

# UNICEF's Engagements in Influencing Domestic Public Finance for Children (PF4C)

A Global Programme Framework





# Acknowledgements

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This Framework is the collective effort of an interdivisional advisory group consisting of sector and divisional focal points as well as regional social policy advisors, under the technical leadership of the Public Finance and Local Governance (PFLG) team in Social Inclusion and Policy Section (SIP) of the Programming Division (PD) in UNICEF New York Headquarters.

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# Executive Summary

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**The decisions governments make about how to fund social policies and services are critical to children and to equitable development overall.** If allocations are insufficient, concentrated on better-off groups, or used poorly, all children, and especially the most disadvantaged, risk losing access to services and programmes that enable them to survive and thrive, learn, be free from violence and exploitation, live in safe and clean environment and have an equitable chance in life.

**Many of the obstacles to improving child outcomes can be directly traced to public financial management (PFM) challenges.** For example, poor quality education is often a result of high teacher absenteeism, which itself may be due to delayed salary payments as a result of poor funding flows. The lack of critical health supplies, due to poor costing or inequitable distribution of funds, contributes to poor child health outcomes. Governments may see malnutrition as a priority, but fail to fund appropriately the multi-sectoral interventions needed to address the problem.

**UNICEF's work on public finance for children (PF4C) tackles these PFM challenges to achieve strategic results across all areas of programming.** Nearly all country offices engage in some aspects of this work, including helping counterparts to 1) better reflect child-related policy commitments in budget processes; 2) identify cost-effective and equitable ways to deliver services and life-saving commodities, and plan, cost and budget them; and 3) improve the flow and utilization of budgeted resources for service delivery, including at subnational level. This work often builds on or complements that of leading PFM actors, including the IFIs and bilateral agencies, making use of existing PFM tools while adding a child lens.

**The 2030 agenda provides added impetus to UNICEF's efforts.** It creates demand for better use of public funds for greater and more equitable results for children. Domestic resource mobilization, public expenditure tracking and reporting are all central to both the SDG Means of Implementation and the [Addis Ababa Action Agenda on Financing for Development](#) (FFD). The focus on equity and disaggregation is expected to increase the demand for monitoring both outcomes and expenditures for children especially the disadvantaged.

**The overarching goal of the PF4C Framework is to contribute to the realization of children's rights by supporting the best possible use of public budgets.** The framework is aligned with the [UNCRC General Comment No. 19](#) on Public Budgeting for the Realization of Child Rights, as well as with [UNICEF's 2018-21 Strategic Plan](#).

**The objectives of UNICEF’s PF4C work are as follows:**

1. Sufficient resources are allocated for child-related policies and programmes, including by mobilizing additional funds, for full implementation.
2. Spending for children is made more efficient by timely disbursement and reducing leakages.
3. Results-based budgeting and value for money approaches are adopted for more effective spending for children.
4. Resources are better distributed to promote equitable spending with greater attention to disadvantaged groups and areas.
5. Citizens including children and adolescents are empowered to monitor and participate in budget processes for more transparent and accountable spending.

**Country offices are urged to look beyond the first of these objectives, since improving the equity and use of existing allocations can often bring even greater rewards.**

Advocating for additional funds can also be a zero-sum game, if the total allocation to social sectors remains the same. Meanwhile, many governments welcome efforts to ensure that public budgets are well spent and have the intended impact. Such efforts are also more likely to translate into measurable results for children.

**UNICEF offices can increase the effectiveness and impacts of PF4C through a package of four core actions.** These actions are relevant for all programming areas, and are also often relevant in emergency contexts.

## Action Area 1



**Support data and evidence generation to advocate for greater and better public investment in children and inform sector reforms.**

UNICEF uses its knowledge on children to demonstrate the social and economic benefits of key interventions, model cost effective and equitable service delivery and generate evidence on how funding gaps, inequities in allocation, or inefficiencies lead to ineffective service delivery and poor child outcomes. When used for dialogue with Ministries of Finance, Parliamentary budget committees, civil society and development partners, or to provide inputs into budget audit or evaluations, this evidence can help support improved policy and budget decisions for children. This action underpins the other three actions and is most widely undertaken in all country contexts, including through UNICEF national committees’ advocacy work.

## Action Area 2



### **Engage in the budget process to influence allocation decisions and improve public spending performance.**

UNICEF helps countries translate policy intentions for children into financial commitments and effective spending by supporting the planning, execution and monitoring stages of the budget process. This is done by working with Ministries of Finance to reflect child-related priorities in budget laws and policies, and with sector Ministries and local governments to strengthen their budget submissions based on appropriate costing and results indicators. These efforts are reinforced by supporting Parliamentarians to monitor whether child-related policies are appropriately budgeted. UNICEF further supports good budget planning by working with sector ministries to identify ineffective, wasteful spending and develop costed plans for more effective interventions. Execution is critical too, since results require that funds are predictable and timely, and spent as intended.

To support actions that address financial flow bottlenecks, UNICEF helps Ministries of Finance and line ministries track spending on the one hand, and build capacity of implementing agencies to better plan, budget and report on the other. In decentralized and fragile contexts, UNICEF support to the capacity of local governments in child-responsive planning and budgeting is key.

## Action Area 3



### **Empower citizens, including children and adolescents, communities and civil society organizations to track spending and participate in national (and subnational) budgeting processes.**

UNICEF increasingly works to promote budget transparency by building on CSOs' open budget surveys and by improving the availability of relevant data including at local level. To improve the capacity of citizens, civil societies and children themselves to participate in budget decision making, UNICEF supports child rights institutions to scrutinize budget proposals as well as execution reports, and promotes citizens' monitoring of spending and outcomes through preparing and publishing budget briefs. To make citizens' voices heard, UNICEF works with local governments and citizen groups to establish feedback mechanisms and facilitate citizen participation, including children and adolescents, in budget decision making both at the local and central levels.

## Action Area 4



### **Support domestic resource mobilization and facilitate service providers' access to credit to expand domestic financing of key services and programmes.**

Governments often struggle to identify sufficient funds within their budgets to fully implement agreed policies. UNICEF helps address this gap by working with partners to identify financing options for child-focused services and programmes. This includes support to the development of sector financing plans, which help catalyze ODA and private sector investments. While leaving the issue of overall revenue generation to other better-placed partners, UNICEF contributes in areas such as health insurance schemes, sin taxes and other non-traditional approaches to fund social services. An emerging area of work for UNICEF is to facilitate service providers' access to concessional, blended, or donor guarantee-backed commercial lending to expand key services and procurement of commodities.

**The framework proposes a pathway of change for PF4C programming that can help enhance the contribution of PF4C actions to country programme objectives.** During country programme design and making use of the Situation Analysis, country offices can identify priority PF4C work through a three step process:

- determining the PF4C objective(s) in terms of addressing the most relevant PFM barriers to achieving a given country programme objective;
- deciding on PF4C outputs by asking what kinds of changes need to happen that will most likely lead to the outcome of removing such PFM barriers; *and*
- selecting activities that will most likely lead to such changes and implementing them in partnership with others.



Several key steps can support UNICEF to effectively apply the PF4C framework.

**The following recommendations reflect extensive consultations with UNICEF staff across the organization:**

- Deepening or establishing strategic partnerships with key national PFM decision makers, influencers (notably the IFIs, development partners and civil society organizations) and banking institutions at country, regional and global levels;
- Raising the PFM literacy and capacity of all UNICEF programme staff and senior management to conduct assessments of PFM-related challenges to achieving country programme objectives, implement PF4C responses as part of sector programme, social policy programme, or both; and better communicate and advocate on PF4C issues; this can be accomplished through staff training, strategic recruitment, and peer-learning;
- Promoting collaboration between sector and social policy teams, through inter-sectoral work-planning with government partners, as well as internally; and joint outputs, where appropriate, for implementation, monitoring and reporting;
- Using evaluation and operational research to generate knowledge on effective strategies and share them on PF4C community of practice; *and*
- Better monitoring of results through more robust formulation and use of PF4C RAM indicators across all programme result areas, and evaluation of PF4C contribution in improving the coverage of social services, especially for the most marginalised.



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# Abbreviations and acronyms

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<b>C-PEM</b>	Child-focused public expenditure measurement
<b>CSOs</b>	Civil society organizations
<b>CRC</b>	Convention of the Rights of the Child
<b>COs</b>	Country offices
<b>CPD</b>	Country Programme Document
<b>DeLoG</b>	Decentralization and Local Governance
<b>FFD</b>	Financing for Development
<b>GAVI</b>	Global Alliance for Vaccines and Immunization
<b>GLAAS</b>	Global Analysis and Assessment of Sanitation and Drinking-Water
<b>GPE</b>	Global Partnership for Education
<b>IFIs</b>	International Financial Institutions
<b>IMF</b>	International Monetary Fund
<b>MNCH</b>	Maternal New-born and Child Health
<b>MTEF</b>	Medium Term (Budget Planning and) Expenditure Framework
<b>MoF</b>	Ministry of Finance
<b>RAM</b>	Results Assessment Module
<b>PER</b>	Public Expenditure Review
<b>PETS</b>	Public Expenditure Tracking Survey
<b>PF4C</b>	Public Finance for Children
<b>PFM</b>	Public Financial Management
<b>SitAn</b>	Situation Analysis of Children and Women
<b>SUN</b>	Scale Up Nutrition
<b>SDGs</b>	Sustainable Development Goals
<b>UNCRC</b>	United Nations Committee on the Rights of the Child
<b>WB</b>	World Bank

# Key terms

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**Public financial management** refers to the way (budget process) governments manage public resources (revenue and expenditure) and the impact of such resources on the economy or society.

**Budget processes** commonly refer to the annual budget cycle, medium term budget planning and expenditure framework (MTEF), and/or budget reforms such as fiscal decentralization and performance-based budgeting.

**The four stages of the budget cycle are:**

- 1. budget formulation:** Ministry of Finance plays a central role in translating broad policy goals into financial targets and preparing a budget proposal based on submissions from line ministries;
- 2. budget approval:** the Parliament/Congress debates and enacts the proposal into law;
- 3. budget execution:** resources are collected and then disbursed and spent, while internal control/audit ensures compliance, and accounting/reporting records financial flows and report on progress; *and*
- 4. budget evaluation:** independent bodies examine governments' financial reports and submit findings to the parliament or congress.

**Public finance for children** refers to a collective body of UNICEF programmatic and other activities at country, regional and global levels, to influence the mobilization, allocation and utilization of domestic public financial resources, for greater, more equitable and sustainable results for children. Such resources may include general revenues, on-budget overseas development assistance and private sector financing.

**Adequacy:** child-related plans/programmes fully budgeted; **efficiency:** budgeted funds released on a timely basis and spent with minimal leakages and waste; **effectiveness:** funds spent on the types of services and means of delivery which are cost effective in achieving intended results; **equity:** public funds are distributed and utilized with due priority to disadvantaged areas and groups; **transparency:** financial reports are comprehensive, timely and accessible by political representatives and citizens; **accountability:** it is possible to track fund flows to service delivery units and actors involved are answerable to compliance and results within and outside government.

**Public investments in children** refer to both recurrent and capital expenditures by governments on services, programmes and institutions which are essential for achieving national goals for children. The term "investments" here does not necessarily imply direct financial returns through cost recovery (tariffs, user fees, etc.) and/or profits, and thus differs from what is commonly understood in financial markets.

**Child-focused public expenditures** refer to budget allocations or spending on services and programmes that aim at benefiting children, or at least partially consider child-specific needs. Examples of the former are maternal and new-born services and cash transfer programme aimed at improving nutrition, and of the latter are WASH programmes targeted to areas with high diarrhoea prevalence among young children.



# 1. Rationale for UNICEF's work on Public Finance for Children (PF4C)

**The decisions governments make about how to fund social policies and services are critical to children and to equitable development overall.** If allocations are insufficient, concentrated on better-off groups, or used poorly, all children, and especially the most disadvantaged, risk losing access to services and programmes that enable them to survive and thrive, learn, be free from violence and exploitation, live in safe and clean environment and have an equitable chance in life.

**Many of the obstacles to improving child outcomes can be directly traced to public financial management (PFM) challenges.** Social workers may be thin on the ground and child protection services weak when governments have not taken into account the long-term costs of preventing and responding to violence and exploitation. Children may receive education of poor quality due to high levels of teacher absenteeism, which itself may be due to delayed salary payments as a result of poor funding flows. Children may be unable to get the health care they need because critical supplies are lacking, due to poor costing or inequitable distribution of funding. Governments may see malnutrition as a priority, but fail to fund appropriately the multi-sectoral interventions needed to address the problem. The full range of PFM challenges and the obstacles they pose is presented in Box 1.

**In some countries these challenges are compounded by shifts in external financing trends.** For many UNICEF programme countries, increasing GDP per capita, declining ODA and shifts in ODA modalities (e.g. more countries moving from donor- to self-financing their procurement of life-saving commodities) have further raised the importance of domestic public resources for social policies and services.

## Box 1

### Common PFM-related obstacles

- 1. Low budget priority** due to a lack of awareness among financial decision makers around the economic case of investing in children
- 2. Insufficient budget allocation** for implementing child-related plans
- 3. Inefficient expenditure** due to delayed disbursements, leakages and procurement issues
- 4. Ineffective expenditure** by funding high cost, low impact interventions, or fragmented spending where multi-sectoral interventions are required (e.g. nutrition)
- 5. Inequitable allocations** resulting in lower investment and poorer services for disadvantaged areas or populations
- 6. Weak financial accountability,** compounded by limited budget transparency or citizen participation

**UNICEF's work on public finance for children (PF4C) tackles these PFM challenges to achieve strategic results across all areas of programming.** Undertaken by nearly all country offices in low, middle and higher income settings, this work encompasses:

1. engagement with financial decision makers to better reflect child-related policy commitments in budget processes;
2. efforts to help sector counterparts identify cost-effective and equitable ways to deliver services and life-saving commodities, and plan, cost and budget them; *and*
3. support to improve the flow and utilization of budgeted resources for service delivery, including at subnational level.

**This work often builds on or complements that of leading PFM actors, including the IFIs and bilateral partners, making use of existing PFM tools while adding a child lens.**

Table 1 illustrates how impediments to access to maternal, newborn and child health services can be traced to problems of a PFM nature and how PF4C responses, when complemented by other health system strengthening interventions, can help remove them. Country level efforts are facilitated by regional and global efforts to enhance political commitments, [monitor child-related Financing for Development \(FFD\) commitments](#) (United Nations, 2016), and provide bridge finance for procurement of critical commodities for children.

**The 2030 agenda provides added impetus to UNICEF's PF4C efforts.** It creates demand for better use of public funds for greater and more equitable results for children. Domestic resource mobilization, public expenditure tracking and reporting are all central to both the SDG Means of Implementation and [Addis Ababa Action Agenda on Financing for Development](#) (United Nations, 2015). The focus on equity and disaggregation is expected to increase the demand for monitoring both outcomes and expenditures for children especially the disadvantaged.

**The Committee on the Rights of the Child also actively promotes better public expenditure for children.** Article 4 of the CRC directs States to invest in child rights to 'the maximum extent of available resources'. [General Comment No. 19](#) (UNCRC, 2016) on Public Budgeting for the Realization of Child Rights guides States on how to fulfill and report on this obligation. It provides specific guidance for member states with regard to realizing children's rights at each stage of the budget process, as well as for domestic mobilization of additional resources. In applying this Framework, UNICEF COs can help support this process.



**Table 1** Illustration of PFM challenges and PF4C responses for Maternal, New-born and Child Health (MNCH)

Symptoms	PFM challenges	Solutions/PF4C responses	Assumptions/complementary UNICEF responses
<p>Declining or low national health budget for MNCH</p> <p>High donor dependence</p> <p>High out of pocket spending</p>	<ul style="list-style-type: none"> <li>• Insufficient revenue generation</li> <li>• Lack of budget data on MNCH and in turn low budget priority given to MNCH</li> <li>• Weak link between policy/plan and budget</li> </ul>	<ul style="list-style-type: none"> <li>• New revenue measure e.g. social health insurance funds</li> <li>• Improved budget data on MNCH</li> <li>• Budget allocation in line with health priority</li> </ul>	<ul style="list-style-type: none"> <li>• There is political commitment</li> <li>• Fiscal space exists</li> <li>• Evidence-informed, results based policy/plans exist</li> <li>• Risk pooling mechanisms exist</li> <li>• Declining budget allocation is not a result of efficiency saving (e.g. through lowered procurement costs)</li> </ul>
<p>Shortage of critical commodities and staff in certain regions/districts</p>	<ul style="list-style-type: none"> <li>• Inequitable distribution of central grants</li> <li>• Operational expenses not costed for actual distribution of supplies</li> <li>• Poorly costed inputs</li> <li>• Unfunded mandate during devolution</li> </ul>	<ul style="list-style-type: none"> <li>• Improved equity focus in the design of central grants</li> <li>• System-level costing at subnational level</li> <li>• Support to local government's budgeting</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity gaps in implementing budget are being addressed</li> <li>• Centralization of procurement is supported, including in devolved contexts</li> <li>• Access to UNICEF procurement services where appropriate</li> </ul>
<p>Frequent stock-outs of critical commodities</p> <p>Delayed health worker payments</p>	<ul style="list-style-type: none"> <li>• Weak budget planning</li> <li>• Delayed budget disbursements</li> <li>• Lack of information on expenditure flow and utilization</li> <li>• Leakages in expenditures</li> </ul>	<ul style="list-style-type: none"> <li>• Improved budget planning and execution</li> <li>• Financial flow tracking assessment to identify leakages and inform budget planning</li> </ul>	<ul style="list-style-type: none"> <li>• Payment systems are being improved</li> <li>• Pre-financing is available and utilized</li> <li>• Supply chain is being strengthened</li> <li>• Anti-corruption efforts supported by others (e.g. UNDP) underway</li> </ul>
<p>Low utilization of health services in some communities</p>	<ul style="list-style-type: none"> <li>• Ineffective coverage and poor quality of services partly due to weak spending performance</li> </ul>	<ul style="list-style-type: none"> <li>• Support to performance-based financing</li> <li>• Empower communities to monitor how funds are utilized</li> </ul>	<ul style="list-style-type: none"> <li>• Allocation reflects local needs</li> <li>• Feedback mechanisms exist</li> <li>• Private financial barriers addressed</li> <li>• C4D improving health practices</li> </ul>



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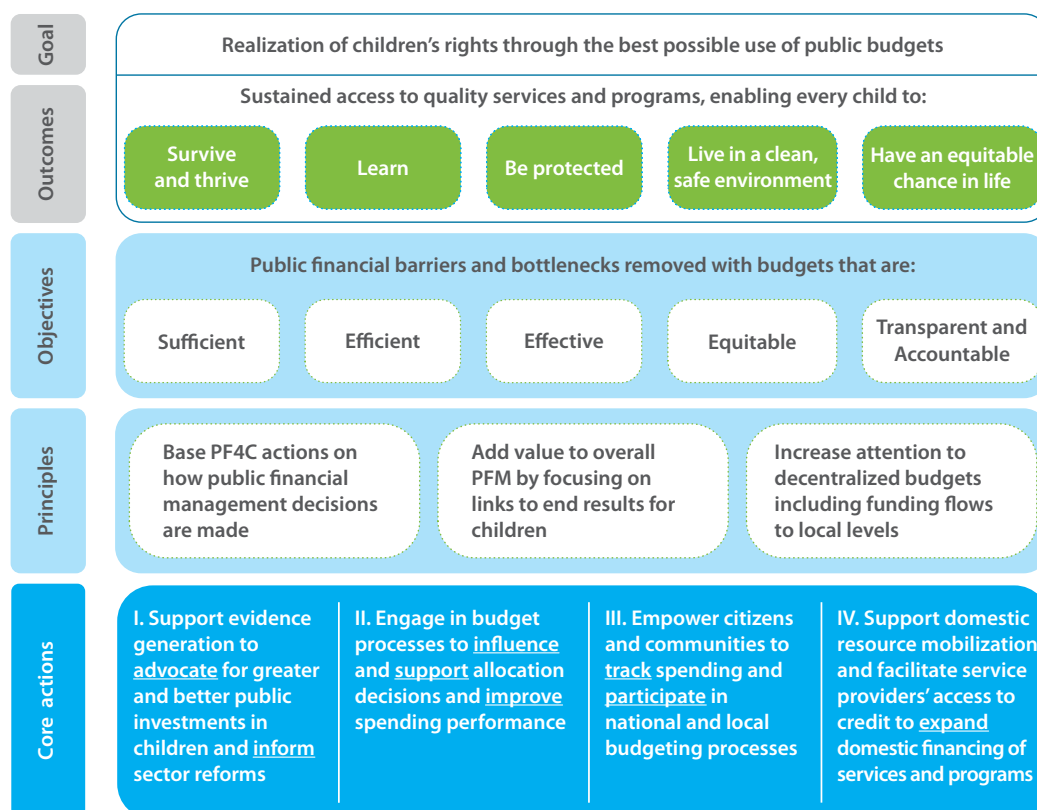
## 2. Overview of the PF4C framework

**The PF4C framework provides a unified approach to influencing domestic resources for children, in support of UNICEF strategic goals.** The framework sets out the overarching goals and objectives for PF4C work and identifies the key principles and core actions needed to achieve them, including links to tools and technical guidance. The document goes on to provide implementation guidance to assist country offices to i) better embed PF4C in country programmes, ii) integrate cross-sector and sector efforts, and iii) better manage results.

**To foster effective partnerships with others, the framework clarifies UNICEF’s niche based on its specific mandate and strengths:** knowledge on children, sector expertise and partnerships including for governments’ procurement of life-saving commodities, wide field presence, community engagement and a culture of innovation.

**An overview of the framework is shown in Figure 1, and its contents are further described below.** Existing and planned technical programming guidance to support implementation is referenced throughout and listed in Annex I. Many parts of the Framework can also be applied by National Committees for UNICEF as part of their domestic policy advocacy work. Annex II provides further ideas to support these efforts.

**Figure 1** Overview of UNICEF’s PF4C Programme Framework



## 2.1 PF4C goal, outcomes and objectives

**The overarching goal of the PF4C Framework is to contribute to the realization of children's rights by supporting the best possible use of public budgets.** The framework is aligned with the [UNCRC General Comment No. 19](#) on Public Budgeting for the Realization of Child Rights.

**The PF4C Framework outcomes contribute to achieving those set forth in UNICEF's 2018-2021 Strategic Plan.** By supporting and influencing governments to remove domestic PFM-related obstacles to access to services and programmes, PF4C enables every child to survive and thrive, learn, be protected, live in safe and clean environment and have an equitable chance in life.

**These outcomes are achieved by working towards five objectives.** These closely mirror both the overarching aims of public financial management, as well as the principles established in the UNCRC General Comment 19:

1. Sufficient resources are allocated for child-related policies and programmes, including by mobilizing additional funds, for full implementation.
2. Spending for children is made more efficient by timely disbursement and reducing leakages.
3. Results-based budgeting and value for money approaches are adopted for more effective spending for children.
4. Resources are better distributed to promote equitable spending with greater attention to disadvantaged groups and areas.
5. Citizens including children and adolescents are empowered to monitor and participate in budget processes for more transparent and accountable spending.

**Country offices are urged to look beyond the first of these objectives, since improving the equity and use of existing allocations can often bring even greater rewards.** While efforts to increase resources for children are sometimes needed, they alone have little meaning if no efforts are also made to address how equitably they are allocated, and how well they are spent. For example, additional funds for child health might be invested in a pediatric hospital in the capital, with little if any impact on outcomes for the vast majority of children. Advocating for additional funds can also be a zero-sum game, if the total allocation to social sectors remains the same. Many governments welcome efforts to ensure that public budgets are well spent and have the intended impact, and country offices may find more traction by focusing on the objectives of efficiency, effectiveness and equity, which are also more likely to translate into measurable results for children. The final objective of increased transparency and accountability contributes of course to the achievement of the first four.

## 2.2 Strategic principles

**A systematic review of country office PF4C activities over a period of 5 years has helped identify a set of successful practices.**<sup>1</sup> These lessons in turn lead to three strategic principles which underpin the Framework and its core actions.

### Principle 1

Base PF4C programming on how national PFM decisions are made

**Country offices that undertake PF4C activities with the aim to influence budgeting decisions must have an adequate understanding of how these decisions are actually made.**

For example, assisting a social ministry to cost a sector plan is rarely successful unless there is also clarity on what information the Ministry of Finance needs, and by when, in order to impact on allocations. When UNICEF offices have a clear plan for using evidence generated to support budget submissions of line ministries, there is a greater chance of achieving positive changes in budget allocations towards implementing child-focused plans and programs.

**PF4C programming must be based on a clear understanding of the PFM gaps that inhibit results for children.**

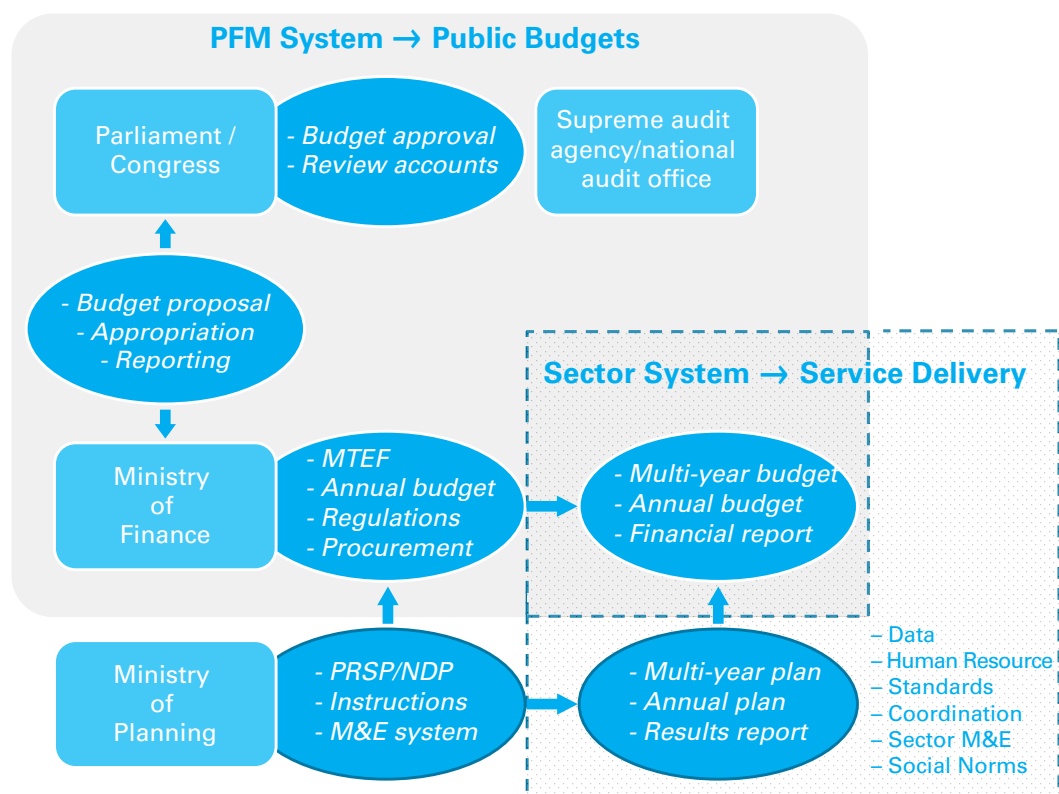
It should likewise take into account the budgeting cycle, instructions and way of working of the Ministry of Finance and the respective roles of line ministries as well as local authorities with a planning and budgeting role. Decisions on how much money to allocate to each sector or lower levels of government are made through the budget processes, laws and regulations overseen by the Ministry of Finance (MoF) and Parliament. Assisting these partners and processes is thus a crucial step to ensuring that government's own child related policy commitments are fully reflected in their budgetary frameworks, formulation and execution. This work can facilitate line ministry and local government access to funding, as well as encouraging steps towards greater equity in allocations and better execution, as reflected in the intersection of the two boxes in Figure 2 below. Better understanding of the key actors and processes is especially important for effective PF4C programming, where achieving an outcome for children requires coordinated, if not integrated, multi-sectoral investments (e.g. nutrition, child protection, social welfare and gender equality).

**An additional outcome of following this approach is avoiding programming in**

**isolation.** The PF4C core actions are closely inter-related and work in synergy. Undertaking any one action alone is far less likely to achieve results than a more strategic approach which combines two or more, and is developed with a clear understanding of how public finance decisions are actually taken.

1. See examples in the Global Stocktake of UNICEF's programmatic activities on public finance for children (Cummins and Chai 2014) and Social Inclusion Annual Result Reports (UNICEF, 2015 and 2016)

**Figure 2** Relationship between national PFM and sectoral systems



## Principle 2

Add value to overall PFM by focusing on links to end results for children

**A review of ongoing PF4C activities reveals that the greatest impact is most often achieved when UNICEF builds on broader PFM reforms, adding value through our programme knowledge and strong working relationships with sector ministries.** In Ghana, for example, UNICEF built on its collaboration with the Ministry of Gender, Child and Social Protection around the national cash transfer program (LEAP) to contribute to the government's reform of fuel subsidies which were found costly but ineffective in reducing poverty. UNICEF's efforts led to the channeling of a proportion of the efficiency savings to expand the LEAP program reaching millions of children, while contributing to improved efficiency and sustainability of public spending (see page 10).

**Other UNICEF country examples demonstrate how this work can add value to national PFM by building the capacity of sector ministries to link sector plans with budgets and to use information systems to track spending against results.** This work

frequently entails attention to sector planning, budgeting and overall system strengthening, as represented in lower right hand side of Figure 2. In Cambodia, for example, building on ongoing support to the education sector, UNICEF contributed to capacity development of key education stakeholders in linking inclusive plans with budgets and in district- and school-level financial management. The increased capacity of school directors and district staff especially in provinces with poor performance paved the way for improved education provision, and UNICEF is following through by focusing on getting more resources to schools in poor provinces and supporting financial planning at the school level. Other partners such as the World Bank and some bilateral agencies often support PFM systems overall; UNICEF's more targeted approach complements, supports, and can benefit those efforts.

### Principle 3

#### Increase attention to decentralized budgets

**There are important opportunities to influence the budget decision making at the subnational level.** PF4C activities are most commonly undertaken by country offices at national level, and of course in many circumstances this may be a useful approach. At the same time, experience suggests that supporting decentralized budgets and funding flows can be fruitful especially where fiscal decentralization is advanced or underway. For example, in Moldova, UNICEF supported the government's fiscal decentralization policies while working with local governments to prepare child-sensitive budgets to fund services and programs key to child outcomes (see page 33). There are also situations where central government is newly established, with limited reach beyond the capital area. In Somalia for example, UNICEF worked with provincial governments to develop education sector plans and cost them using an activity-based, participatory approach, which resulted in sub-sector financial plans and ultimately adequate resourcing for implementation, leading to improved education indicators (see page 11).

**Even when decisions about funding flows are taken centrally, the actual execution may happen through subnational units thus supporting them to manage resources allocated and procuring more efficiently can bring real benefits.** This can be done by improving the capacity of local governments/municipalities and citizens in child-focused budgeting and accountability. Similar support may be given via subnational offices of sector ministries to improve local level service delivery where these remain more centrally managed. In Uganda for example, UNICEF helped set up a system to track budget allocations down to the districts level and compare them to key child indicators, and is now using the information to help local authorities to improve the use of received funds (see page 20). In some sectors such as health, other actors may have comparative strength in supporting setting up of national systems, and UNICEF adds value by supporting system expansion at the subnational levels.



### UNICEF Ghana Leverages Government's Economic Reform to Reorient the National Budget for Expanding Cash Transfer Program Coverage for the Poor Families

In Ghana, UNICEF worked closely with social ministries on a national cash transfer programme (LEAP) which was shown effective in reducing child poverty and inequity. However, inefficient and inequitable government budget allocations prevented further progress on reducing poverty. At the same time, the country faced significant economic and fiscal challenges, and the government of Ghana embarked on an IMF-supported economic reform program to reduce fiscal deficits and improve overall efficiency of public spending. This program included a reform of fuel subsidies which were found both costly and ineffective in reducing poverty.

During 2013-2014, UNICEF, in collaboration with the World Bank and others, carried out a simulation of the potential impact of a proposed fuel subsidy reform on poverty and inequality and found that expanding the national cash transfer programme (LEAP) to 500,000 households, financed by a proportion of the savings from lower fuel subsidies, could effectively safeguard the poorest families from

the impacts of the reform and help lift more than 600,000 additional people out of poverty. This was followed by UNICEF's initiation of a series of high-level dialogues at senior levels of government, reaching the Minister of Finance, Minister of Social Protection, the Presidency, as well as the IMF during the design of a US\$ 918 million loan programme.

UNICEF's evidence generation and advocacy efforts led to the inclusion of a specific benchmark on expanding LEAP in the IMF-supported programme and the quadrupling of the LEAP budget, enabling an expansion of cash transfers to cover 550,000 extreme poor households by 2018 up from 77,000 in 2013. The expansion in turn helped generate broad-based support for the government's reform efforts. UNICEF efforts thus helped establish sustainably financed social protection as a central component of the government's national development strategy, while contributing to improved efficiency and sustainability of government spending.





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### UNICEF Somalia Strengthens the PFM Capacity of Subnational Authorities to Increase Spending on Education

In Somalia, public investments had not kept up with the increasing demand for education, contributing to high drop-out rates and limited access by the poor. The situation was exacerbated by the low PFM capacity of the Somali Federal Government as well as the government's limited reach throughout the country. While the Somali federal government was elected more recently, the subnational governments have been established for longer in Somaliland and Puntland, necessitating approaches adapted to the specificities of each region.

In 2010 UNICEF began providing financial and technical support to the subnational governments in Somaliland and Puntland to strengthen their

PFM while working with education authorities on education sector strategies and financial plans. UNICEF worked to develop child-sensitive budgeting guidelines for the education authorities, which were endorsed by both governments. These influenced the development of five-year Education Sector Strategic Plans, which were costed using an activity-based, participatory approach and further resulted in sub-sector financial plans.

Together, these efforts contributed to a steady expansion of investments in education, from 6.7 to 12.0% in Somaliland and from 2.0 to 8.0% in Puntland between 2011 and 2013, and improved education indicators.

## 2.3 Core actions

**This section presents the four core actions which together constitute the basis of country-level PF4C programming and advocacy.** They are: 1) supporting data and evidence generation; 2) engaging in budget processes; 3) citizen empowerment; and 4) supporting domestic resource mobilization and financing. Box 2 provides an overview of the core actions and key activities, which are further described in detail below.

### Box 2

#### Overview of PF4C core actions and key activities

Action area 1: Support data and evidence generation to advocate for greater and better public investment in children and inform sector reforms.

- Assist in routine measurement of child-focused expenditure, resource gaps (including costing) and spending performance, and link them to child outcome data;
- Dialogue with key financial decision makers at all levels of government to raise awareness around child rights and the case for investing in children; *and*
- Support development partners on using evidence in sector reforms and budget support decisions.

Action area 2: Engage in the budget process to influence and support allocation decisions and improve spending performance.

- Support MoF in aligning budget laws and policies with child-related priorities and line ministries and local governments in evidence-based budget preparation;
- Build parliamentarians' capacity in budget approval and oversight; *and*
- Support MoF in tracking spending and implementation agencies in improving child-responsive financial planning and reporting.

Action area 3: Empower citizens, including children and adolescents, communities and CSOs to track spending and participate in national/local budget processes.

- Promote public access to relevant data and support dialogue around CSOs' open budget initiatives;
- Facilitate participatory budgeting especially at local level by supporting child rights institutions to scrutinize budget proposals and execution reports; *and*
- Build capacity of communities and citizens in understanding and tracking how and how well public funds are spent, and work with local governments to establish feedback mechanisms.

### Box 2 (cont.)

Action area 4: Support domestic resource mobilization and facilitate service providers' access to credit to expand domestic financing of services and programmes.

- Assist in the development of sector financing plans and modalities;
- Support the design and costing of child-focused service packages and programs to facilitate earmarked revenue mobilization (e.g. health insurance and sin tax); *and*
- Convene potential lenders and development partners to facilitate governments' access to pre-financing of critical commodities and service providers' access to concessional or donor guarantee-backed commercial loans for expanding viable service models.

## Action Area 1



### **Support data and evidence generation to advocate for greater and better public investments in children and inform sector reforms.**

**UNICEF often uses its knowledge on children to develop investment cases, highlighting the social and economic benefits of key interventions and services, as well as the costs of inaction, providing evidence for advocacy.** More operational types of evidence are also common: for example country offices supporting health, education or social protection sector reforms often carry out simulations of cost effective and equitable service delivery models. Country offices also work on generating evidence to demonstrate how funding gaps, inequities in allocation, or inefficiencies lead to ineffective service delivery and poor child outcomes. This is done by analysing sectoral public expenditure against results achieved for children at subnational/national level.

**For some child-specific goals involving education and health sectors, there are tools and global databases from which UNICEF offices can draw<sup>2</sup> and apply to child-focused subsectors such as maternal, new-born, child and adolescent health.** UNICEF technical guidance on sector-based tools (for example the [public expenditure analytical tools for WASH](#)) helps offices select the most appropriate tools and apply them. This is not the case

2. For example the WHO's Global health expenditure database and UNESCO's Institute for Statistics education expenditure database.

for other goals such as nutrition, child protection and social welfare, or the broader goal of investing in children. UNICEF makes systematic efforts to develop child-focused PFM diagnostic tools to raise the visibility and priority of investments in children but also to facilitate external actors to better monitor and report on SDG and child rights implementation in countries. Examples include [child-focused public expenditure measurement](#) (C-PEM) and multi-sectoral expenditure assessment (e.g. child protection financial benchmarking and [end child marriage budget scoping](#)).

**Such information is useful only if it gets into the right hands and is used for decision-making, and country offices increasingly establish dialogues with Ministries of Finance, Parliamentary budget committees and others to this end.** Ideally analytical work is undertaken with government counterparts, though it is also worthwhile to develop and share evidence with civil society as well as development partners, especially those providing budget support, so that they can make use of the findings in their own discussions and advocacy with government. A growing trend is to present consolidated relevant information in ‘budget briefs’, which can be used by and with government, civil society and others to inform budget decisions beyond advocacy.

**This action has been the most prevalent among PF4C activities and is often necessary in order to be active in the other three.** Most aspects of this action are pertinent in all country contexts, including high income countries via UNICEF national committees’ advocacy work.

### Helpful tips



Access to relevant budget data is a common challenge – check the [open budget index](#) to see if availability of budget information may be an issue where you work. UNICEF country offices can increase the chance of gaining access by:

- Helping address government concerns around spending performance – for example, UNICEF Thailand supported the Office of Basic Education Commission with a public expenditure tracking survey to inform expenditure policy changes;
- Supporting the domestic financing of government policy priorities – for example, UNICEF Bangladesh worked with the MoF on a scoping analysis of existing budget allocations relevant for ending child marriage; *and*
- Piggybacking on others’ budget data or PFM diagnostics activities – for example, UNICEF East Asia and Pacific regional office utilized World Bank’s [BOOST](#) data to analyse child-focused public spending in Fiji.



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### UNICEF Bangladesh Institutionalizes Child-Focused Budgeting to influence Budget Allocation Decisions

The government of Bangladesh had a strong legal and policy commitment to the care and well-being of children, which constitute around 40% of the population. However, this was inadequately reflected in PFM processes, especially in budget formulation, thus policy intentions rarely translated into needed investments.

In 2012, UNICEF actively advocated with key decision makers including the Ministry of Finance, based on an analysis of public spending in the education, health and nutrition sectors and the impact of the budget on children. This led to a multi-stakeholder partnership on “Children and the Budget,” and in turn the development of the “Child-Focused Budgeting Framework,” and the introduction of child-focused budgeting starting in fiscal year 2014.

These efforts led the government to strengthen their capacity and improve budgeting processes for child focused spending. Steps included establishing a unit within the MoF to track and analyze child-focused spending and developing operational guidelines to help line ministries identify relevant programs to improve investments in children. Since 2015, the methodology has been applied to the government’s Integrated Budget and Accounting System; child budgets are now produced as part of the annual budget process, presented to Parliament and published on the website of the MoF.

These efforts have helped sharpen the focus of all budgets on children, leading to improved allocations to social sectors that mostly benefit children, and enabling the expanded coverage of key services and programs.

## Tools



Table 2 summarizes the main evidence generation tools, when country offices may wish to use them, and potential partners.

**Table 2** Select list of main evidence generation tools under action area 1

Tools	Description	When to use	Potential partner(s)
<a href="#">Budget brief</a>	Summarizes data in budget reports with easy-to-read analyzes of spending trends of key social sectors	Public awareness around how public funds are used for social objectives is limited; MoF has limited knowledge of the performance of budgeted resources	Line ministries; local governments
<a href="#">C-PEM</a>	Measures direct and indirect spending within the whole budget for achieving child-related goals	Government lacks knowledge on overall investments in children; limited child focus in budgeting practices; government needs help with CRC report concerning Article 4	MoF; Ministry of women and children; World Bank
<a href="#">Multi-sectoral expenditure assessment</a>	Identifies spending trends in a thematic area (e.g. nutrition, ECD) that involves multiple sectors/ budget owners	Fragmented spending prevents a good picture of what resources have been committed or spent; programme expansion can benefit from a baseline assessment of existing spending	Line ministries; World bank; SUN movement
<a href="#">Sector analysis and expenditure review</a>	Deep dives into sector spending patterns, often linking to higher level policy objectives and performance indicators	Sector reforms can benefit from an expenditure review as part of sector analysis; governments have concerns over spending performance and/or programme efficiency	World Bank; other UN agencies; GPE

Table 2 (cont.)

Tools	Description	When to use	Potential partner(s)
Sector/ thematic expenditure tracking	Identifies blockages in flow of public funds to district or facility level	Governments have concerns over the efficiencies of sector or thematic public spending; lack means to track budgetary flows to intended levels	World Bank; Other UN agencies
Equity expenditure analysis or index	Compares budget allocation and spending against outcomes to show geographic or population variances	Inequitable budget allocations, compounded by ineffective spending, are a significant concern in a country; fiscal decentralization or results-based budget reforms are underway	Line ministries; Ministry of finance
Costing models such as <a href="#">one health</a>	Links data and evidence from budget analysis with costed plans to close resource gaps	Resource gaps prevent full implementation of an existing policy; costing is needed to inform budget allocations	Line ministries; GAVI; GPE
Cost-benefit analysis	Simulation of the costs and benefits of different service models or interventions	There is a need to shift from spending on ineffective interventions to high impact low cost ones; government weighs introduction of new vaccines	Line ministries; MoF; other UN agencies
Cost of inaction	Simulation of the long term economic and social costs if business as usual	Government is concerned about the cost of an intervention, while greater economic and social costs of inaction are hidden	CSOs; other UN agencies

## Action Area 2



### **Engage in the budget process to influence allocation decisions and improve spending performance.**

UNICEF utilizes evidence and supports partners' capacity to strengthen the budget process to improve equity and child outcomes. At the first stage (budget formulation), country offices can support Ministries of Finance to reflect child-related priorities in budget laws and medium term expenditure frameworks. This then makes it easier for line ministries and local governments to reflect child concerns in their budget submissions. UNICEF supports this sector or local government-level process by helping them strengthen their arguments to the Ministry of Finance, using cost-effectiveness analysis and linking planned expenditure to results.

The second stage of the budget process is approval. UNICEF works with Parliament to support their understanding of the budget and to provide further analysis, so that decision makers are able to see the extent to which the child-related policies and laws they have adopted are adequately reflected.<sup>3</sup> This can also include support to civil society to understand the budget and the budget making process, so that they can better raise their concerns with local and national authorities (see further description in Action 3 below).

Budget execution is the crucial next stage where funds should flow from the Treasury to sector ministries, local governments and ultimately to schools, clinics, social protection programmes and other services. As part of broader sector based efforts to improve service coverage, UNICEF helps identify financial flow bottlenecks, including delays and leakages of funding, and support actions to address them. Country offices may consider:

- Providing technical assistance to the MoF and line ministries to develop a monitoring-for-results framework and build their capacity for enhanced and routine monitoring of spending and its effects on service performance.
- Partnering with MoF and line ministries to conduct [public expenditure tracking surveys and assess quality of services](#), or [rapid assessment of financial bottlenecks](#) to help identify potential linkages and propose solutions for efficiency improvements.
- Supporting implementation agencies or local governments to develop operationalization plans to improve spending performance. This can be complemented by building their capacity for forecasting, budgeting and reporting for child-focused services,<sup>4</sup> which help remove typical bottlenecks that impede the timely and effective use of allocated resources for service delivery.

3. Guidance on Working with [Parliaments on Budget Advocacy, Monitoring and Oversight for Children's Rights: Synthesis of Findings](#)

4. The forthcoming framework for UNICEF's engagements in decentralization and local governance can provide further guidance.



Effective procurement plays a key role in successful budget execution. PF4C-related support in this area includes pre-financing tools, country-owned budgeting for critical commodities and facilitating local suppliers' access to affordable commercial financing (further described in Action 4).

The final stage of the process is budget audit and evaluation – a function of national audit offices. While UNICEF has not been involved in this area directly, it does present some potential opportunities to examine and strengthen child-related expenditure since auditing involves reviewing the extent to which public funds have been spent on agreed national policies and followed the budget law. UNICEF's ongoing work on evidence generation to inform budget formulation, e.g. sector budget analysis and budget tracking, can serve a similar purpose.

Budget reforms have the potential to significantly change how decisions are made throughout the budget process. In particular, fiscal decentralization and results-based budgeting reforms give rise to both risks (e.g. unfunded mandates) and opportunities (e.g. potential of better responding to needs of deprived children). UNICEF's support will continue to focus on inclusion of child-outcome indicators in the results matrix for budgeting, and the equitable design of fiscal transfer.<sup>5</sup>

Engagement in the budget process has become increasingly common as many country offices have begun to go beyond budget advocacy to focus on improving the quality of domestic public spending and addressing financial flow blockages to service delivery. Global technical guidance in this area includes: [Working with Parliament](#) on Budget Oversight and Monitoring for Children's Rights; [how to engage in the national budget process](#);<sup>6</sup> and [Intergovernmental fiscal transfers](#).

There are also emerging efforts to safeguard essential social spending during economic or fiscal adjustments in countries and to improve domestic financing of emergency preparedness and disaster risk reduction (DRR) plans,<sup>7</sup> a cost-effective way to link humanitarian and development work. In particular, where governments are undertaking IMF loan programmes, engaging with the IMF to identify priority social spending is necessary to protect vulnerable children and families from harmful coping mechanisms, sustain essential social services, and mitigate risks to UNICEF programmes that involve domestic budget resources. For example, in Mozambique, UNICEF advised the IMF on which budget lines to safeguard or increase, averting disruption to service delivery essential for children.

5. See technical guidance note on [Intergovernmental Fiscal Transfers \(UNICEF New York 2016\)](#).

6. [How to Engage in Budget Cycles and Processes to Leverage Government Budgets for Children \(UNICEF New York 2016\)](#).

7. Forthcoming guidance on DRR in the Decentralization and Local Governance context, and risk-informed programming guidance for social inclusion support UNICEF offices' efforts.



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## UNICEF Uganda Supports the Mapping of Decentralized Spending to Children's Outcomes to Improve PFM for Service Delivery for Children

Uganda's social sectors have traditionally relied on donor funding, but as budget support declined in recent years, there was heightened urgency to achieve better value for money with existing public resources for reducing child deprivations.

In 2014, UNICEF Uganda partnered with the Budget Monitoring and Accountability Unit (BMAU) of the Ministry of Finance, Planning and Economic Development to develop a framework to monitor the effective development of national programmes affecting children. UNICEF provided technical assistance to track decentralized budget allocations across education, health and water. The findings are now published annually in the [Social Service Delivery Equity Atlas](#) which contains maps showing per capita expenditure on health, education and water and environment at district and sub-region level along with outcomes like school completion rates, antenatal care visits and water source functionality in the same areas. For fiscal year 2013-14, for example in Sebei sub-region, despite the highest per

capita primary healthcare expenditure, the proportion of pregnant women attending at least four antenatal visits is among the lowest.

After the government began using the Atlas for decision making, UNICEF, including zonal office, began supporting local authorities responsible for service delivery to develop operational plans to improve spending performance. This process has benefited from the use of U Report which reveals what the young people in the concerned districts see as the issues behind the use of public funds.

The Equity Atlas tracking framework was integrated in BMAU's routine work, and serves as a platform to monitor the delivery of national programmes affecting children across the three priority sectors. It continues to generate new information on budget performance, which not only helps improve budget transparency and accountability but also identify and ultimately remove implementation bottlenecks for improved service delivery.

## Helpful tips



Do you know the [Public Expenditure and Financial Accountability](#) (PEFA) portal contains country-level assessments of PFM system performance at national and subnational levels? This information may help Country Offices gauge the feasibility of identifying child-focused spending in public budgets or if a budget cycle or reform is credible enough to make it worthwhile to engage at a given time. How about the Inter-Parliamentary Union's [PARLINE database](#)? It provides country-level information on the scope of national parliaments' budget oversight, which may help country offices weigh the viability of engaging parliamentarians in influencing national budgets for children.

## Tools



Table 3 shows examples of the main tools, which have been developed and/or used by UNICEF, and suggests when offices may wish to apply.

**Table 3** Select list of main tools under action area 2

Activities	Description	When to use	Potential partner(s)
<a href="#">Public expenditure and institutional review</a>	Provides an institutional analysis of the budget process, participants and institutions involved in the decision making process, as well as modalities of preparation and execution of the budget	When a lack of evidence-based planning and budgeting hinders the resourcing of a child-focused plan or effective utilization of allocated resources	World Bank; development banks
<a href="#">Politics of the budget review</a>	Examines institutional factors and governance context that influence the actual functioning of budgetary system and their reform	Government, supported by development partners, is committed to budget reforms that have significant, long-term implications for child-related services and programmes	Donor agencies such as DFID, EU

Table 3 (cont.)

Activities	Description	When to use	Potential partner(s)
<a href="#">Local public sector country profile</a>	A set of metrics that analyzes and compares the nature and extent of localization of services in different countries, including e.g. overview of the local public sector's (political, administrative and fiscal) institutional arrangements	Countries are undergoing reforms to devolve key social service delivery to subnational governments. UNICEF has identified key obstacles related to decentralization and local governance and undertakes programmatic responses	Local governments; UNDP and donor agencies in the <a href="#">DeLoG network</a>
Costing and planning tool such as <a href="#">cMYP</a> for immunization	Tools, often involving excel-based templates, that assist in the strategic planning and costing of a service/programme, and in turn the linking of the planning and budgeting processes	Plans are not appropriately budgeted, and UNICEF offices are requested to build the capacity of government partners and/or implementation agencies in planning and budgeting during annual or multi-year budget processes	WHO
Rapid assessment of financial bottlenecks to immunization (pilot)	A self-assessment by various levels of immunization management and implementation entities of flow flows, bottlenecks and diversion down to the facility levels	When there is a minimal level of financial data available and it is possible to trace the main inputs of immunization within budget information system; can be a cost effective way to understand the role of financial flows in service coverage gaps	Ministry of Health, GAVI partners, and health consumer NGOs
<a href="#">Evidence-based local planning and budgeting for MNCH</a>	An approach that assists in the local planning and budgeting of MNCH as part of broader healthcare service, using locally-owned and generated data to highlight problems and find solutions	When there is a need to raise priority, capacity and government funding for MNCH at sub-national levels	Health ministry; local governments

## Action Area 3



### **Empower citizens, including children and adolescents, communities and CSOs to track spending and participate in national/local budgeting processes.**

Public participation is a key element of financial accountability and is integral to a human rights approach to our work. In line with UNICEF's commitment to social accountability, country offices increasingly work to promote budget transparency – a necessary step to empower citizens and communities to participate in the budgeting process. This includes advocacy for greater budget transparency, and supporting government to generate child-focused budget data (e.g. C-PEM) and other sector-based evidence (see Action 1), as well as efforts to improve the availability of relevant data including at local level.

For social accountability to work, budget data needs to be understandable as well as available, so that users may compare budget intentions with their own observations of how funds are actually spent. Mechanisms also need to be in place so that people can provide feedback and have a dialogue with services providers and local authorities on these issues. UNICEF contributions in this area may include:

- support to child rights institutions to scrutinize budget proposals as well as execution reports;
- promoting citizens' knowledge through budget briefs;
- initiatives which make accessible digestible information on service delivery budgets and performance to communities;
- Establishing feedback mechanisms with local governments and citizen groups;
- facilitating citizen participation, including children, in budget decisions both at the local and central levels, so that their inputs can be meaningfully used to improving service delivery and budgetary decision making, e.g. community scorecard initiatives.

This area has seen an up-tick in activities in recent years as UNICEF expands its engagements with communities and adolescents, building on its traditional work to support CSOs to monitor countries' implementation of the CRC. Global technical guidance and knowledge products relevant to this area includes [Child Participation in Local Governance](#) and global stocktake of UNICEF's engagements in social accountability (in working drafts) and further guidance and operational research on what works well and under what conditions are underway to help UNICEF do better and more systematically.



### UNICEF Argentina Promotes Youth in Local Participatory Budgeting Processes to Influence Public investments in children

In Argentina, participatory budgets have taken root in more than 60 local governments allowing citizens to debate and decide on the allocation of public resources; however, a challenge was to include children and youth meaningfully.

UNICEF began supporting the Argentinean Network of Participatory Budgets and the Chief of Cabinet of Ministers to enhance the visibility of youth and children's issues in participatory budgeting processes in 2015. UNICEF helped devise youth participatory budget methodologies and a training manual for the central government and municipalities. UNICEF then developed a system of indicators around the key issues of importance to youth, which was then used by local governments and partners to plan, monitor

and evaluate youth-led participatory budgeting initiatives. UNICEF further supported the central government in creating a centrally-funded programme to catalyze youth-led participatory budgeting in a greater number of municipalities.

As a result, more than 100 municipal officials from 13 municipalities were trained and provided with resources to integrate youth in participatory budgeting, enabling the participation of 34,000 children and adolescents in the resource allocation decisions of local governments during 2015. UNICEF's ongoing monitoring of subnational budgets confirms that the shares of overall public investments in children in total budgets have increased in recent years in many provinces.

## Helpful tips



“Demand side” engagements are more likely to yield results when greater responsibilities and resources for basic service provision are being devolved to local authorities. Do you know that the [Country Profile](#) portal of the Local Public Sector initiative contains detailed information on the extent and nature (administrative, fiscal and political) of localization of basic services in 29 programme countries? A methodology is available for use if an interested office wishes to generate a profile for that country.

## Tools



Table 4 shows the main tools which have been developed and/or used by UNICEF and suggests when country offices may consider.

**Table 4** Select list of main tools under action area 3

Activities	Description	When to use	Potential partner
<a href="#">Citizens' budget</a>	Presents key public finance information to a general audience. They are typically written in accessible language and incorporate visual elements to help non-specialist readers understand the information	Country offices have programmatic activities aimed at increasing the capacity and voice of citizens and their effective participation in public budget decision making	Government; IBP; CSOs
<a href="#">Subnational open budget survey</a>	Evaluates whether governments give the public access to budget information and opportunities to participate in the budget process at the subnational level	Lack of budget transparency and closed budget decision making significantly hinder UNICEF and development partners' efforts to address PFM related barriers and bottlenecks to results for children	Subnational governments; CSOs; IBP

Table 4 (cont.)

Activities	Description	When to use	Potential partner
<a href="#">Community score cards</a>	A community-based monitoring tool that solicits user perceptions on quality and efficiency of services and the use of inputs and expenditures; and that generates direct feedback mechanisms between service providers and users	There is weak accountability to service delivery especially where the responsibility for service provision is delegated to local authorities and where country offices undertake a community engagement strategy	Local governments; CSOs; World Bank
<a href="#">School profile (data must speak)</a>	Generates school profiles based on data extracted from education management information system, and establishes a dialogue mechanism for community to assess and compare learning performance and demand positive changes such as more resources (on e.g. teacher hardship allowance) to needy schools	There is pattern of inequitable resource allocations; exclusion of children from school, poor learning outcomes, and overall lack of accountability of schools to parent communities	GPE
<a href="#">Social intelligence report</a>	A tool that routinely collects and matches data on actual service delivery and budget allocations at the community-level service delivery points (schools, health and heat facilities, etc.), so that areas for improvements can be identified; it can run on e-platform	A lack of timely, actual information on service delivery performance or the use of inputs/ expenditure hinders management responses to improve service delivery	Ministry responsible for devolution; local governments;



## Action Area 4



### **Support domestic resource mobilization and facilitate service providers' access to credit to expand domestic financing of key service and programmes**

**Governments often struggle to identify sufficient funds within their budgets to fully implement agreed policies related to basic services.** There is further concern that traditional funding sources (donor funding, general revenue or borrowing) are unlikely to be sufficient or sustainable for achieving child-related SDGs. UNICEF helps to address these gaps by working with partners to identify potential financing measures (such as earmarked tax revenue, concessional loans, blended finance and pooled funds). This work is underpinned by support to the development of sector financing plans, which help catalyze ODA and private sector investments.

**While UNICEF leaves the issue of overall revenue generation to better-placed partners, there are specific areas to which UNICEF can and begin to contribute.** These include:

- Support the utilization of resources managed under the health insurance schemes and the services they offer to allow for free or affordable coverage for children and the poor; *for example, in the Philippines, where government raises revenue from levy of tobacco and alcohol consumption, the majority of which channeled to fund health services under PhilHealth (a national health insurance scheme), UNICEF helped develop a child-focused health care package and advocated with key decision makers, which led to successful inclusion of the package in the national health scheme coverage;*
- Technical support to the utilization of resources mobilized through non-traditional approaches to expand funding for child-focused services and programmes; *for example, in Indonesia, a country with a large Muslim population, UNICEF field office in Aceh works with Baitul Mal Aceh (an independent local government unit under the Aceh Provincial government responsible for collecting and managing Islamic tax) to provide support for capacity development and for the design and implementation of child-focused programmes which can be funded by the Islamic tax revenue.*

**Another emerging area is UNICEF's efforts to facilitate service providers' access to concessional, blended or guarantee-enhanced commercial lending to finance water and sanitation services and procurement of critical commodities.** This includes:

- Working with banking institutions to facilitate the pre-financing of critical commodities; *for example, in Africa, UNICEF Supply Division convened regional workshops that connected*

*local banks with those in governments responsible for the procurement of critical commodities to improve the latter's access to letter of guarantee or working capital loans;*

- Connecting investors/donors with public and private providers to facilitate the latter's access to budget support, concessional loans or guarantee-enhanced commercial loans; *for example, in Ethiopia, UNICEF worked with the water authority to develop a business plan for delivering water to families in urban areas, and helped government access a concessional loan from the European Investment Bank along with a donor grant for technical assistance and other in-country implementation support; and*
- Supporting the establishment of blended financing modality to fund service provision by public-private partnership; *for example, In Kenya, UNICEF supports the development of a Public-Private Partnership model, FundiFix at the county level, to provide maintenance services to rural water supplies in Kitui County, along with a Water Services Maintenance Trust FUND which subsidizes the maintenance service costs by blending government and donor funds; FundiFix is expected to service the rehabilitation of 4 piped water schemes benefiting 6000 people.*

**This area represents a new direction, as UNICEF invests in in-house capacity and expertise to support countries on domestic financing of the SDGs.** Regional and global partnership efforts across HQ divisions are under way to help incubate field initiatives.

### Helpful tips



Contextual information on the current extent of non-public financing of essential services in a country can help strategize PF4C activities related to area 4. Where households currently pay a significant share of the total sector expenditure (or where private provision accounts for a sizable share of service coverage), country offices may wish to prioritize this area of work. Look in [National education accounts](#), [national health accounts](#), and UNICEF-supported TrackFin (see Table 5) for clues.

### Tools



Table 5 shows the main tools which have been developed and/or used by UNICEF and suggests when country offices may wish to use.

**Table 5** Select list of main tools under action area 4

Activities	Description	When to use	Potential partner
<a href="#">TrackFin for WASH</a>	Tracks financing to the sector based on standard classifications and develop a set of WASH accounts and indicators presented in a comparable format	There is significant degree of private provision and payments of services; and sector financing requires going beyond government budgets in order to fully resource sector financing needs	GLAAS
<a href="#">Sector investment plan</a>	Assesses the current situation of needs, coverage, management systems and financing; and lays out strategic directions and implementation arrangements, including a sector financing plan	A sector investment/ financing plan is critical to catalysing ODA and private sector investments; can also feed into the development of medium-term expenditure framework if underway	Line ministries; Sector working groups; development banks

## 2.4 Contextualizing PF4C actions

**The four action areas are applicable in all development settings.** UNICEF experience suggests that PF4C work is relevant in nearly all settings, including fragile contexts. Indeed it can be a crucial lever for peace and state building in ways which support future stability for children. In only a small set of countries where UNICEF operates in level 3 emergency, the lack of a functioning government and/or a significantly eroded domestic resource basis could make efforts to influence government budgets and improve spending less effective.

**While all four core actions should be considered in PF4C programming, field experience shows that engagements in at least two action areas are needed to bring about change.** This is partly because not all actions need to be undertaken by UNICEF directly; depending on the specific entry points in a country, the extent of UNICEF PF4C engagements will be shaped by the role of other partners and comparative advantage. UNICEF offices are encouraged to seek collaboration with other partners to address general PFM weaknesses while leading on filling gaps related to equity and budget priority to investing in children.

**The intensity of PF4C actions should be guided by country programme objectives and informed by the country context.** Country offices should seek to understand the nature and extent to which PFM weaknesses currently affect country program objectives, what the gaps are, and potential entry points for UNICEF to support improvements. This can be done through the situation analysis, by including specific attention to PFM capacity issues, the degree of fiscal decentralization, resource availability and economic governance conditions. A PF4C Diagnostic Guide for Situation Analysis and Strategy Notes is being developed to help COs select appropriate approaches.

**Figure 3 provides an illustrative scheme for deciding which PF4C actions may make sense to prioritize in different contexts and levels of PFM capacity.** While evidence generation is important in all contexts, some actions may prove to be more worthwhile to intensify:

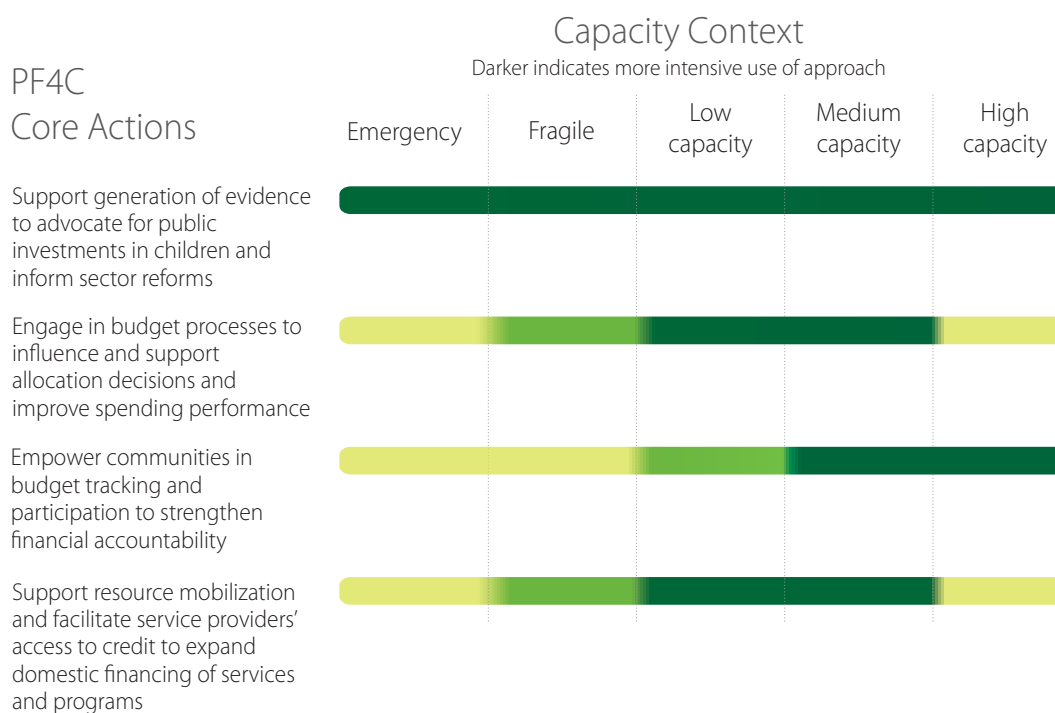
- In industrialized countries, often with high PFM capacity and well developed budget processes, National Committees would focus on raising awareness of PF4C issues with decision makers, as well as on influencing the budget through advocacy activities, particularly in countries suffering economic crises (see Annex II).
- In fragile and low PFM capacity contexts, as the Somalia example shows (see page 11), even where budget processes are lacking, engagements to develop basic PFM functionality such as budgeting guidelines to link sector plans to budgets can lead to tangible gains in expanding social services for children.
- In medium PFM capacity countries, public finance mechanisms may function well at the central government level, while gaps are more likely at subnational and service delivery levels. UNICEF can add value in these contexts by PF4C actions to strengthen budget execution and effective utilization of allocated resources, with special attention to improving service delivery in high burden areas.

**The decision of which PF4C core actions to undertake may also be shaped by national reform priorities, and the opportunities and the risks they represent for children.**

For example, when a country embarks on a reform of results-based budgeting, country offices may wish to support the development of child-focused results indicators as well as associated budgets to achieve the identified results. In other settings, it may make sense either to delay PF4C actions (e.g. political transition) or intensify PF4C engagements (e.g. shifting from GAVI funding to domestic financing).

**In some countries, UNICEF’s country-level PF4C work is informed by and makes contributions to regional and global initiatives.** Examples include Latin America’s regional Investing in Children initiative, SUN Movement, Global partnership for education and GAVI supported immunization agenda. Recent ODA mechanisms (e.g. Global Financing Facility for every woman, every child) and frameworks (e.g. USAID’s [financing framework for ending preventable maternal and child health](#)), which requires governments to realign domestic policies and budgets, provide further opportunities for UNICEF’s PF4C work.

**Figure 3** Indicative intensity of PF4C actions by capacity context



**Given UNICEF’s strengths and entry points, there are some areas of work where we can naturally contribute, and others which are best to left to other partners.** Table 6 below provides further guidance for deciding where to invest PF4C efforts.

**Table 6** Illustration of “do instead” and “do sparingly” by UNICEF COs

Topic	Do sparingly	Why	Do instead
Macroeconomic frameworks and financial programming	Undertake macroeconomic framework assessment and advice government on macro policies	This requires macro financial programming skills and knowledge, best done by the IFIs	Assess the child impact of fiscal adjustments; raise awareness on the human cost of macroeconomic policies, and dialogue with key stakeholders
Direct engagement in tax reform	Lead technical assistance in the introduction of a value added tax	IFIs dominate technical assistance to governments on the plumbing side of the tax or other budget reforms	Carry out an impact assessment of governments’ proposal of tax reform on service delivery key to children and promote positive or avert negative effects through policy dialogue
Risk-pooled financing such as health insurance	Lead on the overall design and the setting up of a health insurance fund	This is an area other institutions have much more expertise	Inform on the benefit and inclusion aspects of the design (what services/drugs covered, at what costs, access by the marginalized)
Stand-alone top-down costing	Costing all interventions without reflecting existing spending on similar or same objectives	Governments pay great attention to if existing spending is used well before considering more	Marginal budgeting preceded by a spending baseline assessment to see how much, on what, where and how well existing spending is serving the same or similar objectives
Superficial fiscal space analysis	Use existing fiscal data to calculate tax to GDP ratios, debt to GDP ratios etc. to argue there is room for expanding fiscal space to fund a programme	Little value added as MoF has very limited scope for discretionary spending; small asks add up to “not affordable”	Identify specific ways in which government can expand fiscal space, by connecting potential financier to good investments



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## UNICEF Moldova Helps Line Ministries Understand the Impact of Fiscal Decentralization Reforms to Ensure Local Funding for Social Services

The Law on Local Public Finance came into effect in January 2015 to enhance the financial and functional autonomy of local governments, but it was unclear how the fiscal decentralization reforms would impact services for children, especially in resource-poor local administrations.

Beginning in 2014, UNICEF provided technical assistance to help central ministries analyze the impact of decentralization reforms on education and social services. This provided an opportunity to convene policy makers from the MoF, line ministries and local governments to discuss the role of decentralized financing in local service delivery. The work also included generating a set of recommendations on how to mitigate

short-term risks and capitalize on the long-term opportunities associated with decentralization.

This work ultimately led to the elaboration of sectoral decentralization strategies along with a mechanism to track decentralization progress and its impact on the most disadvantaged populations. In addition, while continuing to advocate for a portion of the funds transferred from the central government to subnational governments to be earmarked for a minimum package of social services, UNICEF's ongoing support to local governments in developing plans for services and programs that can effectively address child deprivations is expected to contribute to the effective and efficient use of the devolved funds in achieving results for children.





### 3. Key recommendations for operationalizing the framework

**To support effective implementation of the Framework at country, regional and global levels, five key actions are recommended.** By taking account of these steps, country and regional offices as well as UNICEF HQ divisions can improve the effective use of PF4C approaches in their work, increasing our ability to support scaled up, equitable and sustainable services for children. The recommendations are summarized here and further described below.

- Deepening or establishing strategic partnerships with key national PFM decision makers, influencers (notably the IFIs, development partners and CSOs) and banking institutions at country, regional and global levels;
- Raising the PFM literacy and capacity of all UNICEF programme staff and senior management to conduct assessments of PFM-related challenges to achieving country programme objectives, implement PF4C responses as part of sector programme, social policy programme, or both; and better communicate and advocate on PF4C issues; this can be accomplished through staff training, strategic recruitment, and peer-learning;
- Promoting collaboration between sector and social policy teams, through inter-sectoral work-planning with government partners, as well as internally; and joint outputs, where appropriate, for implementation, monitoring and reporting;
- Using evaluation and operational research to generate knowledge on effective strategies and share them on PF4C community of practice; *and*
- Better monitoring of results through more robust formulation and use of PF4C RAM indicators across all programme result areas, and evaluation of PF4C contribution in improving the coverage of social services, especially for the most marginalised.

#### 3.1 Partnership

**Anchored in results for children, UNICEF continues to work closely with other partners and leverage its role as a niche player in the PFM-service delivery nexus.** As a key contributor to global partnerships for education, immunization and nutrition, UNICEF has begun providing support to the domestic budgeting and financing aspects of these global programmes, including for example helping governments carry out education sector analysis to access GPE funding, or track domestic immunization budget to access GAVI funding, or better measure and report on nutrition spending in SUN countries.

**On the strength of being a trusted partner to social ministries, UNICEF can establish or deepen partnerships with key PFM decision makers and influencers.** While the specific partnership approach will be informed by careful mapping and consultation, PF4C partners may typically include at the country level MoF, Parliament, local government (where decentralized)

and the donor community (where providing development financing); at the regional level, PFM networks, development banks and multinational financial institutions; and at the global level, the international financial institutions.<sup>8</sup> Examples are UNICEF's collaboration with WB and EU to support health expenditure review in Madagascar; and an ongoing initiative to collaborate with the Islamic Development Bank to establish equity funds for investing in children.

**UNICEF will actively encourage other partners to lead in addressing broader PFM weaknesses which impact negatively on children and join these efforts where our support is needed and strategic.** For example, UNICEF creates tools and support pilots to fill data gaps related to investments in children by building on others' initiatives such as World Bank's BOOST. UNICEF involvement in a WB-led, donor group-supported public expenditure review can increase attention to equity and child outcome concerns. Encouraging other agencies in their work to tackle broader governance challenges, e.g. anti-corruption programmes, may also be important. UNICEF also expands on its partnerships with CSOs around budget transparency and accountability initiatives (e.g. joint [publication on budget transparency](#) with the International Budget Partnership). Building on existing donor partnerships, UNICEF will expand its role as indirect implementation partner in support of governments' access to non-traditional ODA financing modalities (e.g. pooled funds, sector budget support) and instruments (e.g. guarantee and working capital facility). UNICEF will further explore collaboration with the IFIs and OECD in the development of new approaches to PFM in fragile and humanitarian settings.

**Partnership with domestic banking institutions will be important for UNICEF's support to governments on domestic financing.** UNICEF will build on its extensive banking networks to convene and broker domestic bank lending so that viable service models identified or supported by UNICEF may be scaled up and sustainably financed.

## 3.2 Managing internal capacity

**Additional targeted investments in staff capacities in this area are expected to generate significant returns in the future.** PF4C work is becoming increasingly central to UNICEF's efforts in nearly all country contexts, and one of the main areas of potential influence in middle and high income countries. Both senior management and programme staff, including sector specialists, can benefit from greater PFM literacy, and technical staff will increasingly need PF4C skills. Actions around "financing" further require UNICEF staff responsible for programming to expand their mind-set from a business model of supporting government using grants to that of using re-payable resources, without losing the focus on equity. A number of steps can help achieve these results, including continuing to upgrade programme

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8. Guidance is being developed to support country offices to better collaborate with the World Bank and other international and regional financial institutions, facilitated by strategic partnership frameworks.

staff job descriptions to include more PF4C related expertise, retool existing staff through organization-wide training and recruit PFM expertise to be placed strategically in regional offices and headquarters. Notably, an ongoing Global Public Finance for Children course continues to train UNICEF staff with a view to building up a critical mass within UNICEF. A PF4C Orientation Course for UNICEF senior management in countries and Headquarters, as well as a WASH financing course will soon be rolled out.<sup>9</sup> Expert rosters and long term service agreements can also help as in-house capacity is being built.



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From 2016 to 2017, nearly 200 UNICEF staff successfully completed the PF4C global course, having gone through e-learning and face-to-face workshops. Coming from a diverse sectoral, country, regional and gender background, participants applied learning to solving actual public financing problems they face in their work, through practical group exercise, peer sharing and expert facilitation. A sizable number of the participants came from the same country offices and strategizing on PF4C activities together promoted integrated approach and efforts within the offices. The resources developed have also enabled PF4C training activities at the regional and country office level, in some cases involving external partners (governments, UN country teams and development partners).

9. All PF4C training related materials (online and in-person workshop), as well as regional and country office spinoff training events can be found in the PF4C CoP.

## 3.3 Managing accountability

A collaborative inter-sectoral approach is integral to the effective implementation of the Framework. During the planning stage of a country programme, inter-sectoral identification of PF4C barriers to improving outcomes for children can be undertaken together with government partners, along with identification of needed activities and joint outputs to address them. Undertaking this planning, implementation and monitoring across programme sectors and social policy can help shift incentives towards a collaborative approach and at the same time enhance the effectiveness of the country programme

Across results areas, sector or thematic-based PF4C work may include costing of supplies, services or plans, cost effectiveness analysis, supporting public expenditure reviews, and building implementing agencies and line ministries' capacity in budgeting. Depending on staff capacity, these activities can sometimes be led by sector specialists, although coordination with social policy staff can provide both additional technical insights and ensure a coherent approach. The impact of sector-based PF4C initiatives can be greatly enhanced by engaging with Ministries of Finance and other key PFM actors to ensure these efforts are reflected in the budget process, support improved allocations, transfers and spending, and promote efforts to improve overall knowledge, priority, accountability and transparency related to investing in children. In addition to their lead role in this MoF collaboration, social policy staff may also provide overall technical oversight for PF4C work while supporting capacity and knowledge building of sector staff. This collaboration adds to the effectiveness of UNICEF's overall PF4C by ensuring a coherent approach in working with different partners. In country offices with overall limited PF4C expertise, having joint training of sector and social policy staff within the same country offices can help promote shared responsibilities and collaboration.

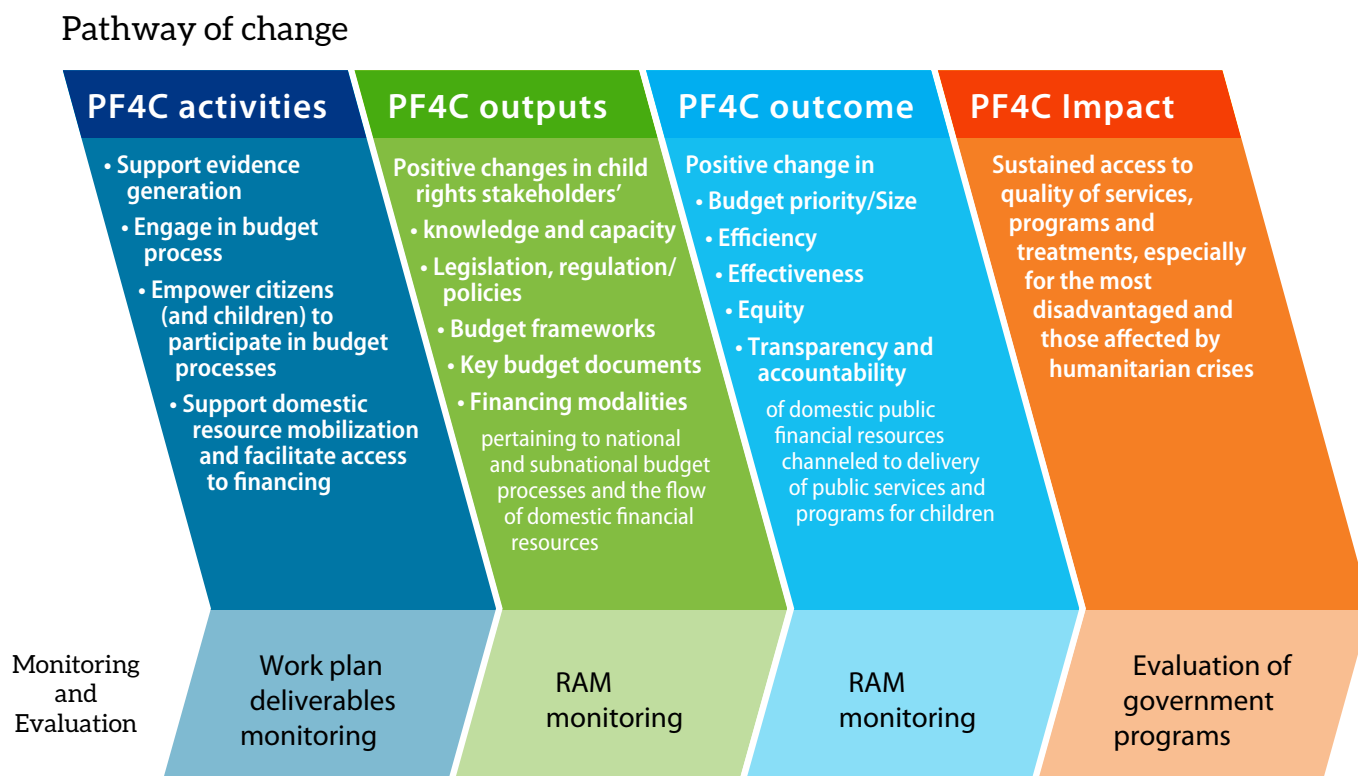
## 3.4 Managing knowledge

UNICEF will enhance its knowledge management to ensure that internal and external global networks of knowledge and expertise are effectively used. Building on the existing PF4C Community of Practice, knowledge management will focus on sharing innovations and best practices from UNICEF's experience in countries around the world, and contextualizing them within local programming context. It will continue to build on linkages with the knowledge management networks and activities of key PFM institutions, and synthesize knowledge from UNICEF and external sources into state-of-the-art technical and programmatic guidelines for use by UNICEF staff and other stakeholders. UNICEF will better define research and evaluation in the PF4C area, emphasizing the support to and partnership with local research partners, and report on results in high-impact, peer reviewed publications.

### 3.5 Monitoring and evaluation

While the ultimate result of PF4C work should be better outcomes from children, it is important to monitor progress of these efforts based on our theory of change. The steps through which PF4C work leads to results for children are outlined in Figure 4 below. The first step is the assessment of PFM related challenges and design of PF4C responses during country programme development. When this effort is undertaken explicitly, COs will be in the best position to make systematic use of indicators throughout the CPD cycle to monitor progress, adjust programming and achieve results. UNICEF offices may select from standard PF4C related RAM indicators and tailor them to programme contexts for planned PF4C actions, track implementation to reach each of the milestone, and monitor the progress along the result chain throughout the country programme cycle.

**Figure 4** Monitoring results of PF4C actions along the pathway of change



Results of PF4C actions can be monitored and outcomes for children can be traced following a pathway of change from activities, to outputs, outcomes and impacts. The first set is PF4C output indicators which can be used to measure the extent to which UNICEF's actions lead to positive changes in key levers and governing frameworks of the budget processes, as well as the knowledge and capacity of key actors. The second set is PF4C outcome indicators which can be used to measure the extent to which such positive changes lead to positive changes in public financial resources towards services and programmes for children – that is achieving one or multiple PF4C objectives in support of country programme goals.

Concerted efforts are underway to develop a robust system of standard PF4C RAM indicators that can be customized to reflect country specific PFM challenges and track progress in achieving PF4C objectives. While currently most sector-based PF4C RAM indicators are focused on adequacy of budget allocations, the new system of standardized PF4C RAM indicators will also capture UNICEF efforts that address the efficiency, effectiveness, equity, transparency and accountability of public spending.<sup>10</sup> Country offices are encouraged to select appropriate PF4C indicators from the standardized set of RAM indicators.

For measuring and reporting, UNICEF COs are encouraged to explore available data resources for some indicators, and partner with others to measure other indicators. For education, health, and to a lesser extent, social protection, other partners such as UNESCO, WHO and World Bank routinely make publicly available data which can be used to report on outcome. Country Offices can easily monitor and report on these indicators, as well as support our partners in ensuring these indicators are collected more frequently and at a more disaggregated level.

The monitoring of the PF4C impact-level results can be facilitated through support to governments' evaluation of their programmes to which PF4C contributed. UNICEF evaluations so far focus on how effectively UNICEF helps children with resources managed directly by UNICEF. The leveraging nature of PF4C implies the need for a different evaluation approach, one conducive to measuring indirect impact on beneficiaries from improved government investments. This may be achieved through support to national evaluation of government programme agencies or joint evaluation.

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10. Draft program guidance note on PF4C Monitoring and Evaluation Framework is available and will be finalized following the development of RAM indicators for the new SP.

# Annex I. UNICEF's Technical Programming Guidance

The list below shows the various guidance products developed or under development by or involving UNICEF, all aiming to support PF4C actions. This living document will be updated as new resources become available.

Section	Guidance Documents developed by UNICEF or supported by UNICEF
General	<ul style="list-style-type: none"> <li>• PF4C Diagnostic Guide for Situation Analysis and Strategy Notes (Technical Guidance draft)</li> <li>• WASH enabling environment package (UNICEF)</li> </ul>
<b>Action Areas</b>	
<b>1. Generate child-focused data and evidence to advocate for investing in equity and children</b>	
Child-focused expenditure measurement	<ul style="list-style-type: none"> <li>• C-PEM Methodology Note (draft Technical Guidance Note, SIP)</li> <li>• <a href="#">Child-focused Public Expenditure Measurement: A Compendium of Country Initiatives (published, SIP)</a></li> </ul>
Thematic expenditure assessment	<ul style="list-style-type: none"> <li>• <a href="#">A Financial Benchmark for Child Protection methodology and how-to manual (to be finalized, Child Protection and SIP)</a></li> <li>• Technical guidance on leveraging domestic resources for Vitamin A (planned, Nutrition and SIP)</li> <li>• Technical note and how-to manual on budget scoping for ending child marriage (under development, Child protection and SIP)</li> </ul>
Sector expenditure review	<ul style="list-style-type: none"> <li>• Child-focused Public Expenditure Reviews (UNICEF New York draft Technical Guidance Note)</li> <li>• <a href="#">Education sector analysis methodological guidelines</a> (UNICEF, GPE, UNESCO, World Bank)</li> <li>• <a href="#">Public expenditure analytical tools for WASH</a> (UNICEF New York)</li> <li>• <a href="#">Budget brief guidelines</a> (UNICEF ESARO)</li> </ul>
Engage key public financial influencers (international financial institutions and EU)	<ul style="list-style-type: none"> <li>• UNICEF IFI engagement strategy (PPD)</li> <li>• PF4C How-to Manual on better collaborate with the IFIs (planned)</li> <li>• How to engage in EU budget support (SIP-PPD/Brussels How-to manual)</li> <li>• Programmatic guidance note on leveraging IMF-supported economic programs in countries for children (planned)</li> </ul>

Section	Guidance Documents developed by UNICEF or supported by UNICEF
<b>2. Engage in government budget processes to influence decisions</b>	
Build capacity of line ministries and local governments in their budget planning and preparation to better reflect national and local priorities	<ul style="list-style-type: none"> <li>• Decentralization and Local governance strategic framework (under development, SIP)</li> <li>• Technical guidance on ECD investment cases to leverage domestic financing for ECD (under development, ECD and SIP)</li> </ul>
Influence budget reforms and cycles	<ul style="list-style-type: none"> <li>• <a href="#">How to Engage in Budget Cycles and Processes to Leverage Government Budgets for Children (UNICEF New York 2016)</a></li> <li>• <a href="#">Intergovernmental Fiscal Transfers (UNICEF New York 2016)</a></li> </ul>
Build parliamentarians' capacity in budget approval and oversight functions	<ul style="list-style-type: none"> <li>• <a href="#">Guidance on Working with Parliaments on Budget Advocacy, Monitoring and Oversight for Children's Rights: Synthesis of Findings</a></li> <li>• Working with Parliaments on Budgets for Child Rights: A Guide for UNICEF Country Offices (draft Technical Guidance Note)</li> </ul>
Support diagnosis of financial flow blockages from service delivery perspectives and action plans to remove them	<ul style="list-style-type: none"> <li>• Child-focused Public Expenditure Tracking Surveys (PETs) (draft Technical Guidance Note, SIP)</li> <li>• <a href="#">Public Expenditure Tracking Survey (PETS) Manual (UNICEF Vietnam 2012)</a></li> <li>• <a href="#">WASHTrackfin Initiative Methodology and Guidance</a></li> <li>• Immunization financial bottleneck analysis and how to manual (under development, Health and SIP)</li> </ul>
<b>3. Empower citizens to track spending and participate in budgeting</b>	
Support participatory budgeting at local and national levels	<ul style="list-style-type: none"> <li>• <a href="#">Child Friendly National Budgeting Initiative Facilitator's Manual (UNICEF Zimbabwe 2013)</a></li> <li>• <a href="#">The National Child Participation Guide (UNICEF Uganda 2008)</a></li> <li>• <a href="#">A Handbook on Child Participation in Parliament (UNICEF New York 2011)</a></li> <li>• <a href="#">Data must speak toolkit for linking school performance data with communities and support them in school improvement planning</a></li> <li>• <a href="#">Child participation in local governance guidance note (UNICEF New York)</a></li> </ul>
Support CSOs' open budget initiatives	<ul style="list-style-type: none"> <li>• How-to manual on supporting CSOs' open budget initiatives for results for children (planned, SIP)</li> </ul>



Section	Guidance Documents developed by UNICEF or supported by UNICEF
<b>4. Support domestic resource mobilization and broker financing</b>	
Support development of sector financing framework	<ul style="list-style-type: none"> <li>• Technical note to be developed (WASH and SIP)</li> </ul>
Support to sin tax and health insurance	<ul style="list-style-type: none"> <li>• Concept note to be developed</li> </ul>
Facilitate country access to financing of critical commodities	<ul style="list-style-type: none"> <li>• UNICEF Supply Strategy</li> </ul>
<b>Monitoring, Evaluation and Learning</b>	
<b>M&amp;E</b>	
<ul style="list-style-type: none"> <li>• PF4C M&amp;E Framework (UNICEF New York draft Technical Guidance Note)</li> <li>• Resources and guide on measuring and reporting on equitable spending indicators in the Strategic Plan results framework (under development)</li> <li>• Guidance on standard RAM indicators (under development)</li> </ul>	
<b>Learning</b>	
<ul style="list-style-type: none"> <li>• <a href="#">Global Learning Programme on PF4C WASH financing course</a></li> <li>• <a href="#">PF4C Community of Practice</a></li> </ul>	

# Annex II. PF4C in countries with a National Committee presence

This annex elaborates on the application of the framework by National Committees. While most of it is directly applicable in all countries – whether with a Country Offices or a National Committee – there are a number of particularities and differences in contexts and processes that are reflected below.

## National Committee countries and characteristics

All 34 National Committees are based in high-income countries. The governments at national and subnational levels have strong capacities and rather than for assistance this environment calls for engagement from an advocacy angle. Another important aspect is their role as donors of ODA, an important angle to consider for PF4C.

National Committees are independent national NGOs, closely linked to UNICEF through the Cooperation Agreement. Their mandate and reporting processes are therefore different from UNICEF's country offices:

- **Mandate:** National Committees contribute to the advancement of child rights primarily through fundraising and advocacy. PF4C is mainly related to advocacy with all relevant stakeholders, such as decision makers at national and sub-national level and private sector actors where relevant. Due to their NGO status and this mandate, the relationship with decision makers differs from one in a country programme, with the National Committee playing more of an external advocacy role. This work is supported by the Private Sector Engagement Section in PFP.
- **Planning and reporting:** In National Committees, planning and reporting takes place jointly with UNICEF. In the Joint Strategic Plan, reviewed every three years, the National Committee and PFP agree on priorities and actions. The National Committee reports back based on the agreed priorities. The recently established [Public and Private Sector Engagement M&E Results Framework](#) measures National Committee advocacy progress within this structure.

## National Committee action on public finance for children

Public Finance for Children is an issue that is receiving increasing interest from National Committees, in particular to improve the use of resources for children domestically. Advocacy takes place in action areas 1-4 defined by this framework within the above mentioned parameters of the country context and structures.

- **Action area 1 (evidence):** This area is of particular relevance for National Committees, with a focus on research and advocacy, often together with academic or civil society partners.

- **Action area 2 (engage in budget processes):** Due to the high level of capacity and well developed budget processes, the focus in most National Committees would lie on raising awareness and increasing capacity on PF4C with decision makers, as well as on influencing the budget through advocacy activities, in order to better advance children's rights. While the delivery of basic services is generally functioning well in industrialised countries, there is often room for improvement in social welfare for children. National Committees might rather focus on this area, in particular in countries suffering economic crises. Again, it will be normally done from an advocacy perspective.
- **Action area 3 (empower citizens, children and communities):** Despite the fact that National Committees will not support directly other civil society partners, they are often involved in networking activities that can result in their indirect strengthening (through getting access to better media opportunities or decision makers, for example). Promoting participatory budgeting (with a particular emphasis on child participation), community engagement and transparency are also important in countries with National Committees and might for example be taken forward at local level in the [framework of a Child Friendly Cities Initiative](#) (implemented by 21 National Committees).
- **Action area 4 (resource mobilization):** This area is less relevant for National Committees but advocacy might for example focus on child-sensitive revenue generation such as progressive taxation and equitable and effective tax benefits. In addition, National Committees play an important role in supporting ODA for children.

Examples of National Committee advocacy can be found in Spain, UK, Finland and Canada. For more information, please contact Sophie Gatzsche in PFP: [sgatzsche@unicef.org](mailto:sgatzsche@unicef.org)

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**DOCUMENT MANAGEMENT INFORMATION PAGE**

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<b>Document Summary</b>	<p>Government budgets matter for children. If allocations are insufficient, concentrated on better-off groups, or used poorly, all children, and especially the most disadvantaged are at greater risk. Conversely, good public expenditure decisions contribute significantly and at scale to results in health, nutrition, education, WASH, child protection, HIV and social inclusion.</p> <p>UNICEF offices are increasingly aware of these public financial management obstacles, and the importance of addressing them to achieve at scale and lasting results for children across all areas of programming. The new Strategic Plan emphasizes this by positioning equitable budgets for children as a result, under Goal 5, as well as an essential element of two cross-cutting strategies, leveraging domestic resources and system strengthening.</p> <p>This Programme Guidance is designed to assist country offices to take a comprehensive approach to improving public finance for children. It outlines the four core actions of PF4C and provides guidance on ways to better embed PF4C in country programming.</p>
<b>Regulatory content the Document Replaces</b>	N/A
<b>Topics Covered</b>	Public finance for children; programme guidance
<b>Corporate Risk Area</b>	Organizational Strategy
<b>Reference / Links to Enabling Legislation and Background</b>	N/A
<b>Links to Relevant Policy</b>	N/A
<b>Links to Relevant Procedure</b>	N/A
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