

Child- and Family-Smart Climate Finance

*Solutions to Increase Well-Being,
Boost Climate Adaptation, and
Promote Resilience for All*

Healthy, resilient children and families are the foundation of healthy, resilient communities. Ensuring child-centered action on climate change will create cleaner air and water, more green space and shade, healthier buildings, communities better prepared for extreme weather events, and much more: all benefits that ripple out far beyond the individual child and family.

--U.S. Early Years Climate Action Plan

Investing in Young Children: An Essential—But Neglected—Component of Adaptation and Resilience

This paper defines and explains the need for child- and family-smart finance for climate adaptation and resilience. It identifies opportunities to apply this approach and gives examples of it in action.

We envision our main audience as the climate adaptation policy and finance community, including—but not limited to—multilateral institutions, national governments, government institutions, mayors and city officials, funders focused on health and adaptation, and financial institutions involved with climate financing.

Since 2021, [almost \\$US1.3 trillion per year](#) has been directed to addressing climate change. Most of this financing has been channeled towards mitigation, but adaptation and resilience are now receiving greater attention. This growing attention must include a greater focus on the needs of children and families.¹ We argue for a new concept within the adaptation agenda: child- and family-smart climate finance.

[Adaptation and resilience are long-term global responses](#) to climate disruption that seek to protect people, livelihoods, and ecosystems. Increasing the resilience of children and their families and the infrastructure that supports them is a vital part of adaptation.

Parties to the Paris Agreement acknowledge that adaptation action must consider groups that are uniquely exposed to climate-related risks, including pregnant women, young children,² and their families. Yet from 2006 to March 2023, [just 2.4% of climate finance](#) from key multilateral climate funds—a cumulative US\$1.2 billion, or US\$70.6 million annual average (US\$0.03 per capita)—covered child-responsive activities. Only 0.5% of global climate finance is allocated to child- and family-sensitive adaptation, and only 0.01% to child-centered disaster-risk reduction. Moreover, child-centered climate adaptation at the community level is a nascent field of policy and practice that receives meager attention from stakeholders at every level.

Opportunities for Child- and Family-Smart Finance

Investment in adaptation and resilience for children affected by climate change remains alarmingly low. We urge decision-makers to implement a new approach to adaptation and resilience funding: child- and family-smart climate finance. This approach puts the needs of children and families at the forefront.

By directing a significant portion of adaptation and resilience finance towards young children, families, and the systems that serve them, child- and

family-smart finance improves immediate outcomes and builds healthy communities and long-term adaptive capacity.

¹ Children and families in this paper refer particularly to pregnant women, pregnant people, children 0-8 (including the prenatal phase), parents, and caregivers (including older siblings, grandparents, and paid child care workers).

² The climate crisis has a disproportionate impact on children in low- or middle-income countries—75% of all children—due to structural, racial, and gender inequalities. For instance, almost all children are exposed to at least two climate and environmental shocks in Latin America and the Caribbean.

In this section, we outline three immediate opportunities to implement child- and family-smart finance and offer some real-world examples of this approach in practice. The next section provides the background: why it's important to make children and families central to decisions on adaptation financing.

1. Invest in Child- and Family-Sensitive Climate Infrastructure

Existing infrastructure needs significant adaptation and retrofitting to withstand the challenges posed by climate change, which disrupt families' daily lives and livelihoods during disasters. Infrastructure that serves young children and families typically cuts across multiple sectors and includes child care facilities; maternal, pediatric, and family practice facilities; parks and playgrounds; sidewalks and bike lanes; and shade structures.

Investing in climate-resilient infrastructure is essential for the immediate safety and well-being of young children and for ensuring long-term sustainable development and health benefits for them and their families. As multilateral climate finance facilities, development agencies, NGOs, and other international entities support countries' efforts to build climate-resilient infrastructure, they should ensure that planning and execution center on the needs of young children, families, and their communities.

Audits determining infrastructure needs that serve young children and families are essential.

What this looks like in practice

- **Investing in Monitors to Improve Air Quality and Children's Health in Latin America**
Extreme heat exacerbates and traps air pollution, which decreases the quality of air that children breathe and [impacts their health](#). [Aires Nuevos](#), a Latin American network, is reducing children's exposure to air pollution by using air quality sensors. The network comprises 42 local governments and 14 universities from 8 Latin American countries. Its data-driven approach informs such policies as diverting heavy traffic near schools, reducing emissions, and establishing low-emission zones. Early evidence suggests significant success in reducing children's exposure to air pollution.
- **Investing in Natural Play Spaces in Brazil**
Green spaces improve air quality in cities and mitigate the effects of extreme weather conditions by reducing heat and providing shade and moisture. One

example is green and nature-based play spaces, which make local landscapes and vegetation central to their design so that children experience nature as they play.

- The [Alana Institute](#), in partnership with the [Van Leer Foundation](#) through the [Urban95](#) initiative, created natural play spaces in underprivileged neighborhoods in 7 Brazilian municipalities. Since then, some of the municipalities have adopted this approach as public policy and extended its reach to new areas and 6 new municipalities.
 - Brazil's fourth-largest city, Fortaleza, has built two natural parks and is investing US\$2.5 million to expand the initiative under the Fortaleza Mais Verde project.
 - The municipality of Caruaru has built two natural parks near the Municipal Centers for Early Childhood Education, which connect schools to external public spaces and expand children's access to the city. The parks were built through a collaborative and participatory approach informed by children and the local community.
- Adapting Tirana's Urban Landscape into Safe and Adaptive Play Spaces
Previously a car-jammed and polluted city, [Tirana, Albania, is transforming](#). Tirana's mayoral office adopted an "urban acupuncture" approach, which entails implementing interventions like car-free days. This approach to sustainable urban development reflects the city's goal of becoming not only resilient in the face of climate extremes but also a nurturing ground for the next generation of leaders, thinkers, and innovators.
 - The city has dealt with an overwhelming number of illegal parking lots by converting them into child-friendly areas and parks, which act as mini-oases inside neighborhoods. These areas cool streets and reduce air pollution in the places where children play.
 - The city has planted 1 million trees, creating a green belt and natural barriers.
 - In response to extreme weather, Tirana has constructed 40 schools that double as community centers, leveraging cutting-edge technology to monitor environmental health and capitalizing on its roles as European Youth Capital and City of Sports to engage youth in vital discussions on health, climate change, and environmental stewardship.
 - The city is retrofitting and adapting existing spaces. For instance, it made its main plaza, Skanderbeg Square, a car-free, pedestrian-only space with a focus on stormwater management and retention and repurposed an

underused historical landmark into a hub for climate innovation. It is also developing accessible 15-Minute Neighborhoods and revitalizing urban green spaces.

2. Support a Collaborative Research Agenda to Inform Child-Centered Adaptation and Resilience Funding

More research is needed into the threats that climate change poses to young children and their families. The U.S. Environmental Protection Agency has [called for more data](#) to inform better assessments of how climate change affects children. However, the fragmentation of child and family-serving programs and interventions makes it challenging to assess system-level needs for effective adaptation and resilience financing.

Adaptation and resilience funds should be directed towards a research agenda focused on young children and families that generates data segregated by gender and age. That agenda might include support for health studies, community convenings, and participatory climate planning that inform adaptation and resilience financing. These processes need to effectively, and equitably, include young children and their families as stakeholders, considering them as a distinct group.

What this looks like in practice

- **Child-Centered City Climate Policy Convenings**
Capita convenes policymakers, practitioners, and researchers in cities around the globe to center young children and families in their climate adaptation plans. These meetings address local needs and opportunities, help build local networks across cities, and—critically—bring in a range of voices including city planners. To date, Capita has held convenings in Cape Town, South Africa; Monterrey, Mexico; and New Delhi, India. The [South African convening](#) has propelled the development of the South Africa Early Childhood Climate Action Alliance.

- **Microresearch on Children’s Participation in Climate Action in the Asia-Pacific Region**

The Asia-Pacific Regional Network for Early Childhood ([ARNEC](#)) has spearheaded microresearch in four countries (Bhutan, India, Pakistan, and the Philippines) to generate comprehensive empirical evidence that bolsters the active participation of young children in climate and environmental discourse and actions. The studies delved into the perceptions and attitudes of communities and stakeholders, assessing their preparedness to respond to crises induced by climate change. The studies also examined the risks and challenges faced by vulnerable populations, shedding light on young children’s crucial role in shaping sustainable solutions for a resilient future.

3. Integrate Existing Frameworks into High-Level Plans and Investment Decisions on Adaptation and Resilience

Current adaptation and resilience investment in young children’s health, education, and social protection is limited. For instance, Nationally Determined Contributions (NDC) are dominated by agriculture and infrastructure budgets, representing 49% of financing across recorded NDCs. In contrast, health represents just 2%, while education and social protection have no specific budget lines. Just [one-third \(34%\) of NDCs are child-sensitive](#), with minimal reference to children from 0-8 years.

Existing care and children-centered frameworks can guide investment decisions. One example is the [Nurturing Care Framework \(NCF\) for Early Childhood Development](#) published by the World Health Organization, UNICEF, and the World Bank Group in 2018. The NCF outlines the five critical aspects of care that young children need to thrive: good health, adequate nutrition, opportunities for early learning, responsive caregiving, and security and safety. It also suggests strategic actions that governments, civil society, communities, and others can take to ensure that children receive nurturing care. The NCF is helpful as a guide to interrogating the impact of climate change and environmental degradation on children. It can be used to evaluate impact and align early childhood development with policy, programs, services, and funding opportunities.

Other frameworks, like [Proximity of Care Design Guide](#), Cities for Children Framework, [Access for All: Babies, Toddlers and Their Caregivers](#), and [Child-Centered Urban Resilience Framework](#), can also provide deeper insights for investment decisions.

Why Children and Families Must Be at the Center of Adaptation Financing

Why look at adaptation and resilience funding through the lens of children and families? This approach does more than address urgent and immediate needs. It also creates the conditions for children's future resilience and well-being, making them better prepared to withstand future climate threats and to respond with creative and effective solutions. Children in their earliest years of life thrive and build resilience in the context of safe, stable, nurturing relationships with loving adults, beginning with members of their own family and other caregivers. For children to be better prepared for the future, their needs, as well as their families' needs, must be addressed in adaptation and resilience funding.

Climate change threatens the quality and continuity of care that pregnant women, young children, and families require by affecting the physical environment through flooding, high heat, wildfires, and more. Weather disasters also impact children's access to education and activities. As a result, financing is urgently needed for infrastructure and other improvements to protect children and families.

In addition, young children bear a disproportionate burden from climate change because their bodies are still developing and are vulnerable to external stressors. The United States Environmental Protection Agency [reminds](#) us that children are not "little adults." The World Health Organization [estimates](#) that nearly 90% of the disease burden from climate change is borne by children under five. The Intergovernmental Panel on Climate Change [finds](#) that childhood malnutrition is one of the major causes of annual projected premature deaths due to climate change, through declines in crop yields, livestock, or other nutritional sources affected by adverse weather. Reducing the disease burden is thus another critical component for building adaptive capacity and resilience, as agreed to in the Paris Agreement.

Beyond addressing these urgent threats from climate change, investing in young children delivers many additional, long-term benefits. Such investment boosts the capacity of communities and nations to achieve a more just, adaptive, and resilient society. Young children who benefit from good care and a healthy environment enjoy better lifelong health, exhibit greater resilience, and are more likely to contribute positively to their communities. And ultimately, child- and family-centered investments can produce benefits that extend beyond the individual child and family to improve communities and better prepare them for extreme weather events.

This child- and family-smart climate finance delivers many additional benefits. A few:

- It is cost effective: Investments in young children’s health, education, and well-being are among the most cost-effective ways to achieve long-term sustainable development, [delivering a return as high as US\\$13 for every US\\$1 spent by governments](#).
- It promotes economic prosperity: Investment in young children benefits societies as a whole because it enables children to mature in safe and stable communities and clean built and natural environments. They are then better prepared to enter the workforce. The [2030 Agenda for Sustainable Development](#) confirmed that investment in early childhood development is central to ending poverty and inequality and ensuring prosperity and peace.
- It helps children develop resilience by promoting responsive caregiving and healthy early childhood development: Investments in young children support responsive caregiving from parents, caregivers, and communities. Responsive care rests on trust, security, and stability within families and communities. It is the [foundation for children’s resilience and flourishing](#), positioning them to meet the challenges that climate change will pose throughout their lives.

To maximize gains from investments in adaptation and resilience, the needs of young children and families must be a priority. Improving adaptive capacity and strengthening resilience at a societal level, as foreseen in the [Global Goal on Adaptation](#), requires investing in young children’s health, resilience, social-emotional skills, problem-solving ability, critical thinking, and creativity.

In short: investment in young children and families is an investment in a more just, adaptive, and resilient society. Healthy, resilient children and families are the foundation of healthy, resilient communities.

Conclusion: Child- and Family-Smart Finance Can Increase Well-Being, Boost Climate Adaptation, and Promote Resilience for All

While young children have long been noted as a population most impacted by the effects of climate change, they have never been a priority in funding for adaptation and resilience. This omission harms children's health, education, and development and misses a tremendous opportunity to leverage those funds for positive community- and society-wide sustainable development and resilience.

We need urgent action to rapidly scale climate finance that delivers for our young children, especially those most affected across climate-vulnerable regions. Through child- and family-smart finance, we can deliver investments that build the resilience of individual children, households, communities, and nations.

Young children and their families can no longer be an afterthought in adaptation and resilience investment: they must be front and center.

Additional Resources

[Adaptation Gap Report 2023](#), published by the United Nations Environmental Programme in 2023

[The Care Economy](#) Community of Practice Resources, published by GenderSmart and partners

[Child Lens Investing—Intersection With Gender Lens Investing](#), published by the Criterion Institute in 2023

[Children's Health](#), published by the Harvard T.H. Chan School of Public Health

[Climate Crisis: 710 Million Children Live in Countries at High Risk](#), published by Save the Children in 2021

[Falling Short: Addressing the Climate Finance Gap for Children](#), published by UNICEF and partners in 2023

[Flourishing Children, Healthy Communities and a Stronger Nation: The U.S. Early Years Climate Action Plan](#), published by Capita and This is Planet Ed at the Aspen Institute in 2023

[Guide for Adaptation and Resilience Finance](#), published by United Nations Office for Disaster Risk Reduction Standard Chartered Bank KPMG International in 2024

[The Cost of a Polluted Environment: 1.7 Million Child Deaths a Year, Says WHO](#), published by the World Health Organization in 2017

[The Climate Crisis is a Child Rights Crisis](#), published by UNICEF in 2021

[The State of Global Air Quality Funding 2023](#), published by the Clean Air Fund in 2023

[The Urban Disadvantage: State of the World's Mothers](#), published by Save the Children International in 2015

We would like to thank everyone who has contributed to the development of this paper. This includes the participants of our event at COP28 in Dubai, whose insights were instrumental in shaping this work. We also appreciate those who provided valuable feedback and comments during the external review of our draft.

We would also like to thank the contributions of Je'nine May in South Africa, Tec de Monterrey in Mexico, and Socratus in India, who took photos during our Policy to Action Labs.

Published in the USA in 2024 by Capita Social, Inc.

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