

2024 Pre-Budget Consultations

February 2024

UNICEF Canada recommends clear and affordable measures that would advance the Government of Canada's priorities in the federal 2024 budget and achieve progress for children and youth towards the 2030 Sustainable Development Goals (SDGs) in Canada and globally. The following recommendations are the best investments the federal government can make to protect children during a polycrisis as they build on policy achievements to date.

SUMMARY OF RECOMMENDATIONS

- 1. Increase Canada's International Assistance Envelope by committing \$400 million per year for 2024-25 and \$650 million per year thereafter for a total commitment of \$3 billion over five years. This investment is aligned with the government's commitment to predictable, sustained increases to Canada's international development assistance annually.
- 2. Protect against rollback of progress towards achieving the SDGs by sustaining funding of existing commitments and championing an ambitious, inclusive and holistic agenda for children.
- 3. Introduce a Low-Income Supplement to the Canada Child Benefit (CCB), adequate to lift every child out of poverty and above the low-income level by 2030, while maintaining the universality of the current policy.
- 4. Close the parental leave gap 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.
- 5. Invest \$1 billion over four years in a universally accessible school food partnership to ensure every school child a healthy meal at school, every school day.
- 6. Include child budget reporting in the budget impacts statement, and require Child Rights Impact Assessment in Memoranda to Cabinet (MC), Budget requests and Treasury Board (TB) submissions.

PART I: LEADERSHIP FOR CHILDREN AROUND THE WORLD

Recommendation 1: Increase Canada's International Assistance Envelope by committing \$400 million per year for 2024-25 and \$650 million per year thereafter for a total commitment of \$3 billion over five years. This investment is aligned with the government's commitment to predictable, sustained increases to Canada's international development assistance annually.

International assistance has risen in recent years, driven by the response to COVID-19, from \$5.5 billion in 2019-2020 to \$8.1 billion in Budget 2022; however, Budget 2023 saw a significant reduction. In the context of multiple and intersecting global crises, Budget 2024 must see Canada rise to the challenge and increase the International Assistance Envelope for a total commitment of \$3 billion over five years.

Recommendation 2: Protect against rollback of progress towards achieving the SDGs by sustaining funding of existing commitments and championing an ambitious, inclusive and holistic agenda for children.

Canada's commitment to increase international assistance must include a clear agenda for children, prioritizing critical investments in children's education, health and nutrition, especially for the most marginalized. Canada must also work to ensure that children are included in climate adaptation, mitigation and finance plans.

Protect 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.

We call on the Government of Canada to continue to increase its global education spending to fulfill its mandate letter, by investing an additional \$100 million/year for five years to double down on the impacts being driven by the Charlevoix Education Initiative.

Protect child health and nutrition:

The world is facing a global malnutrition crisis, with disproportionate impacts on those already most marginalized: women and girls, children, conflict- and crisis-affected populations, and those excluded from inequitable and overburdened health systems. Globally, in 2022, 45 million children under age five suffered from wasting. In 15 countries hardest hit by these multiple crises, including in the Horn of Africa and the Sahel, a child is pushed into severe malnutrition every minute.

Canada should invest an additional \$150 million in 2024-25 and \$275 million/year for an additional four years to support women and girls in humanitarian emergencies and conflicts, including support their nutrition and food security.

Canada has a unique opportunity to support country-led investment in life-saving nutrition interventions for women, adolescent girls and young children during humanitarian crises through the UNICEF-supported Child Nutrition Fund (CNF). We call on Canada to invest through the mechanism that matches donors' funding for life-saving treatment with investments made by national governments. This allows countries to take the lead in and ownership of the prevention of wasting of their highest-need populations, while doubling the impact of every dollar invested.

To ensure that children are able to thrive, urgent action is also needed to restore and increase coverage of routine immunizations. A recent <u>UNICEF report</u> 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. As part of its 10-Year Commitment to Global Health and Rights, and to help reduce the number of zero-dose children, Canada must provide increased support towards health systems strengthening, including support for primary healthcare (PHC) systems and community health workers who are at the heart of these systems.

Address the climate crisis:

Ambitious climate action has never been more critical. 2023 has been a record-breaking year for climate change, including unprecedented heating, floods, storms, drought, wildfires, and melting glaciers across the planet. Globally, UNICEF analysis reveals that over 1 billion children live in countries that are at extremely high risk from the impacts of climate change. Yet despite their unique vulnerability, children have been either ignored or largely overlooked in global climate policies, action and investment. Only 2.4 per cent of climate finance from key multilateral climate funds support projects incorporating child-responsive activities.

Canada has an opportunity to build on its global leadership to address the climate-related crises by supporting child- and gender-responsive climate finance, incorporating specific funding windows dedicated to delivering child and gender-responsive outcomes at the scale required.

PART II: LEADERSHIP FOR CHILDREN IN CANADA

Recommendation 3: Introduce a Low-Income Supplement to the Canada Child Benefit (CCB), adequate to lift every child out of poverty and above the low-income level by 2030, while maintaining the universality of the current policy.

Tax-funded income benefits are the most effective means of addressing child poverty, and Canada has developed a well-designed approach in the Canada Child Benefit (CCB). Since its introduction in 2016, the CCB has been central to a rapid and real decline in Canada's child poverty level. However, Canada is a middle performer among high-income countries for its current child poverty rate, despite having one of the largest Gross National Incomes. 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 and eliminate the scarring impacts of poverty on children.

A supplement could be integrated into the existing benefit structure, "bending the curve" of CCB payments by increasing them for lower household income levels (below 60 per cent of median income), thereby maintaining the universal and progressive nature of the current policy. The Canadian Centre for Policy Alternatives calculated that a CCB Supplement (an additional \$8,500 per year for children in families with earned income less than \$19,000) would cost \$5.9 billion in 2024-2025. As UNICEF Report Card 18 revealed, Canada spends less than the rich-country average on child-focused income benefits, while benefits for other groups in Canada are projected to substantially increase. Canada has the fiscal space to lift children out of 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 or their parent's immigration or other status.

Recommendation 4: Close the parental leave gap 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.

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 developmental period, when the risk of poverty is also highest. 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 childcare) that each make distinct contributions to get children off to the best start and open the way to the brightest futures. Canada invests less in parental leave and pays less than most other high-income countries and, as a result, fails to meet international standards including those set out in the ILO Maternity Convention.

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 one in three mothers (and therefore infants) cannot or do not access parental leave benefits (compared to around 10% in Quebec). Universal access with adequate pay should be the primary goal of a reformed system, based on a caregiving benefit for every child.

Recommendation 5: Invest \$1 billion over four years in a universally accessible school food partnership to ensure every school child a healthy meal at school, every school day.

School food programs are the most common form of in-kind child benefits worldwide, provided in 131 of 157 countries for which data is available. Canada is the only G7 country and one of the only OECD countries without a national approach to a school food program. In 2019, 33.2 per cent of children reported feeling hungry when arriving at school every day or almost every day, above the OECD average of 27.4 per cent (OECD, 2023). Depending on their age, up to two in three students in Canada go to school without breakfast, and only one in five can access a school meal program. At a time when food prices are rising for both families and for school food programs, it is timely to increase provincial and territorial support and to activate the December 16, 2021 federal commitment "to develop a National School Food Policy and work towards a national school nutritious meal program."

Recommendation 6: Include child budget reporting in the budget impacts statement, and require Child Rights Impact Assessment in Memoranda to Cabinet (MC), Budget requests and Treasury Board (TB) submissions.

Canada is party to the Convention on the Rights of the Child, with the obligation to make children a budget priority with the 'first call' on public resources. In 2022, the UN Committee on the Rights of the Child asked Canada to clearly track allocations to children as a basis for determining the adequacy of the budget and to understand whether Canada is fulfilling its obligations to children. Federal budgets in Canada have begun to identify which allocations are intended to benefit different groups of people in the *Statement and Impacts Report on Gender, Diversity and Quality of Life*, but does not distinguish children's specific rights and needs. UNICEF's Public Finance for Children Toolkit provides guidance for Child Public Expenditure Management (C-PEM), which would assist Canada in implementing its obligations, as would requiring the application of the Department of Justice Child Rights Impact Assessment in budget requests.

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. <u>www.unicef.ca</u> @UNICEFCanada

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