INVESTING IN CHILREN GLOBALY

The UK Committee for UNICEF (UNICEF UK) CSR representation

February 2025

Introduction:

This submission covers investments made on international development as part of the Official Development Assistance ODA budget. The UK government has legislative commitments to tackle extreme poverty and achieve the development goals[i], including a duty to contribute 0.7% of GNI towards Official Development Assistance.[ii] This submission is one of two submissions from UNICEF UK, with the other covering investment in early childhood in the UK.

In 2015, the UK was a leading actor in the development of the 2030 Agenda for Sustainable Development - 'a shared blueprint for peace and prosperity for people and the planet, now and into the future.' [iii] Underpinning the 17 Sustainable Development Goals (SDGs) was a pledge to **leave no one behind**. However, 5 years before 2030, many of the SDGs are off track, including critical development outcomes for children. The upcoming Comprehensive Spending Review (CSR) is a critical opportunity for the UK to demonstrate its global leadership and make the choice to invest in children and in international development. These investments are essential to unlock economic growth and enable international cooperation to address challenges of security, climate change, and global health.

These Global challenges are exacerbated by the decline in the UK Official Development Assistance (ODA) in recent years. In particular, there has a been a stark decline in UK child-focused ODA since 2019, which has fallen by more than 50%. This is happening while in 2022, 4.9 million children died before their fifth birthday - nearly half from malnutrition[iv] - 333 million children were living in extreme poverty[v], and an estimated 119 million girls were not in education[vi]. A 2023 analysis by UNICEF found that globally only one in three of the 48 child-related indicators in the SDGs had been met or were on track to be met (i.e. more than 50% of their target value achieved).[vii]

Children make almost half the population (46%) of developing countries, yet the UK spend only 17% of its ODA budget on critical services for children.[viii] We know that investing in children and their development is one of the best buys for UK ODA. Vaccinated children who are in education, are well nourished, and are protected from climate shocks, are more likely to grow into productive adults who contribute to society and drive economic growth both in their own countries as well as internationally. Therefore, prioritising children in UK ODA is a strategic and critical investment. It is an investment in future generations to building healthy societies that drive healthy economies and reduce the cost of responding to conflict, health crises and climate shocks.

Calls for investment:

1. **Maximise the ODA budget available to be spent on eradicating extreme poverty and addressing the climate crisis.**

UNICEF UK continues to call on the UK government to restore the ODA budget to 0.7% of GNI as per the 2002 International Development Act[ix], and according to the Labour party's manifesto in 2024.[x]

The latest estimate of the financing gap to achieve the SDGs stand at around $4 trillion according to UNDESA.[xi] It is therefore critical for the UK, as well as other donors, to accelerate the delivery of needed financing and ensure this financing is maximised to deliver the SDGs. The Labour government has made a welcomed commitment to restore the UK global leadership on the international stage when it comes to development. In order to do that the government should step up its investment in ODA to demonstrate such leadership and ensure these investments are done efficiently to generate the best value for development outcomes.

1.1. Call for investment: Commit to a clear roadmap to return to the legal commitment of spending 0.7% of GNI on ODA before the end of this parliament term, including a clear and achievable fiscal test.

The UK's international development portfolio has faced a series of challenges since 2020, starting with the significant ODA cuts that year as the coronavirus pandemic impacted GDP. This resulted in the first reduction in the UK's ODA spending since commitment to the 0.7% spending target was enshrined in law in 2015. It was followed by the government at the time's decision to 'temporarily' drop the 0.7% ODA spending target to 0.5% in November 2020.[xii] As a result, the UK's ODA spending in 2021 fell by 21% to £11.4 billion from £14.5 billion in 2020, setting UK ODA spending back to 2013 levels.[xiii] UK ODA spending returned to growth and reached £15.4 billion (0.58% of GNI) in 2023.

The government has an opportunity to reduce the pressure on the UK's ODA budget by addressing its root causes. Therefore, a clear and achievable pathway back to the 0.7% GNI spending target is needed in the Comprehensive Spending Review (CSR). The current fiscal tests[xiv] have not been met since 2001[xv] and the Autumn budget confirmed they are unlikely to be met in the life of this parliament.[xvi] A new realistic and clear fiscal test is needed alongside a commitment to a clear pathway to restore the ODA budget to 0.7% of GNI.

1.2. Call for investment: Reform the methodology for counting IDRC with a goal of phasing out the use of ODA for in-donor refugee costs within the next year.

The costs to the UK for hosting refugees and asylum seekers in the UK rose significantly – to almost 30% of the ODA budget in 2022 and 2023. Almost of all the increase to ODA spending from 2021 to 2023 went to IDRCs. The impact of these rises was partially offset by an additional allocation that saw UK ODA rise to 0.58% of GNI in 2023.[xvii] The government has confirmed that this allocation will not be repeated in 2024, and ODA is projected to go back to 0.5% of GNI[xviii]. The net result is that the UK's effective ODA budget has been squeezed from two sides.

The government should revise its approach to reporting IDRC as ODA, in order to maximise funding for global poverty alleviation. This would bring UK policy into line with the spirit of the OECD DAC rules, which emphasise the need for a conservative approach to reporting given their potential to impact development budgets.[xix]

2. Adequate level of ODA investments in child critical services is restored and protected:

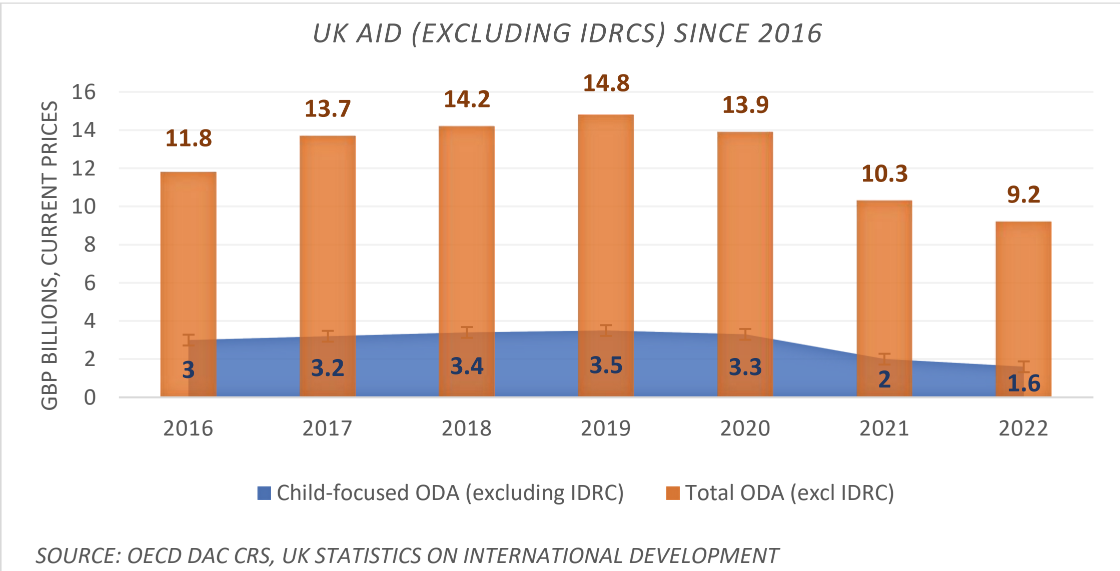
2.1. Call for investment: Dedicate at least 25% of the ODA budget to child critical sectors

Children make up 46% of the population of developing countries, and out of the 169 indicators for the SDGs, 48 are child-related.[xx] This means that children are a crucial constituency if we are to have any chance of achieving the SDGs and ensuring extreme poverty is eradicated.

With 5 years remaining, the Sustainable Development goals (SDGs) are off track and need urgent acceleration in financing. We won't achieve the SDGs without making progress for children. This means that the limited ODA resources need to be prioritised towards children and their families, especially in least developed countries.

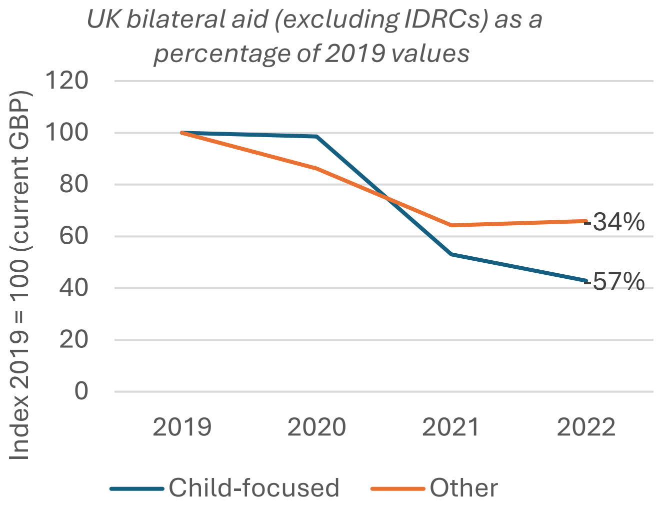
Recent analysis completed by Ernst & Young for World Vision found that every $1 invested in children through ODA returns $10 in benefits to children and the broader community, through health, education and social value.[xxi]

Despite the centrality of children, the UK's child-focused bilateral ODA **fell by 57% from 2019 to 2022**. Child-focused multilateral contributions **fell by 52.3% from 2019 to 2022** (partly due to delayed disbursements). Put together, this brings total UK ODA focused on children to only 17%, down from an average of 25% in the previous decade. This means the UK is spending around £1.9 billion less every year in support of the poorest children around the world.



The decline of 57% in child-focused ODA between 2019 and 2022 is significantly higher than the 34% of decline in other bilateral ODA (excluding in-donor refugee costs - IDRC). The cut to the ODA budget from 0.7% to 0.5% of GNI and the impact of IDRC on the ODA budget explains a large part of the decline in child-focused ODA.

Children are clearly not a primary focus of the UK's approach to international development. While many teams work on issues related to children, there is no central team within the FCDO ensuring a child focus, as there is for gender. Despite having unique needs, children appear as beneficiaries, particularly in sectors like health and education, but there is no strategy or a coherent narrative for the UK's work in this area. This contributes to the inefficiency of ODA cuts and exacerbated the impact on children as there was no framework to protect their critical sectors.



2.2. Call for investment: Increase the proportion of ODA spending on global health to 15.5% of total ODA, including provision for a 10% uplift in funding for Gavi, The Vaccine Alliance, over their next 5-year term, and £100 million for the Global Polio Eradication Initiative (GPEI) through 2025 and 2026.

Around 45% of UK bilateral health spending was child-focused in 2022, a significant drop from the 58% share in 2019. Cuts to reproductive and maternal health contributed substantially to this fall over time: declining from £265 million to £92 million annually between 2014 and 2022, a fall of 65%. Immunisation has also suffered despite being a major UK Government priority. In 2021 the UK proposed a 95% cut to contributions made to the Global Polio Eradication Initiative (GPEI), disrupting GPEI's programmatic planning and risking enormous setbacks to eradication efforts at a critical moment.

Decreased support for health not only risks the lives of millions of children around the world but also risks lives in the UK by allowing preventable and treatable diseases to spread, undermining global health security for all. This is especially concerning at a time when health systems have still not fully recovered from the strain of the Covid-19 pandemic – a reality we could experience again far too soon if global health systems and security are not prioritised and restored. For example, immunisation rates have still not recovered to pre-pandemic levels, the number of children who received no vaccines at all continuing to increase in 2023.

This CSR year, 2025, presents an opportunity to reverse this trend as a replenishment year for Gavi, the Vaccine Alliance. Gavi's new strategy aims to accelerate vaccine coverage, targeting an additional 500 million children, saving 8-9 million lives, and supporting health security for children around the world. As a founder and major donor to Gavi, a 10% uplift in UK support is expected to avert 1.6 million deaths, bring $19 billion in economic benefits, and create $150 million worth of efficiencies due to vaccine price reductions. However, there is growing concern that additional cuts to global health budgets could put the UK's next 5-year pledge to Gavi at significant risk. If cuts to UK global health budgets and child-focused programmes continue, these major gains cannot be realised, and the world will be less safe for children everywhere.

2.3. Call for investment: Make a bold commitment at Nutrition for Growth (N4G) that puts the UK on track to return to levels of spending on nutrition pre-ODA cuts level and towards spending 10% of bilateral ODA on nutrition.

Bilateral ODA with a significant nutrition focus has fallen from £1.3 billion to £577 million between 2019 and 2022, whereas ODA with a principal nutrition focus fell from £630 million to £113 million (falls of 55% and 82% respectively). Both figures show the disproportionate impact of the UK cuts on nutrition spending. Meanwhile, significant challenges remain to realise the nutrition outcomes in the SDGs. Progress on stunting has stagnated in the last decades with 148 million children still affected.[xxii] Similarly, wasting affected more than 45 million children in 2022[xxiii], and more than a billion adolescent girls and women suffer from different forms of malnutrition.[xxiv] It is therefore critical for the UK government to reverse the cuts on nutrition, as ongoing de- prioritisation of nutrition means more children are malnourished. This means less access to education, smaller potential to contribute to society growing up and smaller prospect for economic growth and development in many parts of the world.

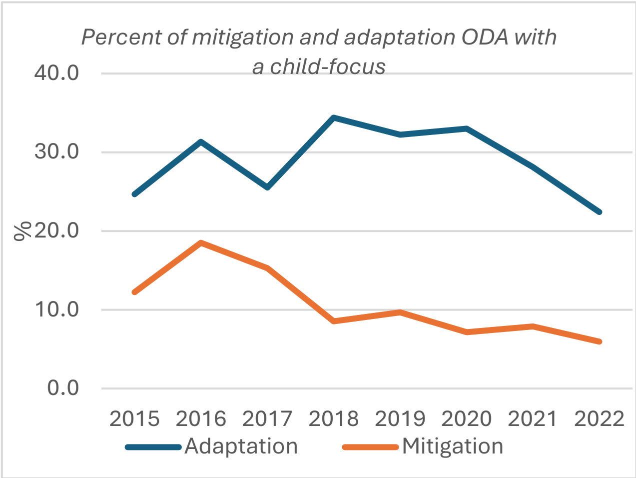
2.4. Call for investment: Deliver a progressive increase in the proportion of ODA spent on education to 15% within this parliamentary term.

A large share of the decline in child-focused ODA can be explained by a shift away from the education sector in UK spending, which fell most years between 2016 and 2022. Consequently, education fell from 11% of bilateral UK ODA spending in 2016, to 4% in 2022 (or 6% excluding IDRCs), a decline from £824 million to £266 million in absolute terms. This is despite the priority placed on education in both the International Development Strategy and White Paper. Primary education was particularly hard hit, having fallen by 80% over the same period, while more funding was directed towards higher education and adult life skills which is significantly less child-focused. This is happening at a time when learning outcomes have regressed, with the latest World Bank simulations estimating 70% of children in LMICs are now 'learning poor'.[xxv] The UK government has made welcomed commitments to prioritise early learning in the UK for its role in addressing inequalities and accelerating the development of new generation consequently driving economic growth. This also applies to millions of children around the world, for whom UK ODA is a vital source for the opportunities provided in primary and secondary education.

2.5. Call for investment: Announce an ambitious fourth round of the UK International Climate Finance (ICF4) compatible with the UK fair share of the $300 billion climate finance goal. This should include a commitment to spending 50% on climate adaptation.

While the level of overall spending on international climate finance has increased in recent years, UK climate finance that is identifiably child-focused fell significantly, dropping from 31% in 2019 to 13% in 2022. This is partly explained by a decline in social protection spending, a key sector for children's well-being. Between 2016 and 2022, climate-marked[xxvi] social protection spending fell from £240 million to £28 million. Another reason is the significant decline in WASH spending which fell by 75% between 2018 and 2022. These spending cuts have taken place as the threat to child rights from climate impacts increases, with one billion children living in the 33 countries classed as 'extremely high risk' by UNICEF's Children's Climate Risk Index.[xxvii] These children face increased risks of malnutrition, disease and missing out on education as a result.

At COP29, developed countries agreed to take the lead on providing at least $300 billion a year to developing countries by 2035 to pay for climate action. The conference decision also saw a commitment to promote the extension of benefits from climate finance efforts to vulnerable communities and groups, among them girls, children and youth. The UK can play a leadership role in delivering on this, delivering on the government priority to tackle climate change and reach net zero both in the UK and globally. This will require significantly scaling up UK ICF over the next few years, in line with the UK's fair share of the $300 billion goal. A first principle must be no backsliding on 2025/26 ICF spending for subsequent years.



About UNICEF and the UK Committee for UNICEF (UNICEF UK)

UNICEF works to build a better world for every child. A world where every child has the chance to fulfil their potential and grow up healthy and safe.

UNICEF has 15,000 people working for children in more than 190 countries and territories, responding to emergencies and building long-term resilience. UNICEF has the world's largest humanitarian response for children. We save children's lives with vaccines, safe water, and therapeutic food. We protect children from violence, exploitation and abuse. We support quality education that provides the tools for children to reach their full potential. And we seek to create a safe and sustainable world where children can live, learn and grow. Reaching children whenever and wherever they need us most. We advise governments, influence businesses, and lobby leaders to create lasting change for children.

The United Kingdom Committee for UNICEF (UNICEF UK) is a UK registered charity that raises funds for UNICEF's work for children around the world and advocates lasting change for children worldwide. We uphold the UN Convention on the Rights of the Child and work with partners and supporters to promote children's voices, unlock resources for children, and advocate for and create change.

To follow up or discuss any aspect of this submission contact Lucy Gordon
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Endnotes:

[i] https://www.legislation.gov.uk/ukpga/2002/1/contents
[ii] https://commonslibrary.parliament.uk/research-briefings/sn03714/
[iii] https://sdgs.un.org/goals#history
[iv] David Sharrow, Lucia Hug, Yang Liu, Naomi Lindt, Wanli Nie and Danshen You, *Levels and Trends in Child Mortality: Report 2023,* UNICEF, New York, 2024.
[v] https://www.unicef.org/social-policy/child-poverty
[vi] UNICEF, *Proven Solutions for Children: accelerating progress towards the Sustainable Development Goals and beyond,* UNICEF, New York, September 2024.
[vii] UNICEF *Progress on Children's Well-being: Centering child rights in the 2030 Agenda,* UNICEF, New York, September 2023, p 1–2.
[viii] UNICEF UK *Leave No Child Behind: Analysing the cuts to UK child-focused aid,* UNICEF UK, London, November 2024
[ix] https://www.legislation.gov.uk/ukpga/2002/1/part/1
[x] The Labour Party, (13 June 2024), 'Labour Party Manifesto 2024: Britain Reconnected', The Labour Party, London.
[xi] Financing for Sustainable Development Report 2024 | Financing for Sustainable Development Office
[xii] HMG (2020) 'Changes to the UK's aid budget in the spending review' *News Story* 25 November 2020. Accessed 03/09/24.
[xiii] FCDO *Statistics on International Development: Final UK aid spend 2021* November 2022.
[xiv] The fiscal test put in place by the previous government established two parameters for a return to the 0.7% spending target: the UK is no longer borrowing to support day to day spending and underlying debt is falling
[xv] Dawn Holland and Dirk Willem te Velde, *The Macro-Economic Effects of UK Aid Returning to 0.7% of GNI*, NIESR Discussion Paper 535, March 2022, pp 20.
[xvi] https://assets.publishing.service.gov.uk/media/672b9695fbd69e1861921c63/Autumn_Budget_2024_Accessible.pdf
[xvii] FCDO *Statistics on International Development: Provisional UK Aid Spend 2023,* April 2024.
[xviii] https://assets.publishing.service.gov.uk/media/672232d010b0d582ee8c4905/Autumn_Budget_2024__web_accessible_.pdf
[xix] OECD DAC, *In-donor Refugee Costs in Official Development Assistance* Available at https://www.oecd.org/en/topics/sub-issues/oda-eligibility-and-conditions/in-donor-refugee-costs-in-official-development-assistance-oda.html Accessed 07/10/24.
[xx] https://data.unicef.org/resources/sdg-report-2023/
[xxi] World Vision, *Putting Children First for Sustainable Development* p 11.
[xxii] UNICEF *Progress on Children's Well-being: Centring child rights in the 2030 Agenda,* UNICEF, New York, September 2023, p 23.
[xxiii] UNICEF *Progress on Children's Well-being: Centring child rights in the 2030 Agenda,* UNICEF, New York, September 2023, p 23.
[xxiv] UNICEF, Undernourished and Overlooked, 2023. Available at Undernourished and Overlooked- UNICEF DATA
[xxv] Learning poverty is defined as the inability to read and comprehend a simple text by the age of 10. World Bank, *The State of Global Learning Poverty: 2022 Update*, World Bank, Washington DC, June 2022, p 7.
[xxvi] In ODA data, climate finance is often identified with the OECD Rio-markers, which allow donors to denote whether projects have significant or principal adaptation or mitigation objectives
[xxvii] UNICEF, *The Climate Crisis is a Child's Rights Crisis: Introducing the Children's Climate Risk Index,* UNICEF, New York, August 2021, p 13.