

## World Vision inputs to the Elements Paper on Financing for Development

*Limited to no more than 4,000 words*

**Guiding questions:** “What are the key financing policy reforms and solutions that the Fourth International Conference on Financing for Development should deliver? How could the Conference strengthen the follow-up process, to ensure accountability to and full implementation of commitments made?”

### **I. A global financing framework (including cross-cutting issues)**

The Addis Ababa Action has several implications for children, focusing on their well-being, development, and protection.

The following points highlight the agenda's focus on ensuring that children are not left behind and receive the necessary support for their development and well-being.

1. **Investment in Children and Youth:** Recognizing the critical importance of investing in children and youth for achieving inclusive, equitable, and sustainable development (Paragraph 7).
2. **Social Protection and Public Services:** Commitment to providing fiscally sustainable and nationally appropriate social protection systems and measures for all, with a focus on children, among other vulnerable groups (Paragraph 12).
3. **Ending Hunger and Malnutrition:** Emphasis on revitalizing the agricultural sector and ensuring food security, which includes fighting malnutrition and hunger among children (Paragraph 13).
4. **Quality Education:** Commitment to delivering quality education to all children, including those living in extreme poverty, with disabilities, migrant and refugee children, and those in conflict and post-conflict situations. This includes scaling up investments and international cooperation to allow all children to complete free, equitable, inclusive, and quality early childhood, primary, and secondary education (Paragraph 78).
5. **Health and Nutrition:** Support for initiatives like the Global Alliance for Vaccines and Immunization (Gavi) to improve health outcomes for children, and a commitment to increasing health financing and the recruitment, development, training, and retention of the health workforce in developing countries (Paragraph 77).

6. **Protection from Violence:** Commitment to strengthen social protection and legal systems to safeguard children from violence and exploitation, including gender-based violence, through increased public spending in health, education, and social protection sector (Paragraphs 7, 16, 24, 36, 114).

Overall, the Addis Ababa Action Agenda aims to create a supportive environment for children's survival and development, ensuring access to essential services, protection, and opportunities for a better future.

Despite the commitments outlined in the Addis Ababa Action Agenda (AAAA), children worldwide still face significant challenges that hinder their development and limit their potential. Approximately **333 million children** lived in extreme poverty in 2022, lacking access to essential services like healthcare, education, and adequate social support<sup>1</sup>. Compounding this, an estimated **1 billion children** experience some form of violence annually, including physical, emotional, and sexual abuse, which severely impacts their mental and physical well-being.<sup>2</sup>

High poverty levels in low-income countries also contribute to delayed child development, limited educational attainment, and restricted access to critical services, including healthcare and safe water. For instance, **250 million children** globally lack access to any form of education, and **5 million children under five** die each year from preventable causes due to insufficient health services<sup>3</sup>. These limitations create extensive generational costs, reducing both human and developmental capital, perpetuating cycles of deprivation within families and communities, and stunting progress toward sustainable development<sup>4</sup>.

Addressing these challenges requires strategic, targeted investments in children, which can mitigate poverty, improve child well-being, and yield significant economic and social returns for nations by promoting equity and inclusion.

There is a close linkage between poverty and poor health outcomes. Children living in low-income households are more likely to experience malnutrition, disease prevalence, and inadequate access to healthcare. Studies show that 159 million children under the age of

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<sup>1</sup> UNICEF, World Bank, (2023). Global Trends in Child Monetary Poverty, <https://www.unicef.org/documents/child-poverty-trends>

<sup>2</sup> WHO, (2021). Global Status Report on Preventing Violence Against Children, <https://www.who.int/teams/social-determinants-of-health/violence-prevention/global-status-report-on-violence-against-children-2020>

<sup>3</sup> UNICEF. (2020). Education Under Threat: The Impact of COVID-19 on Children's Access to Education and Learning; UNESCO, (2024). SDG 4 mid-term progress review: progress since 2015 has been far too slow; <https://unesdoc.unesco.org/ark:/48223/pf0000386852?posInSet=1&queryId=5723e6b7-8b65-43e1-a3d4-3868ad1a39ab>

<sup>4</sup> Heckman (2014), The Economics of Human Development and Social Mobility, [https://heckmanequation.org/wp-content/uploads/2017/01/Econ-of-Hum-Dev-and-Soc-Mob\\_2014-05-20a\\_akc.pdf](https://heckmanequation.org/wp-content/uploads/2017/01/Econ-of-Hum-Dev-and-Soc-Mob_2014-05-20a_akc.pdf)

five suffered chronic malnutrition and stunting in 2015, resulting from poor nutrition.<sup>5</sup> Investing in nutrition and immunization for children and disease prevention contributes to reducing high prevalence levels of malnutrition and illness in childhood. Studies have shown how such investments can improve the health and physical and mental development of children. Equally, hunger affects children and contributes to delayed cognitive development, poor school attendance and performance, and reduced intellectual capacity. While this may impact children facing hunger presently, there are future economic costs from missed opportunities when children fail to develop intellectual abilities to drive economic growth in adulthood. A recent World Vision report estimated that the global costs of hunger and well-being for girls are around 1.6 trillion dollars annually in lost productivity and potential.<sup>6</sup>

Investing in children's education also has positive implications for better livelihoods in the future. Children who receive quality education, graduate from high school, and enter higher learning institutions have a higher chance of getting employment and have higher incomes due to the attainment of required skills and competencies that enhance their chances of employment. This translates into economic gains at individual and country levels. Investing in children's education yields higher earnings of approximately \$10 to \$15 over a person's lifetime. GDP is boosted by 10% for each additional year of education over 40 years.<sup>7</sup> Investing in children's education and well-being directly supports economic growth by equipping future generations with the skills required to thrive in emerging, technology-driven job markets. As the demand for expertise in fields like artificial intelligence, data science, and renewable energy grows, there is an increasing need for a workforce with strong foundational knowledge in science, technology, engineering, and mathematics (STEM) as well as skills in critical thinking, creativity, and adaptability (World Economic Forum, 2021).

A well-educated population brings innovative ideas to industries, fostering advancements that fuel overall economic development. For instance, data from the OECD shows that nations with higher investment in education and child development often see long-term gains in productivity and innovation, as individuals with robust education are more likely to create or adopt new technologies (OECD, 2020). Moreover, children raised with access to quality education and support are better prepared to succeed in rapidly evolving fields, helping countries not only adapt to global economic changes but also drive growth in new technology sectors, positioning them competitively on the world stage.

In economic terms, the United States, for example, saves an estimated **\$7 for every \$1 invested** in early childhood interventions due to reduced crime, welfare dependency, and higher tax contributions later in life<sup>8</sup>. Additionally, societies that invest in preventive

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<sup>5</sup> Shekar, M., Kakietek, J., Dayton Eberwein, J., Walters, D. 2017. An Investment Framework for Nutrition: Reaching the Global Targets for Stunting, Anemia, Breastfeeding, and Wasting. Directions in Development--Human Development. Washington, DC: World Bank. <http://hdl.handle.net/10986/26069>

<sup>6</sup> World Vision. 2024. Breaking the cycle: The cost of malnutrition to girls.

<sup>7</sup> Liu, J. 2018. The Economic Case for Investing in Basic Education Returns to Individuals, Society, and Impact on Youth Employment. Prepared for The Swiss Agency for Development and Cooperation - SDC

<sup>8</sup> Ibid 4

measures against violence toward children create environments where young people feel secure, leading to better mental health outcomes and a reduction in intergenerational cycles of violence. A study by the World Health Organization (WHO) shows that up to **one billion children** experience violence each year, with those affected often facing lifelong mental health and social difficulties, which impact the safety and cohesion of entire communities. Addressing these issues early fosters communities with lower crime rates, healthier citizens, and stable economies, generating significant returns on investment (WHO, 2020).

Children, especially girls, who stay in school have a lower chance of getting married. The 2017 Global Education Monitoring Report reaffirmed that child marriage was reduced by 64% when girls were accorded an opportunity to stay in school for 12 years.<sup>9</sup> Another 2019 report by World Vision found that each year of secondary school reduced the chances of girls marrying before reaching 18 years by 5% or more.<sup>10</sup> A UNICEF study showed 6990 fewer child marriage cases when \$234 million was invested in services such as social cash transfer, parental support and adolescent-friendly sexual reproductive health services for adolescent girls over ten years in Kenya. This study also showed 2660 fewer cases of HIV. Based on a 2022 World Bank study, the global economy could have saved US\$566 billion by 2030 had the countries managed to eliminate child marriage in 2015.<sup>11</sup>

Essential services that uphold children's rights often face de-prioritization or diversion, compounding these challenges (Pate, 2020; Joining Forces, 2019). Alarming, the children most vulnerable to early mortality, hunger, or lack of education often reside in poorly governed or conflict-affected areas or belong to marginalized social groups. Many governments tend to overlook these groups of children due to political expediency, while resource shortages and challenging conditions on the ground make it difficult to improve their circumstances, even when political will exists.

There is a clear line between health and education investment and human capital development. Moreover, child [1] related investment is linked to increases in productivity, stability, and public safety that come from transformational investments in child protection, gender equality, inclusion, and child participation. These transformations are at the core of SDG 16, which highlights the centrality of peaceful and inclusive societies to sustainable development.

As they face the impacts of global issues, children do not live in silos. Therefore, prioritizing investment in the whole child – in a cross-sectoral approach – is vital for their

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<sup>9</sup> Global Education Monitoring Report. 2017. Safer, Healthier, Wealthier: How G20 investments in girls' education improve our world  
[https://downloads.ctfassets.net/xnpfvz3thme/1ww0CpNJ12WSWseoy4ggeM/60b2eb69c95fd986ec1c423fbe730366/G20\\_paper\\_Malala\\_Fund\\_FINAL.pdf](https://downloads.ctfassets.net/xnpfvz3thme/1ww0CpNJ12WSWseoy4ggeM/60b2eb69c95fd986ec1c423fbe730366/G20_paper_Malala_Fund_FINAL.pdf)

<sup>10</sup> <https://www.worldvisionadvocacy.org/2020/10/07/why-more-school-less-child-marriage/#:~:text=According%20to%20the%20Global%20Education,five%20percentage%20points%20or%20more>

<sup>11</sup> The World Bank. 2022. Unlocking Women's and Girls' Potential: The status of women and girls relative to men and boys in Guinea. International Bank for Reconstruction and Development, Washington DC 20433

futures and to achieve truly sustainable development. Children's educational achievement, safety, health, and nutrition are all interdependent. Therefore, investing in one sector without a recognition of this limits the impact the investment can have.

Investing in children's well-being has immediate and life-long benefits. Prioritizing children through investments in education, health, nutrition, and protection reduces poverty, and exclusion and enables children to survive and thrive. These investments are a foundation for safe, prosperous societies. By prioritizing these investments, governments can address the root causes of instability, promote social equity, and build the human capital necessary to drive long-term sustainable development.

## II. Action areas

### a. Domestic public resources

Public policy mobilization and effective use of domestic resources with the principle of national ownership are critical for achieving sustainable development goals.

#### 1. Strengthen social protection systems:

- **Reinforce the existing commitments to inclusive social protection systems** (AAAA, para. 12 and 23) **by adding specific targets for children.** Investment in child-sensitive social protection can improve child health, nutrition, and education outcomes for children, creating a foundation for sustainable development.
- **Increase social protection allocation and spending for children and adopt child-sensitive budgeting practices:** Stronger commitments are needed to prioritize national budget allocations for children and ensure sustainable funding for universal child benefits and child-sensitive social protection services including cash transfers, education, health, nutrition, and protection. These investments should ensure access to essential services for all children, especially the most vulnerable impacted by conflict and climate change.

#### 2. Mobilise domestic revenue with child focus to ensure that resources are allocated toward essential services for children, such as education, health, and social protection<sup>[1]</sup>:

- **Adopt tax reforms favoring progressive taxation policies that reduce reliance on indirect taxes, which disproportionately impact low-income families, and focus on wealth and income taxes:** This approach will create more equitable revenue streams, reducing inequalities and boosting funding for essential child welfare services like education, protection, and healthcare.
- **Enhancing efficiency transparency and accountability in public spending** to ensure social service funds are efficiently used: Enhanced accountability through better monitoring and evaluation mechanisms allows governments to improve public services, ensuring child-targeted funds are utilized effectively and reach those in need.
- **Support initiatives to reduce illicit financial flows and close tax loopholes:** addressing tax evasion would increase the pool of funds available for social

services, including child welfare programs. Recovering lost revenue will enable governments to reinvest substantial resources into education, healthcare, and social protection programs that benefit children directly.

- **Encourage public-private partnerships** to leverage additional resources and expertise for child wellbeing initiatives (AAAA para 48)

## c. International development cooperation:

### 1. Increase and target Overseas Development Assistance (ODA) for child-focused programs

- **Scale up ODA funding with explicit allocations for child-focused programs:** These programs should address the critical and holistic needs of children in health, education, nutrition, and protection. This holistic approach ensures comprehensive support for children, leading to better long-term outcomes. A minimum of a 10% increase in child-related investment by each ODA-contributing country each year will demonstrate commitment to children and has the potential to yield up to ten times the return on investment.
- **Set global standards for development aid:** Direct development aid towards the most impactful and rights-centered child welfare programs to ensure consistency and accountability in global child-centered investments. Child Rights Impact Assessments (CRIAs) should be mandatory for program funding, requiring consideration of the impact on the well-being and rights of children. To track funding more effectively and transparently, we strongly recommend adopting a new 'child-related aid' marker within the OECD-DAC's database. This marker could mirror the existing 'gender equality' marker and screen expenditures—both project-related and core institutional support—to check for activities aimed at improving the lives and protecting the rights and well-being of children.
- **Expand ODA support for nations in crisis and debt distress:** Integrate accountability mechanisms to ensure funds reach essential child services. Expanding ODA in vulnerable regions will address critical funding gaps in healthcare, education, and social protection, thereby improving child welfare in high-need areas. This approach will ensure that ODA not only grows but also directly supports lasting improvements in the development and welfare of children, communities, and nations, and the implementation of the Sustainable Development Goals (SDGs).

## e. Debt and debt sustainability

### 1. Address debt sustainability to safeguard social spending and direct resources freed from debt obligations toward achieving SDGs for children's well-being

- **Restructure Debt to Prioritize Social Investments:** With escalating debt costs limiting essential public spending, World Vision supports reforms in debt architecture to prioritize social investments. This includes implementing a fair

framework for restructuring debt and enabling low- and middle-income countries to redirect funds toward health, education, nutrition, protection, and other child-centric services. Reform in debt restructuring frameworks and prioritizing investments in children and social services should be included as part of debt relief conditions.

- **Promote debt-for-development swaps for children's programs** allowing countries to alleviate their debt burden while allocating saved resources to essential services for children. These swaps would direct significant resources toward improving child health, education, and protection, helping to achieve SDGs.
- **Link debt relief to social investment in low-income countries** by integrating social investment conditions into debt relief strategies for low-income countries, ensuring savings from reduced debt payments fund critical services for children. Linking debt relief to child-centered programs will redirect public funds from debt servicing to essential services, benefiting children in the health, education, and protection sectors.

### **III. Emerging issues**

The Fourth International Conference on Financing for Development (FfD4) should address emerging issues affecting children by prioritizing child-focused climate resilience, digital equity, and disaster preparedness funds and resilience building to mitigate current and future risks impacting child welfare.

**1. Climate Action with a Child Focus:** Ensure climate resilience funding includes child-focused measures to protect children from climate-related impacts, such as food insecurity and displacement.

**2. Promote Digital Equity and Safety for Children:** Invest in digital infrastructure to improve internet access and cybersecurity specifically for children, aiding their educational and social well-being.

### **IV. Data, Monitoring and Follow-Up**

**More detailed and child-specific financial tracking within Financing for Development processes, particularly through calls for child-focused indicators, enhanced transparency, and dedicated accountability measures is needed.**

Currently, child-focused data within the Financial for Development reporting mechanisms does not receive the same targeted attention as broader development metrics, which limits the clarity on the direct impact of financing commitments specifically on children. FfD reporting is aligned with SDG goals and indicators but primarily tracks broader economic and social indicators without disaggregating the impact on children.

While some SDG indicators touch on child-related areas (e.g., health, education, poverty reduction), these are often aggregated and lack granularity on financing specifically

benefiting children's welfare or capturing outcomes unique to children's needs. This approach limits Financing for Development's ability to monitor the exact outcomes of financing commitments for children, leaving gaps in understanding how effectively investments support SDG targets relevant to them.

Integrating child-focused data into Financing for Development frameworks would allow for more accurate monitoring of resources for child-centered programs, improving accountability and ensuring that funding reaches essential child development and protection services.

**Multi-Stakeholder Accountability and Voluntary National Reviews (VNRs):**

Countries already submit Voluntary National Reviews (VNRs) as part of SDG monitoring, and these could incorporate specific sections on child-focused investments as well as Financing for Development commitments. Including both governmental and non-governmental stakeholders in the development of these reviews would also enhance transparency and inclusivity, allowing civil society and child advocacy groups to contribute data and insights that align with SDG indicators.

**Building on Financing for Development's Inter-Agency Task Force (IATF) Role** to integrated child-specific financing metrics. The IATF on Financing for Development provides annual reports on global financing progress. Integrating child-specific financing metrics within the IATF's work could create a structured approach to monitor and report on funding for child-centric programs, enhancing both Financing for Development accountability and alignment with the SDGs.

**Utilizing the UN Statistical Commission's Data Frameworks** to leverage and standardize reporting on child-specific financial data, enabling countries to adopt common methodologies for tracking child-related financial flows. This would ensure consistent, comparable data across countries, aiding both SDG and Financing for Development monitoring in targeting and assessing child-focused financing.

**Strengthen Multi-Stakeholder Accountability:** Establishing a coalition of stakeholders, including governments, international organizations, civil society, and youth representatives—will ensure diverse input on accountability standards and foster a collective commitment to tracking progress. Platforms for engaging youth and children's voices in these accountability processes will ensure they directly reflect the needs and rights of children.

**Regional and Local Capacity Building for Implementation:** Financing for Development 4 should prioritize capacity-building initiatives for local governments and organizations to manage and report on child-focused funding. Investing in local data collection and evaluation resources will help countries accurately assess their progress in meeting child-focused commitments, particularly in low-resource settings where children are most vulnerable.