Child-Focused Agencies Views on Financing for Development: Financing a World Fit for Children

Introduction

The Child-focused agencies (ChildFund Alliance, Plan International, Save the Children, SOS Children's Villages, UNICEF and World Vision) wish to express our views as inputs into the process leading up to the Third International Conference on Financing for Development (FfD). Our agencies work in humanitarian and development contexts and each organization focuses on promoting and ensuring child rights and their well-being.

2015 is a critical year for development. The Child-Focused Agencies agree, and are clear that children need to be at the center of decisions that are being made—decisions that will impact their futures.

Building on the Monterrey Consensus (2002) and the Doha Declaration (2008), the international community will come together in July at the Third International Conference on Financing for Development in Addis Ababa, to identify a new financial framework for achieving the sustainable development agenda. This will be followed by the finalization and adoption of the Post-2015 Development Agenda in September, which will include a set of Sustainable Development Goals and Targets (SDGs), as well as December's 21st session of the Conference of the Parties to the UNFCCC meeting in Paris.

Financing for Development has, in the past, been a fairly technical exercise. The needs and views of children and young people have not been delineated in previous documents, and have barely been mentioned by Member-States or other stakeholders. The Monterrey Consensus, the founding document of the Financing for Development process cite children only once; the upcoming FfD Conference must ensure that children and young people are front and center in both the negotiations and in the Outcome Document.

As the FfD Conference precedes the adoption of the Post-2015 Development Agenda, and given that children are specifically mentioned in 19 of the current proposed targets as well as being part of "all people" in other proposed targets, our agencies are calling on Member States to ensure that the FfD process meets the funding needs of the SDGs in the effort to create a ***World Fit for Children.***

Child-focused agencies make the following recommendations:

The Addis Ababa outcome document should acknowledge that investing in children is an essential building block of sustainable and equitable growth strategies.

Studies by renowned economists and researchers around the world show that investments in children's survival and health, nutrition, cognitive development, education, protection and improving the social and physical environments in which children grow up are crucial investments in a nation's future 'human capital'. The return on investment is maximized if these interventions are made at the youngest possible age of the child. This time sensitivity creates a strong case for including child-related policies and programs as a cross-cutting investment priority under the SDG agenda.

Investing in children is a public good: Financing strategies need to pay particular attention to those with the greatest needs.

Investing in children is a natural priority for parents and households; however, families' abilities to invest in children are not evenly distributed. Around the world children from disadvantaged backgrounds are least likely to be provided with the interventions they need to grow into productive and respected members of their societies. Families in situations of poverty, and those undergoing economic and social hardship often lack the social and economic means to meet the costs required for children to succeed in school, career and life. These adverse conditions undermine the development of skills and abilities, with negative long-term effects for future productivity and social spending. For this reason we recommend acknowledging the public sector's particular responsibility and interest in addressing inequalities and basic needs for the most vulnerable through adoption of national social protection floors, guaranteeing access to universal, public basic services with no financial burden for the poorest and targeted interventions for the most marginalized. We must make sure that investments are made in an equitable manner that guarantees that *no child is left behind*.

Children must be prioritized when funding and addressing humanitarian crises.

Donors and the humanitarian community at large must work to reinforce the centrality of children in humanitarian action, and commit to ensuring the safety and well-being of the most vulnerable children through funding and capacity development which address their needs. There is also an urgent need to galvanize new international resources, especially to ensure that children's education is not disrupted by emergencies. Donors and the humanitarian community must propose new ways to gain better efficiencies within the humanitarian funding system.

This should include a transparent evaluation of current funding architecture and arrangements in terms of value for money and contribution to humanitarian outcomes, as well as time-bound proposals for improvements. International humanitarian and development communities should prioritize risk analysis and risk reduction. Donors and the humanitarian community need to explore new business models for global support to fragile contexts to deliver multi-year humanitarian funding for protracted crises; this is particularly geared to implementing partners so that they can build and maintain adequate capacity.

Transparent international partnerships are needed to create a World Fit for Children.

The introduction of adequately funded social protection floors is still out of reach for many least developed countries. Under-nutrition and child mortality remain major challenges at alarmingly high levels, including in countries that have recently made the transition to middle income status. 57 million children are still out of school with millions more who cannot read and write due to under investments and low quality of schools. The recent Ebola crisis continues to underscore the fact that insufficiently developed health services pose risks beyond borders. Therefore the intergovernmental Global Partnership for sustainable development is critical; a key component of this is ODA and we ask advanced economies to honor existing ODA commitments, reverse the trend of decreasing ODA to countries with the greatest financing gaps in areas that matter to children, make sure that ODA represents genuine transfers and, strengthen financing mechanisms to enhance responses to humanitarian emergencies and invest in resilience.

Furthermore, in addition to a strong Global Partnership between states, increased cross-sector and multi-stakeholder support is needed for partnerships, funds, and facilities that holistically support achievement of key development outcomes for children, such as the Global Partnership Education and the proposed new Global Child Partnership to Protect Children from all forms of violence, exploitation and abuse, with its associated fund. These partnerships, funds, and initiatives must be implemented at all levels – global, regional, national and sub-national -and be geared towards strengthening the provision of quality, universal systems that are accessible and affordable to all. The CFAs recommend governments participate in and support these funds.

The commitment of targeted ODA through specific funds, such as the possible creation of a specific fund for the eradication of multidimensional poverty, or ODA line items specifically dedicated to address children's needs can be effective interventions. Coordination with existing funds would be necessary to avoid duplication. However, any pooled funding mechanism must support nationally-led strategies and budgeting plans, help strengthen universal systems that deliver essential services to children, and are grounded in child rights.

In the area of extractives, the issue of transparency of payments is particularly acute. The experience of the Extractive Industries Transparency Initiative (EITI) might usefully be leveraged for broader application. Critical to achieving a *sustainable* end to poverty in countries rich in natural resources is addressing any issues of corruption, ensuring that all extractive companies are making fair payments, that these are ending up in government funds, and that the wealth is then being used for pro-poor, child-focused development.

Raise domestic resources and prioritize national spending on children

Domestic revenue, especially from tax, will continue to be the most significant and sustainable source of revenue for governments to finance public spending on children.[1] Clamping down on illicit financial flows has the potential to offer huge development returns The scale of illicit outflows is immense; large enough to finance the health and education budgets of many low-income countries many times over, or to provide the additional resources needed to eradicate poverty and hunger. No country can fight illicit financial flows alone; international support and cooperation is required. Commitments must be made to combat illicit financial flows, through e.g., battling tax havens and having governments mandate that private multinational corporations report financial information on a country-by-country basis.[2]

Governments should seek to strengthen their tax systems and policies, and to broaden their tax base so that more citizens pay taxes and, in turn, reap the benefits of increased public revenue to be invested in children. Taxes should be progressive and not hinder the poorest families from investing in their children. Donors and multilateral institutions should support the strengthening of tax systems and fiscal policy reforms in developing countries. In addressing tax avoidance, companies have responsibilities; they must make full and proper payments of taxes, and governments (and civil society) must ensure that they are held to account on this.

Improve budgeting and reporting by gender and age groups.

Ongoing demographic shifts put increasing pressure on policy makers to balance competing demands of different age groups. Drawing on existing experience with child-responsive budgets, we support commitments for equitable public budget allocation and spending to ensure that all children, including the most deprived, can enjoy their rights. We also welcome the move towards more transparent and participatory budgetary procedures and results-based monitoring.

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[1] See for example: United Nations (8 August 2014), Report of the Intergovernmental Committee of Experts on Sustainable Development Financing Final Draft; OECD, (2014), Development Co-Operation Report 2014: Mobilising Resources for Sustainable Development, OECD Publishing.*http://dx.doi.org/10.1787/dcr-2014-en (Accessed on 15 October 2014) and* Action Aid, (2011), *Ending aid dependency through tax: Emerging research findings*, Johannesburg, Action Aid

[2] Report 2014: Mobilising Resources for Sustainable Development, OECD Publishing.*http://dx.doi.org/10.1787/dcr-2014-en (Accessed on 15 October 2014) and* Action Aid, (2011), *Ending aid dependency through tax: Emerging research findings*, Johannesburg, Action Aid

The availability of timely, comprehensive, user friendly and disaggregated data by age groups and gender is crucial to inform resource planning, allocation and spending and to ensure that services are reaching the most vulnerable and marginalized children. Experience with the Convention of the Rights of the Child indicates that detailed and regular reporting on expenditures is the first step towards ensuring that political commitments for children are implemented on the ground.[3]

[3] Article IV of the Child Rights Convention and UNICEF report: http://www.unicef.org/publications/index_76027.html