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Around the world, UNICEF is substantively engaging in upstream policy decisions to achieve results for children, with a particular focus on the most marginalized. Within the broad arena of social policy, the organization has focused its work on core elements necessary for breaking the inter-generational poverty cycle. These include addressing child poverty, inequalities, migration, public investments, social services and social protection. The right social policies are necessary to address global threats resulting from the economic slowdown, looming budget crises, political instability, population trends, urbanization and climate change, among other pressing issues. Although the full impact of social policy work is often realized years after it is begun, investments in these areas will be the foundation of progress towards the MDGs and social transformation in favour of the world’s most vulnerable children and families.

*Policy Matters*, a report by UNICEF’s Division of Policy and Practice, creates a platform for showcasing results of its upstream policy analysis and advocacy and highlighting new thinking on social policy areas. This first edition features eight cases that are illustrative of the wide-ranging impact of UNICEF’s child-focused social and economic policy work.
China
Analysis of child poverty benefits millions of poor children in rural China
Challenge
The Government of China provides special funds for poverty stricken districts focusing mainly on promoting job and income generation. The investments in rural social development have been quite modest. Besides, even though China has seen great progress in poverty reduction in the past decades, child poverty has not been an explicit focus area for the Government.

Approach
In 2007, UNICEF collaborated with the State Council Leading Group Office of Poverty Alleviation and Development (LGOP) to reduce child poverty. Under this partnership, UNICEF was able to convince the Government to look at child poverty as distinct from adult poverty and conducted a national research to understand the child poverty situation in China as part of the Global Study on Child Poverty and Disparities. In addition, participatory pilot projects were designed that identified child focused components that could be strengthened in existing Government rural poverty reduction policies.

Results
As a result of this initiative, in 2011, for the first time child poverty will be included in the new Ten-Year National Rural Poverty Reduction Strategy (2011-2020). A pilot province (Hubei) and an earthquake-hit district have also incorporated child components into their Rural Poverty Reduction Strategy (2011-2020) and Social Economic Development Plan (2011-2015). These policy changes are expected to benefit all poverty-stricken children in rural China. By addressing multiple deprivations faced by children, a broader Rural Poverty Reduction Programme will help to ensure the survival, development and protection of the most vulnerable children in rural China. Special attention will be given to the difficulties faced by millions of ‘left-behind’ children in poor rural districts, where large-scale out-migration has left them in the care of grandparents or others.

Lessons Learned and Next Steps
UNICEF is undertaking advocacy for the establishment of a comprehensive child welfare system at the national and local levels to benefit poor children and their families. It is further strengthening national institutions to ensure successful implementation of the new rural poverty reduction policies.

Context
Economic reforms in China have lifted an estimated 200 million people above the poverty line, but still 208 million in China live on less than US$ 1.25 a day. Presently, 12.7 million children under-five are stunted in China, almost equivalent to the entire population of Zimbabwe.
Ecuador
A child-friendly budgeting initiative contributes to a massive increase in public health spending
Context
In 1999, Ecuador underwent the greatest economic and social crisis in its history. Between 1995 and 2000, the country had the fastest rate of impoverishment in Latin America. In 1999, Ecuador’s currency faced a massive devaluation, inflation rose to 60 per cent and real per capita GDP fell by 40 per cent. It was estimated that 1,500 new children fell into poverty each day. Ecuador witnessed a massive migration of 500,000 people within two years. The crisis affected all social sectors: education, health, social welfare and housing.

Challenge
By ensuring budget priorities for children, Ecuador could avoid planting the seeds of poverty for future generations. Given the dire national economic and social situation, ensuring investments in children was not only a vital moral imperative, but also sound economic policy. Evidence consistently shows that where children and mothers have poor health, nutrition and education, they are likely to earn less, be less productive members of society and then pass this poverty on to their children.

Approach
During this time, UNICEF undertook an assessment of public budgets to protect children’s rights. This analysis led to a new approach in framing social and economic policies in Ecuador. UNICEF worked in coordination with ministries, civil society organizations and political parties on the analysis and monitoring of social expenditure, identifying structural problems related to the budget. In its advocacy, UNICEF highlighted the need for an emergency social plan focusing on nutrition, health, education and livelihoods. It emphasized protecting and enhancing social spending, especially on basic social services. The Observatory of Children’s Rights and the Observatory of Fiscal Policy were formed to develop capacity on children’s rights. The Observatory of Fiscal Policy kept a vigilant eye on fiscal accounts, supported public debates on fiscal matters and lobbied for budget transparency.

Results
Between 2000 and 2006, a large reversal in fiscal trends was visible in the country, resulting in about 400 per cent increase in public health spending. This has led to one million children receiving meals at school and five million women receiving free maternal care. For the first time, a national budget allocation for vaccinations was secured. In 2006, there was 85 per cent coverage of routine immunization in Ecuador.

Lessons Learned and Next Steps
This experience has led to the development of a regular framework for linking social and economic policy decision-making in Ecuador. The Observatories have become more independent, as its leadership has passed onto the hands of a group of citizens. UNICEF continues to support the Observatories, even as they become more institutionalized.

1 The public health spending increased from USD 103 million to USD 525 million in 2006. (Source: Social Investment Bulletins (Boletines Como va la inversion social?) Ministry of Finance, UNICEF)
Malawi
A pilot cash transfer scheme to over 24,000 families affected by HIV and AIDS informs the National Social Protection Policy
**Challenge**

In Malawi, several social protection programmes and policies have been implemented in recent years, yet there is evidence that vulnerability is rising rather than falling. This suggests that these interventions are not coordinated or integrated. The current mix and outreach of the present safety nets system do not match up with the profile of the poor and vulnerable and their critical needs. In addition, there are very few long-term developmental programmes that are fully funded. Governments and donors have responded to this crisis by adapting and expanding existing social protection programmes and by piloting additional schemes.

**Approach**

The Government of Malawi, together with development partners and civil society is developing a social protection policy to protect and promote the welfare of the most vulnerable people. As part of this effort, the government with financial and technical support from UNICEF started a pilot HIV-sensitive social cash transfer scheme in Mchinji District in September 2006. The pilot generates information on the feasibility, costs and benefits of a social cash transfer scheme as a component of a broader National Social Protection Policy for Malawi. The programme addresses the structural causes of poverty, marginalization and associated harms while protecting vulnerable children in the face of challenges posed by HIV and AIDS by linking to other sectoral or issue-focused programmes. This scheme targets households that are ultra-poor (belonging to the lowest income quintile) and have either no adult aged 19 to 64 years fit for productive work, or more than three dependents per fit adult. By integrating both economic (low income) and social (high dependency ratio) eligibility requirements, the programme goes beyond targeting poor households to reaching out to the most vulnerable children, such as those orphaned or affected by HIV and AIDS.

**Results**

By February 2009, over 24,700 households in seven of the country’s 28 districts were receiving transfers on a monthly basis. Families receiving the cash transfer experienced dramatic improvements in food security. Children gained in height and weight, child labour decreased by 10 per cent and school enrolment increased by nearly 5 per cent. Families also increased their demand for healthcare. Households used their cash in ways that benefited the community at large, by hiring labour, giving loans, sharing food and spending in local markets. Orphans and vulnerable children from households receiving the transfer were linked to community-based Child Care Centres, ensuring adequate early childhood development.

**Lessons Learned and Next Steps**

The Government plans to bring the cash transfer to scale throughout Malawi by 2012. This experience suggests that social protection policies are a promising component in poverty reduction, possibly with prospects for short and long-term impacts on economic and social growth. Policies designed to improve the relative position of the poor today, while stimulating economic growth, would deliver the added benefit of raising the overall standard of living of the poor as the economy grows.
Mozambique

Presenting the Government with policy options helps expand cash transfer programme benefitting over 450,000 families
Context
More than 80 per cent of the Mozambican population survives on less than one USD a day. In 2010, the Government announced that despite strong and steady economic growth, the percentage of people living in poverty was unchanged between 2002 and 2008. According to a recent study, chronic under-nutrition remains very high, with 44 per cent of children under five suffering from inadequate physical and cognitive development.

Challenge
Significant strides have been achieved recently in the area of social protection in Mozambique. Approval of the Regulation for Basic Social Security in December 2009 and the National Strategy for Basic Social Security (ENBSS) in April 2010 are essential milestones. Despite policy advancements, a lack of political buy-in around social protection persists. At present, national social protection programmes cover only 8.3 per cent of poor households. Government data indicates that only about 0.5 per cent of GDP was allocated to social protection in 2008.

Approach
In response, UNICEF is working towards the development of strategic social protection policies, particularly through the UN’s Social Protection Floor Initiative. This model of engagement supports the national policy dialogue, including informing the Government around policy options related to the implementation of the ENSSB. The joint work includes a review of the Basic Social Security programmes and Social Protection Expenditure in the country and an estimate of the cost of income security provisions.

Results
Demonstrating that financing more ambitious policy options is feasible has resulted in expansion of the scope of the existing cash transfer programme. In September 2011, the Council of Ministers approved a policy proposal resulting in the scale-up of the monthly transfer amount, adjusted for inflation. It has also led to the inclusion of child-headed households and orphans and vulnerable children as direct beneficiaries of the cash transfer programme. As a result, over 450,000 vulnerable families will now be able to secure food and basic services.

Lessons Learned and Next Steps
Dialogue continues with the Government around how best to use the fiscal space. The strong partnerships built over time in this process, with key Government ministries, UN partners and donors have proved invaluable as opportunities for high-level advocacy emerged as a result of the economic crisis.
Nepal
A child grant to 70,000 of the poorest children advances a national framework on social protection
Context

In Nepal, poverty remains widespread and children disproportionately represented among the poor. The incidence of child poverty, measured by increase or consumption, is 36 per cent compared to national poverty of 31 per cent. Nearly 70 per cent of children are severely deprived of at least one of seven basic needs, and 38 per cent are deprived of at least two. The incidence of poverty varies across geographical regions, ethnicity, and household size. Under nutrition remains high among children; 49 per cent of under-five children are stunted.

Challenge

Nepal has comparatively high investments in social protection compared to other developing countries with similar wealth status. However, social protection accounts for less than 3 per cent of the total national budget. As many as 10 ministries are involved in social protection, with a number of fragmented and overlapping schemes. This results in uneven coverage and shortfalls in delivery mechanisms and monitoring and evaluation. Unless efforts are streamlined, Nepal is in danger of missing key MDGs.

Approach

In response to the situation, UNICEF and development partners undertook advocacy based on costing of various social protection interventions and analysis of fiscal space. These were widely discussed and debated by the policymakers and politicians and resulted in the Government announcing a Child Grant in July 2009. The programme provides a monthly payment of about US$ 3 to all children under-five in the five poorest districts with the highest rates of under nutrition. It also targets all poor Dalit families with children under-five, nationwide. UNICEF assisted the Government in developing capacity and implementing complementary measures for maximizing effectiveness. Two important measures that were implemented in parallel include birth registration and the Infant and Young Child programme for nutritional awareness. Birth registration has been a central component of the programme as it is the primary document in identifying eligible children. Following an integrated social protection approach, Child Grant uses the same registration and delivery systems as Nepal’s other targeted cash transfer systems. This has been critical in the success of the initiative.

Results

Over 70,000 children under-five currently receive the Child Grant. The birth registration campaign that accompanied the Child Grant programme has been very successful. In the five districts, before the campaign, about 21,000 under-five children were registered. After the campaign, this has quadrupled to over 80,000.

Lessons Learned and Next Steps

The Government is committed to gradually scaling up the Child Grant. The programme targets children under-five but is universal in approach and a non-conditional scheme. The benefit amount is fully funded by the Government as compared to being donor dependent. UNICEF is currently engaged in a dialogue and analysis to develop a national policy or framework for social protection in Nepal, in line with the UN’s Social Protection Floor Initiative. The development partners and the Government consider Child Grant to fit well within this larger framework.
Serbia
Assessment of the social impact of a proposed tax reform helps protect 50,000 people from slipping into poverty
Context
In Serbia, nearly 600,000 children are affected by poverty, with children under 15 years having the highest poverty rate in the country. From a broader perspective, 77 per cent of all children are poor in at least one of the four national poverty measures (consumption poverty, material deprivation, housing deprivation, and subjective poverty) and 13 per cent are poor by all four measures.

Challenge
In late 2010, as part of several measures to mitigate the negative effects of the global economic crisis, the Ministry of Finance proposed a structural reform of the tax system in Serbia. The main purpose of the reform was to reduce the burden of non-wage labour costs by abolishing social contributions that are used to finance state health care and unemployment benefits. In turn, these revenue losses would be offset by an increase in the Value Added Tax by almost 4 per cent. At a time when poverty rates were increasing at an alarming rate due to the crisis, UNICEF’s concern was that families with children, who have consistently higher rates and depth of poverty than the majority of the population, would be the first to be hit by any negative effects of the potential reform.

Approach
An analysis of the announced taxation reform was undertaken by UNICEF in 2010 highlighted the negative effects of the proposed changes on the most vulnerable groups, particularly families with children. The evidence enabled UNICEF to open a public debate, involving the Ministry of Finance and international financial institutions.

Results
The high-level discussions explored the possible costs and benefits of the proposed reform and called for more evidence on the potential impact on vulnerable children and families before proceeding. Overall, it was estimated that during 2010 the combined effects of the crisis and tax reform could push the proportion of households living in absolute poverty in Serbia to over 9 per cent. In particular, the poverty of children aged 15 years and under, might increase by 10 per cent. The original tax reform proposal has yet to be enacted, preventing 50,000 people in Serbia from slipping into poverty. At the same time, UNICEF and partners have put forward child-sensitive tax reform options for policymakers.

Lessons Learned and Next Steps
This experience is illustrative of UNICEF’s innovative engagement in middle income countries with high inequalities, which presents new sets of challenges for engaging with governments and international financial institutions in the key area of social policy. Ex-ante analyses of the impact of policies on children from a perspective of equity and poverty can go a long way to influencing and advocating for policy change that benefits children, particularly the most vulnerable.
South Africa
A public expenditure survey enables 4.7 million poor children to benefit from better quality ECD services
Context
There are nearly 12 million poor children in South Africa. Poverty intersects with other causes of vulnerability including the country’s severe AIDS epidemic, high unemployment and the inadequate delivery of basic services in several parts of the country. This creates a web of deprivation for millions of South African families that struggle to provide the basics for their children. Child and maternal mortality levels remain significant and many children do not get quality education. South Africa also has one of the most unequal income distributions in the world.

Challenge
The Government of South Africa has invested substantially in ECD since reforms took off in 1997. Subsidies from the Government enabled a 2.5 fold increase in enrolment of children in community-based ECD facilities from 2003 to 2009. In view of this progress, it was essential to find out whether subsidies were being converted into services for children, and the extent to which the marginalized children benefit from them. It was also necessary to understand whether the benefits extended beyond basic care of children; for example, do the ECD subsidies help to better prepare children for learning at school?

Approach
UNICEF’s recent Public Expenditure Tracking Survey of ECD, the first survey of its kind globally, is a pioneering attempt to come to grips with the scope, quality and resources in the rapidly growing ECD sector in South Africa. The study examines whether public resources intended for children are being used effectively for their early development. The Study’s design was modified from internationally-accepted methodologies for public expenditure tracking and assessing quality of service delivery, to fit the complex South African ECD sector.

Results
The study concludes that the rapid expansion of ECD in recent years must be followed by a greater emphasis on quality of delivery and improving monitoring of services and finances. This finding, together with evidence-based advocacy by UNICEF, has opened the doors for an ECD policy review, and given UNICEF a strategic position to contribute strongly to the social policy dialogue. These efforts will help improve quality in ECD services for about 4.7 million children living in poverty in South Africa.

Lessons Learned and Next Steps
UNICEF’s broad support to expenditure reviews and tracking of public resources in South Africa is supporting the development of child-friendly budgets. This will ensure that government funds are expended judiciously and progressively distributed to support the most excluded children.
For further reading on child-focused social and economic policy:

- **Child Outlook**: A new policy briefing on global trends and their implications.
- **Knowledge for Action**: Emerging experiences in child-focused social and economic policy, innovations and lessons learned from UNICEF programmes.
- **Working Paper series**: Independent research and analysis of internal and external experts.
- **Working Brief series**: Shorter briefs on up-to-date technical analysis on social policy issues.
- **Child Poverty Insights**: Features key issues of interest to the child poverty community of practice.
- **Scanning the Equity Horizon**: Features peer-reviewed research, working papers and publications on equity and development.

These are available at [www.unicef.org/socialpolicy/](http://www.unicef.org/socialpolicy/)
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