Progress in the implementation of commitments to children and youth under the Addis
Ababa Financing for Development Agenda

Background report for the Interagency Task Force on Financing for Development

I. Introduction

There is growing evidence that interventions in the development of children have considerable long-term benefits for individuals and societies. The Addis Ababa Action Agenda (AAAA) recognizes this link between child- and youth-focused investments and growth by treating children and youth not just as passive recipients of social services and assistance but as active agents of inclusive development. Specifically, the Agenda:

- Recognizes that investing in children and youth is critical to achieving inclusive, equitable and sustainable development for present and future generations (AAAA para 7)
- Recognizes the need to support countries that face particular challenges to make the requisite investments in children and youth (7 and 78)
- Reaffirms the vital importance of promoting and protecting the rights of all children, and ensuring that no child is left behind (7)
- Commits to promote national youth strategies as a key instrument for meeting the needs and aspirations of young people. (16)

The AAAA also includes a range of additional commitments for children and youth, such as under the new social compact (12), access to technology and science for youth and children (114), in global partnerships (77) and education (78), with regard to the human rights of girls (78) and migrants (112), and as part of responsible business (37).

2. Stocktaking – outcomes for children

AAAA and SDG commitments to children and youth build on strong progress achieved during the implementation of the Millennium Development Goals (MDGs). Children born today are significantly less likely to live in poverty than children born at the start of the new millennium. The under-five mortality rate has dropped by 53 per cent globally. Compared to the beginning of the millennium, the world average child underweight rate has decreased from 30% to 15% and the ratio of children finishing grade 5 has increased from 77% to 93% according to survey data.3

Despite these improvements considerable challenges remain. Recent age-disaggregated estimates of global poverty trends by the World Bank and UNICEF reveal that, although children under 18 ‘only’ account for about a third of the global sample studied, they make up half of the estimated extreme

1 This brief was prepared UNICEF and draws on inputs from the Office of the Secretary General’s Special Envoy on Youth and the UN Department of Economic and Social Affairs.
2 See for example evidence from the recent Third Lancet series on early childhood development, the Heckman Foundation, and the Copenhagen Consensus.
poverty count (at the new $1.90 poverty line, data are for 2013. See Figure 1). Younger children aged 0–14 are particularly affected. Assessments of multidimensional poverty among children and youth reveal similarly alarming results. In 30 sub-Saharan countries for which comparable data were available, 247 million (67.1%) out of a total of 368 million children and youth under age 18 experienced two to five deprivations that threaten their survival and development.\(^4\) Considerable inequalities also remain in higher income countries. For example, according to surveys from 41 developed countries, relative differences in per capita incomes, self-reported health, and education widened between children at the income median and in the bottom 10 percentiles.\(^5\)

The cost of these deprivations for individuals and societies can be significant. Evidence from the latest *Lancet* series on early childhood development suggests that malnutrition, exposure to violence and toxic environments and lack of early childhood stimulation can result in a loss of about a quarter of average future adult income per year. Countries may forfeit up to two times their current gross domestic product through additional expenditures in areas like health.

**Figure 1: Global extreme poverty headcount ($1.90) by age group**

![Figure 1](image)

Source: [Newhouse et al. 2016](#).

Furthermore, while the era of the MDGs saw important progress and gains in advancing the first decade of life in many regions, these gains have not necessarily and not sufficiently translated into improvements in the second decade of life for young people around the globe. Like children, young people aged 15-17 contribute disproportionately to the global poverty headcount, relative to their population share. Many adolescents and youth also continue to face tremendous obstacles with regards


\(^5\) In 19 of 41 high income countries children at the 10th percentile have less than half the disposable household income of children at the income median (data are for 2014). Survey data on self-reported health outcomes suggest that only 9 out of 34 countries managed to reduce the gap in subjective health between the bottom 10 percent and the median (comparing 2014 to 2002 data). Source: UNICEF Innocenti Report Card 13, ‘Fairness for Children: A league table of inequality in child well-being in rich countries’, 2016.
to the core life transitions from childhood to adulthood, including challenges in the school to work transition, the transition to financial independence, lack of opportunities for meaningful civic and political participation, and challenges in the transition to marriage and family formation, including the lack of autonomy of millions of adolescent girls and young women to make informed decisions about when and whom to marry and the lack of access to sexual and reproductive health information, education and services.\(^6\)

3. Stocktaking - Domestic resources

The effectiveness of the FFD monitoring process for child- and youth-focused investments under paras 7, 16, and 12 depends heavily on progress under the AAAA’s parallel commitments to improve the availability of age-disaggregated data (para 126). Under current reporting practices most government budgets are organized by sector and functional area, but do not routinely report how much of public expenditure directly addresses the needs of children and youth (see below). Other new priority areas for children under the SDGs, like child protection, social protection, nutrition, youth and adolescents, or WASH, cut across multiple sectors or ministries and often require separate reporting mechanisms for effective monitoring. More disaggregated budget information will also be needed to better understand how expenditure translate into results on the ground and to ensure that resources are well managed and reach the most disadvantaged children and youth.

For the purpose of this brief we draw on national spending on health, education, and social protection (especially child and family benefits), as a proxy for domestic resource mobilization for child- and youth-focused purposes. Data are generally for the time period 2000-2013 and therefore do not yet account for the effects of the recent decline in commodity prices and the growth slowdown in some emerging economies. Box 3 below discusses additional recommendations developed as part of the monitoring of child rights-related expenditures under the Convention of the Rights of the Child (CRC). However, these practices are not yet standardized across countries.

Even with the limited information available it is possible to identify several general trends. The first concerns the very significant differences in the capacity of countries to fulfil their commitments to children and youth under the AAAA. For social protection, specific child and family benefit programmes rooted in legislation exist in 108 countries. Yet, these programmes often cover only small groups of the population. In 75 countries, no such programmes are available at all. On average, OECD countries spend $802.05 per capita a year in social protection for children in PPP 2011 terms, compared to only $23.89 in developing countries according to latest data.\(^7\)

Data also reveal considerable divergence in health and education spending. Government spending has improved in both sectors in lower middle income countries and middle income countries that recently graduated from low to middle income status. However, the rate of growth of these two groups has been much slower than in upper middle and non-OECD high income countries (see Figure 3 in Box 1). Barring

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\(^6\) Research on 34 high-income countries from 2002-2014 suggests that gender gaps in adolescent health are widespread and have increased in 10 of the 34 countries. Source: UNICEF Innocenti Report Card 13, ‘Fairness for Children: A league table of inequality in child well-being in rich countries’, 2016.

\(^7\) Calculated based on data from ILO, World Social Protection Report 2014/2015.
major improvements in spending and the effectiveness of service delivery it is unlikely that low income countries will be able to achieve major SDG and AAAA commitments towards basic service provision for children and youth by 2030.\(^8\)

The second, more positive, trend is the relative resilience of child-focused spending during the 2008/9 financial crisis. In the EU, per capita spending on family and child-related benefits remained on a positive trend during the crisis years in most countries (Figure 3). However, separate research indicates that the increase in spending was not sufficient to mitigate the crisis impacts on child poverty. EU-wide averages also hide significant decreases in child focused spending under austerity in some member states (UNICEF 2014). The share of child-focused spending in total social protection budgets decreased moderately, although children may have benefited indirectly from increases in other social assistance programmes, such as unemployment benefits.

Although still at very low levels, the social protection expenditure for children in developing countries also proved resilient during the financial crisis (Figure 2). The exception are non-OECD HICS, where social spending decreased in real per capita terms. However, as noted above, most of the available data are from before 2014, so they do not reflect possible impacts of the more recent commodity price shock and slower growth in many emerging economies.

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8 See for example the 2016 Report by the International Commission on Financing Global Education Opportunity.
Figure 3  Family/child benefits per capita and as % of total social benefits in European Union member countries

Source: ILO, World Social Protection Report 2014/2015 and 2009/2010 (converted to PPP 2011 using World Development Indicators). Table B.13. Public social protection expenditure by guarantee. After crisis: latest available year at or after 2009; before crisis: latest available year before 2009. The dataset includes sources from ILO Social Security Inquiry, Ministry of Finance data, ADB Social Protection Index database, etc. Data on social protection and child-focused social protection may not be strictly comparable due to differences in underlying data sources and reporting practices. Most of the after crisis observations were between 2010 and 2012, so the figure does not reflect the commodity price decrease and fiscal adjustments.
Box 1: Changes in government per capita spending

Figure A: Government per capita health expenditure (2011 USD, PPP), median per income group

Source: IMF Government Finance Statistics
Average per capita spending in selected sectors across the major country income groups. The graphs account for changes in country income classifications since 2000 through a separate category for countries that have recently graduated from Low Income to MIC status. They also distinguish between commodity rich and non-commodity rich graduates to account for differences in the underlying drivers of economic growth.

Figure B: Government per capita education expenditure (2011 USD, PPP), median per income group

4. Stocktaking - International public finance

The large differences in domestic financing capacities illustrate the continued importance of ODA and international partnerships for countries with the greatest resource constraints. Moreover, the urgency of these commitments becomes particularly clear when additional demographic factors are taken into
account. At present trends most of the world’s children will soon live in Least Developed Countries (LDCs), with particularly high population shares in sub-Saharan Africa. These countries already face serious structural challenges for achieving sustainable development outcomes, including high levels of deprivation in areas like child health, poverty and education. Large populations of young people also live in many lower and lower middle income countries, where fertility rates have already started to decline. The prevalence of large young populations offers considerable opportunities to reap demographic dividends when large cohorts of young adults enter the work force. But there is also a risk that financial allocations to children and youth will stagnate or even decrease in real per capita terms, if scarce resources need to be divided among many children and youth. At current trends it seems unlikely that many low and middle income countries will be able to raise the necessary resources to make requisite investments that would enable them to reap the full benefits from ongoing demographic transformations. ODA to child- and youth-focused services should be prioritized in these contexts to enable countries to follow paths of inclusive longer-term growth. Such a re-focusing of international public finance would also strengthen the catalytic development function of ODA.

The AAAA recognizes the needs of low and lower middle income countries, by pledging to support countries that face particular challenges in making the requisite investments in children and youth (paras 7, 77, and 78). However, as with domestic public finance, monitoring of ODA to child- and youth-focused purposes is complicated by lack of detailed reporting on child- and youth-focused expenditures. For example, there is no child- or youth-focused equivalent to the OECD-DAC gender equality marker, which tracks international public resources to improve gender outcomes.

Notwithstanding data limitations, some indications can be drawn from existing ODA statistics for sectors that tend to disproportionately benefit children and youth (Box 2). These data suggest that OECD DAC donors are broadly responsive to continued needs for international collaboration around child- and youth-focused investments in low and lower middle income countries. Trends in ODA receipts (absolute amounts) are positive in key sectors such as basic education and especially health care and population policies and programmes. However, ODA disbursements tend to fluctuate significantly between years and flows are still comparatively low in new child-focused priority areas of the SDGs and FFD, such as secondary education and basic nutrition. ODA to other emerging priority areas, like early childhood development, cannot be monitored at this moment, due to data limitations.30

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9 According to UNICEF estimates Africa will be home to one in three of the world’s children by 2050 (UNICEF 2015).
10 More detailed overviews of recent ODA trends are discussed in other IATF reports and issue briefs. These also document ongoing efforts to increase total amounts of ODA and to reverse the declining trend in allocations to the least developed countries (LDCs) and other countries with special needs.
Box 2: Trends of ODA Disbursements to developing countries on child-related areas

The provision of ODA to disadvantaged children and youth has also improved through a number of new initiatives that correspond directly to key commitments of the AAAA for children and youth.

1) The Global Financing Facility (GFF) in support of Every Woman, Every Child was launched in Addis Ababa and is currently being rolled out in pilot countries. The GFF will strengthen health sector reforms and domestic resource mobilization efforts in areas of reproductive, maternal, newborn, child and adolescent health (AAAA para 77).

2) The End Violence against Children partnership and Fund to address violence against children and online exploitation of children (AAAA para 112).

3) The new Education Cannot Wait Fund, launched at World Humanitarian Summit in May 2016 with a five year funding target of $3.85 billion. The fund will address a major source of inequality in education by providing quality education to over 13 million children in crisis situations over the next five years and 75 million children by 2030 (AAAA para 78).

4) The Power of Nutrition (PON) partnership will raise additional resources for the fight against malnutrition, using innovative public-private matching grants (PON).

Other new and promising initiatives include:

5) Global Initiative on Decent Jobs for Youth, a UN-system wide initiative that aims to facilitate increased impact and expanded country-level action on decent jobs for youth through multi-stakeholder partnerships, the dissemination of evidence-based policies and the scaling up of effective and innovative interventions.

6) Compact for Young People in Humanitarian Action, launched at the WHS, which offers an unprecedented and collective commitment of key actors to ensure that the priorities, needs and rights of young women and young men affected by disaster, conflict, forced displacement and other humanitarian crises, are addressed, and that they are informed, consulted, and meaningfully engaged throughout all stages of humanitarian action.

5. Invest in better data on child- and youth-focused spending

Good data are crucial for monitoring progress and for ensuring continued commitment around key AAAA and SDG priorities for children and youth. A country’s budget in particular reflects how well political commitments are being translated into direct actions to benefit the most excluded children and youth. Improvements in data quality and availability need to be complemented by better coordination and planning between ministries of finance and relevant line ministries and agencies to improve coherence and impacts on the ground.

At a time when policy and investment decisions are increasingly data driven, data on children and youth development and well-being often remain fragmented and inconsistent. This limits understanding of how young people are doing vis-à-vis other population groups and peers in other countries, and it helps explain why needs of young people often remain underexposed. Moreover, for youth, there is limited data available on the progress in meeting the diverse needs of specific youth groups, particularly in the most marginalized parts of society. Global funding for youth organisations and youth movements is inadequate at providing the resources needed for youth civil society to survive and thrive and contribute to youth development.
The AAAA and SDG / MOI indicator outlines several priorities to improve existing monitoring frameworks. Paragraph 126 of the AAAA and several SDG and MOI indicators highlight the need for better data that are disaggregated by sex, age, and other socio-economic categories. In the area of social protection, SDG indicator 1.3.1 is meant to distinguish children in the breakdown of the population covered by social protection systems. In education governments have committed to distinguish between the participation rate of youth in formal and non-formal education and training.

In many other cases more advanced methods are required. This applies in particular to multi-sectorial SDG priorities for children and youth that are not well captured by existing sectorial budgets, such as nutrition, early childhood development, child protection, and national youth strategies. High quality data, linking spending to results and again disaggregating by age and socio-economic characteristics, are also needed for determining which programmes and components have failed and which have succeeded in improving outcomes for the most vulnerable and most marginalized children and youth.

Moreover, new approaches and indicators are often required to track progress around emerging new priorities within sectors that already have established monitoring systems. For example in education, recent investments have improved school attendance. But in many parts of the developing world, the quality of schooling is such that the children cannot fully achieve their potential in cognitive skills. Here new approaches and partnerships are needed to assess learning outcomes on the basis of international standards and to collect comparable and detailed information for monitoring of education quality.\(^{11}\)

Going forward governments and stakeholders can draw on several experiences to improve the monitoring of investments in areas of relevance to children and youth. Examples include:

- **Child-spending markers and taxonomies that assess and monitor the size and composition of public investments that benefit children and youth directly or indirectly**, including in multi-sectoral SDG priorities such as nutrition, early childhood development, and child protection. Argentina, Colombia, Dominican Republic, Ecuador, El Salvador, Haiti, Honduras, India, Mexico, Paraguay, Peru, Uganda and Yemen continue to use such tools, while others are currently being developed in Bangladesh, Bolivia, Jordan and Nicaragua. While to date no such markers exist for the youth sector, efforts could be undertaken to establish these and offer them to Member States.

- **New reporting practices on child-focused spending and reforms established by signatories of the Convention of the Rights of Child (CRC).** The Committee on the Rights of the Child has issued General Comment No. 19 in September 2016 to offer more detailed guidance on reporting practices under Article of 4 of the CRC (see Box 3).

- **International data collection and harmonization efforts in several child and youth-related AAAA and SDG priority areas**, such as under the Global Nutrition Report initiative, the Scaling Up Nutrition (SUN) Movement, new global alliances and partnerships on ECD and to end violence against children, and the Lancet Countdown to 2015 Initiative for tracking progress in maternal, newborn and child survival, the Global Financing Facility and H4+ technical partnership for the SG’s Every Woman, Every Child initiative.

- **Public expenditure benefit incidence analysis**, which capture the distribution of resources across different age groups and dimensions of well-being and which can highlight their impact on the most disadvantaged children and families. Examples include equity-focused Public Expenditure Reviews

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\(^{11}\) CDP Report to ECOSOC (2011).  
as well as innovative analyses like the Report on Equity of Public Expenditure on Children and Adolescence in Mexico carried out by UNICEF and UNDP.

Box 3: Similar priorities for the monitoring of child-focused spending under the FfD follow up process and Article 4 of the Convention on the Rights of the Child

States that are party to CRC are mandated to submit periodic reports every five years, which includes the allocation of resources for the realization of child rights under Article 4 of the CRC. CRC reporting under Article 4 faces similar challenges as the monitoring of child-focused resources under the FfD follow up process. State parties’ periodic reports frequently substitute child-focused spending with the budgets of central government ministries of education, health, and social protection. Countries also often face challenges in reporting sub-national government budgets, and identifying the proportion of children who benefit from sectoral expenditures, such as health, and social welfare and assistance programmes. Data reported under the CRC are also incompatible across countries.

The Committee on the Rights of the Child has published a general comment in 2016 with guidelines on CRC Article 4 reporting. This identifies States parties’ obligations and makes recommendations on how to realize all the rights under the Convention, especially those of children in vulnerable situations, through effective, efficient, equitable, transparent and sustainable public budget decision-making. Improved and compatible CRC Article 4 reporting could provide a valuable foundation for future FfD monitoring and follow-up. For examples of State parties’ reports see submissions by the United Kingdom and Bangladesh.

6. Links to other areas of the AAAA

The magnitude of financing needs, and the large differences in financing capacities between countries underscore the importance of parallel commitments in several other areas of the AAAA. These include the AAAA’s emphasis on social floors and basic services (para 12), improvements in the collection and use of domestic revenues, and the tackling of illicit finance. Such reforms need to pay special attention to impacts on children and youth in disadvantaged families and circumstances, in alignment with commitments under para 7 of the AAAA (such as by ensuring that existing and new taxes do not have a disproportionate negative impact on children and poor families). Investments in children and youth can also be advanced by accounting explicitly for large economic and social returns of relevant child- and youth-focused interventions within national investment plans.

The private sector and philanthropies provide additional large, and often untapped, resources for children and youth. The experience of the MDGs, especially under the health-related targets, has illustrated that involvement of the private sector can make the difference in developing new

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12 Article 4, CRC: States parties 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.
interventions for children and taking them to scale. Available data on charitable and philanthropic giving suggest that education, health, and other child-related areas are among the top priorities of private donors (e.g. in the U.S. 16% of charitable donations in 2015 was in education, 12% in human services, including family and child services, and 8% in health13). These positive experiences can be expanded and built on under relevant commitment areas of the AAAA, including by encouraging companies to embrace business models that take into account the rights of children and youth (37), investments in underfunded areas and countries (45), and philanthropic engagement that is transparent and accountable to children and youth (42).

13 Giving USA Foundation, Giving USA 2016, as cited in National Philanthropic Trust, “Charitable Giving Statistics”. 