

Federal Pre-Budget (2025) Consultation

UNICEF Canada Submission

August 2024

UNICEF Canada recommends that the Government of Canada include targeted, strategic funding in the 2025 budget to achieve progress for children in Canada and globally.

Five years remain to achieve the United Nations 2030 Sustainable Development Goals (SDGs), amid slow progress. The SDG Knowledge Hub assesses that the 52.7% of SDG targets for Canada are worsening or show limited progress, and two-thirds of child-related SDG indicators are behind globally. In a period of economic, geopolitical, and climate crises and uncertainty, Canada's pledge to contribute to the achievement of SDGs and commitment to child rights should be reflected in ambitious budgetary policy initiatives and funding commitments.

Summary of Recommendations

For Children Around the World

- 1. Commit funding to meet the long-standing target of 0.7% Official Development Assistance (ODA) to Gross National Income (GNI) over five years, in support of achievement of SDGs by 2030, with a focus on the rights and needs of children.**
- 2. Address climate goals through targeted actions for children, including expanding ambitious nationally determined contributions (NDCs) and embedding a child-rights lens to climate action.**
- 3. Ensure continuation of life-saving humanitarian funding in response to the critical needs of children affected by sudden and long-standing crises.**
- 4. Optimize Canada's presidency of the G7 in 2025 to unify fellow member states in a joint commitment to a Charlevoix II initiative in support of global education.**

For Children in Canada

- 5. 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.**
- 6. Close the parental leave gap to ensure that every newborn in Canada has the right to protected time with a parent or caregiver with adequate income during at least the first 6 months (26 weeks) of life.**
- 7. 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: Commit funding to meet the target of 0.7% Official Development Assistance (ODA) to Gross National Income (GNI) over five years, in support of achievement of SDGs by 2030, with a focus on the rights and needs of children.

Led by former Prime Minister Pearson, the Pearson Commission recommended in 1969 that donor countries commit a minimum of 0.7% of GNI to development funding by 1980. According to OECD data, Canada has not met the 0.7% target, achieving only 0.38% in 2023 and ranking 14th among donor countries. Budget 2025 is an opportunity to meet Canada's long-standing international development commitments with a funding plan to achieve the 0.7% target by 2030 to meet SDGs.

At the halfway point to the 2030 SDGs, two-thirds of child-related indicators are behind. To meet the SDGs, progress for children must accelerate, and Canada has an opportunity to play a leading role. One area of critical need is the global malnutrition crisis, which disproportionately impacts those most marginalized. In 15 countries hardest hit by crises, including the Horn of Africa and the Sahel, a child is pushed into severe malnutrition every minute. By 2030, 6.2% of children under five are projected to suffer from wasting, over double the 3% global target. Anemia in women aged 15- 49 is projected to reach 32.3%, far from the 50% global reduction target.

Canada's nutrition funding in 2022-23 (\$99.2 million) significantly decreased from pre-pandemic levels in 2018-19 (\$139.43 million). Budget 2025 is an opportunity to include flexible, predictable funding of \$150 million/year over five years to contribute achieving SDG Goal 2: Zero Hunger.

Recommendation 2: Address climate goals through targeted action for children, including expanding ambitious nationally determined contributions (NDCs) and embedding a child- rights lens to climate action, including through the International Assistance Envelope.

Children are more vulnerable to climate change. Yet only 2.4% of multilateral climate funds are child sensitive. Budget 2025 is an opportunity for Canada to commit to increased child-sensitive climate funding, such as adaptation efforts that expand sustainable energy for health-care facilities and schools and accelerate progress on sustainable WASH services in regions most vulnerable to climate change.

Canada can lead transformative progress through a child-rights lens to address the impact that climate change is having on meeting the SDGs. Specifically, *Goal 13: Climate Action* aims to combat climate change and its impacts by taking urgent action. This includes, for example, additional funding to address loss and damages suffered by children and their families.

With 1 billion children at extremely high risk of the impact of the climate crisis, Budget 2025 offers the opportunity to make a commitment to define targets for a child-focused international

assistance policy that considers the rights of children in Canada's international climate efforts, similar to targets aligned with Canada's Feminist International Assistance Policy. This would place children's rights at the heart of climate efforts, with an objective for programs to be informed by child-specific data and evidence – from formulation and implementation to monitoring and evaluation.

Recommendation 3: Ensure continuation of life-saving humanitarian funding in response to the critical needs of children affected by sudden and long-standing crises.

Canada plays a leading role in addressing humanitarian crises across the world. However, the extraordinary increase in crises and needs has outpaced humanitarian funding. In the first half of 2024, contributions addressed only 18% of the estimated US\$48.7 billion needed for UN and humanitarian partners to meet the most pressing humanitarian needs. Quality funding includes flexible funding that enables humanitarian actors to respond equitably based on needs by assisting populations in forgotten crises, underfunded sectors, and in multi-country crises.

Budget 2025 is an opportunity for Canada to enhance its commitment to emerging and protracted humanitarian crises, such as in Gaza, Haiti, Sudan, Myanmar, and Ukraine. Underfunded humanitarian appeals have severe human, political, economic, and security consequences. Canada can continue and expand its supports to address these urgent needs.

Recommendation 4: Optimize Canada's presidency of the G7 in 2025 to unify fellow member states in a joint commitment to a Charlevoix II initiative in support of global education.

Budget 2025 can commit to lead a 2025 G7 initiative that will significantly impact the achievement of SDG Goal 4 to ensure equitable quality education. The 2018 Charlevoix Education Initiative reached an additional 4 million girls and young women with gender transformative education. As Canada prepares for the G7 presidency in 2025, Budget 2025 presents an opportunity to expand this commitment through a Charlevoix II initiative, building upon the successes of Charlevoix I, introduced by Canada in 2018. This expanded initiative should seek partnership with G7 member states to protect children from the direct threat to education posed by climate change, which disrupts the education of more than 40 million children.

Part II: Leadership for Children in Canada

Recommendation 5: 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 data from 2021 and 2022 shows a new trend: a significant increase in child poverty over 2020. 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 continues to spend less than the rich country average on child-focused income benefits, while benefits for other groups in Canada are projected to substantially increase in future federal budgets. Canada has the fiscal space to lift children out of poverty.

Canada should further consider ambitious new approaches to include every child resident in Canada in eligibility for and the receipt of the CCB – regardless of their or their parent’s immigration or other status.

Recommendation 6: Close the parental leave gap to ensure that every newborn in Canada has the right to protected time with a parent or caregiver with adequate income during at least 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 high. 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). Around the same proportion take ‘short leaves’ with very little income support, far less than optimal to get children off to a good start. Universal access with adequate pay should be the primary goal of a reformed system, based on a caregiving benefit for every child. Given the small population concerned (around 350,000 births annually in Canada), this is also an affordable policy measure.

Recommendation 7: 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 from all federal departments and agencies.

About UNICEF Canada

UNICEF stands for every child, everywhere. UNICEF is the world’s farthest-reaching humanitarian organization for children. Across 150 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 1S8S Convention on the Rights of the Child.

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For more information, please contact:

Lisa Wolff, Director of Policy and Research: lwolff@unicef.ca

Basia Puszkar, Director of International Policy and Programs: bpuszkar@unicef.ca

