



# 2024 Pre-Budget Consultations

August 4<sup>th</sup>, 2023

## **SUMMARY OF RECOMMENDATIONS**

- 1. Canada should gradually increase its International Assistance Envelope each year over the next two years to reach a minimum of \$10 billion in the 2025 budget. This investment is aligned with the government's commitment to predictable, sustained increases to Canada's international development assistance annually, and is critical to advance preparedness for future pandemics, move us forward on climate action, and secure a just, inclusive and sustainable recovery in the world.**
- 2. Canada should protect against further rollback of progress towards achieving the SDGs, by protecting funding towards its existing commitments and championing an ambitious, inclusive and holistic agenda for children as part of the global response to and recovery from COVID-19.**
- 3. Canada should introduce a Low-Income Supplement to the Canada Child Benefit (CCB) that is specifically targeted at the lowest-income households with children, adequate to lift every child out of poverty and above the low-income level by 2030, while maintaining the universality and coherence of the current policy. Like the CCB itself, this supplement should be non-taxable and protected from clawbacks.**
- 4. Reform parental leave benefits to ensure that every newborn in Canada has the right to protected time with a parent or caregiver in the first 6 months (26 weeks) of life. The earnings replacement rate should be raised to a floor that is at minimum aligned with the average family income rate in coordination with the CCB, and 100% for employed parents (with a ceiling) for the first 6 months of parental leave.**
- 5. Canada should conduct a comprehensive mapping of the child and youth service sector, to provide the groundwork needed for child-friendly budget reporting, federal child well-being strategies, and other decision-making regarding children and youth.**

As the world looks to move beyond the COVID-19 pandemic, this submission provides a critical opportunity to set a bold course of action in alignment with the Government of Canada's priorities and progress for children and youth towards the 2030 Sustainable Development Goals (SDGs) in Canada and globally. UNICEF Canada offers the policy measures and investments that will help achieve these goals.

## **PART I: LEADERSHIP FOR CHILDREN AROUND THE WORLD**

**Recommendation 1: Canada should gradually increase its International Assistance Envelope each year over the next two years to reach a minimum of \$10 billion in the 2025 budget. This investment is aligned with the government's commitment to predictable, sustained increases to Canada's international development assistance annually, and is critical to advance preparedness for future pandemics, move us forward on climate action, and secure a just, inclusive and sustainable recovery in the world.**

Throughout the COVID-19 pandemic, Canada has shown strategic global leadership in rising to meet growing need by increasing contributions to its global response. To build back better and ensure a just, inclusive recovery beyond COVID-19, Canada must commit to a roadmap for adequately funded international assistance. The proposed global response is part of a sustainable road to recovery and will lead to economic progress that will benefit high-income countries like Canada.

**Recommendation 2: Canada should protect against further rollback of progress towards achieving the SDGs, by protecting funding towards its existing commitments and championing an ambitious, inclusive and holistic agenda for children as part of the global response to and recovery from COVID-19.**

Canada's welcome commitment to increase international assistance must also include a clear agenda for children, prioritizing critical investments in children's education, health and nutrition, including for the most marginalized and hardest to reach children.

### **Protecting education:**

COVID-19 unleashed a learning crisis and derailed the progress of SDG 4. Pandemic-related school closures caused a massive learning loss for children, with 70% of 10-year-olds in low-and-middle-income countries unable to read and understand a simple story. There is also a growing need to support schools to become environmentally sustainable and resilient to natural disasters to protect children in the face of a changing climate.

Canada's existing commitment to invest at least 10% of bilateral assistance to education acknowledges that education is a human right and that robust education systems enable other global development goals, including gender equality, poverty, hunger, and health, climate shocks. There is a growing global need to expand inclusivity, particularly for the most marginalized children, including girls, refugee and displaced children and those living with disabilities.

Reducing the number of children lacking foundational literacy and numeracy skills is a critical enabler to all other global development goals including gender equality, poverty, hunger, and health, and reduced social inequalities. Despite its importance, concurrent crises have compounded challenges and threaten access to education systems worldwide. Canada must continue to build on its global leadership in education and increase its commitments in this area in line with growing and unmet needs. Canadian programming should focus on accelerating

foundational learning for all, prioritizing flexible and multi-year funding to ensure learning outcomes for the hardest to reach.

### Protecting child health and nutrition:

Canada's significant and longstanding leadership in global health and nutrition has continued through the COVID-19 pandemic, when progress against child and maternal mortality was at risk. We need this leadership to continue.

Millions of children in the world's most vulnerable regions continue to suffer from malnutrition. The 2023 State of Food Security (SOFI) joint agency report (FAO, IDAS, UNICEF, WFP, WHO) revealed that in 2022, 148 million children (22.3 percent) were stunted and 45 million (6.8 percent) were wasted. This global hunger crisis has been further exacerbated by weather shocks and the war in Ukraine. Canada must ensure that the 2024 Federal Budget includes new, sustainable investments to address the global hunger crisis, including allocations towards the prevention, early detection and treatment of wasting. Investments in maternal nutrition are also critical. UNICEF's established Multiple Micronutrient Supplement (MMS) intervention has been widely recognized as a cost-effective solution for delivering lifesaving nutritional care to women during pregnancy. Evidence-based interventions like MMS serve as a salient pathway to prevent undernutrition in newborns and avert wasting or developmental delays in children.

To ensure that children are able to thrive, urgent action is also needed to restore and increase coverage of routine immunizations. A recent [UNICEF report](#) recorded the largest sustained backslide in childhood immunization in 30 years. A staggering 67 million children missed out on vaccinations between 2019 and 2021, with decreased immunization coverage observed across 112 countries. Canada must build on its commitment and increase investments towards health systems strengthening, including primary healthcare (PHC) systems. This will help ensure that children are less likely to fall ill, and less likely to face challenges going to and staying in school. Increased investments that strengthen health systems will also act as a catalyst towards putting the world firmly on course to reach Sustainable Development Goal 3: *Ensure healthy lives and promote well-being for all at all ages*.

## PART II: LEADERSHIP FOR CHILDREN IN CANADA

**Recommendation 3: Canada should introduce a Low-Income Supplement to the Canada Child Benefit (CCB) that is specifically targeted at the lowest-income households with children, adequate to lift every child out of poverty and above the low-income level by 2030, while maintaining the universality and coherence of the current policy. Like the CCB itself, this supplement should be non-taxable and protected from clawbacks.**

Tax-funded social transfers or income benefits are considered globally to be the most effective means of addressing child poverty, and Canada has developed a strong example in the CCB. Since its introduction in 2016, the CCB has been central to a rapid and real decline in Canada's child poverty. However, the most recent tax-filer data from 2021 shows a significant increase in child poverty over 2020 levels. Renewed commitment is needed to maintain momentum.

A supplement could be integrated into the existing payment structure, "bending the curve" of CCB payments across lower household income levels, thereby maintaining the universal and progressive nature of the current policy. **A globally historic rate of child poverty as low as**

**3.6% (MBM) is estimated to be achievable for approximately \$7 billion per year**, as outlined in the Canadian Centre for Policy Alternative's 2022 Alternative Federal Budget, on which UNICEF Canada was consulted. A CCB low-income supplement is supported by Canada's child poverty experts, including Campaign 2000: End Child and Family Poverty.

Canada should further consider ambitious new approaches to include every resident child in Canada in eligibility for and the receipt of the CCB, regardless of their parent's immigration status, including the potential for school registries and community service agencies to assist hard-to-reach families and independent minors to apply for the CCB and to act as access points for parents who do not file taxes.

**Recommendation 4: Reform parental leave benefits to ensure that every newborn in Canada has the right to protected time with a parent or caregiver in the first 6 months (26 weeks) of life. The earnings replacement rate should be raised to a floor that is at minimum aligned with the average family income rate in coordination with the CCB, and 100% for employed parents (with a ceiling) for the first 6 months of parental leave.**

Children's experiences and exposures during their early years play a critical role in shaping their chances for long-term health and well-being. Infancy is a particularly vulnerable period, when the risk of poverty is also heightened. Public policy in this formative period should provide time, resources and services for parents to care for their infants. Parental leave is a fundamental policy in a trifecta of early years "family-friendly" policies (including child-focused income benefits and child care) that each make distinct contributions to get children off to the best start and open the way to the brightest futures. Canada has made recent progress in two of these policies, and this submission outlines how Canada can join the best-performing countries to further reduce child poverty. But Canada is performing well below international good practice in the design and implementation of parental leave benefits, outside Quebec.

Canada's investment in family policies is less than the 2% GDP average among rich countries in the OECD, at 1.62% in 2018. Public expenditure on maternity and parental leave in OECD countries ranges from US \$35,000 per child born in Norway to US \$400 per child born in Turkey, with an average US \$12,100 per child. Canada falls below the average, ranking 17<sup>th</sup> in 2015.

Canada's parental leave system is exclusive in every sense. It privileges parents with secure jobs and higher wages, while excluding the children who stand to benefit the most, contrary to the design of other social protection and family policies. Around 30% of mothers (and therefore infants) cannot or do not access parental leave benefits (compared to 10% in Quebec), and the benefit pay falls well below international best practice. Universal access with adequate pay should be the primary goal of a reformed system, based on a caregiving benefit for every child.

**Recommendation 5: Canada should conduct a comprehensive mapping of the child and youth service sector, to provide the groundwork needed for child-friendly budget reporting, federal child well-being strategies, and other decision-making regarding children and youth.**

UNICEF Canada is a national leader in the collection and analysis of data on child and youth well-being, as detailed in our flagship publications including the UNICEF Innocenti Report Card series and the Canadian Index of Child and Youth Well-being. Such data is essential to evidence-informed decision-making for children. Still missing from the equation, however, is a comprehensive overview of the services currently available to children and youth in Canada. Governments in Canada have extremely limited access to information on where, how and why

services are being provided to children and youth; and almost no quality data about how those services are reaching key demographics (e.g. urban/rural, LGBTQ+, Indigenous communities) and achieving impacts envisioned in the Poverty Reduction Strategy and the federal Quality of Life framework. This limits their ability to identify and track service and performance gaps, and conduct Program Expense Reviews. Such a mapping project is long overdue and could be used to guide future government investment for optimal impact, under the framework of a federal strategy for child rights and well-being.

This recommendation echoes the work of the Inspiring Healthy Futures agenda and the National Alliance for Children and Youth, and similar recommendations made by Imagine Canada and the Nonprofit Federal Data Working Group. The cost estimate for this project is approximately \$10M over four years.

### **About UNICEF Canada**

UNICEF stands for every child, everywhere. UNICEF is the world's farthest-reaching humanitarian organization for children. Across 190 countries and territories, and in the world's toughest places, we work day in and day out to defend children's human rights and a fair chance to fulfil their potential, guided by the 1989 Convention on the Rights of the Child. [www.unicef.ca](http://www.unicef.ca)  
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