regular resources from the private sector comes from individual giving and the majority of that is brought in through face-to-face fundraising. Across almost all countries these

operations had to pause during the lockdown period, and country offices and National Committees pivoted very quickly to telemarketing, direct television marketing and digital fundraising. This kind of agility was possible because of the current investment fund model and fundraising expertise across UNICEF. Going forward, more digital investments are necessary to broaden donor reach and engagement.

90. The years 2018 and 2019 have demonstrated that investment funds have prevented negative growth and allowed PFP, working with the National Committees and country offices, to invest strategically in donor and partner acquisition and to also adopt a stronger focus on donor quality and retention. They have also reinforced the organization's market position and will help to secure future revenue streams, the large majority of which is regular resources.

91. Given the revised revenue targets, and the requirement to reduce the provision for investment funds in the PFP budget for 2020 by \$30 million (26 per cent) compared with the approved amount for 2019, a key priority for PFP is to identify alternative investment solutions to maintain and, where possible, grow investments in fundraising activities. An immediate, although one-off solution, was the expansion of access to the internal bridge funding mechanisms facilitated by the UNICEF regulatory framework and available to PSFR COs for up-front investments in fundraising activities secured by projected revenue. The Division is also working with National Committees, as independent entities with borrowing powers, to investigate the potential to obtain financing for fundraising investments from the private sector and other potential innovative investment solutions.

92. Related to this, PFP has developed a proposal to establish a revolving fund for investment in fundraising activities, to supplement the existing PFP investment funds.

93. Another key priority for PFP is to accelerate and scale up the supporter engagement strategy across UNICEF to reach, engage and activate individual supporters to become donors using the power of digital technologies. There is now compelling evidence of the impact and return on investment of digital transformation in UNICEF and across the fundraising sector and, in the COVID-19 context, National Committees and country offices are reporting significantly better results in terms of the contact rate and conversion of digital donors. Central to the acceleration, following the best practices of other United Nations agencies and non-governmental organizations, is to develop a core model for the UNICEF digital platform. This platform will be offered to country offices for rapid customization to local circumstances.

94. Business for results is an organization-wide initiative aimed at positioning business as a key stakeholder in the UNICEF agenda for children, and hence mainstreaming business into UNICEF strategy and operations towards achievement of the Strategic Plan, 2018–2021 Goal Areas and the Sustainable Development Goals. It contributes to all eight change strategies of the Strategic Plan, but most specifically to “develop and leverage resources and partnerships for children” and to “harness the power of business and markets for children”. Even before the COVID-19 emergency, it was widely acknowledged that business is indispensable to achieving the Sustainable Development Goals. The singular efforts of the public and private sectors (and the business sector within it) working together in the transition through and beyond the global pandemic are even more instrumental as they work to build back better. In that context, the business for results initiative is all the more relevant and urgent. Already in the COVID-19 context, PFP has had successful results in bringing together multi-stakeholder platforms, generating significant contributions in kind to support the UNICEF response in meeting the water, sanitation and hygiene and education impacts of the pandemic on children. Business for results remains a strategic priority for PFP in 2020 and beyond.

95. UNICEF and the National Committees have agreed in the Cooperation Agreements that National Committee domestic advocacy programmes for children in their countries are a core component of the overall agreed National Committee activities. The UNICEF Executive Board has also acknowledged the important contributions of the National Committees to results for disadvantaged children in high-income countries in support of implementation of the Convention on the Rights of the Child and achievement of the Sustainable Development Goals. During the COVID-19 pandemic, universal engagement by UNICEF is critical. UNICEF is prioritizing and accelerating the work on programming in high-income countries across the organization, including through the National Committees. Programming in high-income countries remains a strategic priority for PFP in 2020 and beyond.

IV. Draft decision

The Executive Board

Takes note of the Private Fundraising and Partnerships: financial report for the year ended 31 December 2019 ([E/ICEF/2020/AB/L.8](#)).

Annex

Revenue and expenditure, 2018–2019

(in millions of United States dollars)	2018 actual			2019 approved budget			2019 actual			2019 actuals vs. 2019 approved budget	
	Regular resources	Other resources ^a	Total	Regular resources	Other resources	Total	Regular resources	Other resources	Total	Amount	Percentage
Private sector revenue											
Revenue from licensing	5.8	-	5.8	7.0	-	7.0	5.0	-	5.0	(2.0)	-28.6%
Private sector fundraising revenue	684.7	740.9	1 425.6	845.6	923.7	1 769.3	652.7	764.2	1 416.9	(352.4)	-19.9%
National Committees	643.5	548.5	1 192.0	794.3	685.5	1 479.8	617.7	613.6	1 231.3	(248.5)	-16.8%
Country offices	41.2	192.4	233.6	51.3	238.2	289.5	35.0	150.6	185.6	(103.9)	-35.9%
Other revenue	0.1	-	0.1	-	-	-	-	-	-	-	0.0%
Total private sector revenue	690.6	740.9	1 431.5	852.6	923.7	1 776.3	657.7	764.2	1 421.9	(354.4)	-20.0%
Private Fundraising and Partnerships (PFP) expenditures											
A. Development effectiveness expenditures:	3.7	-	3.7	4.1	-	4.1	3.8	-	3.8	(0.3)	-7.3%
National Committee Relations	3.7	-	3.7	4.1	-	4.1	3.8	-	3.8	(0.3)	-7.3%
B. Management expenditures:	7.9	-	7.9	8.5	-	8.5	7.2	-	7.2	(1.3)	-15.3%
Director's Office and Strategic Planning	1.4	-	1.4	1.6	-	1.6	1.4	-	1.4	(0.2)	-12.5%
Finance and Operations	6.5	-	6.5	6.9	-	6.9	5.8	-	5.8	(1.1)	-15.9%
C. Special purpose expenditures:	153.2	36.4	189.6	181.5	63.9	245.4	176.8	45.0	221.8	(23.6)	-9.6%
Fundraising	27.0	-	27.0	36.3	-	36.3	34.5	0.1	34.6	(1.7)	-4.7%
Country Office Support	5.3	-	5.3	6.9	-	6.9	6.7	-	6.7	(0.2)	-2.9%
Country Office Direct Fundraising Costs	1.9	36.0	37.9	3.3	61.9	65.2	1.4	44.4	45.8	(19.4)	-29.8%
Marketing and Communication	8.9	0.2	9.1	11.3	-	11.3	10.2	0.2	10.4	(0.9)	-8.0%
Procurement	1.3	-	1.3	1.4	-	1.4	1.3	-	1.3	(0.1)	-7.1%
Private Sector Engagement	6.1	0.2	6.3	7.4	2.0	9.4	6.5	0.3	6.8	(2.6)	-27.7%
Investment funds	102.7	-	102.7	115.0	-	115.0	116.2	-	116.2	1.2	1.0%

Total PFP expenditures	164.8	36.4	201.2	194.1		258.0	187.8	45.0	232.8	(25.2)	-9.8%
Licensing/Sales expenditures of National Committees	1.1	-	1.1	0.7	-	0.7	1.2	-	1.2	0.5	0.0%
Impairment	1.7	-	1.7	-		-	0.9	-	0.9	0.9	0.0%
FP foreign exchange losses (gains)	(1.9)	(0.9)	(2.8)	-	-	-	2.7	(0.1)	2.6	2.6	0.0%
Net private sector surplus	524.9	705.4	1 230.3	657.8	59.8	1,517.6	465.1	719.3	1 184.4	(333.2)	-22.0%

^a The other resources revenue includes other revenue raised in UNICEF country offices with fundraising activities.