

Concept note for a thematic session on

Financing the elimination of child labour

at the 5th Global Conference on the Elimination of Child Labour, Durban, South Africa

Wednesday 18 May 2022, 14.45 – 16.30

The Background

ILO research has found that every dollar invested in child labour elimination brings a return of nearly seven dollars. Despite this opportunity, large financing gaps remain in the fight against child labour. The upfront cost of child labour elimination has been estimated to be on the order of 760 billion. It is a generational investment, but one that pays high dividends.

The Addis Ababa Action Agenda (AAAA) made an urgent call for aligning financing flows with the Sustainable Development Goals and is highly relevant to the elimination of child labour. It reiterated that countries have the primary responsibility for their economic and social development. However, the private sector and philanthropies also play a significant role financing for the elimination of child labour, including in supply chains. Alignment of such financing with public goals and national priorities are key to sustainability of such efforts, and greater efforts to ensure effective coordination are required.

The stagnation in progress against child labour stems in part from inadequacies related to financing. ILO Members States have increasingly adopted National Action Plans on Child Labour (NAP) as the main policy instrument to tackle child labour. However, in some cases they are not sufficiently resourced. Typically it is Ministries of Labour that lead the development of NAPs, and in some instances NAPs do not effectively leverage financing from other concerned ministries, leading to fragmentation of efforts against child labour. To achieve their potential as policy tools to accelerate the elimination of child labour, NAPs must mobilize whole of government responses, and engage with private sector and civil society initiatives to ensure coherence and coordination. Non-state actors, on the other hand, should proactively seek to engage with governments and social partners in the design and implementation of their initiatives on child labour and forced labour.

The Action Agenda also stresses that development finance is not just about financing flows, but also depends on public policies that strengthen the national and international enabling environments. In that regard, international trade can play a vital role, by enabling investment, opening access to global markets while stipulating respect for children's right to be free from child labour and the protection of other fundamental labour rights.

Official Development Assistance (ODA) remains crucial as a catalytic source of financing, especially for the least developed countries. In recent years however, ODA allocated to SDG Target 8.7 has dropped. Earlier analysis of ODA flows to SDG Target 8.7 revealed fragmentation, significant volatility in ODA commitments and increasingly geographic dispersion. Moreover, not all the countries that received the



highest amounts of ODA featured high on the list of estimated incidence of child labour, forced labour, human trafficking and modern slavery.

Issues to be addressed

This thematic panel will explore how to mobilize financial resources to make the generational investment required. Speakers will address topics such as securing domestic public resources, including how to leverage public spending in areas such as education and social protection for child labour elimination, international development cooperation, debt sustainability, domestic and international private business and finance, international trade as an engine for child labour elimination. Panellists will discuss the critical question of how to improve access to credit and other financial services in affected communities, especially among women.

The objective of the panel is to discuss the required mechanisms and framework to mobilize sustainable financing, and to improve coordination and strengthen partnerships between governments, social partners, development partners, international financial institutions and the private sector

More specifically, the panel would look at the following:

- What is the role of a well-developed and costed National Action Plans in terms of resource mobilization and allocation of resources aligned to national priorities?
- How can domestic and international finance contribute most effectively to the elimination of child labour?
- What is the role of international financial institutions?
- How to ensure that ODA can play its catalytic function?
- What opportunities exist to ensure better alignment of private sector efforts to tackle child labour with nationally owned plans and priorities?

