

## FINANCIAL MOBILIZATION PLAN

## The opportunity

Although children in East Asia and the Pacific are bearing the brunt of climate impacts, we can considerably reduce the risk that children face through climate-smart social services, which reduces vulnerability and increases coping capacity of children and their communities. Climate-smart social services are those that are designed to reduce emissions, as well as increase their resilience to climate shocks – so that children can keep their access to the education, health, water and sanitation, nutrition and protection services that they need, and that will be required for maximizing their future potential. Moreover, because the region is a key hub for growth and innovation, investors and private sector partners have unique opportunities to respond, whether by spearheading the acceleration of climate-smart social services, products, and frontier technologies, or by financing and supporting the actions that lead to sustainable solutions.

Investing in climate-smart social services can have broader social and economic benefits. It can facilitate a country's transition to the green economy and create the right enabling environment to stimulate employment, while at the same time reduce strains on the natural environment.

UNICEF is uniquely positioned to create the required transformational impacts at-scale because:

- UNICEF has a long history of expertise and credibility in the social sectors. UNICEF has a very strong
  understanding of the needs and requirements of children in terms of their health, education, water
  and sanitation, nutrition and protection. UNICEF also has strong relationships with governments at
  all levels and has worked side-by-side across a range of contexts to adapt social services to climate
  and environmental shocks and impacts. Addressing the climate crisis will require a paradigm shift,
  whereby progress in the social sectors and the reduction of emissions needs to happen concurrently and
  complement each other.
- UNICEF delivers durable solutions that last beyond one shock or stress but extend through many.
   As an organization that is present before, during and after a disaster, we can engage systematically with governments and partners to invest in timely, high-quality and durable humanitarian responses, as well as ensure longer-term climate resilience building. And so rather than relying on temporary solutions, UNICEF can provide solutions that improve the resiliency of children and their communities to respond to future shocks.
- UNICEF has field operations in the most vulnerable places to the impacts of climate change. Studies
  repeatedly show that poor children live in areas where climate hazards are predominantly acute, due in
  part to lower costs of living in these areas. Poorer communities, for example, tend to be in areas where
  flooding, risk of erosion and landslides occur more frequently; and where air, soil and water pollution tends
  to be worse. Poorer communities also have less capacity to cope with the shocks and stresses. UNICEF
  is already working with these children, families and communities to adapt to a changing climate with
  increasing disasters and improve prospects for their growth and development.
- UNICEF can harness a multisector approach to enhance cost-effectiveness. As climate and environmental
  hazards affect all social sectors UNICEF supports, we can reinforce linkages between programmatic
  sectors, to maximize outcomes for children and their communities. This enables us to be more efficient as
  well as effective at delivering results that benefit not just one but many sectors and reduces transactions
  with government and line ministries when working multi-sectorial. For example, the application of
  renewable energy systems can be considerably more efficient and address a multitude of needs when
  applied across multiple sectors rather than in a single sector.

Immediate action to have the greatest impact on most affected children is urgent. Addressing climate change will require a comprehensive approach that addresses the root causes of climate change - reducing greenhouse gas emissions- while also providing support and resources to help children and families adapt to its impacts.



## The challenge

The East Asia and Pacific region is the hardest hit region globally by climate and environmental hazards, shocks and stresses. UNICEF analysis from the Children's Climate Risk Index (CCRI) reveals that over 140 million children are highly exposed to water scarcity; 120 million children are highly exposed to coastal flooding; 210 million children are highly exposed to cyclones; and 420 million children are highly exposed to air pollution.

Compared with their grandparents, children in East Asia and the Pacific are facing six times more climate and environmentally related shocks, stresses and hazards.<sup>1</sup> For some risk factors the frequency is even higher.



- 11x increase in floods
- **4x** increase in storms
- 2.4x increase in droughts
- **5x** increase in landslides









Moreover, the number of countries across the East Asia Pacific region that are at an extremely high risk to a wide range of climate and environmental hazards is higher than any other region. **Up to 75 per cent of countries in the East Asia Pacific region are classified as 'Extremely High Risk'** for children's exposure to a wide range of hazards, shocks and stresses as well as their underlying vulnerabilities and coping capacities; and the remaining **25 per cent are all 'High Risk,'** according to the Children's Climate Risk Index.

Moreover, the number of children facing multiple, overlapping types of hazards, shocks and stresses is higher than any other region - putting even further strain on the poorest children. Up to 65 per cent of children in the East Asia and Pacific region face four or more types of hazards, shocks and stresses, compared to a global average of 37 per cent; and 41 per cent face five or more – compared to a global average of 14 per cent. This has the potential to considerably exacerbate inequality, as with the increasing frequency and types of shocks hazards and stresses, the coping mechanisms of the poorest children become depleted, and social and community systems for resilience become strained. Moreover, when these climate shocks interact with non-climate shocks like pandemics and the economic crises, among others, multiplier effects and cascading impacts lead to a 'polycrisis' – a situation with multiple near-simultaneous shocks with strong interdependencies.<sup>2</sup>

Author's calculations based on EMDAT data for 14 countries. Increases calculated using the 10-year average of the number of events between 1968-1978 and 2012-2022. For full dataset see: EM-DAT: The Emergency Events Database, Centre for Research on the Epidemiology of Disasters (CRED), Université Catholique de Louvain, Belgium, accessed April 2023, https://www.emdat.be/.

World Economic Forum, 'Global Risks Report 2023', Geneva, Switzerland, 2023, https://www3.weforum.org/docs/WEF\_Global\_Risks\_Report\_2023.pdf.

90.0% 80.0% 70.0% 60.0% 50.0% 40.0% 30.0% 20.0% 10.0% 0.0% 5 or more shocks 6 or more shocks 3 or more shocks 4 or more shocks East Asia and Pacific West and Central Africa South Asia

Figure 1. Proportion of children facing multiple overlapping climate and environmental shocks, by region

#### High reliance on fossil fuels

Eastern and Central Europe

Eastern and Southem Africa

The East Asia and Pacific region is responsible for an increasingly large share of global greenhouse gas emissions, as it is home to fast-growing economies with high resource intensity and polluting industries. The region is responsible for one third of global CO2 emissions, with countries in the region among the top per-capita contributors in the world.

Latin America and Caribbean

Middle East and North Africa

#### Social services provided to children lack resilience to climate shocks and stresses

Healthcare facilities are not equipped to cope with the increasing frequency and intensity of climate-related hazards. Water scarcity levels increase due to climate change and can hinder essential hygiene services in healthcare facilities and in communities. Vulnerable school infrastructure leads to disruption of education services during climate disasters. Climate shocks also limit livelihood options, directly impacting children's nutritional status. While social protection is crucial for mitigating climate impacts, national systems often lack the necessary strength and flexibility to respond effectively.

#### Lack of proper institutional capacities and regulations at the national levels

Often countries are not prepared to shift to low-carbon development and climate-resilience in social infrastructures. Though world leaders have committed billions of dollars to climate finance, governments and the private sector are not able to easily access climate funds due to a lack of information, low levels of readiness at the initial steps of the project cycle, and complex preconditions set by the climate financiers. Despite being significantly impacted by climate change and environmental hazards, children and young people face limited opportunities to actively participate in climate change mitigation and adaptation efforts. They are often excluded from the development and implementation of climate policies.

## **UNICEF'S** sustainable response

UNICEF's sustainable response to tackle the challenges highlighted above focuses on three pillars: climate-resilient social services; youth empowerment and transformative institutional capacity; and green, low carbon social services. Our actions in East Asia and the Pacific are grounded in UNICEFs global Sustainability and Climate Action Plan.

#### 1. Provide children with green, low carbon social services

UNICEF is committed to ensuring that the social sectors contribute to globally agreed goals to reduce greenhouse gas emissions, are inclusive, and operate in harmony with the surrounding natural environment and ecosystems. We aim to shift away from carbon-intensive energy supply systems, and instead utilize the region's vast solar energy potential, promoting alternatives like stand-alone solar systems and solar mini-grids to power remote health, education, and water and sanitation facilities. UNICEF is also examining other renewable energy sources such as wind and biomass to replace diesel-powered generators. These interventions are particularly focused towards vulnerable children, in line with UNICEF's leave no one behind strategy.

Decarbonizing the social services could be extremely impactful:

- The water and sanitation sector contributes approximately 5-9 per cent of global GHGs. Reducing the
  impacts through solarization, improved water management, waste management and efficiency will greatly
  contribute to a reduction in emissions. Climate-resilient water and sanitation services that are more
  efficient, utilize renewable energy, and adapted to broader water resource management conditions will be
  critical to achieving climate emissions goals.
- The health sector, similarly contributes approximately 4.4 per cent of greenhouse gases, and 2.8 per cent
  of air pollution (PM2.5), amongst other environmental impacts such as water scarcity, according to a global
  study published by the Lancet. Health services which utilize renewable energy, reduce waste of medical
  supplies, and improve efficiency of delivery of services through innovations such as digital health will be
  critical to achieving climate emissions goals.
- The education sector contributes about 2-3 per cent of global emissions. However, by contrast, teaching children about climate change can be transformative. It will not only improve resilience of children to the impacts, but also empower them with the skills and qualification to become agents of change. A powerful study showed that if just 16 per cent of children received climate education, the effects would result in a 16 gigaton reduction in carbon emissions over those children's lifetime. To put that in perspective, that is about 42 per cent of global emissions in 2022. Providing children with the tools they need to tackle the crisis will be critical to achieving climate emissions goals. By implementing environmental impact assessments and working closely with line ministries on improved environmental design and innovation, UNICEF can help shift the social sectors towards green, low carbon development which will not only significantly improve the functioning of these programmes through improved cost-effectiveness and circular economy approaches, but also ensure that they are contributing to global goals and commitments to reduce emissions to net zero by 2050.

#### 2. Protect children with climate-resilient social services

UNICEF's sustainable response to climate-resilient social services encompasses several key areas.

In water, sanitation, and hygiene, UNICEF works towards developing climate-resilient water and sanitation services and infrastructure by conducting vulnerability and risk assessments and implementing adaptation planning measures which ensure that children can still access these services even during a climate shock, hazard or stress. We strengthen linkages between water resources management and the water and sanitation sector, reducing waste and pollution, and promoting resource recovery through circular economy approaches.

# **Examples of investment opportunities in the Climate Action for All in the East Asia and Pacific region:**

#### Invest in green, low carbon social services (total portfolio: US\$125 million)

UNICEF is poised to significantly transform social services access in East Asia and the Pacific through its targeted activities in green, low carbon social services. We invite partners to participate in this crucial initiative by investing in one or more of the interventions.

Investment opportunities include, but are not limited to:

- Installation of stand-alone solar-powered systems to provide electricity to remote health, education and water and sanitation facilities where national grid extension is not feasible or available.
- Energy transition of social sectors, including for connected systems, through diversified renewable energy models that utilize public-private partnerships.
- Sanitation systems that reduce methane emissions through better management and infrastructure for managing wastewater and faecal sludge.
- Reducing and properly recycling medical waste from healthcare facilities and systems, whilst harnessing efficiency and carbon reduction through digital health.
- Reducing and properly recycling waste from schools and education systems, whilst reducing carbon footprints through improved digital learning.
- Prepositioning supplies to reduce carbon footprints while also ensuring timely humanitarian responses.

By investing in green, low carbon social services, we will be able to contribute to a healthier, greener planet for the next generation and advance national and global efforts towards meeting the objectives of the Paris Agreement.

In health, UNICEF focuses on developing climate resilience and adaptive strategies for health system infrastructures, including vulnerability assessments and implementing adaptation planning measures. We also integrate environmental determinants of children's health into prevention and treatment strategies, to address the multitude of risk factors associated with changing vector borne diseases as a result of changing temperatures, a growing number of environmental risk factors such as air pollution, soil pollution and water pollution.

When it comes to **education**, UNICEF integrates climate change into teaching, learning, and curriculum to raise awareness among students. We advocate for climate-resilient education systems and infrastructure, ensuring disaster preparedness and risk reduction in schools to protect children and provide a safe learning environment.

UNICEF's efforts in the area of **food and nutrition** revolve around curating inclusive food environments that prioritize accessibility and affordability of sustainable and nutritious diets. We work to shift consumer demand towards sustainable choices through education and policy measures. Additionally, UNICEF enhances nutrition surveillance and expands access to nutrition services in high-risk areas, recognizing the impact of climate shocks on children's nutrition.

In the context of **early childhood development**, UNICEF focuses on creating healthy environments for the brain development of young children, investing in playful and child-friendly green spaces, and supporting families in adopting parenting practices to protect and prepare young children for a resilient future.

**Social protection** systems can significantly reduce the extent of the climate and environmental damage for children. UNICEF supports social protection systems to be both shock-responsive and shock-prepared, incorporating forecast-based social protection linked to action protocols. This approach includes providing vulnerable communities with weather forecasts, early warning systems, and access to climate risk management training and resources. By combining weather index-based indicators with cash transfers, these systems help protect households from the economic impact of climate disasters, allowing children to make a rapid recovery and preventing long-term negative effects.

The increasing frequency and severity of climate shocks require specialized and rapid action-oriented assistance from the **child protection** system, which will need to be adapted to support children forced to migrate as a result of climate change, as well as address the multitude of other risk factors such as heightened risks of gender-based violence and harmful practices that are at greater likelihood of occurring during and following climate-related disasters.

# **Examples of investment opportunities in the Climate Action for All in the East Asia and Pacific region:**

#### Invest in climate resilient social services (total portfolio: US\$300 million)

This involves scaling up the resilience of social services to climate impacts, with multiple touchpoints for investment, to create a robust, sustainable, and equitable social infrastructure.

Investment opportunities include, but not limited to:

- Scaling up climate resilient water, sanitation and hygiene services for communities, schools and healthcare facilities.
- Strengthening water resource management to improve reliability and durability of water and sanitation services.
- Providing children with climate education, green skills and opportunities for climate action through both formal curriculum and informal extracurricular activities.
- Climate resilience and adaptive strategies for health and education system infrastructure.
- Incorporating environmental determinants of children's health are in prevention and treatment strategies to safeguard climate-sensitive diseases into the national and local disease surveillance mechanisms.
- Surveillance systems to determine high risk areas for nutrition deprivation as a result of climate shocks, and ensuring children have access to healthy and sustainable diets.
- Social protection systems that are both adaptive and respond to climate related shocks, as well as anticipatory and integrated with early warning systems.

By incorporating climate change considerations into social services planning, children's services will become more resilient to climate-related disruptions. This will ensure that even in the face of extreme weather events or environmental changes, children will still have access to education, healthcare, water and sanitation, nutrition, child protection and social protection services.

#### 3. Create transformational institutional change to reach scale



With transformational institutional change, UNICEF can successfully demonstrate the shift that is required - at a scale commensurate with the challenge. This includes evidence generation on the impacts of climate change on children. UNICEF utilizes tools like the Children's Climate Risk Index to better understand the particular shocks, hazards and stresses, as well as coping capacities and vulnerabilities of children, to inform a programmatic response. This also includes strengthening policies at both national and regional levels. Lastly, this includes ensuring children's needs are adequately reflected in key climate policies, such as Nationally Determined Contributions (NDCs), National Adaptation Plans (NDPs), and crafting sectoral adaptation strategy and action plans, and conducting sub-national risk assessments through the deployment of the UNICEF Children's Climate Risk Index (CCRI). UNICEF also works to find synergies between climate finance and social budgets for children, identifying child-sensitive risk markers and exploring innovative finance tools for risk reduction.

Empowering young people is central to creating transformative change. Young people have been leading the way in advocating for a reduction in emissions and an environment that will allow them and their children to live healthy, fulfilling lives. UNICEF has a strong role to play in ensuring that their voices are heard at the highest levels. UNICEF

has access to key decisionmakers who can make a difference, and UNICEF ensures that this form of child and youth engagement is meaningful and empowering, whilst also protecting children from any undue harm or risk. UNICEF also has platforms which allow children and young people to learn from each other and support each other in their collective advocacy efforts. This is not only right in principle – but also in practice. Young people have a right to be heard and participate in all decisions that affect them.

There are several additional cross-cutting areas that can create transformative change for all social sectors. For example, this includes the significant benefits of early warning systems in protecting vulnerable populations, including children, from natural hazards. Early warning systems play a crucial role in safeguarding children during disasters by providing advance notice and enabling communities to prepare and evacuate when necessary. Early warning systems are a valuable tool for protecting children from hazards, with potential savings of billions of dollars annually.

This also includes leveraging comparative advantages and institutional strengths of partners and investing in areas that can unlock potential for cascading effects and transformational change. UNICEF is uniquely positioned in the East Asia and Pacific region to create solutions that require collaboration and cooperation from a diverse range of partners, utilizing their strengths, and creating innovative solutions – such as climate impact bonds and pay for success financial models.

UNICEF also employs a rights-based approach to climate action for children. UNICEF in East Asia and Pacific region has developed a comprehensive framework that enables children to claim their rights in climate and environmental justice. UNICEF also engages children and young people on climate across sectors. UNICEF provides a platform for children and young people to advocate and ensure their voices are heard at the highest levels of decision-making on climate and environmental matters. At the national level, UNICEF works with government partners and young people, especially girls, to integrate children and adolescent participation in local community initiatives, disaster risk planning and responses, and youth-led climate action.

# **Examples of investment opportunities in the Climate Action for All in the East Asia and Pacific region:**

# Invest in empowerment and transformative institutional capacity (total portfolio: US\$75 million)

This focus is on enabling institutions to adapt to climate challenges, enhancing early warning systems, and introducing rigorous methods for impact assessment.

Investment opportunities include, but not limited to:

- Developing a strong evidence base to ensure programmatic responses are targeted to the most at-risk children. This includes expanding the Children's Climate Risk Index at sub-national levels.
- Strengthening institutional frameworks, government capacities, and climate policies through capacity-building programmes, technical support, and policy development.
- Leveraging additional public finance that benefits both climate action and children simultaneously.
- Developing new or improving existing early warning systems for natural hazards and climaterelated risks.
- Empower young people and children to have an active role and be prepared to find solutions for the climate crisis.
- Building technical partnerships across the private, public and civil society sectors, creating
  opportunities for innovations to address the climate crisis.

By strengthening climate policies, institutional frameworks, and national government capacities, we are investing in long-term, sustainable changes that will ultimately improve children's lives. Moreover, a growing civil society and strong business sector in the region means an increasing opportunity for UNICEF to leverage support for its mission and mandate, including addressing gaps, through mechanisms such as blended finance, incentivizing innovation, and market shaping.



### Results at scale

#### **Overarching success:**

- Children are protected from the impacts of climate change, and their overall level of risk is reduced through
  improved environmental conditions, reduced exposure, reduced vulnerabilities and improved capacity to
  cope with the effects of climate change.
- Children have access to social services in health, education, water and sanitation, nutrition, and protection before, during and after climate related shocks, hazards, and stresses.
- Social services are green, low carbon and employ circular economy approaches that minimize environmental impacts and contribute towards national and international targets of reaching net-zero by 2050.
- Children have the skills, resources, and capacity to become agents of change in addressing and responding to the climate crisis.
- Governments, the private sector and civil society organizations have clearly defined roles and responsibilities, capacities and contribute to the implementation of climate-smart social services for children and young people.

#### **Specific goals:**

**15 million children and people**, benefitting from climate-smart infrastructure and services such as climate-resilient water, sanitation, and hygiene, health, education, nutrition and child protection, using sources of renewable energy where needed.

**85 million children** benefit from improved policies, legislation and systems that provide transformative change in both climate mitigation and climate adaptation.

3 million tonnes of CO2 averted through renewable energy installation in the social sectors. Considerable additional GHG mitigation benefits could also be achieved through co-benefits associated with climate curriculum, improved waste management across health, education and water and sanitation sectors, as well as broader advocacy efforts.

The implementation of the Climate Action for All initiative in East Asia and Pacific, with potential for mobilizing investment of US\$500 million, has the potential to shift the social sectors across all the countries in the region to become climate-smart -that is low carbon and climate-resilient, and reach the level of scale required to be transformational for children and their communities.

# A pooled-funding approach means every US\$1 invested can catalyse considerably more resources:

- For every dollar invested from the public sector, we will be able to catalyse US\$1.5 from other sources
- For every dollar invested from global climate and environmental financing institutions, we will be able to catalyse US\$1.5 from other sources
- For every dollar invested from the private sector, we will be able to secure an additional US\$4 from other sources

#### What UNICEF can offer to its partners

#### **Technical:**

- Around 1,400 long-term staff and consultants in the field and working for 27 countries in the region – additional expertise in key child centred sectors like nutrition, health, education, water and sanitation, child protection, social policy, gender, and disability.
- Mainstream the Children Climate Risk Index as a key result indicator linking climate change, environmental protection and child vulnerability (and therefore their families and communities).

#### **Financial:**

- Internal and other donor resources that can be used as matching funds in technical assistance.
- Possibility of leveraging loan (through development banks and IFIs) with grant finance, and implement, especially for fragile and conflict-affected states.
- Leverage donor and multilateral development bank investments and focusing on the most vulnerable children and women disproportionally affected by climate change impacts.

#### **Institutional**:

- Unique positioning and relationship with governments, as lead or co-lead development partner in many countries.
- Ability to operate and achieve results in most complex and fragile contexts.
- Extensive networking with other UN agencies, civil society organizations, private sector and governments.



While the existential threat is real, the opportunities to not just avert the climate disaster but to emerge resilient through adapting, rebuilding, improving and regenerating, is a positive reality we can build for all children and their families in the East Asia and Pacific region. But in order to achieve this we need to make sure all children continue to receive all of the social services that are critical to their survival in the climate crisis. We need to ensure these services are resilient to climate impacts and built to minimize emissions and avoid environmental degradation. We owe this to children, giving them the best chance to lead the world towards a sustainable, healthy and bright future.

## **Examples of climate-smart social services**



WASH

Design solutions to minimize damage to infrastructure, considering impacts of climate shocks such as heavy rainfall, flooding, drought, and water shortages into design.

E.g. access to safe water and sanitation services resistant to flooding, with a service to assure minimal disruption. Use of renewable energy by water and sanitation services that contribute to lowering greenhouse gas emissions and promote environmental sustainability.



EDUCATION

Addressing the impacts of climate change on education and providing children and young people with green skills that are relevant for the growing green economy.

E.g. building climate change education into national curricula, enhancing data collection and evidence-based policymaking on effects of climate change on education, promoting solar energy in schools, climate-proofing schools etc.



HEALTH

Strategies and measures to safeguard public health during and after climate shocks, strengthen health systems on environmental determinants of child health, making them more adaptive and resilient to the impacts of climate change.

E.g. creating food environments that prioritize the accessibility and affordability of nutritious foods, linking nutrition services to early warning.



NUTRITION

Strategies that improve nutrition surveillance in high-risk areas, and provide households with adaptive capacity and diet diversity to increase resilience to shocks.

E.g. creating food environments that prioritize the accessibility and affordability of nutritious foods, linking nutrition services to early warning.



SOCIAL POLICY

Support climate-adaptive and shock-responsive social protection systems and anticipatory social protection systems.

E.g. parametric index-based insurance and cash transfers, early warning systems with child-appropriate language and communication channels; analysis to improve budgeting and finance for social sectors to the impacts of climate change.



CHILD PROTECTION

Adapt child protection workforce and systems for effective case management during climate shocks.

E.g. engage on climate justice for children by providing a legal framework to empower children; enhance child protection systems so they can effectively manage climate-induced migration.



EARLY CHILDHOOD DEVELOPMENT Developing and implementing climate-resilient early childhood development strategies and programmes that consider the impacts of climate change on young children's mental and physical health, nutrition, education, and overall well-being.

E.g. creating green spaces for children to learn and play, which assists in cognitive development as well as creates improved connections with nature.

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