

2025 GLOBAL OUTLOOK

# Prospects for Children: Building Resilient Systems for Children's Futures

# Contents

**3**

**Executive summary**

**10**

**Foreword**

**12**

**Introduction**

**15**



**Geopolitics**

Violations of norms raise dangers for children in conflicts

**28**



**Economics**

Debt crisis is undermining investment in children's futures

**41**



**Climate change**

Developments in governance may help drive action for children

**53**



**Technology**

Digital public infrastructure can help to scale up digital services

**63**

**Signals of change**

**67**



**Global governance**

How national and global systems need to work to deliver results



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# Executive summary

The world is facing a new and intensifying era of crisis for children. Many of these crises – including climate change, conflict and economic instability – are closely interconnected. They reflect a world of rising geopolitical tensions and competition among nations, which are hindering the implementation of solutions.

To uphold children's rights and well-being, action is needed to rethink and strengthen systems. Systems approaches (i.e., approaches that go beyond mere service delivery) are essential to build resilience into every area of children's lives, whether it is disaster preparedness frameworks that safeguard schools and communities, education systems that can adapt during emergencies, or inclusive health-care systems that respond to immediate needs while planning for future risks.

These systems must not only address current global challenges but also anticipate and prepare for what lies ahead, including in the four thematic areas covered in this report's 'Issues to watch' section.

## Issues to watch

### 1. Geopolitics

**Children's lives, rights and well-being are increasingly under threat in conflict.** Over 473 million children – more than one in six globally – lived in areas affected by conflict in 2023, a number that is likely to have risen in 2024. The percentage of children affected by conflict has almost doubled to almost 19 per cent today from around 10 per cent in the 1990s.

**Challenges to respect for legal norms in armed conflict** reflect a weakening in the ability of multilateral systems to respond. Core mechanisms of the United Nations have faced escalating challenges, with the United Nations Security Council effectively deadlocked. United Nations peacekeeping and special political missions are also in steep decline. These issues reflect seismic power shifts at the global level.

**Some encouraging initiatives have emerged to strengthen compliance with legal norms**, including the rise of ‘minilateralism’ – less formal and more flexible groupings that include a mix of state and other actors. Despite such initiatives, a concerted and sustained effort from the international community is needed to reverse the losses of recent years.

## Understanding systems

**National systems** are government networks of structures, institutions, policies, and processes designed to provide essential and holistic services for children. When grounded in principles like social contracts and rule of law, they ensure governments’ legitimacy and effectiveness. Governments collaborate with various actors, including civil society, communities, the private sector, families, and international organizations, to deliver integrated solutions for children. Globally, the **multilateral system** connects states, organizations, and others to address complex challenges like climate change, pandemics, and security threats, emphasizing coordinated and holistic responses to ensure efficiency and avoid duplication.

**Protracted crises** are not neatly compartmentalized into emergency, recovery or peace phases. As a result, traditional siloed responses often prove insufficient. The United Nations’ Triple Nexus approach – which links humanitarian action, development and peacebuilding – provides an alternative approach. It can support integration of short-term relief with long-term resilience and peace efforts to address the root causes of instability, vulnerability and violence, including child-rights violations.

**The road ahead:** Strong legal frameworks foster an environment where compliance with child-rights law and international humanitarian law is non-negotiable and accountability inevitable. For these to be realized, international standards need to be translated into enforceable national law, policy and security-sector practice.

## 2. Economics

**Economic prospects in emerging markets are discouraging**, with growth well below the 7 per cent target set in the Sustainable Development Goals (SDGs). A mix of pandemic scarring, climate shocks, and resource constraints means emerging markets’ growth prospects have fallen from historical averages of 5.6 per cent to just 4 per cent by 2026–2029.

**Governments’ coffers are being hit** by a mix of weak tax revenues, declining aid and rising debt. Tax revenues of around 11 per cent of gross domestic product (GDP) in many developing economies are lower than the 15 per cent considered necessary to fund basic services.

Although overseas development assistance (ODA) has hit record levels, it increasingly targets humanitarian crises rather than long-term development funding. And rising debt is creating unprecedented budget pressures: developing countries now spend 14 per cent of government revenues on interest payments alone – double what they spent 15 years ago.

**Nearly 400 million children live in countries where debt distress**

hinders vital investments essential for their development and well-being. Among the 34 African Union countries with available data, 15 now allocate more to debt servicing than to education. Over 40 low-income countries globally spend twice as much on debt servicing as on health, including some countries with very large child populations. In social protection, debt service now consumes 11 times as much as social protection spending across developing countries.

**The failure to invest in children** not only harms children's lives today (and their lifetime prospects), but also undermines countries' long-term capacity to repay their debts. Just as responsible lenders ensure clients can generate returns to repay loans, the international financial system must acknowledge that undermining investments in children makes future debt repayment impossible.

**The road ahead:** In 2025, the Fourth Financing for Development Conference in Seville will present an opportunity for crucial reforms to the international financial architecture (IFA) – the “framework of institutions, policies, rules and practices that govern the global financial system” – that could reshape the financial landscape, prioritizing sustainable development, intergenerational equity and investment in children. Key themes could include a ‘Children’s Debt Reset’, automatic triggers for debt service suspension, improved access to concessional finance and increased transparency in ODA.

### **3. Environment and climate change**

**The outlook for children is increasingly worrying** in a world that is now on track to see global temperatures rise by at least 2°C by 2100. Children are disproportionately impacted by climate change due to their

unique physiological and developmental characteristics. Children under 5 years of age bear 88 per cent of the global disease burden associated with climate change.

**Opportunities for progress for children are evident in four areas of governance** – national planning, climate financing, business regulation and climate litigation.

- **Revisions to Nationally Determined Contributions (NDCs)** have potential to take stronger account of children’s critical vulnerabilities and needs. NDCs are expected to evolve to demonstrate how governments will increase both the pace and scale of ambition and advance implementation to achieve it.
- **Financing mechanisms are critical enablers for the NDCs**, but – despite progress at the 2024 Conference of the Parties of the United Nations Framework Convention on Climate Change (COP29) – financing needs are far from being met. Only 2.4 per cent of multilateral climate finance is characterized as being child-responsive, and additional and targeted finance is critical to address loss and damage.
- **Environmental, social and corporate governance (ESG)** regulatory frameworks are receiving increased focus, reflecting regulatory change in the European Union (EU) and market demand for transparency and accountability in sustainable investments. A specific child-rights lens on sustainability is needed if companies are to manage and address risks to children.
- **Climate litigation is becoming a powerful tool** for climate action and justice, with children increasingly recognized as rightful claimants. The year ahead is expected to bring a landmark advisory opinion from the International Court of Justice on the obligations of governments to protect the climate system and the legal consequences of failing to meet those obligations.

**The road ahead:** To address the critical intersection of climate action and child rights, action is needed to ensure national policy frameworks more explicitly incorporate child rights through dedicated commitments, timelines and funding allocations. On funding, climate finance should include earmarked funding for child-centred climate initiatives. On regulation, strengthening legally backed climate reporting and monitoring are key to effective climate action for children.

## 4. Technology

**Amid rapid adoption around the world, digital public infrastructure (DPI)** can fundamentally shift how governments engage with citizens.

DPI is sometimes compared to physical infrastructure: just as roads and railways connect people and allow them to access goods and services, DPI provides the basis for the large-scale delivery of digital public services, including for children and their families.

**DPI can play a crucial role in advancing children's well-being** by ensuring equitable access to essential services such as education, health care and social protection. For example, digital IDs linked to electronic civil registration and vital statistics (CRVS) systems can help people throughout their lives by providing a single source of identification across systems. Digital payment infrastructures can facilitate seamless disbursement of financial support for families and children, and reduce risks associated with theft or loss.

**DPI represents far more than a technological advance.** It is becoming a critical enabler of inclusive digital transformation. It can also be central to providing effective digital governance, promoting rules that drive development, inclusion, trust, innovation, and respect for human rights.

**But DPI is not inherently inclusive.** Persistent inequalities in digital access, particularly in the least developed countries, are a major barrier to ensuring DPI serves every child and community. While most young people are connected to the internet in high-income countries, only 53 per cent of youth (15–24-year-olds) are online in Africa. Adolescent girls are particularly affected, as are children with disabilities, with 9 out of 10 adolescent girls and young women (aged 15–24 years) offline in low-income countries.

**The road ahead:** DPI systems have immense potential to transform public services for children and families. In doing so, they must prioritize children's rights and truly serve the best interests of every child. Key priorities include enabling seamless, safe and secure data exchange between health, education and social services to create a holistic support system for child development; factoring in the needs and sensitivities of vulnerable and marginalized groups; and empowering children, youth and their families through digital financial inclusion and literacy.

## Global governance

**New and ongoing crises will continue to challenge the future of global governance.** In 2025, nations and institutions must address the critical question of whether the global multilateral framework will unify to form a cohesive response to our shared challenges or fragment further, risking a loss of collective action.

**Progress for children requires stronger alignment between global and national priorities.** Strengthening national systems and aligning them with global frameworks is central to achieving shared global goals in areas such as health, education, safety, poverty eradication and climate adaptation. Such alignment creates a foundation of resilience, by harmonizing standards and approaches, pooling resources and integrating responses to crises.

**Robust national systems are key to ensuring that interventions can be brought to scale.** They provide the infrastructure, governance and accountability required to expand successful initiatives nationally or even regionally. Well-functioning systems standardize processes and policies, enabling consistent and equitable implementation across diverse contexts while fostering innovation and adaptability.

**Progress demands action on multiple fronts,** including developing shock-responsive systems, strengthening financing and building public-private collaboration.



- **Shock-responsive systems** contribute to resilient health care, child protection, education, social protection, water and sanitation systems, ensuring these essential services are still provided in emergencies. In addition, enhanced **foresight analysis** capacities and anticipatory governance tools are critical to protecting children's well-being in the face of increasingly frequent shocks.
- **Sustainable financing** is essential for national systems to support children. A comprehensive approach should include child-centred budgeting and targeted allocations. Debt restructuring is also a priority, with the aim of redirecting funds from debt servicing to health, education and social protection.
- **Private sector** expertise in technology and finance can significantly enhance public sector efforts to serve children and families. In addition, environmental, social and governance (ESG) frameworks provide a critical foundation for evaluating corporate practices to ensure that private investment aligns with social equity, environmental sustainability, and the protection of children's rights.

# Foreword

As we look to 2025, this edition of *Global Outlook: Prospects for Children* highlights the vital role that systems can play in the year ahead in achieving the rights of children and meeting their needs. Systems can be a hard concept to grasp but, in basic terms, they represent the ‘big picture’ – the entirety of networks of structures, institutions, policies and processes that enable the delivery of critical services for children.

A system must be ready to deliver at scale and sustainably. This means it should reach children throughout a country or have the potential to do so. It must also be designed to continue working well over the long term, even in the face of humanitarian crises and the ever-increasing toll that climate change is taking on communities around the world.

Encouragingly, there have been great examples in recent years of where support for systems has produced results for children. Unfortunately, there have been even more examples of initiatives that looked great on paper but failed to deliver results at the systems level. For all of us working in the development and humanitarian spaces – especially at a time when, as this report shows, budgets are increasingly stretched – the latter approach can no longer be an option.

All of us, including those of us working for UNICEF, must phase out bespoke initiatives that cannot be taken to scale and instead invest wholeheartedly in initiatives that can. Distinguishing between such initiatives can be challenging. In response, a simple stress test can help guide thinking on whether or not to go ahead with an activity or stop doing it.

- Does this system have the backing of leadership in the country to become part of the ecosystem of systems across sectors?
- Is there a long-term vision for this system being sustained within government structures?
- Is this approach already at scale, or can it be scaled in the future?

If the answer to any of these questions is no, then our plans should go no further. Of course, that does not mean the initiative is not important. But it does mean that it is not our role to implement it.

Just like the challenges they seek to address, systems are never static. They will always face shocks and stresses, which may lead to their destruction. Sometimes this process is slow and almost imperceptible; at other times it can happen almost overnight. But as well as responding to such external forces, systems must also be prepared to adapt and change proactively if they are to respond to children's evolving needs.

Understanding these processes of change and evolution requires a foresight perspective. It is only with such an approach that we can strategize around how to continually strengthen systems to ensure we are constantly improving access to high-quality services for children.

Indeed, at a point of time when we are facing such a congruence of challenges in so many domains – from geopolitics to economics to climate and the environment – foresight must increasingly be present in all our work. In that spirit, I am pleased once again to present *Global Outlook: Prospects for Children*. I hope it will be a guide throughout 2025 to help focus all our efforts to produce scalable solutions for children that have a lasting impact in the years to come.

Bo Viktor Nylund

Director

UNICEF Innocenti – Global Office for Research and Foresight

# Introduction

The world will face a new and intensifying era of crisis for children in the year ahead. Climate change, economic instability, conflict and digital inequality are not only disrupting children's lives but limiting and reshaping their futures. These crises are not isolated: they are part of a broader shifts in the world, including rising geopolitical tensions and competition among nations, which hinder the implementation of cohesive solutions. They also disproportionately impact those already marginalized by existing structures and discriminatory social norms based on age, gender, race, ethnicity, religion and disability status. Yet, amid these uncertainties lies an opportunity to rethink and strengthen the systems that uphold children's rights and well-being. Governments and institutions play a pivotal role in confronting these crises through governance systems that are not only adaptable and resilient but also grounded in norms and principles, including equity, accountability and the rule of law.

As this report shows in its discussion of four key 'Issues to watch', the year ahead offers the prospect of both progress and setbacks in achieving results for children. First, under the **geopolitics** section, we analyse the multifaceted crises children face, particularly in conflict settings where the erosion of international norms is exacerbating vulnerabilities. Sustained action will be needed to reassert legal norms and translate international standards into enforceable action at the national level.

Second, the report addresses **economic pressures**, including rising debt, tighter fiscal policy and constrained public spending, which threaten investments in health, education and social protection for children. Innovative financing strategies are highlighted as essential for bridging these gaps and ensuring that systems remain functional and equitable, in both developed and developing countries.

Third, we examine **climate governance**, emphasizing the urgency of integrating children's needs into national climate plans, securing equitable climate financing, and enforcing regulatory frameworks that promote sustainability and resilience. Climate governance intersects with multiple systems critical for children, including health, education

and social protection. These systems must be strengthened to ensure they are resilient to climate shocks and responsive to long-term environmental challenges.

Finally, in **technology**, we explore the transformative potential of digital public infrastructure to enhance scaled-up service delivery for children. However, realizing this potential requires inclusive, accessible systems designed with robust safeguards to protect children's rights and data.

At the heart of all of these diverse developments lies the importance of adopting **systems approaches** to improve children's lives and prospects. Systems must be more than operational frameworks – they must embody principles of inclusion, equity and accountability, ensuring that the rights and needs of children remain at the forefront. Systems approaches – which go beyond mere service delivery – are essential to build resilience into every area of children's lives, whether it is disaster-preparedness frameworks that safeguard schools and communities, education systems that can adapt during emergencies, or inclusive health-care systems that respond to immediate needs while planning for future risks.

These systems must not only address current global challenges but also anticipate and prepare for what lies ahead. Strong systems that can operate at scale and across borders are essential to navigate this changing global environment and shifting power dynamics. They offer a way to build bridges in an increasingly fragmented world and ensure that the needs of children remain at the forefront of global agendas.

## THINKING ABOUT SYSTEMS

For the purposes of this report, we define national 'systems' as governmental networks of structures, institutions, policies and processes that enable the delivery of critical services for children. A system comprises human resources, finance, laws and policies, administration/ governance, monitoring and data collection. Systems operate on foundational principles – including social contracts and rule-of-law commitments – which anchor their legitimacy and effectiveness. Government systems interact with different actors – civil society, communities, private sector, families and children, those working at subnational or national level and, in some cases, those working internationally.

At the international level, the multilateral system comprises states, international organizations, regional organizations, international non-governmental organizations, the private sector and others that are interconnected and interdependent, forming a network where decisions and actions by one part of the system can impact others. The multilateral system operates in a complex and dynamic environment, where global issues such as climate change, pandemics and security threats require coordinated responses to ensure coherence and avoid duplication of efforts.

## WHAT YOUNG PEOPLE SAY...

This report includes comments and insights from adolescents and young people who joined a workshop to discuss the report's four main thematic areas – geopolitics, economics, environment and climate change, and technology. The 45 participants were divided into four groups. Each group used a foresight

tool called the Super Wheel, an adaptation of the well-known foresight tool the [Futures Wheel](#), to identify a sequence of impacts stemming from a single trend according to the Social, Technological, Economic, Environmental, Political and Values (STEEPV) framework.



## ISSUES TO WATCH: GEOPOLITICS

# Violations of international legal norms are intensifying dangers for children in conflict



Children's lives, rights and well-being are increasingly under threat in conflict, including from the deliberate targeting of civilian infrastructure.



Challenges to the respect of legal norms in armed conflict reflect a weakening in the ability of the multilateral system to respond.



While innovations for compliance and accountability are emerging, sustained action will be needed to restore norms designed to protect civilians.

Recent years have brought a grim increase in both the frequency and intensity of armed conflicts, and there is every reason to fear this will continue into 2025. Amid growing geopolitical rivalries and the paralysis of multilateral institutions, both state and non-state actors appear increasingly willing to flout international norms and laws designed to protect civilian populations. State justice systems have often failed to hold perpetrators to account.

This erosion of efforts to safeguard civilians is taking a heavy toll on children. As well as the risks to their lives, children face displacement and the threat of starvation and disease in conflict. Over the longer term, there are also substantial risks to their mental well-being.

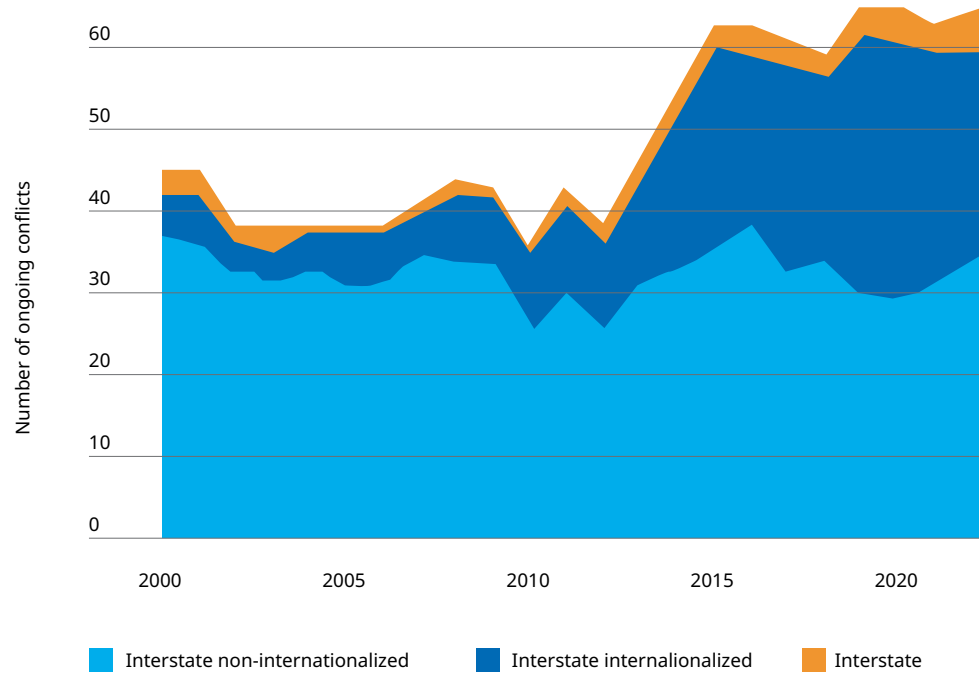
The multilateral system has struggled to respond effectively to child-rights violations in armed conflict. This failure reflects seismic power shifts at the global level and a declining respect for public international law and the rule of law at national levels. While some encouraging initiatives have emerged to strengthen accountability and ensure compliance with international law, concerted and sustained efforts are needed to reverse the losses of recent years and ensure systematic implementation.

## Conflict and children – a growing toll

In 2024, more children than ever were estimated either to be living in conflict zones or to have been forcibly displaced by conflict and violence, and there is every reason to fear these trends will also continue into 2025. The number of armed conflicts globally has been the highest in decades and shows no signs of decline. Conflicts are also increasing in intensity and violence: Compared with the previous year, 2023 saw the number of fatalities increase by 14 per cent and the number of conflict events by 28 per cent.



**Figure 1: Conflicts around the world have increased**



Source: International Peace Institute and Institute for Economics and Peace, [Multilateralism Index 2024](#)

Over 473 million children – more than one in six globally – were estimated to be living in areas affected by conflict in 2023. The percentage of children affected has almost doubled to 19 per cent from around 10 per cent in the 1990s. Conflict takes an enormous toll on children. United Nations-verified data from 2023 indicate that 5,301 children were killed and another 6,348 maimed, representing a 35 per cent rise over previous years. If verified, thousands of other cases would raise the number of casualties into the tens of thousands. By the end of 2023, UNICEF estimated that 47.2 million children had been displaced by conflict and violence. The figure for 2024 was expected to rise even higher amid intensifying conflicts in many parts of the world.

Armed conflicts have exposed the growing disrespect for international humanitarian law and international human rights law among both state and armed non-state actors. Parties to conflict appear to increasingly ignore the principles enshrined in the Geneva Conventions and Additional Protocols, contributing to dangerous levels of 'norm slippage'. If not reversed, this will expose children to even greater risks in 2025.

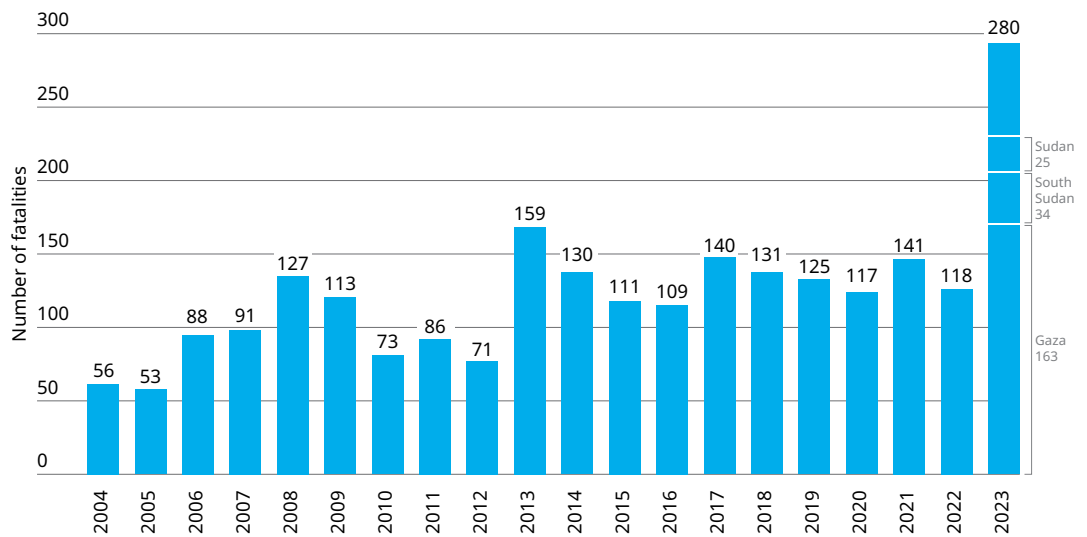
The deliberate targeting of, and indiscriminate damage to, civilian infrastructure on which children depend – schools, hospitals, electricity and water facilities, and residential areas – has become a hallmark of contemporary conflicts. In 2024, [Insecurity Insights](#) recorded 1972 health-care-related incidents in armed conflict, while in 2022 and 2023 the [Global Coalition to Protect Education from Attack](#) counted nearly 6,000 reports of attacks on education and military use of schools, harming at least 10,000 students and education personnel.

Although parties to these conflicts often claim that such sites were legitimate military targets, these sites remain protected, and parties must respect the principles of precaution and proportionality. In addition, the destruction of [agricultural lands](#), markets, and other food production resources creates widespread food shortages that [can push millions towards famine](#). Attacks on ports and merchant vessels – lifelines for importing essential goods – further exacerbate crises and have long-lasting impacts.

Modern siege tactics have compromised protections afforded to children under international humanitarian law and the Convention on the Rights of the Child. [Sieges](#) or encirclement to cut off cities or communities from essential supplies have re-emerged alongside the rise in urban warfare. By denying access to food, water, medicine and other necessities, besieging forces aim to weaken the resolve of both combatants and civilians, often forcing surrender or displacement.

Compounding the humanitarian crisis, parties to conflict increasingly block aid deliveries through methods such as cumbersome bureaucratic procedures or the outright use of force. Humanitarian aid workers now face unprecedented levels of violence, including [killing, kidnapping and wounding](#), which disrupt delivery of life-saving supplies to children (see *Figure 2*).

**Figure 2: Recent conflicts have seen a sharp rise in aid worker fatalities**



Source: Humanitarian Outcomes, [Aid Worker Security Report 2024: Balancing advocacy and security in humanitarian action](#)

Unchecked, this combination of tactics threatens catastrophic consequences for children in the year ahead. It will exacerbate existing vulnerabilities, particularly in regions already facing [food insecurity](#) due to previous conflicts, economic instability or climate change. The creation of famine conditions leads to malnutrition, disease and death, disproportionately affecting children, the elderly and the sick. Pre-existing social and gender inequalities and discriminatory practices often determine who has access to protection and services during conflict, with marginalized groups facing compounded vulnerabilities.

The psychological toll on communities is profound. Starvation erodes [social structures](#), as families are forced to make impossible choices, such as whether to flee, sell off remaining assets or, in extreme cases, choose who will eat. The long-term impact of such tactics can be seen in the erosion of trust between communities and governing authorities, as well as in the long-term destabilization of regions.

## The multilateral system: Seeking ways to respond

The architecture designed to maintain international peace and security and to uphold international law is faltering under the weight of unmet expectations. This failure reflects a significant shift in the global order: economic, military, technological and political power are increasingly distributed across an expanding cast of state and non-state actors. This has been accompanied by a shifting and sharpening of alliances and blocs, often reflecting developments in domestic politics (*see box 'A year of shifting political fortunes'*).

### SPOTLIGHT

## A year of shifting political fortunes

The international system's capacity to promote peace and security is shaped, at least in part, by what happens in domestic politics at the national level. Regional alliances shift as countries realign their foreign policies based on recent election outcomes and other political developments. These domestic political shifts are testing democratic resilience across the world, as citizens demand more equitable political systems.

In 2024, record numbers of people went to the polls. While some countries saw democratic gains, others experienced more authoritarian consolidation, with 'political dynasties' retaining power. In some cases, [voters punished incumbents](#) for the high cost of living, inequality and unemployment. In others, parties used divisive rhetoric and capitalized on issues such as immigration or women's rights. Democracy nevertheless proved resilient, with citizens in many countries voting to hold leaders accountable.

Children and young people have remained actively involved in these transformations, increasingly favouring direct action over traditional political engagement. Through [massive demonstrations](#) and innovative forms of civic participation, they are shaping decision-making on issues affecting their futures, from social justice to climate change. Government stakeholders must protect the right to peaceful assembly and recognize children and young people as legitimate political actors whose voices can help anticipate and address future challenges.

Yet the rise of authoritarianism and backlash against child rights underscore the fragility of democratic progress in a fragmented world. These obstacles highlight the need for innovative approaches, including creating more inclusive spaces for children and young people to shape governance, demand accountability and build public support for change.

As a result, core mechanisms of the United Nations have faced escalating challenges. The United Nations Security Council, once the United Nations' linchpin of conflict resolution, has remained deadlocked, unable to navigate the world's most pressing crises, let alone prevent their emergence or escalation. Across 2023 and 2024, permanent members wielded their [veto power](#) on 12 separate occasions, stymieing efforts for collective action.

Simultaneously, United Nations [peacekeeping and special political missions](#) are in steep decline, as both the establishment and renewal of such operations become increasingly difficult. There are risks that the 'good offices' function of the Secretary-General – actions taken in public or private to limit international disputes – continue to be underutilized, undermining the role of the United Nations in helping to secure peace in some of the world's most serious conflicts.

The United Nations General Assembly has increasingly tried to step into the void left by the Security Council (see [Prospects for Children 2024](#)). It now mandates [formal explanations for the use of the veto](#) in the Security Council and has issued statements and resolutions on these critical issues. However, its scope to enact binding decisions in this domain remains limited.

But while the expanding constellation of actors in the new geopolitical environment presents obstacles to addressing the protection of children, it may also present opportunities.

For example, the rise of 'minilateralism' – less formal and more flexible groupings that include a mix of state and other actors – has become a prominent feature of global governance (see [Prospects for Children 2024](#)). These processes sidestep the more rigid frameworks of traditional institutions. However, questions remain about their ability to scale long-term commitments, the inclusion of civil society inputs, and the consideration, promotion and respect of global norms and law, such as child rights and international humanitarian law.

Non-governmental organizations (NGOs) and private sector actors have emerged as influential forces and are expected to continue to play an increasing prominent role in geopolitics and the multilateral system,

including in addressing violations in armed conflict situations. Today, the United Nations regularly collaborates with private sector entities and NGOs to tackle some of the world's biggest challenges. The [number of NGOs](#) with United Nations Economic and Social Council (ECOSOC) consultative status has more than tripled since 2000 to over 6,000 today, and is expected to continue to rise.

The private sector has also increasingly engaged with the United Nations at different levels and provided considerable funding [towards achieving the Sustainable Development Goals \(SDGs\)](#), support for humanitarian action, and engagement with climate change discussions. Its influence on the peace and security agenda and international justice and accountability, however, remains relatively limited. Many private sector actors do seek to align their operations with international standards, such as through corporate social responsibility. However, they now face challenges in armed conflict situations where their actions may render them [parties to the conflict](#), requiring them to ensure compliance with international law.

## SPOTLIGHT

### Strengthening systems through a nexus approach

The United Nations' Triple Nexus approach – linking humanitarian action, development and peacebuilding – emerges from the recognition that protracted crises are no longer neatly compartmentalized into emergency, recovery or peace phases. In an age of entrenched conflicts, climate shocks and fragile governance, traditional siloed responses have proven insufficient. Too often, huge investments in humanitarian aid lead to the development of parallel processes and structures that cannot be scaled and that displace government systems, leaving national systems ill-prepared to address the next crisis.

The Triple Nexus aims to integrate short-term relief with long-term resilience and peace efforts to address the root causes of instability, vulnerability and violence, including child-rights violations. Yet, the effectiveness of this approach hinges on its alignment with localization: the principle of empowering local actors to lead and shape responses. By placing local organizations and communities at the centre, the Triple Nexus could foster more context-specific and sustainable solutions. This would not only enhance legitimacy and cultural relevance but also build national-system resilience from the ground up, reducing dependency on external actors.

## International justice at an inflection point

Unless accountability mechanisms are strengthened and respected, the erosion of international legal and human rights norms is likely not only to continue but also to worsen. Undermined accountability today tends to drive [further failure to comply](#) with the laws of armed conflict and child rights in the future.

The decline in accountability reflects developments at both international and national levels. With the former, the reluctance of powerful states to support accountability mechanisms has severely undermined the rule of law. This has led to widespread accusations of [double standards](#), further eroding confidence in the multilateral system's ability to enforce international norms.

At the national level, data reveal a negative trend around respect for the rule of law that may translate into unwillingness to pursue it internationally. The World Justice Project in its 2023 [Rule of Law Index](#) found that “for the sixth consecutive year, the rule of law weakened in more countries than those in which it improved”, with “more than six billion people [living] in countries where the rule of law weakened”.

Against this background, investigations and prosecutions of war crimes, whether conducted by national courts or international bodies such as the International Criminal Court, have faced ongoing political and logistical barriers. These challenges have encouraged a range of actors to innovate and explore alternatives to secure compliance with international law and accountability for violations – a trend that could gain momentum in 2025.

For example, the year ahead could see even greater use of the [International Court of Justice \(ICJ\)](#) to address violations in armed conflict situations, including those committed against children, such as genocide. But the scope of the ICJ's mandate, which focuses on state actors only, and the reluctance of accused governments to abide by its rulings, cast doubt on how far it can pursue justice.

Other opportunities would be to create additional independent investigative mechanisms, such as those created for [the Syrian Arab](#)

[Republic](#) and [Myanmar](#). These have effectively worked to gather and preserve evidence of violations of international humanitarian, human-rights and child-rights law committed in those armed conflicts and assist in future prosecutions, efforts that will continue into 2025. Similarly, the Council of Europe has created a [Register of Damage for Ukraine](#) that will catalogue as eligible claims a wide range of cases of violations and damage caused by the Russian Federation that can be used for future compensation.

Member States are seeking agreement on a [new international treaty](#) on preventing and punishing crimes against humanity. The new treaty would address a legal gap by defining violations and requiring states to prevent, punish and nationally criminalize these crimes, and to collaborate on transnational cases. Hundreds of [civil society organizations](#) provided input and advocated for the treaty. Following a consensus resolution, in 2025 Member States will begin to deliberate on the text based on draft [articles of the treaty](#). Negotiation may offer new opportunities to include provisions to address serious child-rights violations in armed conflict and non-conflict settings.

Other initiatives in recent years have included non-binding political processes and declarations designed to reduce harm to civilians and children in conflict, such as from the use of [explosive weapons in populated areas](#).

Some Member States have also ended arms sales to violators.

## The road ahead

Strong legal frameworks foster an environment where compliance with child-rights law and international humanitarian law is non-negotiable and accountability inevitable. If these are to be realized – in 2025 and beyond – it is essential to translate international standards into enforceable national law, policy and security sector practice. Priorities include the following.

**Reinforce systems to monitor and report of violations.** Monitoring and reporting of violations must be integrated with action so that data are collected with the intention of improving the situation of children. [The United Nations Monitoring and Reporting Mechanism](#) on grave violations



committed against children in times of armed conflict should be further resourced and reinforced to face challenging international conditions that will prevail in 2025, including the growing need for reliable documentation of abuses and engagement with parties to conflict to secure compliance with international law.

**Ensure conformity with international law**, including international humanitarian law and international human- and child-rights law, all domestic legal frameworks, as well as rules of engagement and operational procedures for military personnel. Scrupulous efforts are needed to ensure compliance to emphasize the protection of civilians, including children. Thorough dissemination and training should be ensured at all levels.

**Systematically address violations by all armed actors.** State armed forces should explore ways to increase discipline and adherence to military regulations alongside strengthened and well-resourced national military justice systems. Armed non-state actors must also bring their behaviour into compliance with international law. Sustained outreach to such groups offers a pathway to influencing their conduct. Technical assistance to [align their internal policies with international humanitarian law](#) and [child-rights standards](#) is essential to curb harm to civilians and to promote compliance. Likewise, engagement with private sector actors that participate in armed conflict, including private military and security companies, should aim to prevent child-rights violations through training, review of policy and practice, and developing operational standards and other regulations. They too should be held accountable in national or international justice systems when they commit abuses.

**Strengthen multidisciplinary child-protection systems**, including through better resourcing. Child-protection actors across a range of government ministries – social welfare, health, education, digital, justice, security and interior – and other actors provide essential protective services. These include case management for individual children facing violations, psychosocial support, family tracing, and awareness-raising about the dangers of unexploded ordnance.

**Continue to explore innovative avenues to pursue change.** The effectiveness of the multilateral and rules-based system will continue to be challenged as powerful states continue ignoring international norms. These obstacles, however, stress the importance of international actors pursuing a range of alternative approaches to secure compliance and accountability. This may entail the development of additional political agreements among like-minded states to address particular practices in armed conflict, convening Security Council [Arria-formula](#) meetings to engage members on sensitive or emerging issues, and the further application of universal jurisdiction for child-rights violations. Regional organizations can develop or continue to strengthen their own frameworks, such as the revised [European Union \(EU\) guidelines](#) and the [African Union \(AU\) platform](#), to protect children in armed conflict situations.

**Empower children and young people** to shape governance, push for accountability and demand justice.

Ending violations of child rights and breaches of international humanitarian law will require concerted action in multiple areas. These include strengthening legal frameworks, enhancing accountability, promoting diplomatic solutions, ensuring humanitarian access, supporting reconstruction, and raising global awareness. These efforts will only succeed if they are supported by sustained commitment and coordination among states, international organizations and civil society.

## About governance and multilateralism

*"We have been witnessing a lot of breaking of international law and the results that occur because of that ... We are building a generation full of more hatred, where children can [adopt] this value or mindset."* – Aline, workshop participant

**Competition between major powers and political polarization** can easily carry over into social media. With greater uncertainty in international relations and growing antagonism, online platforms could be increasingly used to spread misinformation, breeding further discrimination and hatred. This could erode trust between communities, negatively impacting the social development and psychological well-being of children and young people. However, technological advancements may help identify false information in online platforms to notify users.

**Young people who grow up witnessing or experiencing more frequent breaches of international law** could develop a keen sense of distrust. Youth also find themselves questioning the efficacy of multilateral organizations and international agreements.

**Lack of implementation of international norms that protect children and young people** could result in them either being forced or choosing to become actively involved in conflict. However, peace is still a core value for many youth. As young people witness the far-reaching impacts of conflict and geopolitical rifts, they could be more inclined to mobilize and advocate for inclusive systems built on tolerance and empathy.



## ISSUES TO WATCH: ECONOMICS

# Debt crisis and declining aid are undermining countries' investment in children's futures



Government spending, particularly in lower-income countries, is stretched because of slow growth, rising debt, and inadequate tax revenues and development assistance.



As a result, governments are not investing adequately in areas such as education and health care. Undermining such investments jeopardizes the future of a generation of children and hinders future debt repayment.



The year ahead offers opportunities to reform the international financial architecture to address issues such as debt relief and aid.

Governments across the world are finding it increasingly difficult to fund key investments in children. This pressure reflects several factors, including persistent inflation effects, faltering development assistance and the long-running issue of low revenues from domestic taxation.

Perhaps the most important factor, however, is the growing burden of sovereign debt. Nearly 400 million children live in countries in debt distress. Without major reforms, this figure is only set to rise. The cost of servicing this debt is squeezing out essential investments in areas such as education, health care and social protection.

Paradoxically, this failure to invest is undermining countries' long-term capacity to repay their debts. This is because when governments borrow, they are effectively making decisions on behalf of children, who bear the consequences of those decisions twice: first through reduced social services and later as adults responsible for repayment. Just as responsible lenders ensure their clients can generate returns to repay loans, the international financial system must acknowledge that undermining investments in children makes future debt repayment increasingly difficult.

As we enter 2025, the global financial system faces crucial decisions about reforms to the international financial architecture (IFA) – the “framework of institutions, policies, rules and practices that govern the global financial system.” The Fourth Financing for Development Conference in Seville in June 2025 will be a pivotal moment to address these challenges, coinciding with the implementation review of the Summit of the Future commitments. This conference provides an opportunity to reshape the financial landscape in a way that prioritizes sustainable development, intergenerational equity and investment in children.

## The macroeconomic landscape: Slow growth, stunted revenues

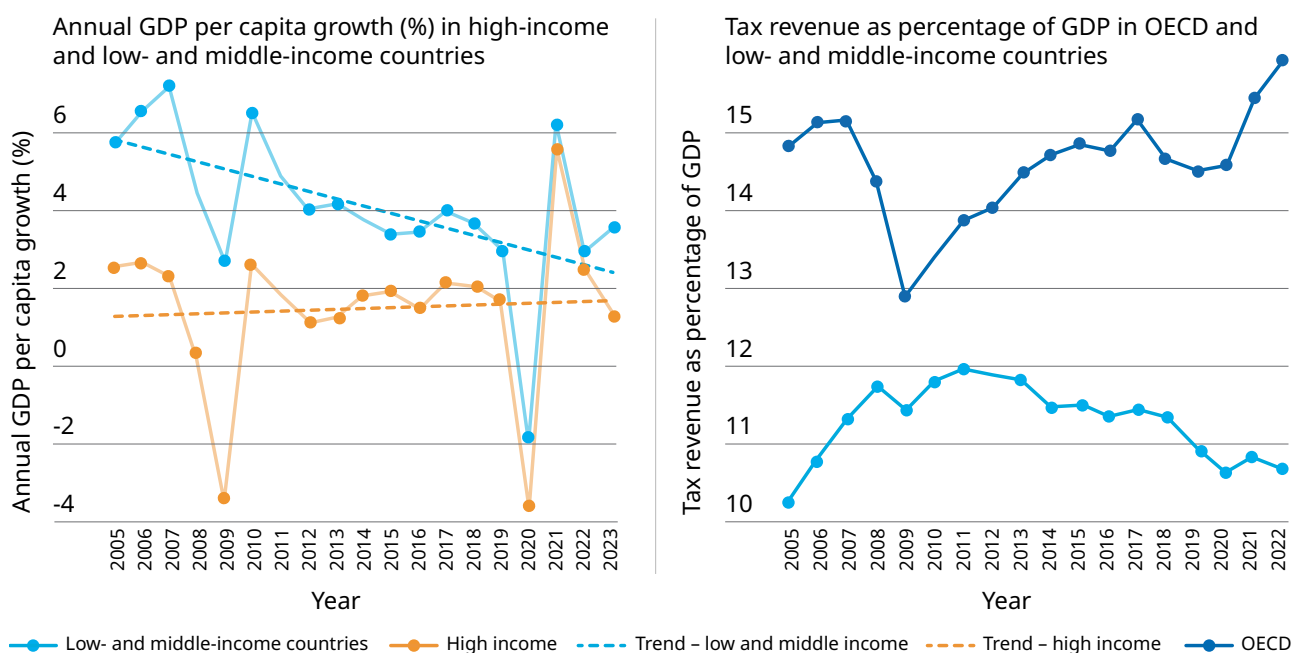
The 2025 decisions regarding financing for development will be taken against the backdrop of a consistently slow-growing and increasingly fragmented global economy. [Global growth](#) is forecast to remain subdued at around 3 per cent in 2025, with much of that driven by China and India, which are growing at rates above 5 per cent.

Worryingly, emerging markets have seen their growth prospects plummet from historical averages of 5.6 per cent to just 4 per cent by 2026–2029. Hampered by pandemic scarring, climate shocks and resource constraints, low-income developing countries remain far below both their pre-pandemic trajectories of 6 per cent and the [7 per cent SDG target](#).

This growth deceleration is compounded by persistent struggles in domestic revenue generation (*Figure 3, right*). Tax revenue remains stubbornly low at around 11 per cent of gross domestic product (GDP) in many developing economies, driven by large informal sectors, limited administrative capacity, and challenges in broadening the tax base. That is well below the 15 per cent [tax-to-GDP threshold](#) considered necessary for providing basic services and investing in critical areas such as poverty reduction and climate action.

These trends create a resource gap in developing countries. Slowing growth reduces potential economic output, while low tax revenues limit governments' abilities to invest in critical areas for child development. To bridge this gap, governments are forced to rely heavily on external financing.

**Figure 3: LMICs are suffering weakening growth and faltering tax revenues**



Source: UNICEF with data from World Bank's World Development Indicators

## Financial flows to developing countries: Shifting aid, stifling debt

As developing countries face slowing growth and persistent domestic revenue challenges, becoming ever more dependent on external resources, the landscape of official development assistance (ODA) is changing. As a result, developing countries are receiving less assistance and – as ODA shifts from grants to loans – are increasingly burdened with debt.

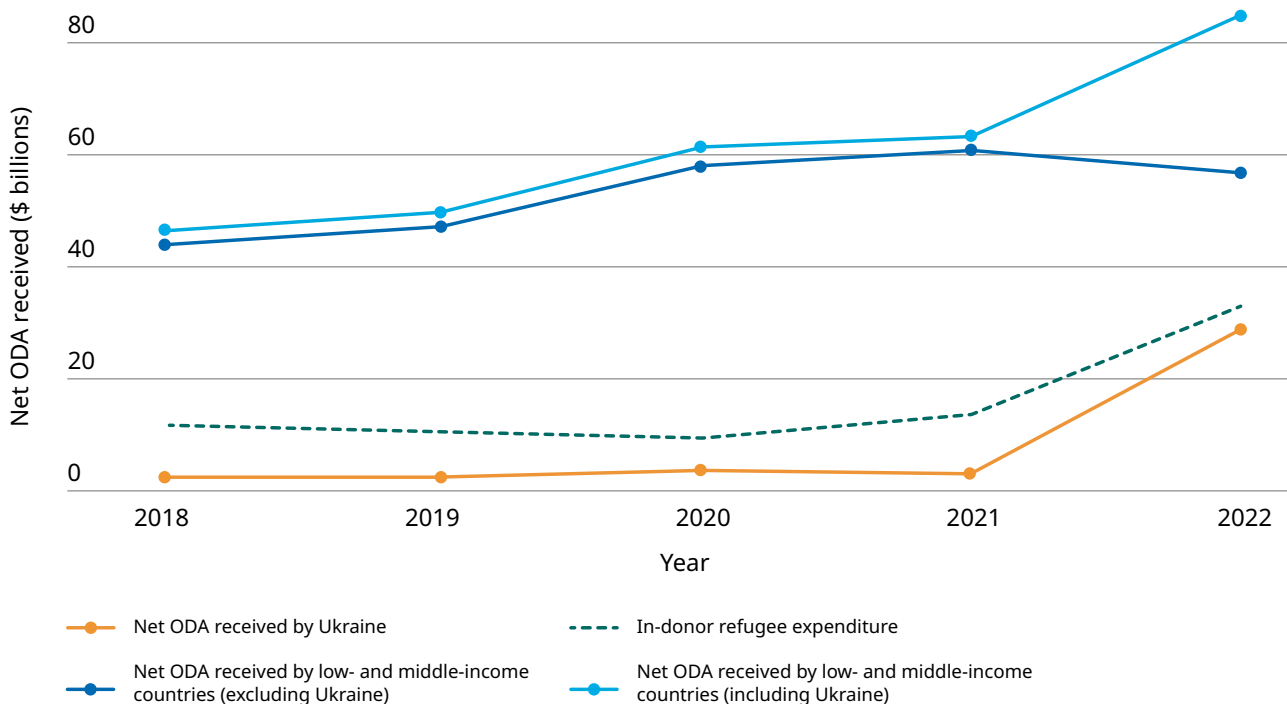
ODA reached an all-time high of \$224 billion in 2023, but this headline figure masks a concerning shift away from long-term development funding. An unprecedented share of ODA is now directed towards humanitarian crises, conflict response, and in-donor refugee costs (i.e., the donor-country costs of hosting refugees) rather than sustainable development programmes. Although these funds are counted as ODA, they are not invested in long-term development and, in the case of in-donor refugee costs, never actually reach developing nations. Furthermore, aid effectiveness is often compromised by political considerations that, in some cases unnecessarily, drive ad hoc approaches to service delivery instead of more sustainable, long-term investments in national systems.

Further, traditional donors are increasingly prioritizing their own security budgets and military spending over development assistance, while facing their own fiscal constraints from record-high debt-to-GDP ratios. Concurrently, developing countries themselves are prioritizing security expenditures – frequently borrowing to fund these needs – which diverts critical resources from child-focused social spending. According to the Stockholm International Peace Research Institute (SIPRI) database, at least 85 countries worldwide increased the share of government expenditure allocated to the military between 2021 and 2023. Of these, 35 countries allocated at least 1 additional percentage point of government expenditure to the military over the period, including 11 countries in sub-Saharan Africa, 10 in Central and Eastern Europe (other than Ukraine and the Russian Federation), 3 in the Middle East and 2 in Western Europe.

The emergence of non-Development Assistance Committee (DAC) donors adds another dimension to the aid landscape, though their true influence remains difficult to measure. While officially contributing just \$5.3 billion of the total \$40 billion humanitarian funding in 2022, countries such as China, India and the Gulf states mobilize a significant amount of resources to other developing countries by combining development assistance with trade and investment, operating outside traditional aid frameworks. As we enter 2025, the proliferation of donors (from 62 in 2002 to 112 in 2021) without a significant increase in aid volumes suggests growing fragmentation – rather than transformation – in development financing.

The quality of available funding has also deteriorated in two important ways. First, there has been a marked shift towards earmarked contributions. Despite higher overall flows through multilateral institutions, core funding is declining – exemplified by the fall in UNICEF’s unrestricted funding from just under 50 per cent to around 18 per cent over two decades.

**Figure 4: Total net ODA received by low- and middle-income countries has declined**



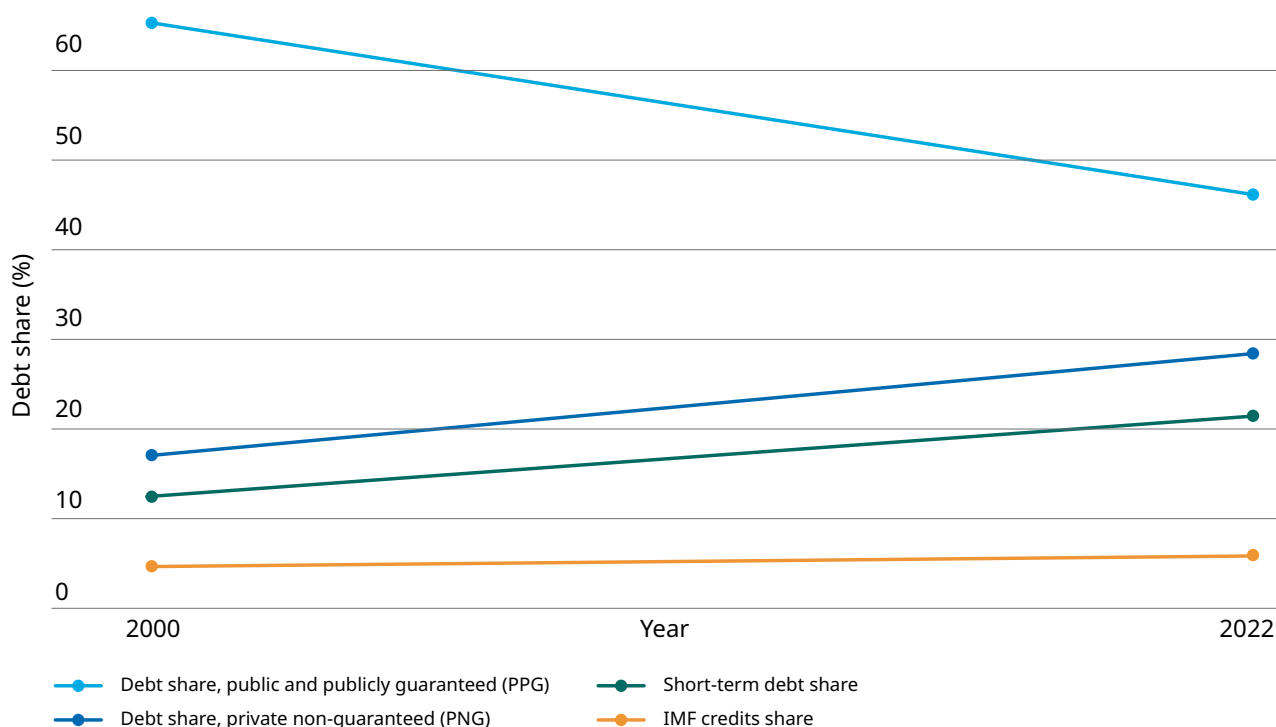
Source: UNICEF with data from World Bank’s World Development Indicators



Second, and more significantly, donors are making increasing use of loans rather than grants, which is leading developing countries to rapidly accumulate debt. By 2022, nearly one third of the staggering \$97 trillion of global public debt was held by developing nations, up sharply from 2000. This was partly due to a growing reliance on private and non-traditional bilateral loans: over the past two decades, the portion of publicly guaranteed debt has dropped by 20 per cent, replaced by less transparent high-interest, short-maturity private financing (see Figure 5).

This rising debt is creating unprecedented budget pressures. In 2024, developing countries spent 14 per cent of government revenues on interest payments alone – double what they spent 15 years ago. The outlook for 2025 is particularly dire, with debt servicing expected to consume 47 per cent of budgets in low-income countries, rising to 55 per cent in sub-Saharan Africa. In the current high-interest-rate environment, refinancing that debt is challenging and extremely costly for most countries.

**Figure 5: Debt burdens are characterized by a growing reliance on private financing**



Source: UNICEF with data from World Bank's World Development Indicators

## Implications for children

These financing pressures are triggering a development crisis as countries sacrifice essential public systems to meet debt obligations while struggling under the weight of aid cuts. Cuts in ODA are straining the systems that provide crucial services for children in low-income countries, especially in least developed countries (LDCs) that depend on grants not just for investment but even for the basic operation of these systems. Since 2019, the United Kingdom of Great Britain and Northern Ireland alone has slashed development assistance for education by 56 per cent, with support for water and sanitation dropping by up to 74 per cent.

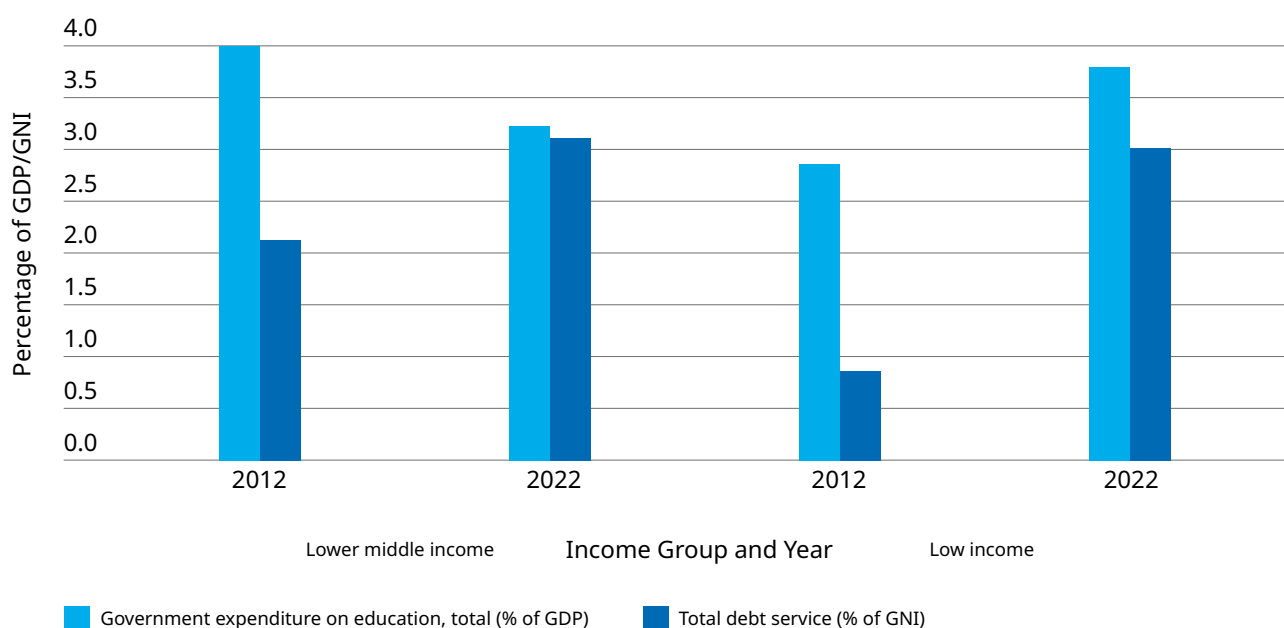
These cuts come just as demographic pressures and climate impacts call for increased, not reduced, support. According to the World Food Programme (WFP), every 1 per cent cut in food assistance risks pushing 400,000 people towards starvation. Aid cuts contribute to the stagnation (and in some areas regression) in poverty reduction globally: over 15 million additional individuals in LDCs have fallen into extreme poverty since the COVID-19 pandemic, as dwindling aid weakens systems meant to protect the most vulnerable.

This crisis now means that spending on debt repayments dwarfs social investments across developing countries. For countries facing default, debt payments absorb 2.5 times what they allocate for all social welfare programmes combined, forcing impossible choices between creditors and citizens. By 2024, close to 400 million children were living in countries in debt distress, according to UNICEF calculations.

There are serious consequences in key areas that matter most for children, including education, health care and social protection.

**Education:** Among the 34 African Union countries with available data, 15 now allocate more to debt servicing than to education. The World Bank estimates that each 5 per cent increase in external debt in low- and middle-income countries could reduce education expenditure by \$12.8 billion. As governments cut back on teacher training, learning resources and infrastructure, they compromise not only current education quality but also the development of a skilled future workforce.

**Figure 6: Debt servicing now almost rivals what governments are spending on education**



Source: UNICEF with data from World Bank's World Development Indicators

**Health care:** The strain of debt payments and reduced ODA is leading to alarming disinvestment in health systems across low-income countries. On average, these countries allocate 1.4 times as much to interest payments as to domestic health expenditures. Over 40 of these countries spend twice as much on debt servicing as on health, including countries with large child populations such as Indonesia (2.4 times as much) and Pakistan (5 times as much). Vulnerable populations suffer most: children with disabilities lose access to essential services, while remote communities are left without mobile clinics and outreach care.

Pregnant women's access to [hospitals and midwives](#) is also hit. This disinvestment not only compromises current health outcomes but also threatens long-term development by eroding the foundation of public health systems.

**Social protection:** Debt service now consumes 11 times as much as [social protection spending](#) across developing countries. Since 2021, over 130 countries have embarked on [fiscal consolidation](#) – a trend expected to continue through 2025 – with social protection and assistance programmes emerging as key targets for cuts, driven either by mounting debt-service burdens or [the International Monetary Fund \(IMF\) bailout conditions](#). Meanwhile, the protection gap widens: 1.8 billion children lack access to cash benefits, leaving them exposed to economic shocks that push families deeper into poverty.

The systematic underfunding of these social sectors has profound and enduring effects on children, especially the poorest and most marginalized, and risks fuelling a cycle of intergenerational poverty. Chronic underinvestment in education and health care erodes human capital, leading to a 'lost generation' that is less skilled, less healthy and ultimately less productive, making it harder for each generation to [escape poverty](#). Beyond violating children's rights, this situation undermines long-term economic prospects by limiting the potential of the future workforce. Over the long term, it will compromise the ability of countries to make debt repayments.

## Geopolitical tensions reshaping trade dynamics

Children are particularly vulnerable to the disruptions caused by escalating geopolitical tensions and the resulting fragmentation of supply chains and global trade. This pivot towards de-globalization is expected to deepen in 2025. It will raise trade costs and disrupt global [energy](#) and [food](#) trade, leading to shortages and a renewed acceleration of inflation that will create immediate and long-term threats to child nutrition and development.

Rising geopolitical tensions are reshaping global supply chains and trade dynamics, with ‘friend-shoring’ – “the act of [manufacturing and sourcing from countries](#) that are geopolitical allies” – becoming more prevalent. Since 2017, trade between rivals has decreased by 4 per cent, while trade among allies has increased by 6 per cent. More countries are implementing industrial policies aimed at national security (e.g., US Inflation Reduction Act, European Chips Act), influencing key sectors such as health care, agriculture, and advanced and green technology sectors. If tensions continue to escalate, as appears likely, the global economy could lose [\\$14.5 trillion](#) over five years from a hypothetical geopolitical conflict disrupting global trade patterns. Derisking supply chains could increase the [cost of doing business](#) (and final prices), with implications for [global growth](#).

The fragmentation observed in agriculture and critical minerals markets is particularly

worrying, as it threatens food security and the green transition, with low-income nations facing potential GDP losses of over 2 per cent. In markets for agriculture and critical minerals, trade fragmentation along two hypothetical geopolitical blocs could lead to [significant price swings and differentials](#), and compromise the availability of life-saving [medical treatments and devices](#). Such disruptions intensify pressures on household incomes, worsening inflation’s immediate impacts on children’s nutrition and access to health and other essential services. Over the medium term, they also threaten the foundations of a healthy environment, compounding risks to children’s [long-term well-being](#).

Despite these challenges, opportunities exist to mitigate the risks and create a more stable future for children. Emerging markets have a chance to reposition themselves as alternative suppliers and key [trade connectors](#), especially as rivalries among major powers intensify. Regional trade agreements such as the African Continental Free Trade Area (AfCFTA) in Africa, the Regional Comprehensive Economic Partnership (RCEP) in the Asia-Pacific and the United States–Mexico–Canada Agreement (USMCA) in North America can foster economic resilience by reducing tariffs and encouraging integration. These frameworks can support nations in navigating the complex trade landscape and provide a pathway to protect vulnerable populations.

## The road ahead

The following proposals outline an ambitious yet necessary transformation of development finance – from immediate debt relief through structural reforms – to ensure the system serves, rather than sacrifices, future generations.

**A ‘Children’s Debt Reset’ is needed to avoid creating a lost generation.** Comprehensive debt forgiveness would create fiscal space for governments to provide essential services to the hundreds of millions of children living in debt-distressed countries. Such a reset would help secure these children’s futures and align with commitments made in the Pact for the Future and the Declaration on Future Generations.

**Debt-relief mechanisms must ensure resources benefit children.** Automatic triggers for debt-service suspension should activate when disasters strike or acute financial shocks hit, immediately freeing resources for areas such as education, health, nutrition, water, sanitation and hygiene (WASH), and social protection.

**Risk-informed financing must be scaled up to protect children in fragile and humanitarian contexts.** Flexible funding approaches should prioritize preparedness, response and recovery to maximize protection before, during and after crises. This requires integrating disaster-risk finance and contingency mechanisms with long-term investments in resilient social sectors that address humanitarian, development and peacebuilding priorities simultaneously.

**Access to concessional finance needs to increase – and innovative financing mechanisms can help.** Despite increases in the lending capacity of multilateral development banks, there is still a \$4 trillion annual SDG financing gap. Further expansion of the banks’ lending capacity is needed – at least \$500 billion as a first step. Innovative financing also holds promise. Building on the examples of green bonds and climate-linked debt instruments, the International Finance Facility for Immunization, as well as the recently established [Child Nutrition Fund](#), a new Child Investment Facility could leverage \$50 billion in donor guarantees to mobilize private investment.

**Development assistance needs to be reformed to improve transparency and long-term solutions.** The current system enables double-counting across development, humanitarian and climate commitments, obscuring how much assistance is actually going to support children. A new framework must ensure commitments are counted only towards their primary designation. Moreover, flexible funding to multilaterals and governments is essential to enable them to balance immediate crisis response with long-term development priorities, rather than having these choices driven by donor preferences and/or political considerations.

**Social investments must be prioritized in budget allocation decisions to safeguard children's well-being.** In some cases, external financing pressures are aggravated by sovereign decisions about budget allocation, particularly rising military expenditure, which directly affect social investments. When governments choose to increase defence spending – often through additional borrowing – this represents a policy choice with direct implications for children's well-being.

**Child impact assessments** should become mandatory for all new borrowing decisions, with standardized methodologies to ensure consistent evaluation across countries. This approach needs to be supported by strengthening public finance management systems, including by building technical capacity in developing countries and by increasing public participation in financial decisions.

The 2025 Financing for Development Conference in Seville provides an important opportunity to implement this vision for how the international community approaches development finance. Success requires not just policy change but a transformed mindset that sees investment in children as the foundation for both economic sustainability and intergenerational justice. The cost of inaction – measured in lost human potential and recurring financial crises – far exceeds the price of reform.

## About debt and development assistance

*"[If we continue this way,] future generations could grow up with less hope and unsure of how they can act to help."* – Anonymous, workshop participant

**Debt could reinforce short-term planning and thinking**, forcing governments to focus on immediate economic obligations and challenges rather than sustainable development. This would lead to them deprioritizing climate policies, to the detriment of child and youth well-being. Debt weighs heavily on the minds of young people as well. Some are frustrated that economic obstacles are limiting the potential for their communities to flourish and contribute to addressing regional and global challenges.

**Short-term planning also increases the likelihood of developing countries becoming reliant** on developed countries. For example, with limited financial capacity to invest in local technology for climate adaptation, developing countries may need to rely on technology transfer from others. This could add to the growing gap between the global North and

global South, resulting in greater dissonance on regional and global matters.

**Increased trade barriers could lead to tension between countries.** This could create environments in which decision makers resort to biased and inflammatory rhetoric, which can put children and young people at risk if they become targets of such narratives. Additionally, the adverse economic implications may further restrict young people's access to education or employment. Trade fragmentation could also pose more obstacles for emerging industries and small businesses. This is especially relevant for young people, who are often at the forefront of pioneering new markets and innovation.

**Faltering ODA could see national and local governments struggling** to access resources, leading to a deterioration of public services, instability and even conflict. Lower-income countries could also experience significant challenges in addressing climate change, preventing them from addressing long-term environmental deterioration.





## ISSUES TO WATCH: CLIMATE CHANGE

# Developments in governance may help drive climate action for children and their communities



As the world continues to break climate records, the implications for children's health, development and security are increasingly stark.



The year ahead offers opportunities for progress for children in four areas of governance: national planning, climate financing, business regulation and climate litigation.



But more needs to be done to reflect children's needs in climate planning and financing, and to incorporate child rights in accountability mechanisms.

The year just ended looks set to be the hottest on record to date. Global average temperatures make it likely [2024 will end up at least 1.55°C](#) hotter than pre-industrial times. This would make it all but impossible to meet the goal of the 2015 [Paris Agreement](#) to limit global warming to no more than 2°C, and preferably 1.5°C. Based on current greenhouse gas emissions, the world is now on track to see [global temperatures](#) rise by at least 2°C by 2100 and, in the worst case scenario, by more than 4°C.

Such increases would be [disastrous for children](#), most notably under-5s, who bear 88 per cent of the global disease burden associated with climate change. Children are disproportionately impacted by climate change due to their unique physiological and developmental characteristics. The effects on their development, health, education and well-being can be lifelong and irreversible. This is particularly true for young children, girls, and children with disabilities or from marginalized communities.

With just five years to go before the 2030 deadline for greenhouse gas emissions to peak, the year ahead presents crucial opportunities to make progress towards global climate goals across [climate governance](#). While this landscape is highly complex – involving coordination among seemingly fragmented multiple structures, institutions and actors across all government levels – at its heart is a fundamental principle: good governance. This means comprehensive and robust policymaking; adequate and equitable financing and investments; inclusive stakeholder engagement; strong regulatory frameworks; and effective monitoring systems.

The year ahead will be marked by four key developments in governance, which create a unique convergence of opportunities to accelerate meaningful climate action:

1. Shaping national policies
2. Setting financing priorities
3. Regulating private sector environmental standards and practices and
4. Ensuring legal accountability.

Effective implementation of all of these can enhance the resilience of health, education, food and social-protection systems, ensuring that children are better equipped to thrive despite the challenges posed by climate change.

## National policies need to place greater emphasis on children

The 2023 [Global Stocktake](#) revealed the shortcomings of the first two rounds of Nationally Determined Contributions (NDCs). As a result, the updated NDCs have the potential to take stronger account of children's critical vulnerabilities and needs. In their third round, which will extend to 2035, NDCs are expected to [evolve](#) to demonstrate how governments will increase both the pace and scale of ambition and advance implementation to achieve it.

Revisions of NDCs and a clear need for an urgent [whole-of-government approach](#) to climate action will allow countries to prioritize building resilience across all systems, strengthen climate governance and place people – especially women, children and youth – at the centre of climate action.

**Implications for children:** The first-ever expert dialogue on [climate change's disproportionate impacts on children](#) mandated by the Global Stocktake emphasized the need to mainstream children's concerns into national plans through NDCs and National Adaptation Plans (NAPs). This includes ensuring child-rights commitments not only for child-critical social service sectors such as health, education and WASH, but also for disaster-risk reduction, energy and social protection in national plans. Such integration would strengthen climate resilience in education systems for continued access in times of severe weather; improve health-system preparedness for climate-induced diseases; and enhance WASH infrastructure and systems.

This could also lead to new economic opportunities and improvement in child-critical social services such as disaster-risk reduction, education, energy, food security and nutrition, health, social protection, and WASH.

## Climate financing faces a key moment

Financing mechanisms are critical enablers for NDCs, serving as the backbone for countries to translate their climate commitments into concrete actions and measurable results. The [New Collective Quantified Goal](#) (NCQG) will determine whether vulnerable nations can build systemic resilience.

Adopted at the 2024 Conference of the Parties of the United Nations Framework Convention on Climate Change (COP29) in Azerbaijan, the NCQG is a key element of the Paris Agreement. It aims to establish a post-2025 financial target for supporting developing countries' climate actions while addressing shortfalls of the previous \$100 billion target set in 2009. While it was agreed that developed countries will pay \$300 billion per year by 2035 to developing countries, this was far less than what was hoped.

The need for climate finance has grown substantially. While developed countries only met their [\\$100 billion commitment in 2022](#), after missing the 2020 and 2021 targets, today's financing needs are estimated to be in the trillions – [up to \\$5.9 trillion](#) cumulatively by 2030.

Debate around the NCQG has been marked by several contentious issues. These include which countries should contribute to the new goal, the appropriate time frame, and the inclusion of costs beyond adaptation and mitigation, such as loss and damage. Despite these disagreements and a lack of sufficient funding, there is a clear need to ensure climate investments are better aligned with broader development goals and poverty eradication efforts to benefit children.

**Implications for children:** With only [2.4 per cent](#) of multilateral climate [finance](#) characterized as being child-responsive and supporting projects targeting children, the climate resilience of child-critical social services is suffering. Additional and targeted finance is critical to address loss and damage. This could help rebuild communities; restore essential services to ensure continuing access to high-quality education during climate disasters; support recovery of health-care systems and continuous nutrition programmes; and provide psychological support to children affected by severe climate events.

## Focus on regulation will continue

The year ahead is likely to see an increased focus on corporate sustainability reporting regulations. These include [environmental, social and corporate governance](#) (ESG) regulatory frameworks, which are designed to improve transparency and accountability and encourage businesses to adopt more sustainable practices.

The regulatory landscape for sustainability reporting is undergoing a significant transformation, with ESG regulations growing [155 per cent over the past decade](#). This momentum is set to intensify in 2025, driven by market demands for transparency and accountability in sustainable investments. With ESG assets projected to exceed [\\$50 trillion by 2025](#) – representing [one third of global assets](#) under management – these regulations are becoming crucial for directing capital towards climate resilience and adaptation efforts.

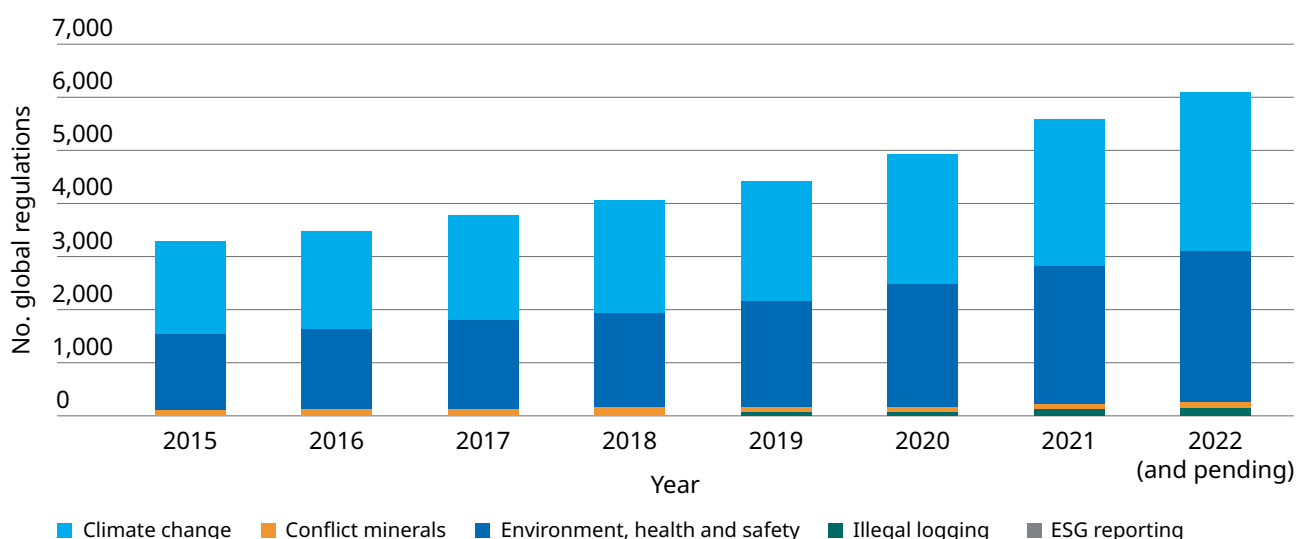
The role of the private sector in addressing the climate crisis has long been recognized as crucial. In 2021, for example, the private sector was responsible for [84 per cent of global emissions](#). The year 2023 marked a turning point, with the implementation of major regulatory frameworks in the European Union, including the [Corporate Sustainability Due Diligence Directive](#) (CSDDD) and the [Corporate Sustainability Reporting Directive](#) (CSRD). Although the future of the [Securities and Exchange Commission](#) (SEC) [climate disclosure](#) requirements in the United States of America is unclear, overall these developments signal a broader trend towards stricter climate reporting and sustainability requirements, which is expected to accelerate in 2025.

Despite their positive intentions, however, ESG regulations can [present significant challenges](#) for developing nations, where businesses may have limited compliance capacities and inadequate policy frameworks. As wealthy corporations in developed nations adapt more readily to new requirements, this divide [risks](#) deepening economic marginalization and is likely to intensify demands for dedicated support to vulnerable nations in meeting climate accountability and reporting standards.

In addition, rising geopolitical tensions globally – which have traditionally been treated as risk factors for emerging market allocations within asset allocation strategies – will also change investors’ outlook and decisions on environmental goals, energy policy, human and child rights, and global governance.

ESG frameworks and analysis can help investors make sense of the world they find themselves in and guide their actions in the year ahead. By using a responsible investment approach, investors can make short-term decisions to navigate any current conflict. ESG frameworks can also help build a wider framework to address the drivers and consequences of conflict and their impact on sustainability, and decide whether to withdraw or withhold investments.

**Figure 7: Environmental, social and governance (ESG) regulation has grown substantially**



Source: Climate & Risks, [Regulatory Trends in ESG: A 12-18 Month Outlook 2024](#)

**Implications for children:** Implementation of climate regulation has various impacts on children, not all of them positive. In regions experiencing economic hardship due to climate regulations – the so-called green squeeze – children’s vulnerability may worsen as communities face increased economic stress. This can reduce access to essential services and exacerbate child labour and malnutrition. These effects can be countered by well-implemented regulations, with adequate support from developed countries, which can lift vulnerable countries out of compounding economic

stress and help them reduce emissions, enhance sustainability, and integrate reforms and innovation in the economic sector.

Climate regulations and accountability mechanisms can also promote sustainable agriculture and green infrastructure, and create educational and employment opportunities in sustainable sectors – all of which benefit children’s well-being and socioeconomic prospects.

Business practices cannot be truly sustainable if they do not account for their impacts on children. A specific child-rights lens on sustainability is needed if companies are to manage and address risks to children. In response, UNICEF has developed [guidance](#) to help investors better understand how companies impact children’s rights and how children’s rights issues relate to common sustainability.

## Climate litigation will continue to shape policy and action

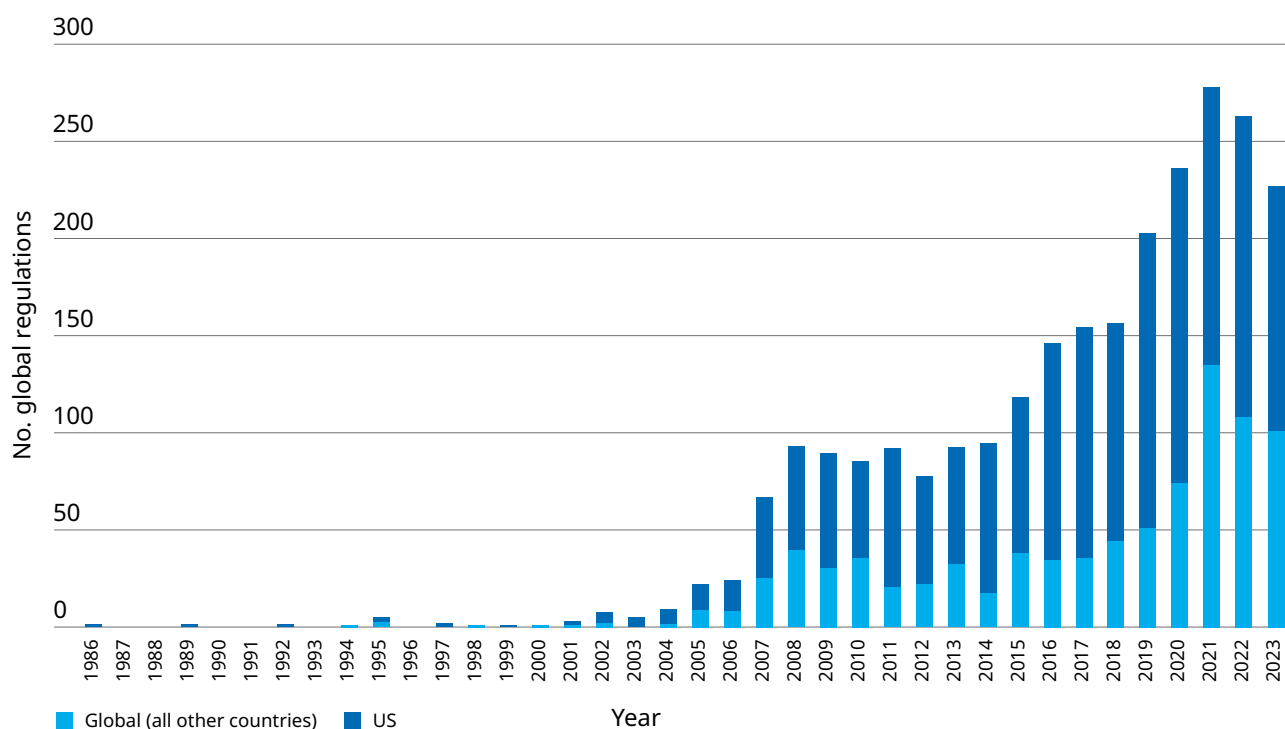
Climate litigation is rapidly evolving as a powerful tool for climate action and justice. Cases have more than doubled since 2017 to [2,180 across 65 jurisdictions](#) by December 2022. These legal actions are significantly [shaping public policy](#), as demonstrated by the landmark [Urgenda case](#) in the Kingdom of the Netherlands, which compelled the Dutch Government to reduce greenhouse gas emissions by at least 25 per cent by the end of 2020 compared to 1990 levels.

A notable trend is the growing intersection between human rights and climate change litigation. The [2024 Swiss ruling](#), which established that inadequate climate action violates human rights, set a crucial precedent. Courts in multiple countries are now considering human-rights-based climate cases, particularly focusing on protecting vulnerable groups including children, indigenous communities, and women.

However, there is a [backlash](#) against environmental regulations and these challenges are expected to increase. Despite this, climate litigation will likely continue against governments and corporations. And cases already decided or too far along will be difficult to reverse or throw out. As cases expand internationally, they can influence both global and domestic climate policies.

Of particular note are [landmark hearings](#) currently taking place before the ICJ, in which the court is being asked to provide opinions on two questions: What obligations do governments have under international law to protect the Earth’s climate system from greenhouse gases? And what are the legal consequences when governments fail to meet these obligations and cause harm? These advisory opinions will help inform subsequent judicial proceedings, influence the diplomatic process and will likely be cited in thousands of climate-driven lawsuits around the world. United Nations Secretary-General [António Guterres](#) has said that they could bolster the United Nations and Member States to “take the bolder and stronger climate action that our world so desperately needs” and “could also guide the actions and conduct of States in their relations with each other, as well as towards their own citizens.”

**Figure 8: The number of climate change cases has increased sharply since the 1980s**



Source: Authors based on Sabin Center databases, [Global trends in climate change litigation: 2023 snapshot](#)

**Implications for children:** Children are increasingly being recognized as rightful claimants in climate litigation, acting as representatives of both their own and future generations. Children and youth have been instrumental in [shaping the climate justice landscape](#), through both



climate litigation and activism (e.g., Fridays For Future and the Global Climate Strike). Their efforts have focused on intergenerational equity arguments, emphasizing the disproportionate burden of climate change on future generations, for whom children serve as representatives.

Globally as of December 2022, a total of 34 climate litigation cases had been brought by or on behalf of children and youth, underscoring their unique vulnerability and intergenerational equity. These cases primarily challenge inadequate emissions reductions, insufficient mitigation and adaptation, and impactful regulatory approvals. Notable actions include young plaintiffs, some as young as 7 and 9 years old, challenging national policies in Pakistan and India. However, many cases face judicial hurdles, with 14 dismissed due to issues of justiciability (ability to bring to trial), standing (or locus standi: “a position from which one may validly make a legal claim or seek to enforce a right or duty”), or deference to other government branches.

Improved accountability through litigation helps prioritize children’s needs in policies. Legal recognition of climate change as a human-rights issue strengthens protection of children’s rights, potentially leading to better environmental standards, improved air quality around schools, and enhanced protection of agricultural lands for future food security for future generations.

## The road ahead

Developments in the four governance areas outlined above offer opportunities to strengthen systems that protect and serve children. However, this potential needs to be seen in a bigger context, namely the global failure to meet collective climate goals. Much stronger action will be needed in the years ahead if we are to equip children and their communities to survive and thrive in a heating world.

**Incorporate child rights in national plans:** To address the critical intersection of climate action and child rights, it is essential that policy frameworks such as the NDCs and NAPs explicitly incorporate child rights through dedicated commitments, timelines and funding allocations. Policy integration provides a strong foundation for effective climate action.

Furthermore, NDCs should include not only ambitious climate goals but also features that [attract public and private investment](#). Private finance is crucial for achieving climate and development goals and supplementing public funds. Upcoming COPs will be crucial in enhancing both the ambition and financing of NDCs.

**Target funding for children's needs:** The NCQG on climate finance should include earmarked funding for child-centred climate initiatives. Dedicated financing mechanisms for loss and damage compensation, particularly addressing children's vulnerabilities, are critical to child-rights protection and intergenerational climate justice. Strategic, time-bound financial targets must be implemented for both the public and private sectors to ensure alignment with national climate goals, help developing nations access climate finance, and strengthen the climate resilience of child-critical social sectors and systems.

**Include impacts on children in business monitoring:** Legally backed climate reporting and monitoring are key to effective climate action for children. Standardizing climate disclosure requirements with specific child-rights indicators as demonstrated in UNICEF's [Investor Guidance on Integrating Children's Rights into Investment Decision Making](#) and the [Tool for Investors on Integrating Children's Rights Into ESG Assessment](#), coupled with robust monitoring mechanisms, will help track the climate impacts of business on children. Legal frameworks should be strengthened to support climate litigation focused on protecting children's rights and ensuring intergenerational justice. Transparency mechanisms, including regular public reporting on child-focused climate commitments, are needed to track progress. International cooperation should be fostered to ensure climate justice for future generations through coordinated monitoring and reporting systems.

## Why clean energy matters for children

Recent events, including the Russian invasion of Ukraine and the COVID-19 pandemic, have complicated the transition of the global energy system away from fossil fuels (see [Global Outlook 2024](#)). Despite this, the shift to sustainable alternatives remains vital, not just to combat climate change but also to reduce poverty.

Globally, nearly [700 million people](#) have no access to electricity, while [3.5 billion more](#) have insufficient access. This [profoundly impacts](#) health, employment and overall well-being. Global electrification could drive [the largest development gains](#) since the 1990s. It would also enhance global security, particularly as high energy prices are [straining livelihoods](#) amid regional instability. Clean energy adoption will also be crucial to meet the needs of countries with the lowest levels of energy access. Without it, those countries could contribute [up to 75 per cent of greenhouse emissions](#) by 2050.

For children, the clean energy transition will be key to providing them with access to essential services such as education, health care and safe water without exposing them to toxic pollutants associated with fossil fuels. With reliable energy, schools and learning centres can extend their hours, enhance learning environments, and enable remote education, ensuring better livelihood outcomes for students. In health care, sustainable energy can power vital services such as vaccine storage and medical equipment, improving children's health, including by reducing indoor air pollution, and well-being. Additionally, access to clean energy creates safer living conditions and new skill-building and job opportunities for youth, helping to lift families out of poverty and promote long-term development.

## About combating climate change

*"We don't need to be experts or scientists – that shouldn't be the standard to be able to give opinions. We are actually the people that are most affected by this."* – Marguerita, workshop participant

**Climate litigation could establish new norms** on the responsibilities of individuals and organizations. Such cases could also encourage others to follow suit and push for stronger environmental policies. With more successful cases that reshape the legal landscape, grass-roots organizations and local initiatives could play an even bigger role in advocacy, and children and young people could firmly establish themselves as key stakeholders.

**Certain industries could experience an increase in operational costs** as they

initially struggle to transition to more sustainable business practices. This could in turn cause a rise in the costs of goods and services, resulting in potential pushback from consumers. The tension between pursuing more robust climate policies and maintaining the status quo could present challenges that must be addressed through intersectoral cooperation.

**Developing countries could struggle to implement effective climate mitigation and adaptation measures.** They could also become increasingly dependent on ad hoc support from the global North to overcome the impacts of climate change. Such a short-term outlook could present significant obstacles for children and young people to engage in relevant education and advocacy programmes.



## ISSUES TO WATCH: TECHNOLOGY

# Growth of digital public infrastructure creates ways to scale up digital services for children



Amid rapid adoption around the world, digital public infrastructure (DPI) can fundamentally shift how governments engage with citizens.



It can advance children's well-being by facilitating equitable access to digital education, health care and other services.



But barriers such as persistent gaps in digital access and the lack of clear legal and regulatory frameworks risk undermining its potential.

Several digital trends are poised to shape our future in 2025 and beyond. Societal needs will continue to drive technological development and implementation, alongside growing demands for technology regulation and governance. Rapid advancements in frontier technology will continue to shape all spheres of children's lives from education to communication to participation in the digital economy.

One notable trend, that stands at the intersection of technology, governance and social development, is digital public infrastructure (DPI). DPI is critical for enabling inclusive digital transformation and the large-scale delivery of public services. The COVID-19 pandemic underscored the importance of robust digital government services, from facilitating social transfers to maintaining education and health care continuity.

Since then, demand for these services has only grown.

DPI is now being rapidly adopted around the world and will be a key growth area in 2025 and beyond. A fairly recent term, DPI is sometimes compared to physical infrastructure: just as roads and railways connect people and allow them to access goods and services, DPI provides the basis for connecting and streamlining public services, including for children and their families (*see box 'Foundational elements of DPI'*).

But DPI represents far more than a technological advance. It has the potential to fundamentally shift how governments serve and engage with their citizens, including children. Meeting this potential, however, requires overcoming some major challenges. DPI is not inherently inclusive. Persistent inequalities in digital access, particularly in the LDCs, are a major barrier to ensuring DPI serves every child and community. There are issues, too, with ensuring data harmonization across systems and with guaranteeing adequate data protection and security.

# What is digital public infrastructure?

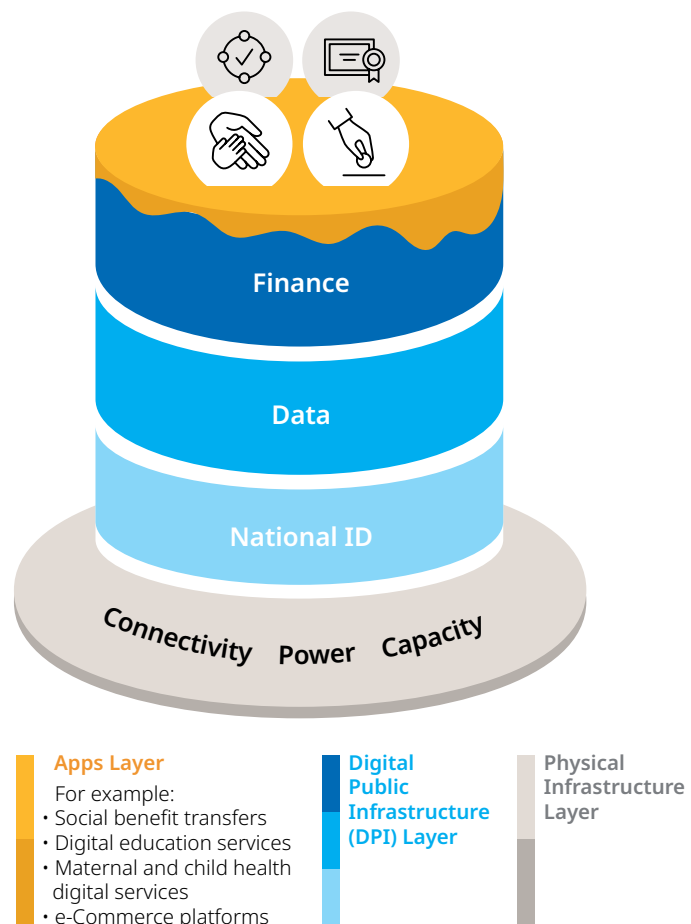
While there is no single definition of DPI, the [G20 countries](#) have described it as “a set of shared digital systems that ... deliver and provide equitable access to public and/or private services at societal scale.” DPI also provides the basic digital systems and capabilities that are “[essential to participation](#) in society and markets as a citizen, entrepreneur and consumer in a digital era”.

## SPOTLIGHT

### Foundational elements of DPI

- 1. Digital IDs:** Digital IDs allow individuals and organizations to establish identity, ownership and access rights – fundamental capabilities in the twenty-first century.
- 2. Digital payment systems:** A common network enabling instant money transfers between private organizations, public agencies and individuals, fostering inclusive and competitive markets, and regulated by financial rules and respective jurisdictions.
- 3. Data-exchange capabilities:** Secure information-sharing mechanisms and data-exchange networks that can be leveraged across multiple sectors and applications and fully optimize the power of data exchange.

Figure 9: Layers of digital public infrastructure



Source: Adapted with permission from Digital Impact Alliance

Current approaches emphasize the public value of DPI, regardless of whether systems are provided by the government or the private sector. Public systems also prioritize universality and openness to all, as well as interoperability.

## Three emerging areas of DPI growth

Digital public infrastructure systems are not static. They evolve according to the needs of different countries, their populations and technology advancement. A number of drivers will shape the DPI landscape in 2025 and beyond.

**Global expansion:** DPI development and implementation is gaining momentum worldwide, particularly in developing countries. The commitment of governments worldwide is reflected in the [United Nations Global Digital Compact](#) and the [DPI Safeguard Initiative](#), which recognize DPI as essential to social and economic development. These global frameworks will help shape national approaches, principles and standards. Brazil's G20 presidency has also emphasized DPI in its discussions on the digital economy, while the ['50 in 5'](#) initiative aims to support 50 countries through advocacy and sharing of information to launch DPI by 2028.

After several years of DPI expansion in Asia and Latin America, including in India and Brazil, Africa has now emerged as a key region of growth. More countries are developing comprehensive digital strategies that prioritize DPI as a crucial enabler of development. At the time of writing (November 2024), [54 such strategies](#) or policies were in place.

Moreover, DPI's significance is growing within the context of a [multipolar world](#) marked by geopolitical tensions that extend into the technological domain. As an alternative model for technology governance, not dominated by major tech companies or global powers (see [Prospects for Children 2022](#)), it allows diverse national voices and approaches to the global technology landscape. By [promoting](#) local market competition, entrepreneurship, home-grown innovative solutions and technological openness, DPI can enable governments to reduce their reliance on tech companies from high-income countries and assert their digital sovereignty.



**Shift from 'digitization' to 'digital transformation':** To support large-scale service delivery and the functioning of modern societies, it is not enough to simply replicate analogue solutions in digital formats or to develop isolated digital initiatives or products. Instead, there needs to be a focus on developing systems-oriented strategies that fully harness the potential of digital technologies. This transformation is gaining momentum across various sectors where we are seeing an emergence of [sector-specific DPI](#) aimed at harnessing this architectural investment to expand service delivery. This shift to comprehensive digital transformation also involves a shift in mindset, culture and skills within governments and communities to fully embrace digital tools and strategies.

**Technological integration:** Despite concerns about the risks involved (see *'Challenges and the road ahead'* below), advances in artificial intelligence (AI) and other frontier technologies are accelerating DPI development and capabilities. AI has a potential to elevate DPI from a static framework to a [dynamic, user-centric ecosystem](#). It optimizes DPI [to process large amounts of data quickly](#), allowing governments to anticipate citizens' needs, detect inefficiencies and continuously learn in order to improve services. When it comes to children, this data analysis can help, for example, with disease and health surveillance, enabling early intervention and personalized care plans. AI can also help overcome language barriers, helping public service delivery to be tailored to the needs of diverse ethnic groups. Through machine learning, AI systems are able to adapt to users' needs, which can enhance citizen satisfaction. AI can also [bolster cybersecurity](#) within DPI by continuously monitoring for threats, security breaches and anomalies.

## Why DPI systems matter for children and families

DPI can play a crucial role in advancing children's well-being by ensuring equitable access to essential services such as education, health care and social protection. When service delivery fails to reach scale, closing the gap requires new approaches, including DPI and multisectoral planning. DPI provides a new opportunity to make more efficient use of resources, directly impacting scalability and sustainability of digital solutions.

For example, **digital IDs** linked to electronic civil registration and vital statistics (CRVS) systems can help people throughout their lives by providing a single source of identification across systems. **Digital payment** infrastructures can facilitate seamless disbursement of financial support for families and children. Offering greater transparency and security than cash transactions, digital payment systems can reduce risks associated with theft or loss. They can also enable children to participate in the digital economy from a young age, fostering financial literacy and inclusion. **Children's data**, when securely managed, enable more effective and targeted delivery of education and health services. DPI allows for better interoperability and harmonization of data, leading to more comprehensive and responsive child-focused interventions.

DPI is crucial for enhancing the efficiency, accessibility and equity of national government systems, ultimately benefiting children across various sectors, as examples from around the world show.

In **education**, India's national digital education platform, [DIKSHA](#), exemplifies how DPIs, through shared infrastructure, can bridge educational gaps by providing access to learning resources for students and teachers across the country.

DPI can strengthen **health-care systems** by facilitating electronic health records, enabling seamless sharing of medical information, supporting immunization tracking and vaccine delivery programmes, and enhancing disease surveillance and response systems. For example, the Electronic Immunization Registry in Jamaica, which is supported by UNICEF, demonstrates the role of DPI in improving childhood vaccination rates through digital record-keeping.<sup>1</sup>

DPI can enhance **social protection systems** by enabling targeted delivery of benefits to vulnerable children and families, streamlining the application and verification process for social assistance programmes, and improving transparency and accountability in the distribution of social welfare funds. For example, [Togo provided](#) emergency relief payments to workers in the informal economy whose jobs were affected by the COVID-19 pandemic, leveraging identification and data-sharing-based DPI systems.

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<sup>1</sup> Based on upcoming paper from UNICEF Programme Group

## Challenges and the road ahead

Despite its potential, DPI is not inherently inclusive. When designed without considering a wide range of stakeholders, it can pose various human rights and security risks. The way countries and governments tackle these challenges will determine whether DPI's potential becomes a reality.

**Poor connectivity and digital inequality** are still major impediments to development and implementation of DPI and digital public services. Far too many children remain offline in the LDCs, reflecting a mix of affordability, the absence of basic infrastructure, including electricity and broadband, and digital skills and literacy. While most young people are connected to the internet in high-income countries, only [53 per cent of youth](#) (15–24 years of age) are online in Africa. This lack of access to digital devices inhibits their access to digital services, such as in health and education, and their ability to participate in the digital economy. Social norms that restrict certain groups' access to technology based on gender, ethnicity or other factors compound technical barriers, undermining DPI's potential for universal access.

**Poor integration of CRVS systems into national ID and other systems** can lead to [problems keeping databases up to date](#) and restrict universal coverage. This is because a continuous flow of data about births and deaths from a well-functioning CRVS system is necessary to keep ID systems up to date. Without this integration, ID systems and social registries may not reflect the reality on the ground. Furthermore, linking ID systems to CRVS systems, particularly birth registration, promotes inclusivity and equity, especially for women and girls. Without this linkage, individuals may face barriers to obtaining a legal identity, limiting their access to essential services and rights.

**Lack of data interoperability and harmonization** across systems is another challenge. The [lack of clear legal, regulatory and policy frameworks](#) for DPI creates barriers to data interoperability between ministries. Systems that serve children – such as CRVS, health, education and social protection – need better integration of data and registries to facilitate easier access to services. Furthermore, even when systems, such as the education system, generate real-time, interoperable data, its

practical use is limited. Governments need to find a way to make these digital solutions and [data gleaned from them](#) feed into decisions about re-prioritization and re-allocation of resources, both human and financial.

**Other data-related concerns are linked to data protection, security and surveillance.** Protecting sensitive information, especially of children, is paramount. Children face exploitation and other risks if there are inadequate safeguards around how their data are handled. For example, the rise in digital payments has [led to an increase in fraud](#) to which children are especially susceptible. In education, unauthorized and unethical handling of children's data by private and public actors can lead to [misuse of children's data](#). Digital health initiatives, in particular, require prioritization of data security and privacy, ensuring informed consent, confidentiality and ethical data handling to build trust and protect children's sensitive data. UNICEF's [Good Governance of Children's Data](#) initiative indicates many ways to safeguard children's data and the importance of collaboration between data protection regulators, governments and the private sector. With the advance of DPI, these requirements will become even more important.

**While AI integration into DPI has significant potential to enhance service delivery**, there are considerable risks that must be addressed to avoid compromising citizens' rights, privacy and equality. Without transparent processes, robust privacy protections and inclusive design, AI-powered DPI may deepen existing inequalities and lead to unintended societal harms. To realize the benefits of AI in DPI, governments must implement rigorous safeguards, accountability mechanisms and inclusive design principles that prioritize the rights and needs of all citizens, particularly the most vulnerable.

Looking towards 2025 and beyond, DPI **has immense potential** to transform public services for children and families. But to ensure they are inclusive and child-centric, DPI systems need to do the following.

**Digitize CRVS systems** to serve as a basis for digital IDs. Issuing universal identification numbers during birth registration will help establish an organic relationship with national population register and ID systems from the start.

**Enable seamless, safe and secure data exchange** between health, education and social services, creating a holistic support system for child development. This requires strengthened governance around children's data, including the development of standards and data-sharing protocols, privacy by design, and monitoring and accountability mechanisms.

**Empower children, youth and their families** through digital financial inclusion and literacy, improving their ability to manage resources effectively and to access economic opportunities.

**Factor in the needs and sensitivities of vulnerable and marginalized groups**, including by better protecting sensitive data in CRVS, health and social-protection systems and designing digital solutions that are applied in inclusive and gender-sensitive ways.

**Governments need to establish platforms for children and youth** to share their perspectives and provide input on the design and implementation of DPI systems that directly affect them.

The growing focus on digital public infrastructure is a welcome step towards digital transformation. But realizing DPI's potential – and minimizing the risks – will require a concerted effort from governments, international organizations and the private sector. It demands a commitment to ethical innovation, inclusive design, and continuous adaptation of emerging technologies to meet societal needs. It also requires a shift in how development interventions are designed and implemented, moving from supporting small-scale initiatives and projects to investing in wholesale transformation and systems-strengthening.

## About digital government transformation

*"We have tools to help us be more creative and efficient, which now opens us up to think about things beyond just our own lives and goals."*

– Nyama, workshop participant

### **Digital transformation can foster economic growth**

and enable citizens to access critical resources more effectively. It also allows for more personalized and targeted support for marginalized and vulnerable populations. However, the growing dependence on digital platforms raises concerns about government power centralization, potentially leading to reduced public participation in decision-making. Reliance on digital connections could also weaken physical and social interactions, with particular risks for children.

### **Artificial intelligence (AI) could make it easier for children and young people to access and understand services provided to them.**

It could also break down traditional barriers to employment by reducing emphasis

on formal certification, years of experience, and even location. Furthermore, the application of AI could allow developers to prioritize diverse user needs, enhancing overall user experience. Digital services may also better support young people's learning and career aspirations, leaving obstacles such as language barriers and location in the past.

### **Digital inequality is a key obstacle to digital transformation.**

When segments of the population lack digital access, it restricts the broad implementation of new technologies, limits economic growth and development, and reinforces socioeconomic divides. Children and young people who remain without access to digital tools are at a great disadvantage, unable to benefit from improved learning and development opportunities. This is especially critical as future disruptions to social services – whether caused by climate change, conflict or a pandemic – become more likely.

# Signals of change

In foresight analysis, 'signals' are observations from the world around us today that offer hints about how things are changing and where our world may be heading. In this section, we look at six recent signals, which indicate, among other issues, worrying developments for children in conflicts and the potential for a rapid escalation in the climate crisis.

## 1. Use of chemical weapons is rising

### SIGNAL

The use of chemical weapons has increased significantly since 2010, a disturbing trend driven by evolving technological developments, eroding norms, and the increasing capability of non-state actors to deploy them. International sanctions regimes do not appear to be preventing bad actors from using chemical weapons. This issue could be compounded by the use of new technology to engineer new types of weaponized chemicals that escape detection.

Casualties from the use of chemical weapons are mostly civilian, and the weaker immune systems and smaller lungs of younger children make them especially vulnerable.

## 2. Carbon sinks losing absorptive capacity

### TIPPING POINT

The planet's natural carbon sinks, including forests and oceans, normally absorb nearly half of human emissions. However, research indicates that this absorption capacity fell to only one fifth of its usual level in 2023. Lower carbon absorption by forests was the main factor, caused by lack of rainfall in the Amazon and South-Eastern Asia and fires in Canada.

Over the past 10 years, the carbon storage capacity of forests has fallen by up to half in some countries and by a fifth across Europe. Such extreme and rapid change means climate models can no longer incorporate this

carbon sink, leading to fears that emissions will be significantly higher than currently modelled. Children are the first to be affected by today's droughts, fires and climate change, and will also be disproportionately affected in the future by this dramatic shift.

### 3. Water cycle is off-balance for the first time

#### NEW EVIDENCE

For the first time in recorded history, human activities may have disrupted the planet's water cycle, threatening widespread water and food shortages, according to a recent report. The water cycle is the system that allows water evaporating from the ground, ocean, plants and soil to fall back to the ground in the form of rain or snow.

The disruption is closely entwined with climate change. Crops are already shrivelling and cities sinking as the groundwater beneath them dries out. The crisis could leave nearly 3 billion people facing water scarcity and threaten more than half of food production, reducing GDP in low-income countries by up to 15 per cent. Children would be affected directly – through the lower availability of clean water and food – and indirectly, through the impact on livelihoods. In response, the report authors recommend fundamental changes in water economics, including better pricing to discourage waste.

### 4. Increasing use of synthetic data for AI training

#### WEAK SIGNAL

The rapid development of AI may be about to hit a brick wall as it runs out of its 'raw material' – human-generated data. AI systems are predicted to run out of high-quality public data as early as 2026, and in the meantime the quality of the output deteriorates every time data are recycled.

Companies have already started using AI-generated or synthetic data to train their models, but there are concerns that this may lead to bias propagation, data pollution and contamination. The more the internet is flooded with 'AI waste', the less useful it will be.



Access to content created by children may run out sooner or be restricted by tighter regulations around processing of children's data. This may push companies to find new ways to collect more data from humans, including children, leading to increased privacy and data protection concerns. Creating global standards around the use of synthetic data, especially with regard to data concerning children, is paramount.

## 5. AI shift is shaking up the job market

### SIGNAL

Shifts in technology development and globalization over the past two decades have polarized the job market into high-income work and low-income work, thinning out the middle. The rise of AI and growing demand for non-cognitive or 'soft' skills may shuffle the deck again.

AI deployment to support human agents increases customer service resolution rates and reduces staff turnover. This benefits less-experienced employees in particular, meaning that lower-skilled service workers may get a boost at the expense of higher-skilled ones. The enhancement of worker productivity by AI would also occur in developing countries and could drive a more rapid rise in skill levels, benefiting the rapidly expanding younger workforce and improving prospects for children.

Meanwhile, 'soft' skills – including qualities such as self-control, conscientiousness and teamwork – are increasingly prized. Non-routine interaction is at the heart of the human advantage over machines.

## 6. (Some) tipping points can be predicted

### EARLY RESEARCH

'Tipping points' are moments of critical transition, in both natural and human-built systems, where slow changes in the environment cause abrupt shifts to a qualitatively distinct state. A new deep learning model can forecast such tipping points even in systems with hundreds of interacting parts – a leap beyond previous approaches. The model accurately predicted sudden shifts in three different complex systems: coordinated rhythmic behaviour, ecosystem resources, and brain activity patterns. This is an important step forward in the ability to prevent catastrophic changes in everything from climate systems to financial markets.

Being able to predict the behaviour of complex systems could help prevent disasters, save lives and reduce damage to both natural and human-made environments. Poor families are more likely to live in regions at risk of such disasters and they would benefit greatly from progress in this area.



## GLOBAL GOVERNANCE

# Fragmentation or cohesion? How national and global systems need to work to deliver results



Progress for children demands stronger alignment between global and national priorities.



Such alignment can promote resilience, which is increasingly important in a world facing multiple crises.



Progress demands action on multiple fronts, including developing shock-responsive systems, strengthening financing, and building public-private collaboration.

As our report points out, new and ongoing crises will continue to challenge the future of global governance. In 2025, nations and institutions must address the critical question of whether the global multilateral framework will unify to form a cohesive response to our shared challenges or fragment further, risking a loss of collective action. The direction we take will deeply impact efforts to protect children's rights and well-being across the world.

The ambitions laid out in the United Nations' Pact for the Future present a vital opportunity to reshape global governance around shared goals. Strengthening national systems and aligning them with global frameworks is central to achieving these objectives. Such alignment creates a foundation of resilience by harmonizing standards and approaches, pooling resources and integrating responses to crises.

Critically, robust national systems are also key to ensuring that interventions can be brought to scale. They provide the infrastructure, governance and accountability required to expand successful initiatives nationally or even regionally.

Realizing this vision hinges on advancing several interdependent themes discussed below. These elements strengthen the ability of nations to build cohesive and resilient societies, address global challenges effectively, and deliver sustainable, equitable outcomes for children and future generations.

## Multilateral and national systems: Aligning global and local priorities for children

The interplay between multilateral and national systems is increasingly critical, particularly in a world where geopolitical fragmentation challenges existing structures. National systems must be agile to implement multilateral goals while addressing specific, localized needs.

The Pact for the Future envisions an inclusive form of multilateralism that aligns international frameworks with domestic policies, empowering nations to meet children's needs across domains of health, education, child protection, social protection and environmental sustainability. Robust governance, with strengthened compliance and accountability at all levels, ensures states can uphold international commitments effectively.

## Shock-responsive systems for resilience and better child outcomes

Frequent and severe crises – from climate disasters to economic shocks – demand adaptable national systems. For instance, flexible social protection frameworks enable rapid deployment of emergency support, while digital education platforms maintain learning during disruptions, and climate-resilient water and sanitation systems can provide life-saving access to safe water and hygiene even in disaster situations.

Additionally, enhanced foresight analysis capacities and anticipatory governance tools (e.g., early warning systems, emergency scenario planning and anticipatory actions) are critical to protecting children's well-being in the face of increasingly frequent shocks. By embedding these adaptive capabilities into core national systems, countries can support the creation of robust essential services that withstand, rapidly adapt and scale up to emergencies and safeguard children's health, education and development, even amid crises.

## Financing national systems for children

For national systems to support children's well-being and development, particularly in lower-income countries, sustainable financing is essential. This is even more pressing as many high-income countries are reducing their ODA. The financial strain of debt servicing in developing countries, compounded by limited access to grants and concessional loans, limits public investment in essential services such as health care, education and social protection, with devastating consequences for children and their development.

Innovative solutions such as debt-for-nature swaps and ESG frameworks can alleviate these constraints. Furthermore, child-centred budgeting, transparent financial practices and debt restructuring that prioritize investments in health, education and social protection, can ensure resources directly benefit children and build resilient systems.

## Public–private collaboration and networked governance for children’s futures

Effective responses to global challenges require a dynamic partnership between the public and private sectors, particularly in child-sensitive areas and climate action. The private sector’s expertise in technology and finance can significantly enhance public sector efforts to serve children and families. In addition, ESG frameworks provide a critical foundation for evaluating corporate practices to ensure that private investment aligns with social equity, environmental sustainability and the protection of children’s rights.

Networked governance – the coordination of both state and non-state actors – can help scale up solutions to protect and empower children. For instance, collaboration between public and private actors involved in the development of DPI is essential for improving access to health care, education continuity and financial inclusion for families in need.

However, public–private partnerships also require strong accountability frameworks to ensure that corporate involvement prioritizes public welfare. ESG-driven partnerships offer valuable metrics for assessing and managing these collaborations, incentivizing the private sector to ensure child rights are included as part of due diligence and increased focus on the social aspects of sustainable business practices.

## Accountability mechanisms for more equitable outcomes

Accountability within national systems is critical to ensuring that policies effectively address the needs of children and vulnerable populations. Transparent governance fosters trust, demonstrating to the public that resources are allocated responsibly and that policies are designed to yield tangible, equitable outcomes. Robust accountability mechanisms, including budget transparency, audits and participation of beneficiaries (including children), are essential for effective implementation of policies. Accountability frameworks should span from local to global levels, ensuring consistent application of standards across the domains examined in this report. Incorporating anticipatory governance into

accountability processes can further enhance resilience by using data analytics and scenario planning to monitor emerging risks to children's welfare and prepare adaptive responses.

## Building cross-sectoral and interconnected systems for children's futures

In an increasingly interconnected world, resilient national systems must function as unified networks that integrate efforts across various sectors and provide comprehensive support for children. Effective coordination and integration across systems – such as health care, education, social protection and environmental governance – enables governments to create a unified approach to complex issues, addressing the multidimensional needs of children in a cohesive manner.

Integrated platforms, such as DPI, streamline service delivery and enable personalized interventions. By leveraging DPI, countries can unify systems to reduce redundancy, maximize public investment impact, and foster adaptive national frameworks that secure children's well-being amid evolving global challenges. Addressing **climate change** requires cross-sectoral collaboration and an integrated approach by governments to support children in adapting to and mitigating the impacts of climate change.

In short, cross-sectoral collaboration strengthens national frameworks, addressing children's multidimensional needs while adapting to evolving challenges. Child-protection systems to address child-rights violations in armed conflict situations must effectively weave together a range of national subsystems for health, justice, security and social welfare services, as well child-rights monitoring.

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The remarkable collaboration and dedication of all contributors have brought this report to fruition. These collective efforts illuminate critical issues affecting children's futures while catalysing meaningful change in young lives across the globe.

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## About the Global Outlook

For the fifth edition of the Global Outlook, UNICEF Innocenti's Foresight & Policy team engaged multiple stakeholders with the aim of assessing the specific effects of emerging trends on children, amplifying the voices of young people on trends that will shape their futures, and ensuring a truly global perspective.

Our key partner in the development of this report was the Atlantic Council. We also sought input from UNICEF colleagues in regional and country offices to gain a deeper understanding of emerging trends and signals in different contexts, with a particular focus on lower-income countries. To further strengthen the analytical depth of the report, we established a reference group comprising subject experts and youth consultants.

We applied foresight methodologies and tools to shape the report, including trend analysis, horizon scanning and signals gathering. The youth foresight workshop, for example, used a foresight tool called the Super Wheel – an adaptation of the Futures Wheel. Through this tool, 45 adolescents and young people from 32 countries shared their perspectives on governance and multilateralism, macroeconomics, climate, and technology.

# About us

**UNICEF** works in the world's toughest places to reach the most disadvantaged children and adolescents and to protect the rights of every child, everywhere. Across 190 countries and territories, we do whatever it takes to help children survive, thrive and fulfil their potential, from early childhood through adolescence.

And we never give up.

**UNICEF Innocenti – Global Office of Research and Foresight** tackles the current and emerging questions of greatest importance for children. It drives change through research and foresight on a wide range of child-rights issues, sparking global discourse and actively engaging young people in its work.

UNICEF Innocenti equips thought leaders and decision makers with the evidence they need to build a better, safer world for children. The office undertakes research on unresolved and emerging issues, using primary and secondary data that represent the voices of children and families themselves. It uses foresight to set the agenda for children, including horizon scanning, trends analysis and scenario development.

The office produces a diverse and dynamic library of high-level reports, analyses and policy papers, and provides a platform for debate and advocacy on a wide range of child-rights issues.

UNICEF Innocenti provides, for every child, answers to their most pressing concerns.

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