Save the Children

Save the Children's submission for the UN Office of the High Commissioner for Human Rights report for the March 2015 session of the Human Rights Council on the theme "Towards a Better Investment in the Rights of the Child"

Children constitute more than 30% of the world's population and have a wide range of civil, political, economic, social and cultural rights as outlined in the Convention on the Rights of the Child (CRC). These are rights in principle, which need to be translated into practice by States. Since the adoption of the CRC, many States have reformed and improved legal frameworks for children. However, in many cases these legal reforms and commitments have not been followed by adequate public spending for children making the CRC an empty promise.

Children are more dependent on public services for their survival and development than other groups in society. However, one billion children are deprived of one or more essential services for their survival and development[1]. Article 4 of the CRC places a legal obligation on States Parties, as primary duty-bearers, to undertake all appropriate legislative, administrative and other measures to the maximum extent of available resources to ensure that essential services to children, including the most vulnerable and marginalized, are delivered and their rights as outlined in the CRC are realized in practice. This requires sufficient, equitable and efficient public spending within transparent, participatory and accountable governance frameworks.

Save the Children works in more than 120 countries and our experience shows that the lack of sufficient investment in children remains one of the biggest barriers to realizing children's rights. In view of this, Save the Children has identified investment in children as one of its priority areas of work. This submission builds on our experiences from research and studies as well as work on investment in children in more than 60 countries.

Mobilizing public resources to realize children's rights

To honor their legal obligations to respect, fulfill and protect children's rights, States need to mobilize and effectively manage revenues ensuring transparency, accountability and equity. Regardless of their income status, States should take concrete measures to mobilize domestic, and where necessary international resources, to realize children's rights. These include tax collection, responsible borrowing, enabling environment for national growth and productivity as well as attracting international investment and international financial and technical cooperation and assistance in a way that promotes the realization of children's rights.

Domestic resource mobilization, particularly through taxation, is a sustainable source to finance investment in the realization of children's rights. Many States fail to maximise revenues from tax due to ineffective taxation systems, corruption, illicit financial flows, tax evasion and incentives to attract direct foreign investment, which limit the resources available to fulfil children's rights. While OECD countries collect on average close to 35% of GDP in tax revenue, half of the countries in sub-Saharan Africa collect less than 17% of their GDP in tax[2]. Recent research by Save the Children also suggests that if all developing countries were to mobilize 20% of GDP in tax revenue, while keeping social spending allocations constant, 287,000 more child deaths could be averted each year and an additional 72 million people could have access to clean water[3]. To help ensure that additional resources translate into equitable public spending, States also have to improve efficiency and effectiveness of public spending.

To maximize revenues from tax, States should ensure that tax policies are progressive, do not harm children and are designed and implemented in a transparent and accountable manner. These policies must be accompanied by administrative and institutional capacity to collect taxes fairly and efficiently[4]. Progressive taxation, where the highest burden of taxation are placed on those most able to pay, is a tool to address income inequality and indirectly inequalities faced by many children. For example, States should ensure that basic commodities and services for children have very low or no valued added tax. In order to ensure that tax policies do no harm to children, States should periodically assess their potential impacts on children and other members of society. Other emerging sources of financing such as 'financial transaction tax', 'sin taxes' and 'climate finance' should also be assessed for any possible impacts on the enjoyment of specific rights by children.

The international community has a responsibility to assist other countries in their efforts to improve investment in children. Official development assistance (ODA) is still important for many States to realize children's rights and it can also be used to support developing countries to strengthening their tax system. In view of this, relevant donors should honor their commitment to allocate 0,7% of their GNI[5] to aid and ensure that aid is transparently delivered in line with

[1] UNICEF website on 20 Years of the Convention on the Rights of the Child, www.unicef.org/rightsite/sowc/photopanelsurvival.php
[2] OECD, Tax and Development – What drives tax morale, *www.oecd.org/ctp/tax-global/TaxMorale_march13.pdf*
[3] Save the Children (2014), Tackling Tax and Saving Lives – Children, tax and financing for development, www.savethechildren.org.uk/resources/online-library/tackling-tax-and-saving-lives
[4] Save the Children (2014), Tackling Tax and Saving Lives – Children, tax and financing for development
[5] UN (2002), Report of the International Conference on Financing for Development , Monterrey

Paris, Accra and Busan principles. For example, Norway's 'Tax for Development' has supported the Zambian Revenue Authority, with a focus on the Large Taxpayer Office and its Mining Unit, since 2010. Much of the work has been directed towards analyzing and arranging for how the tax authorities could become more efficient and raise the quality of its tax audits. Although it is too early to know concrete results from the programme, the 'Tax for Development' report from 2012 states that Zambia's revenues from the mining sector increased from 313 million US dollars in 2010 to 1 048 million US dollars in 2011 (equivalent to 5.5 per cent of GDP)[6].

Global economic structures impact on countries' fiscal space. The international community must therefore ensure that global governance is transparent and accountable, with effective institutions and measures to end illicit financial flows. It is also important to mobilize new financial resources for sustainable development and ensure responsible lending and borrowing. World leaders must also ensure that international trade and economic transactions advance sustainable development and children's rights.[7]

Child rights based budgeting and spending

States have the obligation to allocate and spend public resources to the maximum extent of available resources that benefit all children in realizing their rights. Using a child rights approach based on the four general principles of the CRC throughout the budget cycle, i.e. non-discrimination, best interests of the child, children's right to express their views and the right to survival and development, can assist States to budget and spend better for children. This obligation holds for all States regardless of their levels of income.

Across the world children's prospects in life are in large part determined by factors outside their control, including their birthplace, gender, ethnicity, socioeconomic group and disability. Research by Save the Children has also found that inequality is twice as high among children as the general population[8]. The realization of children's rights without discrimination requires equitable public budget allocation and quality spending to ensure that all children can enjoy their rights, with priority given to the most vulnerable and marginalized children, to close inequality gaps and ensure that no child is left behind.

The best interests of the child should be a primary consideration throughout the budgeting cycle. To translate this principle into the budget process, States should conduct child rights impact assessments (CRIA) to assess impacts of fiscal policies as well as budget allocation and spending on children, including the most vulnerable and marginalized children. For example, the Children's Commissioner for England undertook a CRIA to assess how fiscal policy, including taxation and changes in public spending on social services implemented (or scheduled to be implemented) between May 2010 and April 2015, would affect children[9]. Similar frameworks could be used by States to carry out their own CRIAs. Children should also have a say in what is in their best interests. Formal opportunities should therefore be provided for children to participate in the different steps of the budget cycle.

States need to make children visible in all steps of the fiscal process, including in budget allocation and spending. To ensure child rights based budget allocation and spending, government officials and Parliamentarians need a good understanding of children's rights and how the fiscal process can support the realization of these rights. Capacity building measures would support efforts towards building a national budget sensitive to the needs of children and other vulnerable groups.

In making budgetary decisions, States should recognize that children have specific needs at different stages of their growth and development. By applying a child rights lens and a life-cycle approach to the policy and management aspects of public finance, States can better ensure that public investments made today will create long-lasting impact on future growth, sustainable development and social cohesion. Underinvestment in children early on in life can have life-long implications for children as they grow and become adults, including constrained cognitive capacity, irreversible deprivations, unequal access to life chances and intergenerational poverty. For example, estimates show that a malnourished child has, on average, a seven-month delay in starting school and potentially a 10-17% reduction in lifetime earnings[10].

Bangladesh is a good example of where these principles have been considered by the State. UNICEF, Save the Children and other stakeholders are working with ministries responsible for Children's Affairs and Finance to develop a Child Focused Budgeting Framework based on child rights principles. The framework emphasizes budget transparency and

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[6] Norad (2012), Tax for Development, http://www.norad.no/no/resultater/publikasjoner/norads-rapportserie/publikasjon?key=396280

[7] Save the Children (2014), Framework for the Future - Ending poverty in a generation, *www.savethechildren.org.uk/resources/online-library/framework-future*

[8] Save the Children (2012), Born Equal: How reducing inequality could give our children a better future, *www.savethechildren.org.uk/resources/online-library/search?publication=Born+Equal&=Apply*

[9] Children's Commissioner for England (2013), A Child Rights Impact Assessment of Budget Decisions, http://www.childrenscommissioner.gov.uk/content/publications/content_676

[10] African Child Policy Forum (2013), The African Report on Child Wellbeing – Towards greater accountability to Africa's children, https://app.box.com/s/gnd55soemkrk03wzgqi2/1/1312404009/11737344723/1

accountability; right to participation; child rights impact assessments; equitable and effective spending; and a life cycle approach to budgeting. As a result the government has undertaken to introduce a 'child budget' in the financial year 2015/16.

States can also put in place policies that incentivize increased spending on children. One example is Nepal, where the Ministry of Local Development has implemented a framework for Child Friendly Local Governance, including additional block grants for child friendly spending and enhanced coordination and collaboration among sectoral line agencies, local body associations, civil society organizations and development partners on child rights issues[11].

There is often a weak link between the CRC, national laws and policies and budget allocation and spending to realize children's rights. To address this, States, including sub-national structures, should take concrete measures to ensure that policy commitments are translated into costed programmes and reflected in national and sub-national budgets.

The availability of timely, comprehensive and disaggregated data is crucial to inform resource planning, allocation and spending. Without reliable data, budgets will be less responsive to all children. Budgets should also be sufficiently disaggregated to make children visible in budget allocation and spending at all levels to enable actors inside and outside of governments to know how much is spent on children and to ensure equitable distribution.

It is the responsibility of States to assess how public spending affect different categories of children, securing timely and reliable disbursement of resources, avoiding budget cuts midway in the budget year in sectors which are important for children, and reducing transaction costs of delivering services to children. More robust budget monitoring will help better gauge progress, introduce timely course adjustments and demonstrate impact. Support to coordination mechanisms for children's rights to fulfill their mandates can also make spending more efficient.

Transparent fiscal processes and the right to access information

Transparent fiscal processes where citizens, including children, can access comprehensive, disaggregated, timely and user-friendly fiscal information at national and sub-national levels are essential to ensure better investment in children. Without access to information, legislators, auditors, civil society, media, and the broader public, including children, cannot participate effectively in decision making, nor can they hold governments to account for the use of resources. The importance of transparency in promoting and protection human rights has also been recognized by the Human Rights Council[12].

According to the Open Budget Survey 2012, only 23 of the 100 countries surveyed could be characterized as providing their citizens with significant information or better[13]. A study on budget transparency and participation in relation to child nutrition interventions in five African countries found that, on average, less than half of the information that should ideally be publicly available could be found at the national level and even less could be accessed at sub-national levels. There were higher levels of transparency when it came to information about policy, planning and planned expenditures for child nutrition interventions compared to information about actual expenditures and the implementation of child nutrition interventions.[14]

To increase budget transparency, States should make key budget documents public during their annual budget cycle in a timely manner, including the pre-budget statement, the executive budget proposal, the enacted budget, in-year reports, a mid-year review, a year-end report and an audit report from the Supreme Audit Institution. States that already publish key budget documents should focus on increasing their timeliness and comprehensiveness.[15] Budget documents should not only be made available at national level, but at all levels of governance.

In addition, States should provide budget information in simplified formats to facilitate the public's understanding of the budget. A good example is the annual Citizens Budget published by the South African government - the People's Guide to the Budget – in a number of official languages that are available online and in printed versions[16]. To ensure that children can participate in fiscal processes, States should develop age appropriate, child-friendly information about the fiscal process and the budget in different languages that is distributed in schools and communities and published on the internet and in social media. The Welsh Government has, for example, developed two projects with young people to improve financial knowledge both within the community and in schools and Estyn, the education and training inspectorate for Wales, has produced 'Money Matters: the provision of financial education for 7-19 year olds

[11] UNICEF (2010), Child Friendly Local Governance, www.unicef.org/eapro/NEPAL_hlm_beijing_nov_10.pdf

[12] UN HRC Resolution A/HRC/RES/19/20 (2012) on "The role of good governance in the promotion and protection of human rights"

[13] International Budget Partnership (2013), *Open Budget Survey 2012, http://internationalbudget.org/wp-content/uploads/OBI2012-Report-English.pdf)*

[14] Accountability & Transparency for Human Rights Foundation, International Budget Partnership and Save the Children (2013), Budget Transparency and Child Nutrition – research findings from Kenya, South Africa, Uganda, Zambia and Zimbabwe, http://at4hr.org/BTCN_Study.html

[15] Accountability & Transparency for Human Rights Foundation, International Budget Partnership and Save the Children (2014), Turning children's rights into children's realities – Why open, inclusive and accountable budgets are important for children, *http://resourcecentre.savethechildren.se/child-rights-governance/recommended-resources/policy*

[16] South African National Treasury and the South African Revenue Service (2014), The People's Guide to the Budget, www.treasury.gov.za/documents/national%20budget/2014/guides/2014%20People's%20Guide%20English.pdf

in primary and secondary education'. In 2012, a tool kit and a leaflet were produced by the Welsh Government to help children and young people to understand the draft budget.[17] Civil society can supplement States' efforts by supporting children to understand and engage with the budget.

The right to public participation, including by children, in fiscal processes

Access to budget information needs to be accompanied by meaningful opportunities for citizens, including children, to actively participate in fiscal processes to ensure accountability of States for managing public resources efficiently and effectively and to limit corruption and leakages. But few countries provide sufficient formal opportunities for the public to engage in fiscal processes with even less opportunities for participation by children.[18]

To ensure that the public can engage in fiscal processes, the right to participation should be obligated under law or policy and occur throughout the budget process with all parts of the government. The purpose of public engagement should be publicized in advance, appropriate forums should be used for public engagement and the public should be provided with feedback on their inputs.[19]

Based on CRC Article 12, the Committee on the Rights of the Child has also underlined the importance of ensuring that the process of resource allocation is as participatory as possible and that children and their parents are involved from the outset in the development, implementation and monitoring of the budget process[20]. Children's participation is not only a legal obligation, it can also assist governments to design more accurate and relevant interventions for children and allocate resources more effectively. To facilitate children to participate in all stages of the budget process, States need to ensure that child-friendly, age-appropriate and safe processes and mechanisms are in place where children can articulate their views and recommendations. It is also important to ensure that decision-makers are sensitized about children's rights, including their right to participate in policy and budget processes.

Save the Children's work with children across the world shows that when children are given the space and support they need, girls and boys can be effective agents of change and accountability. Civil society can facilitate public participation, including by children, in fiscal processes and bring the most marginalized voices to the table. A pre-requisite for civil society to fulfill this role is that the rights to expression, association and peaceful assembly are guaranteed in law and practice.

In Tanzania, Save the Children supported children in seven districts to join more than 900 Children's Councils. With improved understanding of children's rights and the budget process, children from these Councils engaged with district officials to present their priorities. As a result, six out of the seven district councils planned for increased child focused resource allocation in the 2011/12 budgets, which improved school feeding programmes and resulted in the recruitment of additional teachers. Dialogue between children and local government officials also contributed to establishing mechanisms for children to influence local governance.

Save the Children has supported the establishment of the Network of Municipal Governments Friends of Children in Nicaragua, which promotes children's rights at community level. 81% of existing municipalities are members of this network and more than 20.000 children are actively participating in municipal policy and budget decisions. Over eight years, the average municipal investment in children has increased by 92% in these 124 municipalities and has for example resulted in improved schools, free birth registration as well as cleaner and safer playing environments.

In preparation for the 2015 national budget, child leaders from across Zimbabwe presented their priorities for consideration by the Parliamentary Portfolio Committee on Finance. They submitted a 10 Point Plan during a budget consultative meeting, which brought together civil society, child leaders, Parliamentarians and Ministry of Finance staff. The 10 Point Plan requested allocation of additional resources to, amongst others, education, health, social security, school feeding schemes, provision of clean water and sanitation facilities, expansion of recreational facilities, the functioning of Junior Councils and Junior Parliament and to the establishment of the Child Rights Commission.

In Bangladesh, Save the Children supports local government institutions to improve service delivery to children, including through improved public spending. As part of this initiative, we facilitate children to participate in the budget process through dialogue sessions with local authorities. In the Putail Union Parishad, for example, children engaged in planning and budget meetings to request local authority provision for education materials, sports materials, a playground for recreation, food and access to treatment for illnesses. As a result, additional money was allocated for

[17] Welsh Government (2013), The Getting it Right Update 2013 - Action Plan Addressing the Concluding Observations of the UNCRC Committee 2008, http://wales.gov.uk/topics/childrenyoungpeople/publications/scheme/?lang=en
[18] International Budget Partnership (2013), Open Budget Survey 2012, and Accountability & Transparency for Human Rights Foundation, International Budget Partnership and Save the Children (2013), Budget Transparency and Child Nutrition – research findings from Kenya, South Africa, Zambia, Zimbabwe and Uganda
[19] Accountability & Transparency for Human Rights Foundation, International Budget Partnership and Save the Children (2014), Turning children's rights into children's realities – Why open, inclusive and accountable budgets are important for children
[20] UN Committee on the Rights of the Child (2007), Day of General Discussion on "Resources for the Rights of the Child – Responsibility of States, Investments for the Implementation of Economic, Social and Cultural Rights of Children and International Cooperation (CRC article 4)"

child-related programmes in the Union Parishad budget and the chairman of the Union Parishad has now allocated a monthly slot for children to raise their concerns with local authorities. In addition, children are now actively involved in tracking this expenditure under the budget.

In Peru, the Roundtable for Poverty Reduction provides an opportunity for government and civil society to coordinate actions and take decisions to implement 11 priorities for children. Civil society is involved in the entire budget cycle, including the elaboration of public policy, budget allocations and expenditure tracking. And it makes recommendations to strengthen the public financial management system for children.

Financial oversight, safeguards and accountability

A well-functioning public financial management system, which makes allocation and spending for children visible throughout the different components of the system, is essential to predictable, effective and timely allocation and spending to realize children's rights. As an interconnected system, public financial management necessitates sufficient capacity at all stages and a weakness at one stage can constrain the functioning of the whole system.

Corruption deprives children of the right to access services essential for their survival and development and, broadly, enjoyment of their rights. Effective remedies should be put in place for mismanagement of public funds. Fighting corruption and reducing any wastage in public spending at all levels should be a priority for States.

Financial oversight involves both internal and external oversight of the system. It provides essential safeguards and information needed to hold states accountable. Oversight institutions can be the remedy to address systemic weaknesses in public financial management systems as oversight provides a persistent focus on improving the functioning of the system.

Internal oversight functions, such as internal audit, are important elements in ensuring that public funds are spent as intended. It is also important that Parliament, Independent Human Rights Institutions, Children's Ombudspersons as well as the wider public, including children, keep governments accountable for their investment in children. Comprehensive and timely external audits are an important prerequisite for financial oversight and accountability. To this end, a Supreme Audit Institution should be established and/ or empowered as an independent body to scrutinize the use of public funds and governments should submit timely annual accounts to this institution[21]. Furthermore, specialized audit tools such as performance audits or social audits can establish a firm link between what States have committed to and what has actually transpired, thereby paving the way for accountability.

International and regional human rights mechanisms, including the Universal Periodic Review within the UN Human Rights Council and UN human rights treaty bodies, can play an important role in holding States to account by raising different aspects of investment in the rights of the child during their reviews of States. Civil society, including children, and national Independent Human Rights Institutions can support these accountability mechanisms by providing them with evidence and recommendations through supplementary reports and submissions.

At the community level, civil society has successfully used social accountability mechanisms to improve service delivery and fight mismanagement and corruption. Social accountability involves direct engagement between duty bearer and right holders, including children, and can be a powerful tool to strengthen all levels of planning, budgeting, implementation, reporting and oversight[22]. In Zambia, for example, Save the Children supported caregivers to use community score cards to establish the quality of health services in Lufwanyama district. Based on this investigation, a public hearing was held were community members and health services providers discussed findings and agreed on ways forward to improve health services in the district.

The role of the private sector

The private sector is a pivotal actor in ending global poverty and realizing children's rights. The private sector can stimulate inclusive growth and create decent jobs; enhance access to essential services; develop innovations to address human and sustainable development challenges; pay fair taxes; apply expertise and resources to improve the lives of those most in need; and reduce environmental footprints.[23] The private sector is directly or indirectly the main source for resource mobilization in all countries.

States have a responsibility to ensure that non-state actors, including the private sector, respect children's rights in line with the CRC. Developed by UNICEF, the UN Global Compact and Save the Children, the Children's Rights and Business Principles is a key document that can provide guidance to companies on how they can fulfill their responsibilities to respect children's rights directly and indirectly through their business operations, including in

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[21] Accountability &Transparency for Human Rights Foundation, International Budget Partnership and Save the Children (2014), Turning children's rights into children's realities – Why open, inclusive and accountable budgets are important for children
[22] DIIS Report 2013:31, Social Accountability Mechanisms and Access to Public Service Delivery in Rural Africa
[23] Save the Children (2014), Framework for the Future - Ending poverty in a generation

relation to their obligation to pay tax to generate revenues[24], as is as the CRC General Comment No 16 on State obligations regarding the impact of the business sector on children's rights.

Illicit financial flows and tax evasion are critical barriers for States to realize children's rights. Although it is difficult to calculate the scale of this, the EU estimates that up to one trillion Euros are lost to tax evasion and avoidance in the EU every year[25]. Global Financial Integrity has estimated that the developing world lost US$946.7 billion through illicit outflows in 2011[26]. Money that could have been used to provide essential services and other rights to children. Research by Save the Children has found that if international financial flows were stopped, the funds mobilized could result in getting to zero preventable child deaths 20 years sooner than under a business as usual scenario, without any change in spending patterns[27].

Global partnerships and cooperation are needed to tackle illicit financial flows and tax avoidance, including actions by all States to i) sign up to and comply with an international agreement on multilateral automatic exchange of tax information; ii) commit to and implement a public register of beneficial ownership information for companies and trusts; and iii) require public country-by-country reporting for multinational companies.[28]

[24] Children's Rights and Business Principles, http://childrenandbusiness.org/
[25] European Commission, Taxation and Customs Union, http://ec.europa.eu/taxation_customs/taxation/tax_fraud_evasion/a_huge_problem/index_en.htm
[26] Global Financial Integrity (2013), Illicit Financial Flows from Developing Countries: 2002-2011, www.gfintegrity.org/wp-content/uploads/2014/05/Illicit_Financial_Flows_from_Developing_Countries_2002-2011-HighRes.pdf
[27] Save the Children (2014), Tackling Tax and Saving Lives – Children, tax and financing for development
[28] Save the Children (2014), Framework for the Future- Ending poverty in a generation