THE CHILD BUDGET LENS

A Tool for Child Budget Impact Assessment

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What is child-sensitive budgeting?

Child-sensitive budgets make children visible and ensure adequate resources to realize their rights – to the maximum extent possible.

ABOUT THIS TOOL

Impact Assessment is used within governmental policymaking, regulatory and budgeting processes to provide a systematic analysis of potential impacts of public decisions by applying certain “lenses” on priority issues or populations. Canada’s federal, provincial and territorial governments use a range of impact assessment lenses including gender, environment, privacy, official languages, health and equity. These processes typically do not support specific consideration of impacts on children and youth under age 18, yet they constitute a fifth of Canada’s population at the most sensitive stage of human development.

Child Rights Impact Assessment is a child-sensitive process for governments to consider how diverse children might be differently affected as they develop laws, policies, budgets, regulations and other decisions. It signals that children and youth are also a priority for governments. UNICEF Canada’s Child Policy Lens supports consideration of potential impacts on children to ensure the best possible decisions. The Child Budget Lens supports this due diligence applied to public budgets.

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THE BUDGET CONTEXT IS CHANGING

The visibility of children in public budgets is typically obscure to all but the most ardent economists and auditors. There are two directions of change in how budgets are developed in Canada that offer new opportunities to make children more visible and link investments to results for children.

One approach is to account for spending allocations by who they are intended to benefit. At the federal level, gender budgeting is supported by Gender-based Analysis Plus (GBA Plus) and the Gender Results Framework (GRF). Federal budgets in Canada have begun to identify which allocations are intended to benefit different groups of people according to gender as well as income, age (youth, adult or senior) and other intersecting equity fault lines (i.e., the 2023 Government of Canada budget is accompanied by the *Statement and Impacts Report on Gender, Diversity and Quality of Life*). However, children (under age 17) are subsumed within the "youth" age cohort of the federal budget impacts report, which is too broad to distinguish children's specific rights and needs.

Another direction in public budgeting is the articulation of well-being budgets. In 2021, the federal Budget Impacts Report was expanded to align expenditures to the domains and indicators of the new federal Quality of Life Framework. Some of these indicators are child-specific, and some can be disaggregated to children. This linkage between budget allocations and quality of life indicators reflects the Government of Canada's commitment to better incorporate well-being aims and outcomes into policy initiatives and budgeting, as it is "beginning to track progress on a range of fronts to ensure that priorities and decision-making are based on evidence of what will most improve current and future Canadians' quality of life" (Canada Federal Budget Annex 5, 2021). Subnational governments in Canada and governments of other countries such as New Zealand and Scotland are advancing similar efforts. There is an opportunity to more strongly link budget allocations intended to benefit children with comprehensive, child-specific indicators of the their well-being status.

Building on Canada's progress to make budgets that make life better, governments at all levels should take another step and incorporate child-sensitive budgeting. Parliaments and legislatures, audit institutions and citizens – including children – have a critical role to play in child budget impact assessment.

Why make children more visible in the budget?

CHILDREN ARE A UNIQUE POPULATION

Public budgets are one of the fundamental functions of a government. The decisions governments make about how to fund policies, programs and services are critical for the realization of children's rights and well-being. Children's outcomes depend on sufficient public resources as well as the effective and equitable allocation of those resources.

Children rely on public policy to meet their needs and realize their rights. At this sensitive stage of rapid human development, deprivations like food insecurity and exposures like air pollution are particularly devastating and long-lasting, and positive investments are optimized for significant and lifelong impacts and returns. Children should also have specific visibility in public budgets because they have a distinct legal status that makes them vulnerable to oversight: they do not vote and have relatively little influence on policy priorities and accompanying budgets.

All of the rights children have can be affected by public budgets, which have a significant bearing on which rights are realized, to what extent, for whom. Arguably, there are no rights with zero cost.

CHILDREN HAVE THE RIGHT TO BE A PRIORITY IN PUBLIC BUDGETS

Public budgets are blueprints of a government's priorities and central to states' obligations to fulfil children's rights. Child-sensitive budgets are one approach within the General Measures of Implementation of the Convention on the Rights of the Child – in other words, child-sensitive governance approaches – that help make children visible and heard in decisions affecting them. Other such approaches include Child Rights Impact Assessment;

children's strategies or plans; and access to independent children's rights institutions. All of these measures are mutually reinforcing; that is, each makes the other work better to make children a higher priority for governments and each can help make public budgets more responsive to children.

Article 4 of the Convention on the Rights of the Child requires that states: "shall undertake all appropriate legislative, administrative and other measures for the implementation of the rights recognized in the Convention. With regard to economic, social and cultural rights, States parties shall undertake such measures to the maximum extent of their available resources and, where needed, within the framework of international cooperation."

So, to realize children's rights, states have an obligation make children their investment priority.

HOW DO WE KNOW IF THEY DO?

This is the central question for child budget impact assessment. The UN Committee on the Rights of the Child monitors the financial commitments of governments to support children. It has provided two general comments (nos. 5 and 19) over the past two decades to guide states in implementing their budget obligations and reporting on spending for children, and it has consistently raised the issue of a lack of quality information concerning spending on children in state reports.

> **No State can tell whether it is fulfilling children's economic, social and cultural rights "to the maxium extent of available resources", as it is required to do under article 4, unless it can identify the proportion of national and other budgets allocated to the social sector and, within that, to children, both directly and indirectly.**
>
> – General Comment Number 5 of the Committee on the Rights of the Child on general measures of implementation of the Convention of the Rights of the Child (2003).

Even within world-class systems for overall fiscal management and oversight, all levels of government should integrate approaches to ensure children are a priority in the budget cycle and more visible in the budget framework.

In 2022, the UN Committee asked Canada to advance child-sensitive budgeting:[1]

[1]Concluding observations on the combined fifth and sixth reports of Canada (CRC/C/C/5-6) (2022)

The Committee welcomes the introduction of gender budgeting at the federal level. Recalling its general comment No. 19 (2016) on public budgeting for the realization of children's rights and taking note of target 16.5 of the Sustainable Development Goals, the Committee recommends that the State party:

(a) Conduct a comprehensive assessment of the budget needs of children and allocate adequate budgetary resources, in accordance with article 4 of the Convention, for the implementation of children's rights;

(b) Utilize a child-rights approach in the elaboration of the State budget, by implementing a tracking system for the allocation and the use of resources for children throughout the budget. The State party should also use this tracking system for impact assessments on how investments in any sector may serve the best interests of the child;

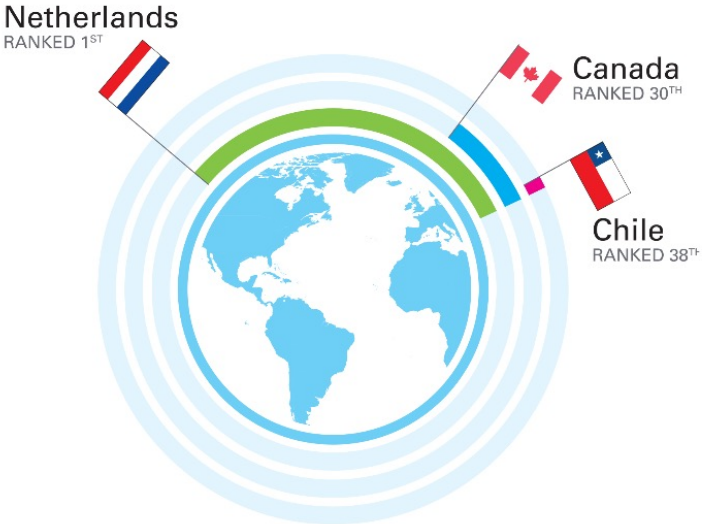
(c) Define budgetary lines for all children, with special attention to those in disadvantaged or vulnerable situations that may require affirmative social measures such as children of Indigenous, African-Canadian, or other minorities and children with disabilities, and make sure that those budgetary lines are protected even in situations of economic crisis, natural disasters, or other emergencies.

The 2030 Sustainable Development Goals (SDG) agenda also calls for better use of public funds for greater and more equitable results for children. Domestic resource mobilization and public expenditure tracking and reporting are central to the SDG Means of Implementation. The SDG focus on equity calls for monitoring both expenditures and outcomes for children, especially the disadvantaged.

The European Union's Strategy on the Rights of the Child further encourages child-sensitive budgeting in all Member States.

PUBLIC BUDGETS DO NOT FULFIL THE PROMISE TO CHILDREN

UNICEF research across countries from low- to high-income finds that underinvestment in children is a slow-burning, universal crisis. Public resources to meet children's needs are too little and, in the face of the best evidence, are invested too late in childhood. Budgets are also typically unbalanced, with inadequate social protection compared to other sectoral investments that perpetuates inequities across children's lives. As a result, children are especially vulnerable to the impacts of shocks like the global financial crisis and the COVID-19 pandemic, and to violations of their rights. The fact that Canada's GDP, a key measure of national wealth, has continued to rise for decades as children's outcomes ranked in UNICEF Report Cards have fallen relative to other wealthy nations begs the question, where are the dividends for children? Greater and smarter investment in children would ensure the benefits of economic progress are fairly distributed and maximize future economic and social progress.



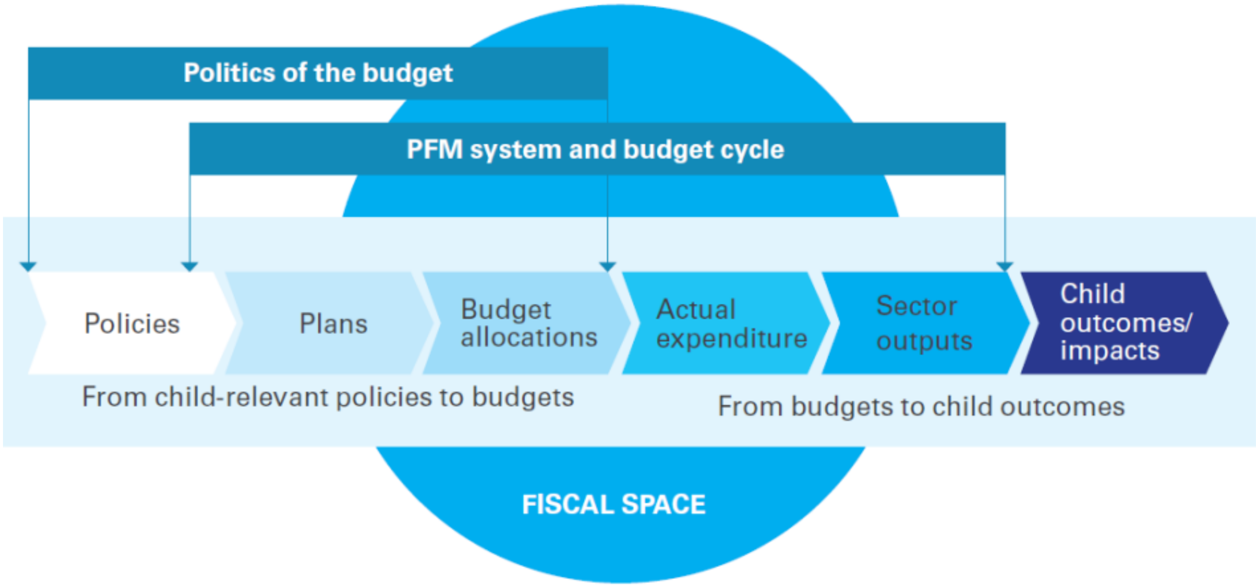
Source: UNICEF Report Card 16, Canadian Companion (2020).

HOW CAN WE MAKE CHILDREN VISIBLE IN THE BUDGET?

Making children visible in public budgets involves measuring budgetary investment in children in different ways, and applying the principles of children's rights within budget frameworks and budget cycles. Budgets include public revenue mobilization; budget allocation and expenditures including debt servicing; and monitoring and evaluation. In other words, we are concerned about the size, composition and results of public investment in children: how much is spent, on who, when, for what. This should encompass existing, recurrent, new and projected spending.

THERE ARE TOOLS TO HELP GOVERNMENTS FULFIL THEIR PROMISE TO CHILDREN AND ACHIEVE THEIR GOALS

UNICEF developed a set of child-focused public financial analysis tools to assist governments to measure and mobilize public financial resources to secure children's rights. Public finance for children (PF4C) seeks to better reflect child-related policy commitments in budget processes as a basic first step and, based on that, to increase budgetary allocations to children while improving their equity, transparency, efficiency and effectiveness. Improving the amount, quality and fairness of government spending for children improves outcomes for children. Beyond the benefits to children, PF4C increases the transparency and accountability of information about public investments, which improves the capacity of decision-makers, influencers and auditors to prioritize and protect resources for children and families. It also helps reveal if policies for children are coherent and if policies and budgets are well aligned.



To ensure that public budgets work for children and contribute to the realization of their rights, they should answer some fundamental question:

1. HAS THE STATE INVESTED IN CHILDREN TO THE MAXIMUM EXTENT OF AVAILABLE RESOURCES?

According to the UN Committee on the Rights of the Child, it is impossible for a state to tell whether it is investing in children to the maximum extent of available resources in accordance with article 4 of the Convention on the Rights of the Child unless it can clearly identify the proportion of the budget allocated to fulfil their rights.

The Committee requests that states establish a system to identify budget allocations and expenditures for children to provide information about the adequacy of the budget – how much public money is spent on children. Monitoring the overall financial commitment of a government for children supports decision-making about fair allocation of resources and can provide evidence to increase the priority given to children. This can be supported with a variety of indicators, which can be particularly useful to establish a baseline and to measure change over time.

It is challenging but also possible to compare the child-focused budgets of countries with similar national wealth in order to query budget adequacy. In the average high-income country, child-focused spending (from conception to age 17) is 194,850 USD: average total spending can be a rough indicator of minimum adequacy. It is also useful to consider the differences in cumulative spending among wealthy countries: they are enormous, and so are differences in their results for children.

There are a number of indicators that help answer the question, "how much is spent on children?"

- ❑ What is the total share (percentage) intended to benefit children in the total budget?
- ❑ What is the per capita share of the budget for children?
- ❑ What is the budget expenditure on children as a percentage of GDP?
- ❑ What is the average total dollar value of investment per child from conception to age 17?
- ❑ How does this compare to other population groups?
- ❑ How does this compare to previous years?
- ❑ How does this compare to other high-income countries?
- ❑ By how much does the child targeting index indicate more spending on adults or children (overall and by sector such as social protection)?

THE CHILD TARGETING INDEX

El Salvador developed a child targeting index, which is an indicator to gauge the extent to which budget spending has a pro-child or pro-adult bias.

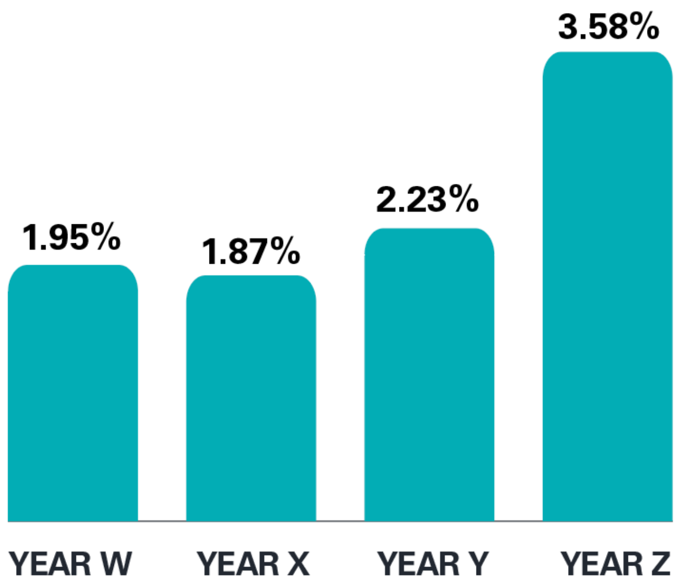
Child targeting index = direct spending for children ages 0-17 / total population spending.

If the index >100, there is a pro-child bias; if index <100, a pro-adult bias exists.

$$FI = \frac{CFS/TS}{CP_1} X100,$$

FI is the focus index, CFS is child-focused spending, TS is total spending, and CP is the proportion of children (0-17 year olds) in the country's total population (CP = child population). In this example, the index is calculated for total public spending and social spending. Consequently, if the index is above 100, the spending is child-focused, otherwise, it is adult-oriented.

EXAMPLE INDICATOR: PUBLIC INVESTMENT IN CHILDREN AS A % OF GDP



Source: Ministry of Economy, Planning and Development and UNICEF Dominican Republic (2015)

2. IS THE BUDGET EFFECTIVE AND EFFICIENT?

Increasing spending for children will not always translate into better child outcomes. A focus of child budget impact assessment is not only how much is spent but how and when that money is spent, considering the guiding principles of the Convention on the Rights of the Child (best interests of the child as a priority; non-discrimination; child participation; optimal survival and development) and budget principles of effectiveness, efficiency, equity, transparency and sustainability.

The next key question deepens understanding of the quality of budget allocations for children. How and when resources are spent across childhood will determine their impact. If allocations for certain sectors or initiatives are insufficient, concentrated on better-off groups, used poorly, or too concentrated in later years, all children – especially the most disadvantaged – pay the price. Governments also pay a higher price by failing to optimize their spending and incurring remedial costs. These become opportunity costs by soaking up fiscal space that could be invested in positive opportunities for children.

Assessing specific expenditures (e.g., by sector, theme and/or policy initiative) provides an overarching picture of the child budget portfolio. It is a fundamental step toward understanding the adequacy, effectiveness and equity of policy selection, design and financing. It can facilitate understanding of gaps in child-specific investments when it comes to their presence, coverage, coherence and distribution of benefits.

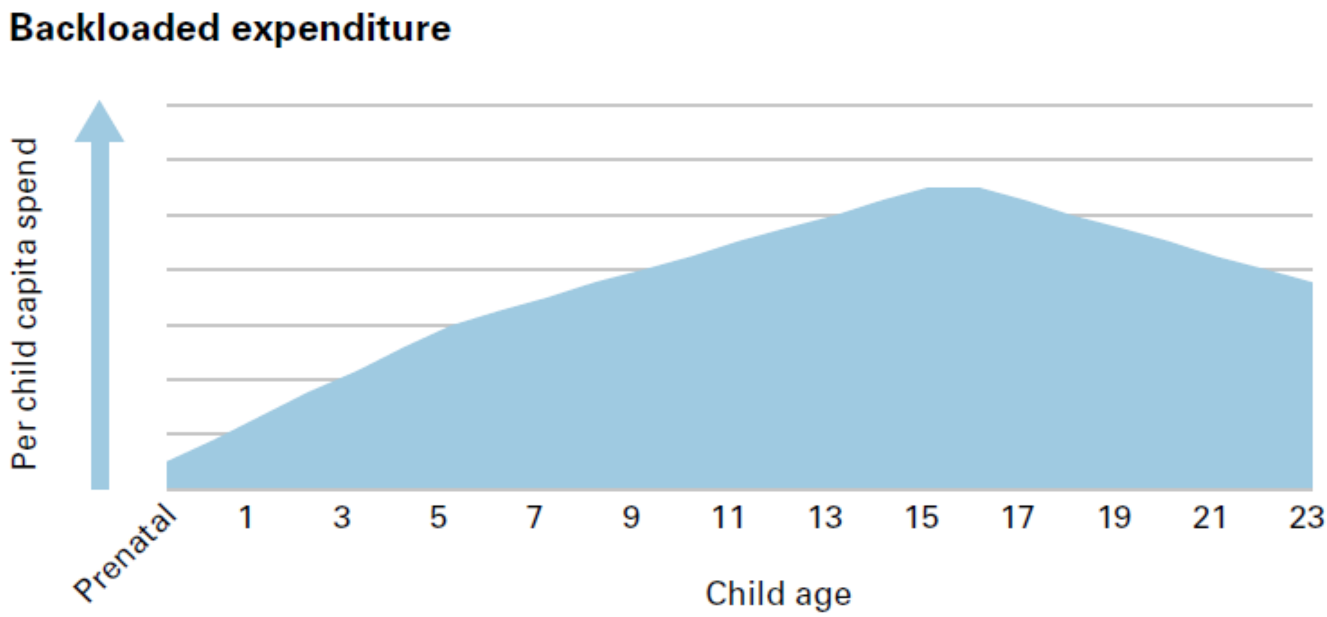
The OECD, UNICEF and other initiatives provide normative analysis of public spending, such as average country investments in child-specific policies, which offer a comparative indication of adequacy. For instance, on average, high-income countries spend 27 per cent of their child expenditures on cash benefits and 13 per cent on child care; 27 per cent of their child budgets are allocated to the years under age 6. Countries can also compare themselves to other countries with similar national wealth in results indicators like child poverty and child care access rates. The fiscal capacity to achieve domestic or international targets for immunization, breastfeeding, SDGs and other child-related commitments can also be used to assess budget adequacy for these allocations.

Making visible how the budget for children is allocated can also help to assess policy coherence by identifying disconnected policies that create gaps into which some children may fall. Public spending will not achieve intended results if there is insufficient coverage as well as incoherence in budgeted policies and services. Inadequacy and incoherence are linked, because efficiencies in expenditures for children are more likely to be lost in one policy when complementary policies are under-resourced, or simply not in place. For instance, providing short or exclusive paid parental leave is particularly problematic when infant child care is unavailable or too expensive. As another example, providing insufficient social protection for young children contributes to stress and material insecurity that can affect child development and limit the positive impacts of public education spending later in their lives.

UNICEF research across wealthy nations finds that these countries should generally prioritize investment in inclusive social protection for children to optimize coherence and efficiency, facilitate shock responses and achieve the highest attainable results for children. The three fundamental social protection policies for children are income benefits, paid parental leave and child care. The "cornerstone" policy is a Universal Child Benefit, beginning at or before birth and lasting throughout childhood. Child-focused income benefits act as a 'linchpin' around which all other age-related and context-specific cash-plus benefits and services can be built.

The timing of spending on children is also a key dimension of policy coherence, effectiveness and efficiency. Governments should make visible how the budget portfolio for children is allocated for different age groups. Underinvestment in children in their earliest years while backloading it to later years of childhood is a common profile of budgets in high-income countries. In 2007, the OECD began mapping expenditure across the life course to understand how public money was spent on children, finding that most high-income countries were investing less in the youngest children compared to older age groups. In 2022, UNICEF examined public budgets from 84 countries, representing 55 per cent of the world's children, finding most are still disproportionately and systematically failing younger children. Expenditures in OECD countries tend to peak at around age 13 or 14 and are lowest at around age 2, after childbirth costs and parental leave have ended. In fact, the youngest children are generally more likely to be poor than older children and adults in rich countries.

TYPICAL AGE-SPENDING PROFILE IN HIGH-INCOME COUNTRIES



The best evidence on how to promote children's well-being, how to generate the largest social and economic returns on public investment, and how to address damaging and costly inequalities within countries favours a flatter or front-loaded spending profile. It is policy-coherent, as children who are well-served in "year 1" will be more able to take advantage of public expenditures in "year 2", and so on. Early policy investments in children can lead to improved outcomes ranging from higher achievement in schooling and better health to less use of the criminal justice system, yielding significant savings to governments and society at large. In contrast, public expenditures following under-investment in early child development will be suboptimal: reducing returns, increasing the remedial expenditures required to meet the same returns, and diverting these resources from positive developmental investments.

In particular, the accumulating research calls on governments to provide more for the youngest children in the form of universal "family-friendly" cash benefits, parental leave and child care. In recent years, increased investment in this foundational policy trifecta has resulted in more equal budget distribution by age in many countries. Flattened profiles – those with an equal distribution starting from or before birth – are seen in high-income countries such as Finland and Germany. A number of countries show some pattern of frontloading, driven in particular by maternity payment. These include the Czech Republic, Estonia, Norway, Slovakia and Slovenia.

A COMPREHENSIVE CHILD POLICY PORTFOLIO BY AGE

<table>
<tr><th colspan="2">CHILD AGE</th><th>PRENATAL</th><th>0</th><th>1</th><th>2</th><th>3</th><th>4</th><th>5</th><th>6</th><th>7</th><th>8</th><th>9</th><th>10</th><th>11</th><th>12</th><th>13</th><th>14</th><th>15</th><th>16</th><th>17+</th></tr>
<tr><td rowspan="3">Social protection cash benefits</td><td>Family allowances</td><td></td><td></td><td colspan="17">Child and family benefits, child disability benefits, family tax breaks, advances on maintenance payment</td></tr>
<tr><td rowspan="2">Leave and family care policies</td><td colspan="2">Maternity/paternity leave and benefits</td><td>Parental leave and benefits</td><td colspan="3">Child raising/home-care allowances</td><td colspan="13"></td></tr>
<tr><td></td><td>Birth grant</td><td colspan="17"></td></tr>
<tr><td rowspan="5">Social and human services</td><td>Child protection</td><td></td><td colspan="18">Services for children (e.g., instructional care, social work interventions)</td></tr>
<tr><td rowspan="2">Family services</td><td colspan="4">Home visiting, nurse-family partnerships</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="19">Additional services in support of child-rearing (e.g., food packages, family accommodation services, family centres and parenting interventions)</td></tr>
<tr><td rowspan="2">Employment/ training</td><td colspan="15"></td><td colspan="4">Active labour market participation for youth</td></tr>
<tr><td colspan="19">Public work supports for caregivers</td></tr>
<tr><td rowspan="3">Education and care supports</td><td>Subsidies</td><td></td><td colspan="18">Fee waivers, or school or childcare fee subsidies, free meals or equipment</td></tr>
<tr><td rowspan="2">Services</td><td></td><td colspan="8">Childcare and preschool</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td colspan="7">Primary</td><td colspan="6">Secondary and post-secondary</td></tr>
<tr><td rowspan="3">Family health services</td><td>Subsidies</td><td colspan="19">Health insurance or health cost waivers</td></tr>
<tr><td>Family health services</td><td></td><td colspan="18">Primary and secondary care</td></tr>
<tr><td>Mother and infant health</td><td>Prenatal checks</td><td colspan="4">Birth services, postnatal checks, immunizations</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
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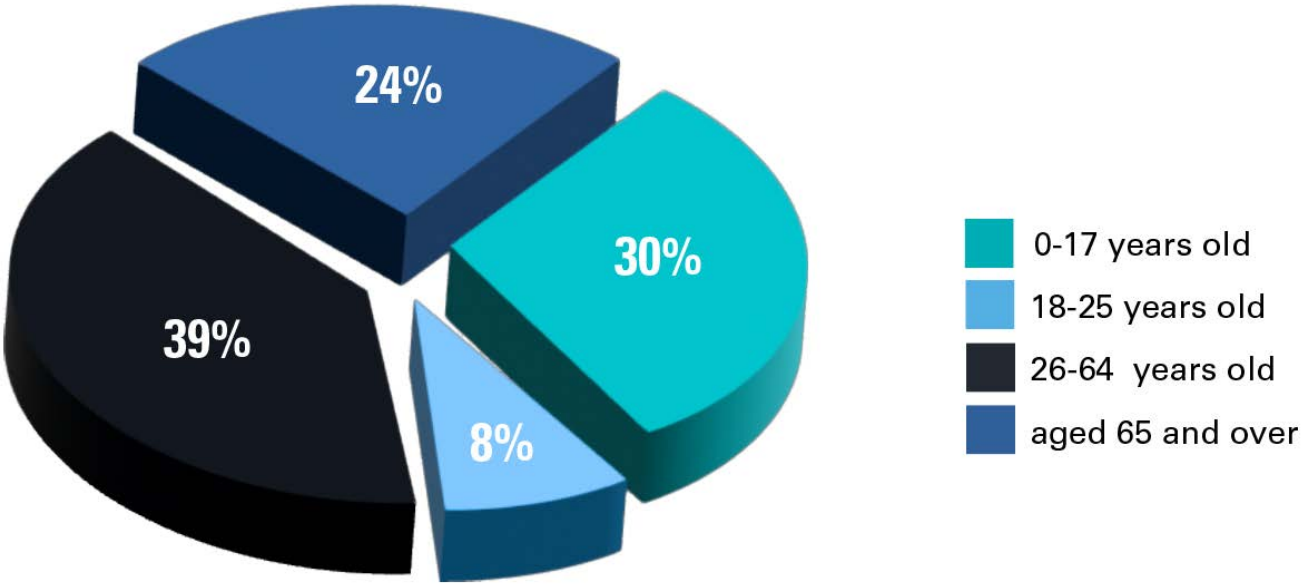
Budget analysis of this nature can help policymakers reshape systems that are cross-sectorally complementary, coherent, and frontloaded for efficiencies – based on an overarching child policy portfolio. Getting the policy balance right will free up resources or optimize efficiencies and effectiveness.

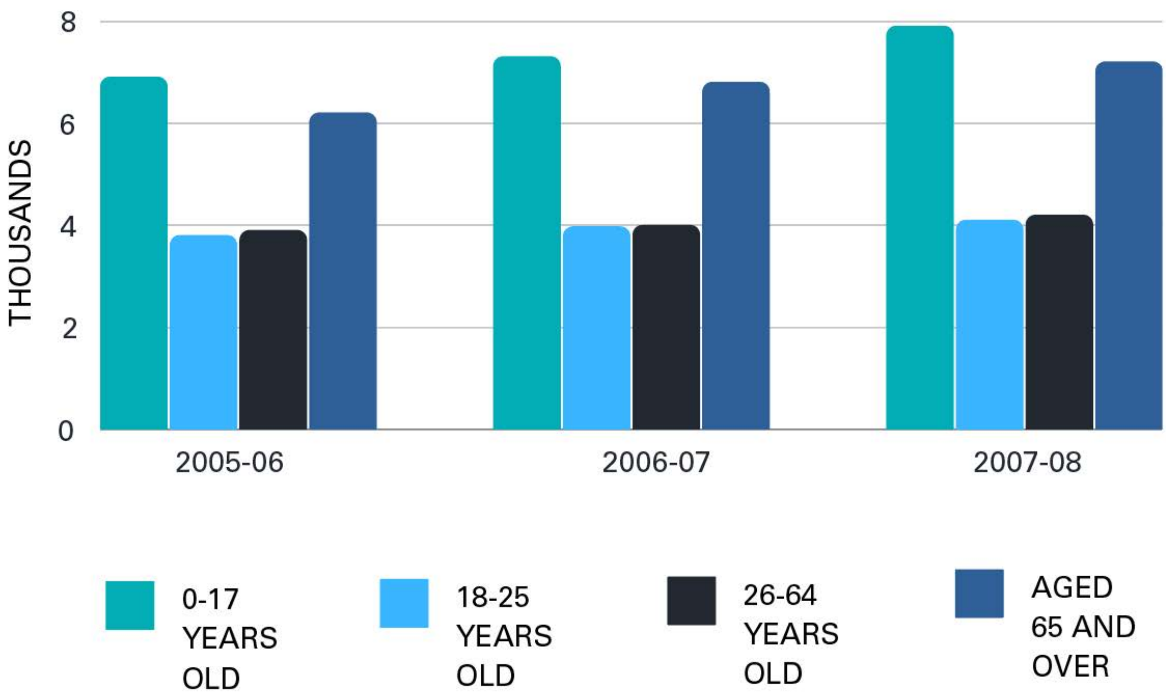
Indicators of budget quality provide information about how much is spent on what, when:

- ❏ Does the budget identify clear allocations for children (recurrent/new)?
- ❏ Which budget allocations directly benefit children?
- ❏ Which budget allocations indirectly benefit children?
- ❏ How is the budget for children allocated?
  - What is the composition and amount of expenditure on children by policy type (e.g., sector, children's rights clusters, and/or strategic priority)?
- ❏ What is the expenditure for each policy type per capita, as a percentage of the budget and as a percentage of GDP?
- ❏ What is the coverage of children in each allocation (universal, progressive universal, targeted, etc.)?
- ❏ When are funds spent on children?
  - What is the composition of expenditure on children along their life stages (e.g., prenatal, ages 0-1, 2-5, 6-12 and 13-17)?
- ❏ Are budget allocations sufficient to achieve any normative spending or performance benchmarks, targets or agreements, domestically or internationally?
- ❏ Are investments in public goods such as climate protection and public safety more or less beneficial to children?
- ❏ Are funds allocated for children fully spent?

EXAMPLE INDICATOR: SHARE OF TOTAL BUDGET BY POPULATION AGE GROUP



EXAMPLE INDICATOR: BUDGET EXPENDITURE BY POPULATION AGE GROUP AND YEAR

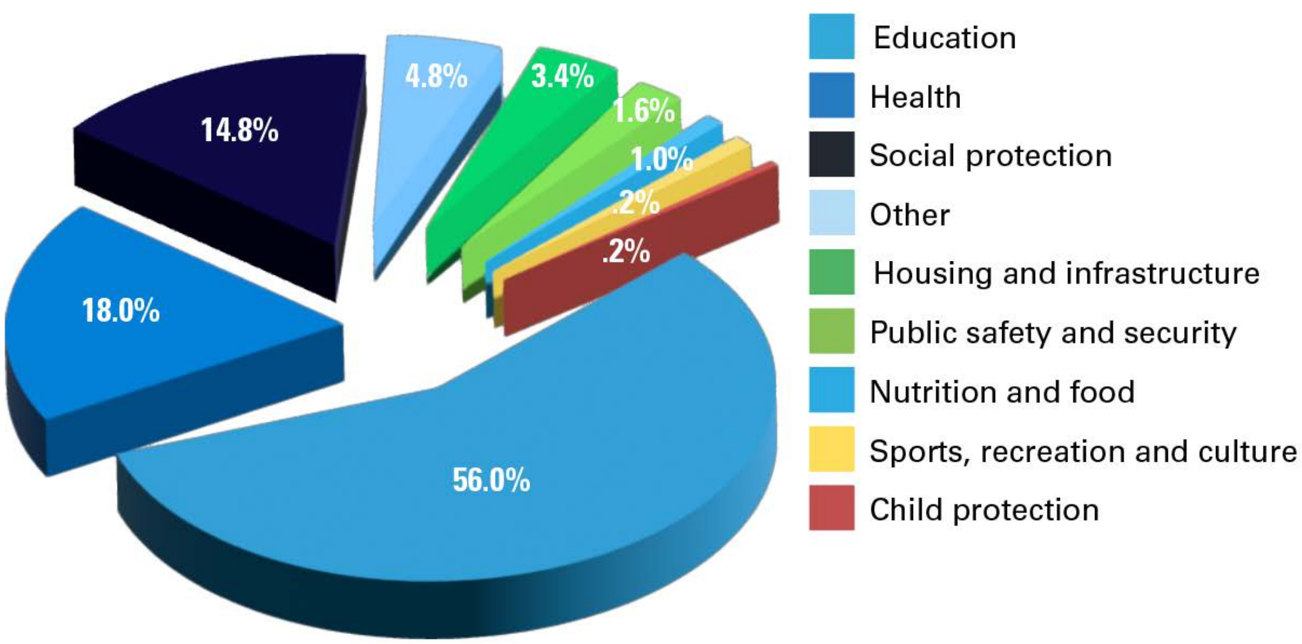


EXAMPLE OF CHILD-FOCUSED BUDGET ALLOCATION CATEGORIES (BY CHILDREN'S RIGHT GROUP AND POLICY TYPE SUBGROUP)

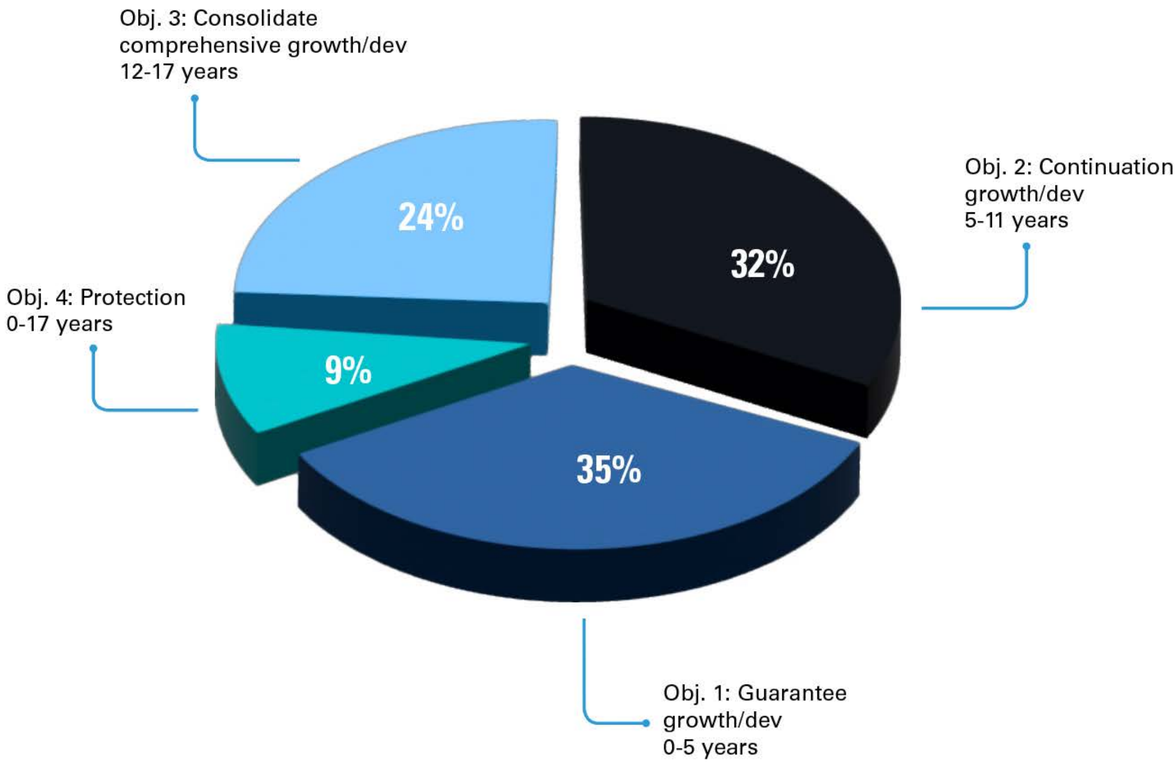
GROUP	SUB-GROUP
1 Right to survival	
	11 Food, **12** Housing and basic infrastructure, **13** Health care, **14** Social assistance and **15** Economic well-being
2 Right to develop their full potential	
	21 Education, **22** Culture and leisure, **23** Youth policies and **24** Economic and environmental development
3 Right to protection	
	31 Basic rights, **32** Protection, **33** Security and **34** Justice
4 Right to participate	
	41 Information and **42** Participation
9 Other public goods	
	99 Other public goods

Source: Author compilation

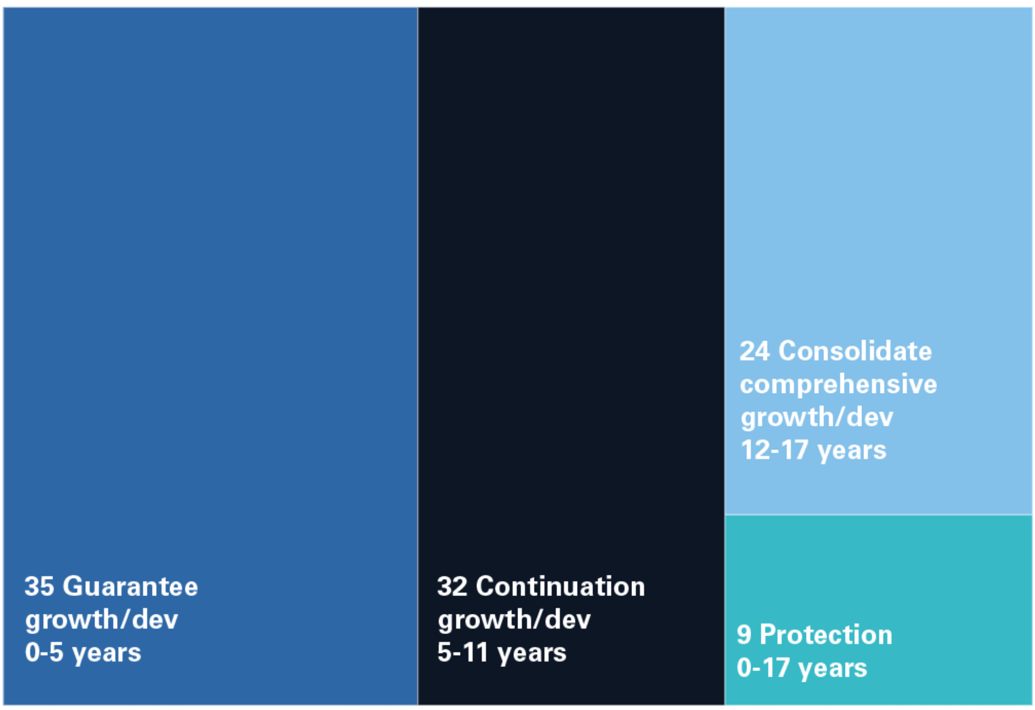
EXAMPLE INDICATOR: SHARE OF TOTAL BUDGET BY POLICY TYPE



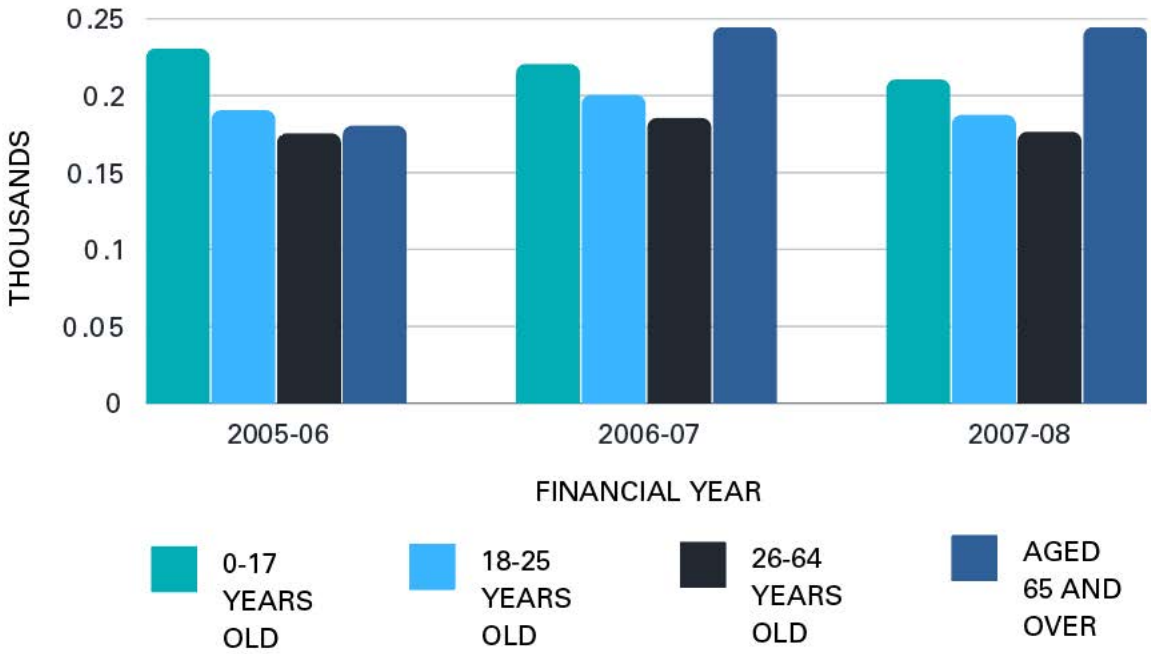
EXAMPLE INDICATOR: BUDGET ALLOCATIONS ACCORDING TO CHILDREN'S STRATEGY OBJECTIVES



Source: MEF, MIMP, MIDIS, MCLP and UNICEF Peru (2014)



EXAMPLE INDICATOR: CHILD-FOCUSED EXPENDITURE BY POLICY TYPE BY YEAR ENVIRONMENT AND SUSTAINABILITY



CHILD-FOCUSED PUBLIC EXPENDITURE MEASUREMENT

Governments are obligated to demonstrate that they have made every effort to mobilize, allocate and spend budget resources to equitably fulfil the rights of all children. Clear budget classification systems provide a basis to take a comprehensive picture of public spending on children and to monitor whether children are a priority in the budget. UNICEF has supported country-specific approaches to Child-focused Public Expenditure Measurement (C-PEM). Using this methodology, a government creates a framework to systematically measure, report and monitor public spending for children. More specifically, it identifies which budget allocations benefit children by measuring direct and indirect allocations across all sectors and/or themes (e.g., by program/policy, function, strategic priority or rights cluster). Public expenditure that contributes to child-specific objectives or child-relevant benefits is identified and weighted according to program characteristics such as the size of the child target or beneficiary population. This methodology produces a comprehensive child budget analysis and improved transparency of child-focused public spending. It can also be a basis on which to build assessment of budget quality including the adequacy, effectiveness, efficiency, equity and coherence of child spending.

Attributes of C-PEM:

- Provides standardized, consistent information about the size of and trends in government resourcing for children
- Reveals the composition and distribution of investment according to sectors, themes and stage of child development
- Exposes discrepancies between stated priorities and budget allocation, and issues of cross-sectoral coherence (such as the balance between social protection and remedial spending on health care, and gaps between complementary policies like parental leave and child care)
- Provides benchmarks that allow governments and stakeholders to track and monitor spending against priorities over time

Functions of C-PEM:

- Make budget information on children available to guide or influence allocation decisions
- Monitor the priority of children in the budget
- Track specific expenditures
- Evaluate the quality of spending on children
- Evaluate the equity of spending on children
- Measure the impacts of spending on children
- Support decisions to improve or protect investments in children
- Improve transparency and accountability of spending on children
- Comply with UN obligations and reporting requirements

Typically, a government engages a step-by-step process to develop a customized approach to C-PEM:

1. Form inter-institutional working group
2. Define concepts and criteria
3. Analyze budget information
4. Identify all child-relevant spending
5. Classify child-relevant spending
6. Apply weights/partitioning to non-specific spending
7. Sum amounts and generate analytical outputs
8. Link the budget for children to policy goals and indicators

A fundamental aspect of C-PEM is a taxonomy of child-relevant budget allocations to classify budget information in a way that is consistent and easy to understand and enable expenditures to be reported and tracked. Explicit decision criteria are set to determine budget categories (e.g., direct or indirect allocations) and code budget expense lines (BELs) with child tags to disaggregate budget allocations by age, sectoral areas and themes, and other dimensions (classifiers can also include administrative, economic or COFOG).

For example:

1. **Direct expenditure:** Specific/direct/targeted/strongly benefits children. Expenditure on initiatives that specifically address children as their target population (e.g., child care, child-focused income benefits, school meal program). BELs that directly target children are assumed to benefit them 100%, so the whole of each BEL expenditure is attributed to children.

2. **Indirect expenditure:** Indirect/partially targeted/somewhat benefits children. Expenditure on initiatives addressed to the family or other agents with clear benefits for children (e.g., parental leave, family support programs).

3. **Expanded expenditure:** The proportion of expenditure that benefits children in initiatives addressed to wider population groups of which children are an identifiable sub-population with chosen weighting such as the percentage of the total population that are children who are estimated to benefit (e.g., affordable housing, clean water system).

4. **Expenditure on general public goods:** The proportion of expenditure that benefits children in the provision of public goods according with chosen weighting such as the percentage of the total population that are children (or totality or zero) (e.g., public safety, climate adaptation).

The federal government of Canada employs a "light" version of C-PEM. Each budget initiative qualitatively identifies "intergenerational impacts" by the age cohort receiving the benefits or which is likely to disproportionately benefit. This classification is not intended to describe the expected impacts, but rather the motivation and policy intent behind the measure:

- Primarily benefits youth, children and/or future generations
- No significant intergenerational impacts, or impacts the generation between youth and seniors
- Primarily benefits seniors or the baby boom generation

However, children under age 18 are not distinctly identified.

3. IS THE BUDGET EQUITABLE?

Governments are obligated to ensure that their actions do not discriminate against children as a group, and to treat different groups of children equitably. The importance of equity in public budgets is articulated in the Convention on the Rights of the Child and the Committee on the Rights of the Child General Comment No. 19 on public budgeting for the realization of children's rights. In addition, the SDG indicator 1.b.1

specifically calls on governments to ensure equitable and pro-poor public spending on health, education and social protection. In policy and budget decisions, discrimination can occur in many ways, including insufficient coverage of policies such as child care and child-focused income benefits (based on structural exclusions or inadequate funding); regressive approaches that provide relatively less benefit to the most disadvantaged; and failure to provide specific measures to ensure substantive equity in child outcomes. The result can be costly to children, and costly to governments in inefficient and remedial spending and court settlements to rectify injustices.

Equity should be considered as part of the design of public budgets along the entire budget cycle, including how revenues are raised, to ensure visibility and inclusion of marginalized groups of children. Approaches include considering access to and affordability of services when costing new or expanded programmes; providing progressive benefits; providing distinct measures for certain children to achieve substantive equity; ensuring visibility of marginalized or excluded children and families through the use of disaggregated data; and participation of diverse stakeholders and representatives of marginalized groups.

Children can experience compounding deprivations and heightened vulnerability to shocks due to factors such as discrimination (due to gender, disability, health status, family status, religion, ethnicity, language or citizenship), geography (including rural areas with weaker services or highly disadvantaged urban environments), socio-economic conditions or other status. Budget lenses such as gender and diversity are increasingly common but often fail to adequately focus on children.

Child budget impact assessment questions about equity should include:

- ❏ Does the budget allocation/initiative provide equal or greater benefit to diverse and particularly vulnerable groups of children?
- ❏ Is there any discrimination in the distribution of benefits from government expenditure?
- ❏ Does the budget allocation/initiative exclude certain groups of children, for instance due to their disability, age, legal status or family status, or because it is insufficient?
- ❏ Does the budget allocation/initiative provide special measures to address inequalities and achieve substantive equality?
- ❏ Is a budget allocation/initiative appropriately universal or progressively universal, or is it regressive?
- ❏ Are expenditures fairly distributed across age groups in the population?
- ❏ Are there disproportionate revenue-generation burdens on families or children?

4. IS THE BUDGET SUSTAINABLE?

The budget should take current and future generations of children into account by developing sustainable and fair multi-year revenue, liability and spending projections.

Child-focused indicators of sustainability include:

- ❏ Does the budget account for changes in the child population over time (e.g., size, demographic and geographic)?
- ❏ Does projected funding for initiatives benefiting children sustain real value over time (e.g., is it indexed to inflation; does it increase or decrease)?
- ❏ Is debt financing fairly distributed across age groups? Or will the children of today pay a heavy debt tomorrow for current expenditures that do not benefit them?

5. IS THE BUDGET PROGRESSIVE OR RETROGRESSIVE?

Governments have the obligation to continuously advance children's rights in their budgets, beyond fully meeting obligations that are minimum, core obligations in international law. At minimum, governments are obligated to ensure children's food security, timely access to appropriate health care, housing, social protection coverage and education. These rights should be prioritized for adequate budget allocation, with a particular priority afforded to social protection. The progressive realization of children's rights is a second aspect of their budget obligations, notwithstanding the level of economic growth. Third, governments must protect children from retrogressive measures, such as withdrawing or diverting funding from policies and services in a way that deteriorates the realization of children's rights. Retrogressive measures may only be considered in extraordinary circumstances after assessing all other options and ensuring that children, especially the most vulnerable, are affected least and last. They must be necessary, reasonable, proportionate, temporary and non-discriminatory and as transitory as possible.

Indicators of budget progress for children include:

- ❏ Are there cuts to children's policies and services?
- ❏ Are there increases in investments in children's policies and services?
- ❏ Do increases sustain the current effect of budgeted initiatives or do they take up more fiscal space in the budget?
- ❏ Which budget allocations for children are protected (e.g., "ring-fenced") from budget reduction?
- ❏ Which groups of children are most affected by budget cuts or increases?
- ❏ How are any budget reductions justified?
- ❏ Are any budget reductions necessary, reasonable, proportionate, temporary and non-discriminatory?

6. DOES THE BUDGET ADVANCE CHILDREN'S RIGHTS AND IMPROVE THEIR OUTCOMES?

The ultimate measure of a budget's commitment to children is the outcome for children. States have an obligation to show how budget measures result in improvements in children's rights. Assessing the impact of public expenditure on children is critical to assessing if the best interests of children are guiding public policies and budgets. Governments are increasingly adopting results-based or performance budgeting and quality of life indicator frameworks, with which budget results can be measured in terms of child outcomes. If there is a gap between investments and results, this can facilitate identification of inadequacies, incoherence or bottlenecks in policies and programs. In fact, the European Child Guarantee commits EU Member States to invest a minimum 5 percent of the national EU Social Fund to measures to reduce child poverty if they have an above-average child poverty rate, putting results-based budgeting into practice.

Indicators to monitor budget results include:

- ❏ What child-focused performance targets or indicators are linked to budget allocations and expenditures for children?
- ❏ Are robust data about children available to support budget impact evaluation?
- ❏ Have there been improvements in the state of children because of government spending?
- ❏ What child outcomes have changed?
- ❏ Are the outcomes equitable for different groups of children?
- ❏ Is the size of the budget allocated to children sufficient to realize their rights?
- ❏ Are sufficient public resources effectively allocated to provide inclusive and coherent policies, programs and services for children?

7. IS THE BUDGET TRANSPARENT?

Ministries of Finance have the responsibility to compile and clearly present child-related priorities in public budgets. Sectoral departments and agencies should ensure the design of child-relevant initiatives and their costing are adequate, effective and equitable, and linked to meaningful results indicators. Parliamentarians and supreme audit institutions should assess and monitor the child portfolio. Citizens including children can be empowered to monitor and participate in budget processes for more transparent and accountable spending.

To improve citizen capacity to participate in budget decision-making, governments can as a first step make children visible in the budget and make this information understandable and available (e.g., in child spending briefs). Beyond that, they can also establish feedback mechanisms and facilitate citizen participation, including children and adolescents, in budget decision-making and assessment. Some local governments have delineated a budgeted amount that children help decide how to spend.

Independent, social accountability initiatives such as budget scorecards and UNICEF Canada's U-Report initiative can also engage children in monitoring budget priorities, adequacy and fulfilment of their rights.

Indicators of budget transparency include:

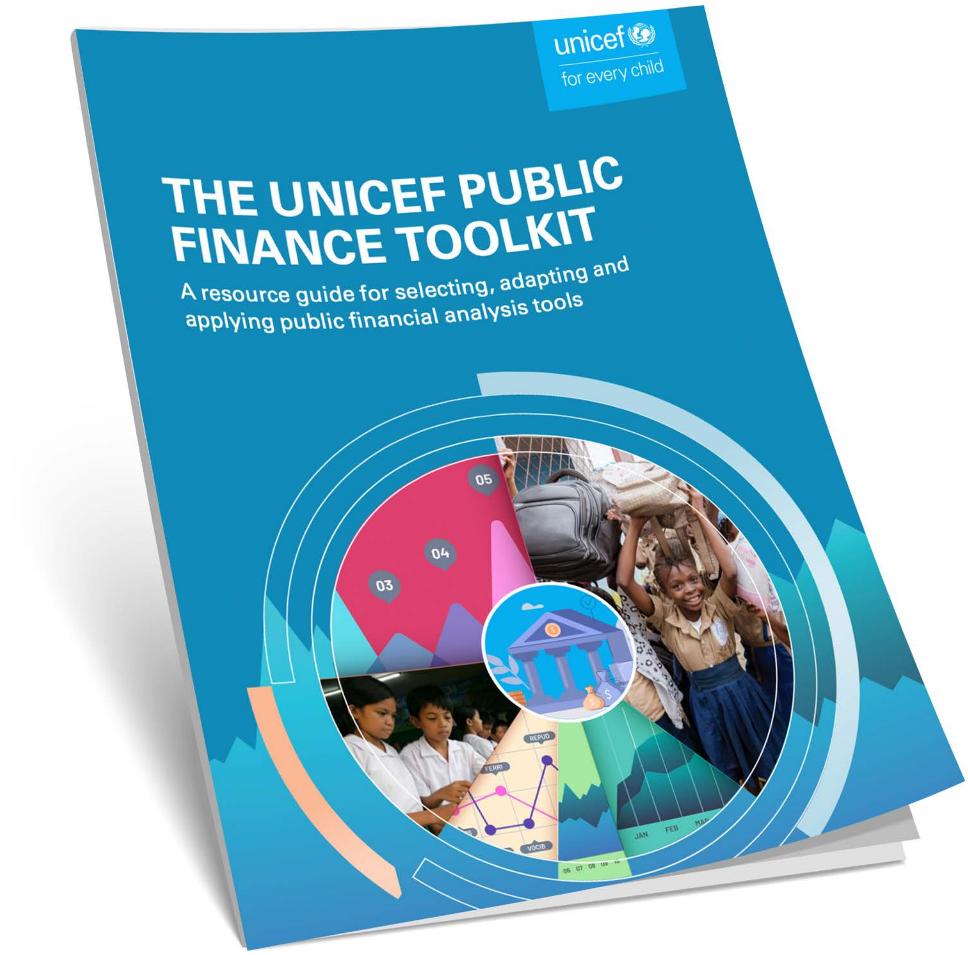
- ❏ Is budget information provided in ways that are easily understood by children and other citizens?
- ❏ Are there opportunities for children to provide input into budget decisions affecting them?
- ❏ Are children engaged in budget assessment, tracking spending or budget impact monitoring?

8. IS A PARTICULAR BUDGET DECISION IN THE BEST INTERESTS OF CHILDREN?

Article 3(1) of the Convention on the Rights of the Child provides that the best interests of the child shall be a primary consideration in all actions concerning children. States are obligated to apply this principle at every stage of the budget cycle and in all budgetary decisions that affect children. Beyond the budget impact assessment questions outlined in this tool, the Convention provides the framework for determining potential positive and negative impacts of a decision on the rights within it, and determining the overall best interests of the child. The obligation to give priority to the best interests of children is crucial when states weigh up competing spending priorities. Governments and audit authorities should conduct Child Rights Impact Assessments (CRIA) to determine the potential impacts of budget decisions on children. They should also periodically conduct audits and evaluations of the impacts of previous budgets on children.

Resources for child-sensitive budgeting

The UNICEF Public Finance Toolkit is a resource guide to select, adapt and apply public financial analysis tools to achieve better results for children. It brings together 14 common public financial analysis tools that UNICEF uses in its work with governments and partners to improve public spending and investment in essential services for children. Several tools are particularly relevant for high-income countries:



TOOL	WHAT DOES IT DO?	WHAT CAN IT BE USED FOR?	WHAT DATA IS REQUIRED?
Budget Analysis	Analyze size, composition, allocative efficiency, and transparency of spending – highlighting specific sectors or programs	• Rapid review of (draft) budget to highlight issues and influence budget decisions • Highlight resourcing trends including gaps, inequities and performance • Generate evidence to improve quantity/ quality of spending relevant to children	Current and historical budget allocation data at sector and program levels
Public Expenditure Review (PER)	Assess quantity and quality of spending over time against policy goals and indicators	• Inform a strategy or plan • Highlight resourcing trends, efficiency and effectiveness of budget allocations, and performance (impact) against policy goals or indicators	Current and historical budget allocation and execution data and sector and program levels Policy goals, strategy goals, performance data and indicators
Child-focused Public Expenditure Measurement (C-PEM)	Identify direct and indirect budget allocations to child-relevant objectives and results across all sectors and programs over time	• Improve visibility and transparency of investments in children • Assess if budgets are aligned with policy goals • Review adequacy of spending for children across sectors, programs and outcome areas • Support reports in relation to article 4 of the Convention on the Rights of the Child	Budget allocations and execution data by sector, program, objective and outcome and by beneficiary, compared to norms, other populations and over time

Additional Resources

The UNICEF Public Finance Toolkit: A resource for selecting, adapting and applying public financial analysis tools (2021): https://www.unicef.org/documents/public-finance-toolkit

UNICEF Child-Focused Public Expenditure Measurement: A Compendium of Country Initiatives (2016)

Child Rights Budgeting in Scotland: Recommendations for Fulfilment of Legal Obligations. Together Scotland (2023)

Measuring Budgetary Investment in Children: Proposed methodology and initial results in Spain (2018). Working Document. The Spanish Committee for UNICEF

General comment No. 5 (2003) on the General Measures of Implementation of the United Nations Convention on the Rights of the Child (CRC/GC/2003/5)

General comment No. 19 (2016) on public budgeting for the realization of children's rights (CRC/C/GC/19): https://www.ohchr.org/en/documents/general-comments-and-recommendations/general-comment-no-19-2016-public-budgeting

Committee on the Rights of the Child (2022) Concluding Observations to Canada (CRC/C/CAN/CO/5-6) (see para. 10): https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/Download.aspx?symbolno=CRC%2FC%2FCAN%2FCO%2F5-6&Lang=en

Committee on the Rights of the Child, Treaty-specific guidelines regarding the form and content of periodic reports submitted by States parties under article 44, paragraph 1(b) of the Convention on the Rights of the Child (CRC/C/58/Rev.3)

Office of the United Nations High Commissioner for Human Rights (OHCHR) and International Budget Partnership, *Realizing Human Rights through Government Budgets* (2017)

Office of the United Nations High Commissioner for Human Rights (OHCHR), *Towards Better Investment in the Rights of the Child*, Report of the High Commissioner for Human Rights (A/HRC/28/33) (2014)

UNICEF Canada Child Policy Lens: www.childpolicylens.ca

Glossary

Public finance for children refers to a collective body of UNICEF programmatic and other activities at local, country and global levels to influence the mobilization, allocation and utilization of domestic public financial resources, for greater, more equitable and sustainable results for children.

Public investments in children refer to both recurrent and capital expenditures by governments on services, programs and institutions which are essential for achieving children's rights and national goals for children. The term "investments" here does not necessarily imply direct financial returns through cost recovery (tariffs, user fees, etc.) and/or profits, and thus differs from what is commonly understood in financial markets.

Child-focused public expenditures refer to budget allocations or spending on services and programs that aim at benefiting children, or at least partially consider child-specific needs. Examples of the former are child care and cash transfer programs for children, and an example of the latter is parental leave.

Dimensions and principles of budget quality include **adequacy**: child-related plans/programs are fully budgeted for coverage, equity and desired impact (including achieving targets/commitments); **efficiency**: budgeted funds are released on a timely basis and spent with minimal leakages and waste; **effectiveness**: funds are spent on the types of services and means of delivery which are cost effective and achieve intended results; **equity**: public funds are distributed and utilized with due priority and proportionate benefit to disadvantaged areas and groups; **transparency**: financial reports are comprehensive, timely and accessible by political representatives and citizens; and **accountability**: it is possible to track fund flows to service delivery units and actors involved are answerable to compliance and results within and outside government.

UNICEF Canada

UNICEF, the United Nations Children's Fund, has a universal mission to help realize children's universal human rights. We support governments to deliver these obligations, including the duty to establish child-sensitive governance approaches to make children visible and heard, and increase the priority afforded them in decisions about laws, policies and budgets. We also support children, as rights-holders, to participate in decisions affecting them. Public financing for children is a focus of UNICEF's work that encompasses a range of approaches to account for how much money is spent on children in public systems, on what, for whom, and when, in order to achieve their rights and better and more equitable outcomes. In other words, it links budgets to results for children.

Child Right Budget Assessment Summary

1. HAS THE STATE INVESTED IN CHILDREN TO THE MAXIMUM EXTENT OF AVAILABLE RESOURCES?

There are a number of indicators that help answer the question, “how much is spent on children?”

- ❏ What is the total share (percentage) intended to benefit children in the total budget?
- ❏ What is the per capita share of the budget for children?
- ❏ What is the budget expenditure on children as a percentage of GDP?
- ❏ What is the average total dollar value of investment per child from conception to age 17?
- ❏ How does this compare to other population groups?
- ❏ How does this compare to previous years?
- ❏ How does this compare to other high-income countries?
- ❏ By how much does the child targeting index indicate more spending on adults or children (overall and by sector such as social protection)?

2. IS THE BUDGET EFFECTIVE AND EFFICIENT?

Indicators of budget quality provide information about how much is spent on what, when:

- ❏ Does the budget identify clear allocations for children (recurrent/new)?
- ❏ Which budget allocations directly benefit children?
- ❏ Which budget allocations indirectly benefit children?
- ❏ How is the budget for children allocated?
  - What is the composition and amount of expenditure on children by policy type (e.g., sector, children’s rights clusters, and/or strategic priority)?
- ❏ What is the expenditure for each policy type per capita, as a percentage of the budget and as a percentage of GDP?
- ❏ What is the coverage of children in each allocation (universal, progressive universal, targeted, etc.)?
- ❏ When are funds spent on children?
  - What is the composition of expenditure on children along their life stages (e.g., prenatal, ages 0-1, 2-5, 6-12 and 13-17)?
- ❏ Are budget allocations sufficient to achieve any normative spending or performance benchmarks, targets or agreements, domestically or internationally?
- ❏ Are investments in public goods such as climate protection and public safety more or less beneficial to children?
- ❏ Are funds allocated for children fully spent?

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