



## Economic and Social Council

Distr.: Limited  
12 July 2019

Original: English

**For decision**

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### United Nations Children's Fund

Executive Board

**Second regular session 2019**

11–13 September 2019

Item 11 of the provisional agenda\*

### **Private Fundraising and Partnerships: financial report for the year ended 31 December 2018**

#### *Summary*

This document presents the financial and non-financial results for children from the private sector for the year ended 31 December 2018 that were achieved by the UNICEF Private Fundraising and Partnerships Division, together with the National Committees for UNICEF and UNICEF country offices.

In 2018, total private sector revenue was \$1.43 billion, of which regular resources (RR) represented \$691 million – the highest amount ever generated from the private sector in any given year.

Overall private sector revenue was \$164.2 million, 10.3 per cent shy of the 2018 target of \$1.60 billion. To improve the net surplus available to UNICEF programmes, the division's costs were closely monitored and showed a favourable variance of \$34.8 million (or 14.7 per cent) compared to a budget of \$236.0 million. The net private sector surplus was \$1.23 billion, which is 9.5 per cent below the target of \$1.36 billion.

In 2018, the Division 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 signed with each National Committee. There was a renewed joint focus on ensuring that the private sector fundraising business model was fit for business. There were several challenges and lessons learned in 2018 from crises, including the termination of the UNICEF relationship with the Hellenic National Committee.

UNICEF was the second most trusted international organization globally in 2018, behind the International Committee of the Red Cross. It ranked number one in 31 per cent of 31 countries surveyed and was in the top three organizations in 80 per cent of countries.

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\* E/ICEF/2019/21.



## **I. Introduction**

1. The Private Fundraising and Partnerships Division (PFP or “the Division”) aims to achieve results for children by maximizing private fundraising and advocacy efforts carried out by UNICEF around the world. In this regard, the Division coordinates fundraising activities and non-fundraising partnerships with the private sector to deliver income and impact for children.
2. The year 2018 was the first year of the UNICEF Strategic Plan 2018–2021 and the Private Sector Plan 2018–2021: IMPACT for Every Child (the “IMPACT Plan”). By adopting an audience-based approach with the private sector to support the delivery of results for children, the IMPACT Plan aims to create a significant change in the level of income and influence that can be achieved. The key private sector audiences are individual supporters, key influencers, businesses and Governments in National Committee countries.
3. The Division leads the implementation of the IMPACT Plan, coordinating and providing guidance and support to National Committees and country offices in all private sector fundraising and partnerships activities, in cooperation with UNICEF regional offices and other headquarters divisions.
4. This report provides a summary of the income and influence results achieved by PFP in 2018, within the context of the IMPACT Plan.

## **II. Overview of financial results in 2018**

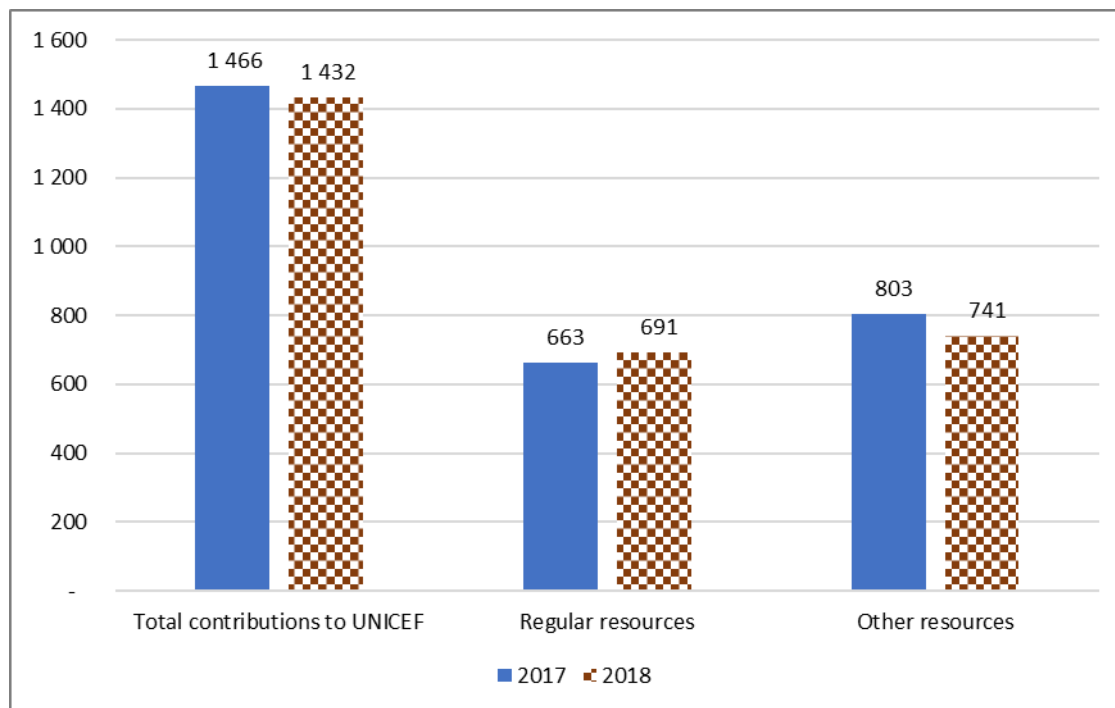
### **A. Revenue**

5. In 2018, total private sector revenue was \$1.43 billion.<sup>1</sup> Of this total, contributions to regular resources (RR) represented \$690.6 million – the highest amount ever generated from the private sector in any given year – and contributions to other resources (OR) was \$740.9 million, of which \$578.9 million was other resources regular (ORR) and \$162.0 million other resources emergency (ORE).

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<sup>1</sup> A summary statement of revenue and expenses is provided in the annex.

Figure I  
**Total contributions to UNICEF, 2017–2018**  
 (in millions of United States dollars)

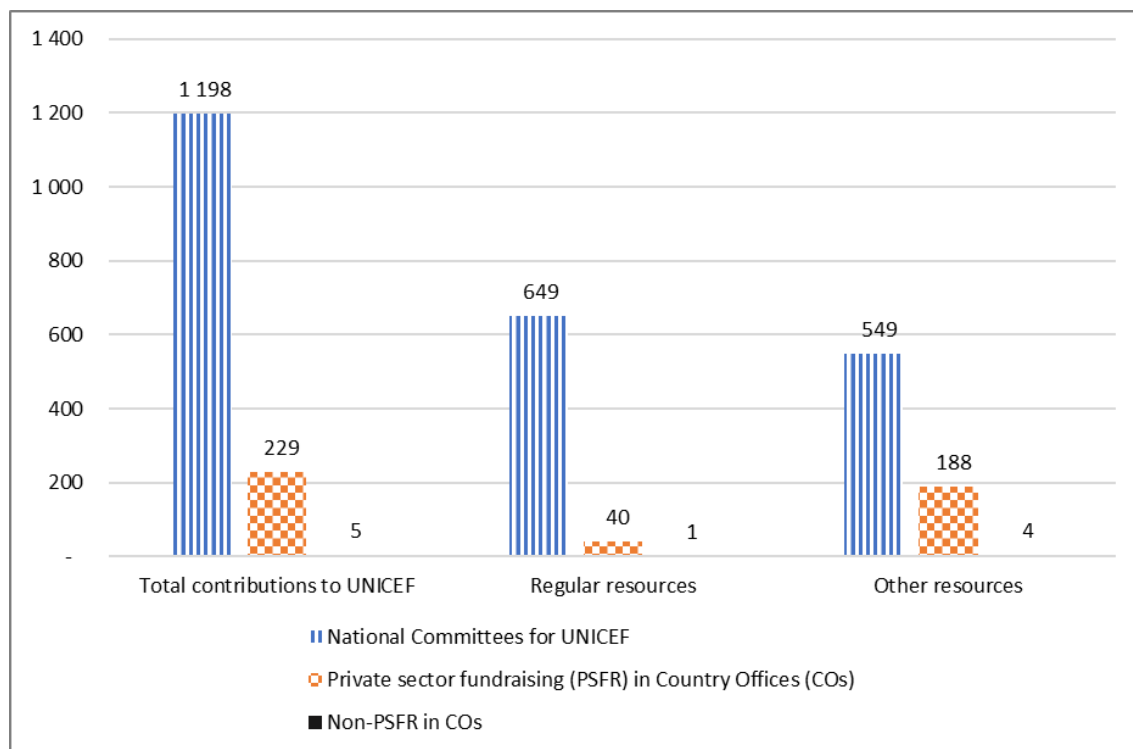


*Note:* Some of the numbers in this figure have been rounded.

6. In 2018, private sector revenue was generated in 33 National Committees for UNICEF, 21 UNICEF country offices with structured private sector fundraising activities (PSFR COs) and 24 other country offices raising funds either directly or through the UNICEF global giving online platform (non-PSFR COs).

7. Total private sector revenue generated by National Committees, PSFR COs and non-PSFR COs was \$1,197.8 million, \$228.6 million and \$5.1 million, respectively. Of this total, contributions to RR from National Committees, PSFR COs and non-PSFR COs were \$649.3 million, \$40.2 million, and \$1 million, respectively, and contributions to OR were \$548.5 million, \$188.4 million and \$4.1 million respectively.

Figure II  
**2018 contributions to UNICEF National Committees and country offices**  
 (in millions of United States dollars)



Note: Some of the numbers in this figure have been rounded.

8. Revenue generated by PSFR COs increased by \$32.7 million (16.7 per cent) in 2018 compared to 2017. In the Latin America and Caribbean region, PSFR COs generated \$81.6 million (35.7 per cent), the Gulf Area sub-region raised \$66.5 million (29.1 per cent), the East Asia and the Pacific region raised \$64.0 million (29 per cent), the Europe and Central Asia region raised \$8.4 million (3.7 per cent), the South Asia region raised \$7.1 million (3.1 per cent), and the Eastern and Southern Africa region raised \$1 million (0.4 per cent). Revenue generated by non-PSFR COs increased by \$0.9 million (21.4 per cent) in 2018 compared to 2017.

9. Contributions to RR continued to grow in 2018, with an increase of \$28.1 million compared to 2017 but fell short by \$66.9 million compared to the budget for 2018 – comprising \$66.1 million by National Committees and \$0.8 million by country offices. Individual giving remained the primary source of contributions to RR.

10. Contributions to OR decreased by \$61.9 million compared to 2017 and fell short by \$97.4 million compared to the budget for 2018 – comprising \$71.8 million by National Committees and \$25.6 million by country offices – due largely to the timing of contribution receipts between financial periods.

11. After deducting special purpose costs and other expenses funded by the PFP budget of \$165.8 million, as well as country office private sector fundraising expenses of \$36.0 million, private sector engagement and marketing and communication costs funded by OR of \$0.4 million, and accounting adjustments, the net surplus of private sector revenue was \$1,230.4 million, which is 9.5 per cent below the approved budget of \$1,359.3 million.

12. Non-operating items comprise foreign exchange gains of \$2.8 million and impairment expenses of \$1.7 million. The exchange gains arose from the settling of

National Committee receivables for 2017 in 2018 at more favourable exchange rates than the prevailing rates as of 31 December 2017. Certain receivables were impaired following prudent accounting principles as of 31 December 2018.

## **B. Expenses**

### **1. Special purpose expenses**

13. In 2018, special purpose expenses totalled \$153.2 million and comprised expenses related to investment fund activities (\$102.7 million), fundraising (\$27.0 million), marketing and communication (\$8.9 million), private sector engagement (\$6.1 million), country office support (\$5.3 million), country office direct fundraising (\$1.9 million) and procurement (\$1.3 million).

14. In 2018, special purpose costs increased by \$30.4 million (24.8 per cent) compared with 2017 due to a significantly increased budget allocation in investment fund activities, reinforced support to the individual and key influencers fundraising teams and investment in the Supporter Engagement Strategy project. Special purpose expenses were \$16.2 million (9.6 per cent) less than budget.

### **2. Investment fund expenses**

15. In 2018, investment fund expenses totalled \$102.7 million and were \$2.3 million (2.2 per cent) less than budget.

16. In accordance with Executive Board decision 2018/4, UNICEF made available investment funds totalling \$105.0 million, a 31.3 per cent increase from the budget allotment of \$80.0 million in 2017. Greater flexibility was introduced in the investment fund allocation process to take advantage of revenue-generating opportunities as they arose in core channels and high-potential markets. In addition, UNICEF established the Fundraising Innovation Programme, which enables countries to test innovative fundraising ideas to build a broader support base.

17. Investment funds were allocated to 89 projects for fundraising activities in 49 countries, with activities focused on the most cost-effective fundraising in the markets with the most revenue-generating potential. This compares to 2017 when investment funds were allocated to 129 projects for fundraising activities in 49 countries.

18. In 2018, \$13.2 million of the investment funds was allocated to legacy fundraising, which offers an even greater return and elevated levels of RR in the medium to long term.

### **3. Management expenses**

19. In 2018, management costs totalled \$7.9 million and comprised expenses related to the PFP Director's Office and the Strategic Planning function (\$1.4 million) and PFP finance and operations expenses (\$6.5 million). Management costs were \$0.8 million (9.2 per cent) less than budget, due to savings from vacant posts and revised standard post costs.

20. There was a significant decrease in management costs (\$6.9 million) compared to 2017, resulting from the decision to remove the Geneva headquarters common services budget and expenses from the PFP budget. A revised budgeting and reporting mechanism for the Geneva headquarters better reflects the shared nature of the improved cost allocation among the entities in the office (Human Resources, Information and Communication Technology and Operations/Finance).

#### **4. Development effectiveness expenses**

21. In 2018, development effectiveness expenses totalled \$3.7 million and comprised expenses related to the National Committee relations function, which is responsible for managing the strategic relationship between UNICEF and the National Committees. In 2018, development effectiveness costs increased by \$0.3 million (8.8 per cent) compared to 2017 and were \$0.6 million (14 per cent) less than the 2018 budget due to savings in post-related costs.

#### **5. Country office direct fundraising costs**

22. In 2018, country office direct fundraising costs totalled \$36.0 million, \$15.6 million (30.2 per cent) less than budget and \$2.9 million (8.8 per cent) more than costs in 2017.

23. The budgets for these costs are estimated based on revenue targets and ceilings rather than fixed budgets and represent the maximum cost levels permitted by PFP guidelines. Country office direct fundraising costs are raised and expended against approved ceilings; thus, lower-than-expected budget utilization does not result in returned savings to the organization. Additionally, country offices are encouraged to use up to 25 per cent of gross private sector contributions raised in-country in any calendar year to cover fundraising expenses.

24. Taking into consideration fundraising activities in the Gulf Area, which are financed directly from the PFP budget, the country office direct fundraising costs of \$36.0 million represent a 23.4 per cent reinvestment rate in fundraising in 2018, which is within the 25 per cent ratio.

#### **C. Net surplus**

25. In summary, total private sector revenue was 10.3 per cent lower than budgeted for 2018. Accordingly, total private sector expenses were contained and as a result were also 14.7 per cent lower than budget in 2018. The net surplus of private sector revenue was \$129.0 million or 9.5 per cent lower than the budget in 2018; and \$63.3 million or 4.9 per cent lower than 2017.

#### **D. Basis of preparation of the Private Fundraising and Partnerships financial report**

26. All revenue and expense figures in this report are presented in compliance with UNICEF policies, procedures and guidance.

### **III. Overview of the 2018 results by outcome and output of the Private Sector Plan 2018–2021**

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

27. In 2018, UNICEF engaged 79.4 million supporters of its goal of 100 million supporters by 2021. UNICEF reached 4.9 million pledge donors, 2.9 million cash donors, 67.1 million digital supporters through social media, 3.5 million children trained in child rights education and a volunteer force of 995,980. Net revenue from individuals reached 96.6 per cent of the Plan, achieving \$891.6 million against the goal of \$922.9 million, as some key markets faced exceptional challenges.

**Output 1.1: 9.9 million people donating \$0.93 billion by 2018**

28. Individual giving revenue in 2018 was 96.6 per cent of the IMPACT Plan. While it did not quite reach the ambitious target, it was the highest ever revenue from individuals in a given year. Overall, UNICEF reached 7.8 million individual donors – 4.9 million pledge donors and 2.9 million cash donors. Some key markets faced exceptional challenges that affected donor-recruitment activity, while exchange rates affected strong growth in some countries. Revenue from legacies was \$92.2 million – the highest ever in the history of UNICEF. Given the external environment, the performance on pledge and legacy revenue was very strong. On fixed exchange rates, pledge revenue grew by 9.6 per cent and legacy revenue by 30 per cent.

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

29. UNICEF increased its base of supporters who volunteer, advocate and donate. In 2018, this included 67.1 million digital supporters through social media – globally and locally – including 34.9 million through Facebook and 14.6 million on Twitter, 7.8 million individual donors, and nearly 1 million volunteers who supported National Committees.

30. More children and young people were engaged as agents of change in 2018 than ever before. Young people were agents of change through U-Report (6.3 million) and social media channels – especially Instagram – and represented 38 per cent of the volunteer force, and 3.5 million children were engaged through child rights education efforts.

**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**

31. In 2018, leading philanthropic partners raised \$374.7 million for programmes for children. This included \$83.2 million from mid-level and major donors, \$85.4 million from membership-based organizations, and \$206.1 million from foundation partners.

32. Significant foundation partners in 2018 included the Bill & Melinda Gates Foundation; Education Above All Foundation; Carlos Slim Foundation; IKEA Foundation; National Philanthropic Trust; and the Children’s Investment Fund Foundation. These leading philanthropic partners supported landmark programmes such as the drive to eradicate polio, secure quality education for out-of-school primary-school-age children, build child protection systems, and treat and prevent severe acute malnutrition. Philanthropic funding for UNICEF programmes spanned all of the organization’s Goal Areas and thematic programmes.

**Output 2.1: Leading philanthropic partners commit to working with UNICEF and investing \$510 million annually by 2018 to achieve transformational change for children**

33. Compared to 2017, donations from mid-level and major donors rose by 28 per cent. This growth is expected to continue along with increasing investments by markets in developing this relatively new revenue stream, which, in 2018, encompassed 150 major donors (giving more than \$100,000) and over 2,000 mid-level donors.

34. Membership-based giving also rose a healthy 4 per cent, primarily due to partnerships with key membership groups including Rotary International, Kiwanis

International, the Church of Jesus Christ of Latter-day Saints, Zonta International and Dining for Women, and in 2018 the UNICEF Office of the Executive Director officially tasked PFP to lead the development of a global strategy to accelerate existing work with such organizations.

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

35. Membership-based organizations can effectively reach their base of individual members with key messages on children’s rights. Therefore, in 2018, UNICEF made a concerted effort to strengthen the communication and advocacy work with Rotary International to engage the public and key leaders on polio.

36. Foundations have also lent their voice to amplify UNICEF advocacy messages. They include the Bill & Melinda Gates Foundation on polio and health, the Children’s Investment Fund Foundation on nutrition, Educate A Child on out-of-school primary-age children, IKEA Foundation on the right to play, Dubai Cares on early childhood development and the United Nations Foundation on youth engagement and family-friendly workplaces.

37. National Committees worked with national and regional ambassadors to amplify advocacy and fundraising campaigns and messages. Highlights included Robbie Williams for Soccer Aid (United Kingdom of Great Britain and Northern Ireland) and Sergio Ramos for the Children Uprooted campaign (#ChildrenUprooted) in Spain. Goodwill Ambassadors were engaged when priorities were aligned, including Muzoon Almellehan supporting advocacy for the #ChildrenUprooted, and Ricky Martin supporting the Italian Committee’s summer fundraising gala.

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

38. In 2018, revenue from businesses was \$145.2 million, which was 89 per cent of the planned amount but 9 per cent lower than 2017. National Committees and country offices estimated that 104.6 million children were reached through programming and advocacy that engaged businesses to respect children’s rights in the workplace and supply chain, in marketing and advertising and in the wider community. This compared to 13.4 million children reported in 2017.

39. There was, however, more to it than reporting. Additional country offices and National Committees are recognizing the necessity of adopting a rigorous approach to identifying and addressing risks to children as an element in the wider programmatic integration of business as a change agent. Under the framing “Better Business for Children”, four major areas of business activity and two dominant business influencers were prioritized for the generation of knowledge, methodologies, technical guidance and support for country offices and National Committees: supply chain/workplace, marketing and advertising, online/digital, safeguarding, the power of the financial sector (a new work stream begun in 2018) and business-related public policy.

**Output 3.1: Partnerships with businesses maximize results for children delivering revenue (\$162 million), influence, reach, child rights and business and/or core business and assets**

40. In 2018, contributions reached \$145.2 million from companies ranging in size from sole proprietorships to global companies that contributed most of the revenue. Some of the essential corporate relationships in 2018 were with Aer Lingus, Big Hit Entertainment, the Walt Disney Company, easyJet, Google, ING, Johnson & Johnson,



Inc., Level Kids, LIXIL Corporation, Moncler, Nationale Postcode Loterij, Postkodlotteriet, Primark Limited, Takeda Pharmaceutical Company Limited and United Internet for UNICEF Foundation. The licensing business model is a part of the business audience and raised \$5.8 million in 2018. The net revenue ratio for licensing decreased from 96 per cent in 2017 to 81 per cent in 2018.

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

41. A total of 2,490 businesses as well as government bodies, business associations, multi-stakeholder platforms and financial institutions worked with 57 UNICEF offices – 40 country offices and 17 National Committees – to address risks to children posed by business activity in the workplace, supply chain, marketing and advertising and the wider environment. This represented an increase of over 100 per cent in reported Better Business for Children engagement compared to 2017, and an expansion by six in the number of UNICEF offices involved (four country offices and two National Committees). A key factor behind these improved figures was greater integration of addressing business risk to children into core programmes, based on analysis identifying business behaviour as a causal factor in the challenges faced by children, and theories of change establishing the most appropriate ways of mobilizing business institutions. Examples of company action included multinationals headquartered in Sweden and the United Kingdom addressing child safeguarding; companies in Argentina, Bangladesh, the Plurinational State of Bolivia, Indonesia, Kenya, Mexico, Paraguay, Rwanda and Viet Nam addressing workplace and supply chain practices that inhibit breastfeeding; and businesses in Guatemala, Japan, Kenya, Mongolia, Peru, Slovenia, Thailand and the United Republic of Tanzania taking child protection measures based on their impact on the community both online and offline.

**Output 3.3: Businesses and business stakeholders advocate for children**

42. The engagement with the World Economic Forum and at its annual meeting in Davos focused on UNICEF priorities, including education and skills development, the Generation Unlimited partnership, artificial intelligence, development finance and the humanitarian agenda. The Division also coordinated engagement in more than 13 business-related events during the 73rd session of the United Nations General Assembly, contributing in advancing Generation Unlimited and UNICEF priorities for children and young people, promoting public-private partnerships, positioning UNICEF as a partner of choice for the private sector, strengthening current partnerships and building new ones.

**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**

43. UNICEF has seen a surge in the commitment and action by Governments on priority issues for children. In 2018, National Committees reported 45 child rights laws and 76 policies adopted at the national level. This was the result of advocacy and efforts of National Committees where, despite challenging political contexts in many countries, they secured significant policy and financial commitments from their Governments. National Committees are engaging a wider range of stakeholders and building capacity in the public, private and civil society sectors to drive implementation of the Convention on the Rights of the Child.

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

44. Revenue from Government and intergovernmental organizations reached \$16.9 million in 2018. Contributions were received via nine National Committees from the following: various city councils in Spain; UK Aid Match from the United Kingdom Department for International Development; Australian NGO Cooperation Program, New Zealand Ministry of Foreign Affairs and Trade matching funding; and the Office of the Prime Minister of Poland, among others.

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

45. In 2018, National Committees reported that 45 child rights laws and/or regulations and 76 child rights policies were adopted nationally, in addition to the global advocacy priorities in the Cause Framework, where advocacy support is centralized in the campaign teams. This is an increase from the 42 laws or regulations and 71 policies reported by National Committees in 2017. Australia, the Netherlands, Norway and Spain were notable. In Hungary, the Government announced plans to include cyberbullying in the penal code.

46. UNICEF engaged 3,215 stakeholders to influence government action on child rights – up from 2,252 stakeholders in 2017. National Committees are engaging a broader range of public, private and civil society actors to raise awareness on children's rights. UNICEF capacity-building activities in advocacy with the private sector benefited from 1,061 stakeholders, including government decision makers, business actors, industry bodies, civil society and academia.

47. UNICEF took 118 collaborative actions with key stakeholders in 2018 – marginally up from 110 collaborative actions in 2017. This work was underpinned by strategic partnerships. The 2018 G7 illustrated the impact where National Committees came together with 35 organizations, while PFP mobilized the other G7 National Committees, headquarters divisions and education partners, resulting in an historic commitment on girls' education at the summit.

48. The newly established Child and Youth Advisory Board for the Child Friendly Cities Initiative convened in December 2018. A communication strategy, including a co-creation strategy with children for the Child Friendly Cities Initiative Summit, was developed.

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

49. The UNICEF brand scored strongly on global indicators for effectiveness in work for children worldwide. The organization remained one of the most trusted and best-known organizations for children globally, with its ranking remaining stable in the past year. Improvements still need to be made and a close eye kept on the levels of trust in certain national contexts, where external and internal factors have resulted in reduced levels of trust in eight countries. Strengthening engagement through powerful content began to bear fruit and is a key strategy in the Updated UNICEF Global Communication and Advocacy Strategy, 2018–2021, currently under development.

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

50. UNICEF was ranked the second most trusted international organization globally in 2018, after the International Red Cross. UNICEF ranked number one in 31 per cent of 31 countries surveyed and was in the top three organizations in 80 per cent of countries. The UNICEF position in terms of level of trust remained stable compared to 2017, with a few countries recording a decline in the level of trust for the first time.

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

51. Entering the first year of the IMPACT Plan, PFP committed to a list of enablers to support its implementation and eliminated administrative bottlenecks that hindered growth. This included a wide range of activities and actions from PFP in support of regional offices, country offices and National Committees. Furthermore, enablers assured an adequate level of investment in private sector fundraising activities, and the development and integration of different systems, including the IMPACT Platform. Enablers also played a key role in mobilizing the operations of the enablers community at the regional, country office and National Committee levels to be fit for business in support of the delivery of the IMPACT Plan.

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

52. In 2018, 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, which arose from challenges faced in 2018 and the lessons learned from crises, including the termination of the relationship with the Hellenic National Committee.

53. The Division successfully shared 114 long-term agreements with headquarters offices, country offices and National Committees, providing opportunities to leverage economies of scale, reduce the number of waivers from competitive bidding and identify opportunities for synergies.

54. Improvements were made for securing cash flows for country offices, including the implementation of bridge funding to secure private sector fundraising, staff salaries and non-post fundraising costs from the beginning of the year. Early release of investment funds allowed country offices to plan and contract fundraising activities financed by those funds early in the year.

55. In 2018, there was a renewed joint focus on ensuring robust governance in National Committees following several governance challenges and lessons learned from recent crises.

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

56. Efficient and effective management of results was significantly enhanced in 2018 through various digital-first initiatives that helped to streamline and enhance planning, monitoring, reporting and knowledge-sharing across UNICEF country offices and National Committees. These initiatives included the roll-out of the IMPACT Platform for planning, monitoring and reporting; enhanced skill sharing

through Skill Share as well as online conversion of Skill Share modules; the Inspire Awards and the Good Practices website; and the development of a platform for private sector content sharing between the Programme Division, country offices and National Committees.

57. To stimulate investment in advocacy by National Committees, new metrics were developed to demonstrate both the fundraising performance to the wider organization, but also to monetize and publicize the contributions of National Committees to local advocacy initiatives. It was decided that recognition of these contributions would be made public by publishing the top 10 amounts in the UNICEF Annual Report. This was published for the first time in the 2018 edition.

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

58. The Division implemented a new application architecture that integrates seamlessly with the existing UNICEF enterprise architecture, allowing data flow between different applications to provide consistent information across platforms for management decisions. Migration of PFP applications (being used by private sector fundraising country offices and National Committees), from on-premises to cloud-based technologies, has improved data security and availability while reducing carbon footprint and maintenance costs. Infrastructural capacity and security was strengthened while keeping costs at par. To further enhance data and information security, classification, assessment and management of public-facing fundraising websites across private sector fundraising country offices was under way. Fundraising platforms are being modernized across private sector fundraising markets by addressing the business requirements of the Division as part of the Supporter Engagement Strategy.

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

59. The UNICEF Division of Human Resources supported PFP business units in the implementation of the 2018–2021 office management plan and in the recruitment of 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.

60. The Division delivered several training courses to staff, National Committees and country offices to enhance technical skills, management excellence and other core and functional competencies. These included the Management Master Class, the 7 Habits of Highly Effective People training as well as modules on presentation and facilitation skills, among others. Career management activities were also enhanced with the provision of individual career coaching and career management workshops. The New Staff Orientation programme continued to be provided for all new staff, National Committees and new UNICEF Representatives and Deputy Representatives.

61. The Division continued to implement purposeful matrix management, continuing the movement from a linear divisional approach to multi-dimensional accountability and focused partnerships across teams/sections and UNICEF divisions, where relevant.

## **IV. Strategic priorities**

62. Acknowledging that the revenue results were not fully achieved in accordance with the ambitious targets set for 2018, UNICEF has redoubled its efforts to grow private sector fundraising, particularly from individuals, in 2019. This will require a

renewed focus on key growth and emerging markets; innovating, sharing and scaling up new fundraising models; and becoming more agile and responsive to fundraising opportunities for emergencies. Through the Supporter Engagement Strategy, UNICEF will enhance supporter relationships with a view to reducing donor attrition and increasing donor acquisition. Continuing the current level of investment funds will be critical to support ongoing growth, particularly in individual giving.

63. To fully maximise the power of the business sector, in accordance with the Strategic Plan, 2018–2021, UNICEF is also rolling out the business for results approach, an organization-wide capacity-building initiative on effective engagement with the business sector to enhance impact for children together with businesses – from small micro-enterprises to large multinationals.

## **V. Draft decision**

*The Executive Board*

*Takes note* of the Private Fundraising and Partnerships: financial report for the year ended 31 December 2018 ([E/ICEF/2019/AB/L.6](#)).

## Annex

## Revenue and expenses

<i>(in millions of United States dollars)</i>	<i>2017 actual</i>			<i>2018 actual</i>			<i>2018 approved budget</i>			<i>2018 actual vs. 2018 approved budget</i>	
	<i>Regular resources (RR)</i>	<i>Other resources (OR)</i>	<i>Total</i>	<i>RR</i>	<i>OR</i>	<i>Total</i>	<i>RR</i>	<i>OR</i>	<i>Total</i>	<i>Amount</i>	<i>Percentage</i>
	<b>Private sector revenue</b>										
Revenue from greeting cards and products	7.7	-	7.7	5.8	-	5.8	7.0	-	7.0	(1.2)	-17.1%
Private sector fundraising contributions	654.8	802.8	1 457.5	684.7	740.9	1 425.6	750.4	838.3	1 588.7	(163.1)	-10.3%
National Committees	619.5	637.2	1 256.7	643.5	548.5	1 192.0	708.4	620.3	1 328.7	(136.7)	-10.3%
Country offices	35.2	165.6	200.9	41.2	192.	233.6	42.0	218.0	260.0	(26.4)	-10.2%
Other revenue	0.1	-	0.1	0.1	-	0.1	-	-	-	0.1	0.0%
<b>Total private sector revenue</b>	<b>662.5</b>	<b>802.8</b>	<b>1 465.3</b>	<b>690.6</b>	<b>740.9</b>	<b>1 431.5</b>	<b>757.4</b>	<b>838.3</b>	<b>1 595.7</b>	<b>(164.2)</b>	<b>-10.3%</b>
<b>Private Fundraising and Partnerships (PFP) expenses</b>											
<b>A. Development effectiveness costs</b>	<b>3.4</b>	<b>-</b>	<b>3.4</b>	<b>3.7</b>	<b>-</b>	<b>3.7</b>	<b>4.3</b>	<b>-</b>	<b>4.3</b>	<b>(0.6)</b>	<b>-14.0%</b>
National Committee relations	3.4	-	3.4	3.7	-	3.7	4.3	-	4.3	(0.6)	-14.0%
<b>B. Management costs</b>	<b>14.8</b>	<b>-</b>	<b>14.8</b>	<b>7.9</b>	<b>-</b>	<b>7.9</b>	<b>8.7</b>	<b>-</b>	<b>8.7</b>	<b>(0.8)</b>	<b>-9.2%</b>
Director's Office and Strategic Planning	1.8	-	1.8	1.4	-	1.4	1.6	-	1.6	(0.2)	-12.5%
Finance and Operations	13.0	-	13.0	6.5	-	6.5	7.1	-	7.1	(0.6)	-8.5%
<b>C. Special purpose costs</b>	<b>122.8</b>	<b>33.3</b>	<b>156.1</b>	<b>153.2</b>	<b>36.4</b>	<b>189.6</b>	<b>169.4</b>	<b>53.6</b>	<b>223.0</b>	<b>(33.4)</b>	<b>-15.0%</b>
Fundraising	20.1	-	20.1	27.0	-	27.0	33.8	-	33.8	(6.8)	-20.1%
Country Office Support <sup>a</sup>	4.7	-	4.7	5.3	-	5.3	6.9	-	6.9	(1.6)	-23.2%

<i>(in millions of United States dollars)</i>	<i>2017 actual</i>			<i>2018 actual</i>			<i>2018 approved budget</i>			<i>2018 actual vs. 2018 approved budget</i>	
	<i>Regular resources (RR)</i>	<i>Other resources (OR)</i>	<i>Total</i>	<i>RR</i>	<i>OR</i>	<i>Total</i>	<i>RR</i>	<i>OR</i>	<i>Total</i>	<i>Amount</i>	<i>Percentage</i>
	Country Office Direct Fundraising Costs	1.4	33.1	34.5	1.9	36.0	37.9	3.7	51.6	55.3	(17.4)
Marketing and Communication	7.1	-	7.1	8.9	0.2	9.1	11.3	-	11.3	(2.2)	-19.5%
Procurement	1.2	-	1.2	1.3	-	1.3	1.4	-	1.4	(0.1)	-7.1%
Private Sector Engagement	5.3	0.2	5.5	6.1	0.2	6.3	7.4	2.0	9.4	(3.1)	-33.0%
Investment funds	83.0	-	83.0	102.7	-	102.7	105.0	-	105.0	(2.3)	-2.2%
<b>Total PFP expenses</b>	<b>141.0</b>	<b>33.3</b>	<b>174.3</b>	<b>164.8</b>	<b>36.4</b>	<b>201.2</b>	<b>182.4</b>	<b>53.6</b>	<b>236.0</b>	<b>(34.8)</b>	<b>-14.7%</b>
Licensing/Sales expenses of National Committees	0.3	-	0.3	1.1	-	1.1	0.4	-	0.4	0.7	175.0%
Impairment	3.1	2.3	5.4	1.7	-	1.7	-	-	-	1.7	0.0%
PFP foreign exchange losses (gains)	(8.4)	0.1	(8.3)	(1.9)	(0.9)	(2.8)	-	-	-	(2.8)	0.0%
<b>Net private sector surplus</b>	<b>526.5</b>	<b>767.1</b>	<b>1 293.6</b>	<b>524.9</b>	<b>705.4</b>	<b>1 230.3</b>	<b>574.6</b>	<b>784.7</b>	<b>1 359.3</b>	<b>(129.0)</b>	<b>-9.5%</b>

<sup>a</sup> Country Office Support costs include the Country Office Development and Support Unit and regional support centres.