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ON EARLY CHILDHOOD
CARE AND DEVELOPMENT

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AN INTERNATIONAL RESOURCE FOR EARLY CHILDHOOD



Funding the Future:
*Strategies for Early Childhood
Investment, Costing and Financing*

Contents Coordinators' Notebook No. 30, 2008

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Increasing investment in ECCD: Financing, costing, and tools

Emily Vargas-Barón and Sian Williams, Guest Editors

The ECCD¹ field has neglected the critically important topic of early childhood investment, finance, and costs. This issue of the *Coordinators' Notebook*, prepared by the Consultative Group's Working Group for Early Childhood Investment, Financing, and Costing, begins to address this gap in ECCD studies. We hope this issue will spark an international dialogue about how to expand investment in early childhood services and improve ECCD costing and financial planning.

Economic benefits from ECCD investments

As Aimee Verdisco notes in "Solving Latin America's Most Urgent Problems: ECD and the Consulta de San José" (in this issue), leading international and national economists and finance ministers now rank early childhood development as the number one national investment in terms of return on investment (ROI).

According to a recent study,² "the fundamental insight of economics when comparing early childhood policies with other social investments is that a growing body of program evaluations shows that early childhood programs have the potential to generate government savings that more than repay their costs and produce returns to society as a whole that outpace most public and private investments" (11). As a result of growing interest in investing in early childhood, ministries

of planning and finance in various countries now play more active roles in formulating public-sector social budgets in order to increase funding for child development services from preconception to early primary school.

Of course, this evolutionary change enormously complicates the challenges inherent in measuring costs and expanding national investment in young children and their parents. Financing children's services is not only sectoral but also, necessarily, intersectoral and increasingly "integrated." To manage this change, intersectoral councils for early childhood have been developed in many countries and, increasingly, new forms of comprehensive early childhood planning are occurring at municipal and provincial levels.

Early childhood budgets have expanded notably in several nations outside of Europe, North America, Australia, and New Zealand. These include Belarus, Brazil, Chile, Colombia, Ghana, Kenya, Mexico, Senegal, South Africa, and Turkey.

However, many policy makers of Majority World countries still underestimate the importance of investing in children. The situation of children in nations that have experienced armed conflict or natural disasters is particularly dire. Unless national budgets and international donor grants for early childhood services are expanded significantly, and soon, children entering

primary school in many countries will continue to have significant development delays and disabilities caused by poverty, malnutrition, chronic illnesses, and socio-emotional issues related to community conflicts, domestic violence, and abusive child labour. Many of these vulnerable and fragile children will repeat grades and drop out, causing high costs to education systems.

Short- and medium-term impacts of ECCD investments

Part of the challenge in convincing decision makers to expand investments in young children and parenting is that some observers continue to assert that the high ROI in early childhood services is only long-term in nature. They often state that national political and policy leaders who want to achieve short- and medium-term results will overlook the ROI of early childhood because they want to make a short-term political impact in their countries.

Although it is true that investments in quality early childhood services yield striking long-term results, especially for a nation's most vulnerable children, it is also the case that many short- and medium-term returns on investment accrue, as demonstrated in several articles in this issue of the *Coordinators' Notebook*.

Short-term results from prenatal and early childhood services can include the following:

1 The authors of the articles in the *Coordinators' Notebook*, including ourselves, use a variety of terms currently employed in our field: early childhood (EC), early childhood care and development (ECCD), early childhood development (ECD), early childhood education (ECE), early childhood care and education (ECCE), and yet other terms. We respect each author's choice of terms. Often an author refers to specific issues regarding child care, early education, health care, or holistic child development; had the term been changed, it would have altered the meaning of their points.

2 Kilburn, M. Rebecca, and Lynn A. Karoly. 2008. *The economics of early childhood policy: What the dismal science has to say about investing in children*. Santa Monica, CA: Rand.

- Preconception and prenatal education and health care yield greatly lowered health care costs in terms of neonatal intensive care, reduced nutritional rehabilitation, and fewer pre-term and low birth weight infants.
- Preconception and prenatal education services reduce the number of high-risk parents who require intensive early childhood intervention services because they improve parenting capacities.
- Early health and nutrition care, breastfeeding support, and parent education for infant and child development result in healthier and safer children who require fewer costly emergency and hospital services.
- Parent education about child nutrition, infant stimulation, and child development lowers costs incurred by nutritional rehabilitation services.
- Early childhood intervention services for children from birth to age 3 with low birth weight or pre-term birth status, incipient developmental delays, or disabilities improve child development significantly and help parents to cope and improve their parenting skills while assisting their children to achieve their potential. When children are identified and served at an older age, the costs of special education and therapeutic services tend to be much higher and they usually continue for many years.

Medium-term results can include the following:

- Early childhood services tend to improve rates of timely enrolment in primary school, and children are better prepared for success in school.
- Once in school, children with early childhood education through pre-primary education tend to have better attendance records, repeat grades less, drop out of school less, and complete their primary education.

Many short- and medium-term benefits accrue from investments in early childhood.

- In the aggregate, these improvements of the internal efficiency of primary education reduce national educational costs. These medium-term savings often more than compensate for expanding investment in early childhood. They also yield longer-term savings related to improved national productivity, increased taxes, better citizenship behaviours, and reduced costs for juvenile delinquency and adult criminality.
- Children with high-risk status, socio-emotional issues, or developmental delays who receive early childhood intervention services incur lower (or no) costs for special education services during primary and secondary school.
- Parent education and child development services combined with good case management and tracking systems improve child rearing, reduce child abuse, and reduce child welfare costs.

During the coming years, the Working Group for Early Childhood Investment, Financing, and Costing hopes to inspire its members to conduct more research projects on the short- and medium-term savings that accrue from investments in ECCD.

In this issue

In addition to our regular sections on CG partner activities and international early childhood resources, this issue of the *Coordinators' Notebook* is structured around three topics: promoting

investment and financing ECCD; costing ECCD; and tools for financial planning.

Section 1: Promoting investment and financing ECCD

Joan Lombardi, co-chair of the CG's advocacy committee, opens section 1 with "Securing the Foundation: Policy and Financing Considerations for Early Childhood Development—Prenatal to Age 3." Lombardi identifies goals for the youngest children, examines what is currently known about financing programmes for this age group, reviews promising initiatives for financing, and concludes with a call to action.

In "Observations on the Financing of Early Childhood Development at the National Level," Emily Vargas-Barón discusses approaches used throughout the world to finance ECCD programmes. She also comments on scale and sustainability from her recent study on these topics. Later in the section, her exploratory article "Toward Establishing National and International Investment Targets to Expand Early Childhood Services" is intended to spark an international dialogue on ECCD targets.

Johannes Meier next examines factors for success in expanding private-sector investment in ECEC by examining the interface between the state and the private sector. Meier argues that promoting for-profit private-sector investment in ECEC only makes sense if modern regulatory structures are in place to ensure quality of service delivery and access for all children. He also identifies a number of potential contributions NGOs can make in expanding investment in ECEC.

Aimee Verdisco describes how the Inter-American Development Bank convened a panel of renowned economists in the Consulta de San José in October 2007 to answer the question: If we had US\$10 billion to solve the most urgent problems of the Latin American and

Caribbean (LAC) region, what intervention would get the biggest bang for the buck? The panel's top-ranked policy solution: early childhood development. As a result of this initiative, Verdisco writes, several governments in the LAC region are exploring options for incorporating ECD components into existing programmes; others are moving toward national policies and standards for ECD.

Applying a model originated by Sally Grantham-McGregor and colleagues³ to empirical data from Eastern and Southern Africa, Sudhanshu Handa and Anand Sharma demonstrate that failure to provide early childhood services results in substantial economic losses.

Jeannette Fournier completes the section with a spirited review of the April 2008 conference "Business Champions for Early Child Development—Building a Healthy and Educational Workforce in Emerging Markets."

Section 2: Costing ECCD

Robert Myers begins section 2 with "A Note on Costs and Costing of Early Childhood Care and Development Programmes." Myers offers his thoughts on what is being done, and what might be done, to estimate the costs of ECCD programmes. He then presents conclusions from his recent review of cost studies.

Next, Alejandro Acosta presents Colombia's experience with ECCD costing, financing, and resource mobilisation. Acosta details how the Colombian Working Group on Economy and Childhood is working to revitalise the early childhood field in the country after serious setbacks during the 1990s.

In "Toward an Adequate ECD Centre Subsidy for Children Under 5 in South Africa: A Costing of Centre Delivery,"

Linda Biersteker, Judith Streak, and Malibongwe Gwele examine the costs of sustaining a centre programme at a minimum level of quality. The authors write that "the need to establish an adequate ECD centre subsidy and to scale up ECD provision for under-5s must be understood in the context of the scale of poverty, and its impact on children, in South Africa, as well as in the tradition of limited funding for ECD programmes."

Next, Shireen Issa and Judith Evans examine "Going to Scale With Effective ECD Interventions: What is Involved? A Costing Model of the Madrasa ECD Programme in East Africa." They write: "When examining cost efficiencies and prospects for replication/expansion of programme models, accurate and comprehensive costing data are critical to inform potential improvements and/or expansion of service delivery." This recognition was the driving force behind their costing study, conducted in 2006, on the Madrasa Early Childhood Development Programme, a community-based initiative of the Aga Khan Foundation.

Section 2 closes with Mehmet Kaytaz's cost-benefit analysis of preschool education in Turkey.

Section 3: New tools for financial planning

Richard Brandon opens section 3 with "Policy and Finance Simulations for Designing Access to High-Quality ECD Experiences: Lessons Learned from Applications in the U.S." Brandon describes a policy simulation approach developed by the University of Washington's Human Services Policy Center (HSPC) to explore policies to promote ECD. He illustrates the simulation components and details key lessons learned during simulations

conducted by HSPC across multiple jurisdictions in the U.S.

In "A Model to Support ECD Decision-Making: Caribbean Regional Experiences with Costs and Simulations," Leon Charles and Sian Williams detail the genesis, development, and next steps of the Caribbean Community (CARICOM) Costing and Financing Research Project. The authors describe the evolution of their model from one focused on costing delivery of ECD services at defined service levels to one aimed at providing financial information to inform policy decision-making by national authorities.

Finally, in "Expanding Early Childhood Care and Education: A Tool to Estimate Costs," Jan van Ravens and Carlos Aggio present an overview of their Working Paper published in March 2008 by the Bernard van Leer Foundation. Their interactive model is contained in a spreadsheet included on a CD in the Working Paper, which is available free of charge from the Bernard van Leer Foundation website. Readers can alter the parameters according to their own opinions, insights, and needs.

We are very grateful to all of our authors, and we hope you will enter into a dialogue with them on points you find to be of interest to your work.

The Working Group for Early Childhood Investment, Financing, and Costing invites CG partners and associates to help develop a tool kit to assist ECCD specialists to study costs at programme, municipal, and national levels as well as to assess the impact of alternative approaches for financing ECCD services. Readers interested in collaborating with this project are encouraged to contact us.

3 Grantham-McGregor, Sally, Yin Bun Cheung, Santiago Cueto, Paul Glewwe, Linda Richter, Barbara Strupp, and the International Child Development Steering Group. 2007. Developmental potential in the first five years for children in developing countries. *The Lancet* 369: 60-70.

Securing the foundation: Policy and financing considerations for early childhood development—Prenatal to age 3

Joan Lombardi

The first three years of life lay the foundation for learning and healthy development. Access to adequate early health and nutrition and positive interactions with caring adults are the building blocks for education, behaviour, and long-term health. Recent research on early brain development, along with growing evidence from early intervention studies, underscores the importance of investments during this critical period.

Yet very young children are falling through the cracks. More than 135 million children are born around the world each year, the vast majority in the developing world (UNICEF 2008). Caught between the continued need to address basic child survival and the growing interest in preschool and primary education, the developmental needs of children in the period from prenatal to age 3 have not received adequate attention or garnered sufficient public resources. While child mortality rates have dropped in some parts of the world, most countries are not taking the necessary policy steps to support families and to provide child health, nutrition, care, and education to children below age 3.

Information on national policies, costs, and financing for this age group is limited and often scattered across sectors. This article frames the policy discussion and outlines financing considerations by addressing three key questions:

- What are the goals for the prenatal to age 3 period?
- What do we know about current financing of services for children 0-3?

- How can funding be structured to include services for children 0-3?

What are the goals for the prenatal to age 3 period?

Early development is marked by rapid growth, with one developmental milestone building on another. We know that while throughout life the various domains of development (physical, social, emotional, cognitive, and language) are intertwined, these interrelationships are most apparent in the earliest years of life. Thus a comprehensive set of goals is called for that includes:

- Good maternal and child health and nutrition
- Strong families
- Positive early learning experiences

A good start in life begins with a healthy mother and a healthy birth. The overall well-being of the mother before, during, and after pregnancy affects child development in ways that include good nutrition, regular prenatal care, and safe birthing conditions. A healthy delivery, a registered birth, breastfeeding, complementary feeding, and adequate nutrition, immunisation, and access to health care in the first three years of life set the foundation for lifelong health.

At the same time we know that very young children thrive through relationships with caring adults, particularly interactions with their parents and other family members. A family thrives when parents or other primary caregivers have the economic and ongoing social supports to adequately meet the needs of their children. Strong families provide

the positive relationships essential to the earliest learning experiences for children. Secure attachments in the first year of life lead to a sense of trust that allows the growing child to explore their environment. It is these early encounters with family (along with a range of stimulating and successful experiences) that help children develop language and a sense of curiosity, persistence, and wonder about the world around them.

Assuring good health, strong families, and positive early learning experiences for very young children requires an integrated approach to policy and financing at the programme, community, and national levels. Programmes and policies are most effective when they combine goals, for example, providing nutrition and early stimulation to children while delivering services to parents. At the same time, national and local structures must be integrated across various sectors, including health, education, and social protection.

International agreements such as the Millennium Development Goals (MDGs) and Education for All (EFA) provide important opportunities to promote the financing of services for children 0-3. EFA reinforces the concept that “learning begins at birth.” Each of the MDGs has a connection to the prenatal to age 3 period, particularly those focused on eradicating extreme poverty and hunger, reducing child mortality, improving maternal health, promoting gender equality and empowering women, and combating HIV/AIDS, malaria, and other diseases. These goals are important; poverty and hunger take their greatest

toll on the youngest children through a lack of early stimulation and through malnutrition that leads to stunting before age 2. Moreover, the conditions of mothers have a profound effect on their very young children who depend on them for care and nurturance.

What do we know about current financing of services for children 0-3?

Investments in services for children 0-3 continue to be limited and uncoordinated across various ministries, making it difficult to assess how much funding is specifically focused on children in this age group. The 2008 Global Monitoring Report notes that fewer services are provided to children under 3 than over 3 and that official early childhood programmes targeting this age group are usually of a custodial nature. Programmes for children under 3 are found in only 53% of the countries in the world, and are located mostly in North America, Western Europe, Central Asia, Latin America, and the Caribbean (UNESCO 2008, 35).

Even when programmes are in place, they rarely serve all eligible children. For example, the Early Head Start Program in the U.S., designed to provide comprehensive health, education, and parent services to pregnant women and children under 3, serves only 3% of the eligible families in poverty. Moreover, the challenges of financing programmes for the very young include a range of issues from higher costs to lack of qualified staff. Costs per child for services to the very young are often higher than those for preschool-age children given the need for more staff per child and for specialised equipment and training. In addition, the very nature of the services to younger children—which may include home visiting and informal family-based services as well as centre-based programming—contributes to the variability of cost estimates.

FIGURE 1

Sector policies affecting early childhood development for children aged 0-3

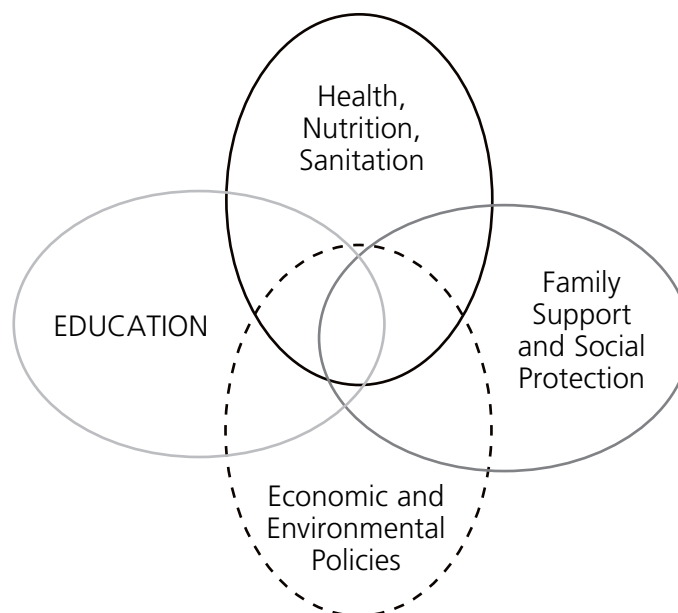
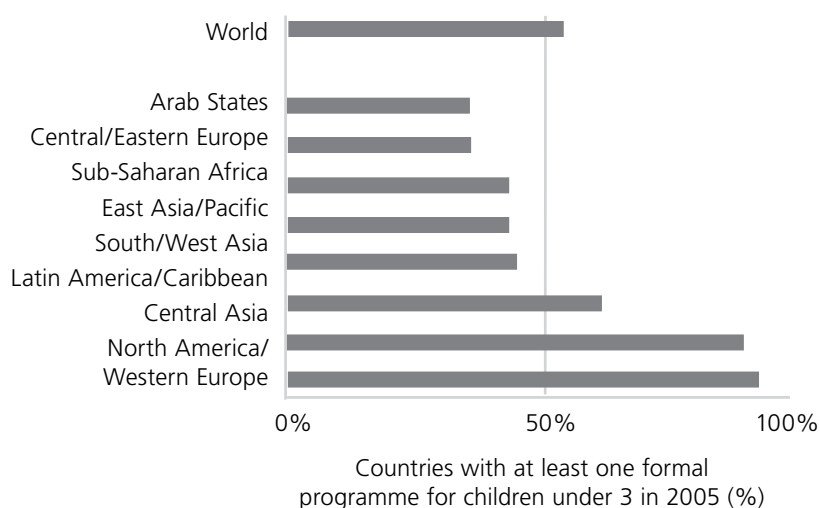


FIGURE 2

Programmes for children under 3

Many countries lack programmes addressing health, nutrition, care and education of the under 3s, a critical period in the child's life.



SOURCE: GMR 2007

At the same time, there continues to be a shortage of quality health and nutrition programmes focused on this age group. Worldwide, around 10 million children below age 5 died in 2005, almost all in developing countries; most of these deaths could have been prevented through improved basic health and child nutrition programmes (UNICEF 2006 as cited in UNESCO 2008). The lack of skilled health care workers remains a serious issue for children of all ages, but has a more serious impact on pregnant women and very young children who need regular and continuous prevention and treatment services. Across all types of services—early care centres, parenting and home visiting programmes, and health and nutrition programmes—there is a lack of training institutions and trainers, particularly those focused on the needs of the youngest children.

The picture is brighter in some areas of the world, for example in the OECD countries, and particularly those in Western Europe where a combination of maternal and child health services, paid leave, income supports, and early childhood services support families and children under 3. Efforts to expand services for this age group continue as more and more women with children under 3 enter the workforce. For example, the European Union Barcelona Summit passed a recommendation that by 2010 member states should provide child care for at least 33% of children under 3 and at least 90% of children between age 3 and school age (Neyer 2003 as cited in Melhuish and Petrogiannis 2006, 170).

How can funding be structured to include younger children?

While funding is limited for this age group, over the years successful projects funded by bilateral and multilateral donors, UN agencies, and national governments have targeted children

under 3. These programmes have grown through various ministries including health, women's affairs, education, social protection, economic and community development, or a combination of these. In the U.S. and in other countries such as Brazil, a number of public-private partnerships have been developed at the state level to fund an array of services for children 0-5 (National Governors Association 2008; Schneider et al. 2007). Along with public-private partnerships, preschool funding or early childhood block grants have emerged that include funds set aside for children under 3.

Few countries have developed national frameworks to finance and coordinate services for this age group, and there is seldom a lead agency. However,

promising national plans have emerged, for example, in Chile, Brazil, and, most recently, South Africa. A review of promising initiatives for very young children and their families suggests that funding is structured in at least four ways (please note, multiple funding mechanisms may be used within a country):

1. Funding to communities for services for children 0-6. A growing number of countries and/or states and provinces are providing resources to communities to fund a range of programmes based on community needs, often across sectors. These may include a match from the community and a centralised system at the national or state level to provide overall technical assistance and support. For example,



Colombia: CINDE

Given what we know about the importance of the earliest years of life, we need to step up efforts to increase investments for children under 3.

the Indonesia Early Childhood Education and Development Project will provide grants to poor communities in villages across fifty targeted districts. Community members will first assess their existing ECD resources and services and then choose from a menu of ECD options for children 0-6 (Naudeau 2006).

2. Funding for specific health, nutrition, parenting, or childcare programmes.

Funding has been provided for a range of specific services, from nutrition programmes in Madagascar and Nicaragua to community-based childcare centres in Malawi, health services in the Philippines, parenting programmes in Jamaica and Columbia, and the Integrated Child Development Programme in India. In some cases the programmes target the under-3s; in others they focus on children 0-5. Funding for early childhood programmes can be provided directly through grants, through subsidies to parents, or through a combination of these. In New Zealand, for example, all licensed ECE services receive government support based on the number of children enrolled and the hours in attendance (up to daily and weekly limits). At the same time, low-income families with children under 5 receive income-tested childcare subsidies (LaRocque and Thorne 2007).

3. A combination of funding for parental leave and early childhood programmes.

As noted, many OECD countries provide a combination of paid leave and early childhood services, some including children under 3 in their definition of preschool. This combination of services varies across OECD countries. The report *Starting Strong II, Early Childhood Education and Care* (OECD 2006, 93) noted four approaches to the provision of services for children under 3:

Approach A Strong state support for parental leave but weak support for services for children under 3.

Approach B Weak support for parental leave with modest to moderate state support for services for children under 3.

Approach C Moderate state support for both parental leave and services for children under 3.

Approach D Strong state support for parents with well-developed services for children under 3.

Denmark and Sweden are examples of countries with strong support for paid leave (eleven and eighteen months respectively) and where a guaranteed place in a quality publicly subsidised ECEC service is available from the end of parental leave on a sliding-scale fee-paying basis (Bennett 2002 as cited in OECD 2006, 93).

4. Income supports for parents.

Research continues to document the ways that family income affects child development. Several countries are addressing this issue through the establishment of conditional cash transfer programmes that provide additional resources to families and, at the same time, are designed to positively affect parenting and child development. For example, positive outcomes were found in the areas of nutrition, health, education, and poverty from programmes such as PROGRESA/Oportunidades in Mexico and Familias en Accion in Colombia (Lagarde et al. 2007). This approach holds promise, particularly if the cash transfer conditions focus on improvement in all areas of child development, including early nutrition and stimulation.

Conclusion and call to action

Given what we know about the importance of the earliest years of life—and the limited funding available for early childhood—we need to step up efforts to increase investments in children under 3. The Consultative Group on Early Childhood Care and

BOX 1

Prenatal to age 3—Country data at a glance

To build the case for investments in the prenatal to age 3 period, we need country profiles that provide a wide range of data on the conditions of children and families. The Global Monitoring Report (UNESCO 2008) includes a useful table that brings together key indicators for children under 3, including:

Child survival

- Infant mortality rate
- Under-5 mortality rate

Child well-being

- Infants with low birth weight
- % of children who are underweight, suffering from wasting, stunting
- % of children exclusively breastfed, breastfed with complementary food, and still breastfeeding at 20-23 months
- Immunisations for one-year-olds

Provision for under-3s

- Official programme targeting children under 3
- Youngest age group targeted in programmes

Female employment and maternity leave

- Female labour force participation rate
- Duration of paid maternity leave

SOURCE: Table 3A, Early Childhood Care and Education (UNESCO 2008, 260-7)

Development has made the expansion of services for this age group a priority by establishing it as the first of its 4 Cornerstones to Secure a Strong Foundation for Young Children:

Cornerstone 1: Start at the beginning. *Integrate early stimulation, child development, and parenting information into prenatal, early health, nutrition, and education services by providing access to parenting programmes that address holistic child development, particularly for the most vulnerable families; and improving services for young children and families, including early stimulation, health, nutrition, and child care.*

To start, we need to assess programmes and policies at the community, state, and national levels across the health, nutrition, social protection, and education sectors. Based on promising local initiatives and what we know about best practice, we need to move aggressively toward taking programmes to scale and assuring that infants, toddlers, and their families are not left out of early childhood development services. There is no time to wait.

Joan Lombardi, PhD, is a Child and Family Policy Advisor working with foundations and international organisations in the U.S. and around the world. She serves as co-chair of the Advocacy Committee for the Consultative Group on Early Childhood Care and Development.

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BOX 2

Prenatal to age 3 policy menu

Maternal and child health

- Prenatal care
- Qualified birth attendant and access to emergency services
- Prevention of mother-to-child transmission (PMCT) of HIV/AIDS
- Community health services/medical home
- Immunisations
- Breastfeeding and complementary feeding support
- Child and adult food programmes

Family supports

- Income supports
- Adult literacy services
- Job training
- Referral to community services

Early learning

- Developmental screening and follow-up
- Parenting education and support
- Quality child care
- Comprehensive early childhood programmes which incorporate early learning, health, and family support
- Early identification and intervention for special needs

Infrastructure support

- Birth registration
- National Plan for ECD includes the prenatal to age 3 period
- Coordinated governance across ministries
- Professional development opportunities for people working with children under 3 and their families
- Special planning for orphans and vulnerable children under 3 affected by HIV/AIDS

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Observations on the financing of early childhood development at the national level

Emily Vargas-Barón

This article presents a brief overview of parts of a paper on financing ECD that was prepared for the Consultative Group on Early Childhood Care and Development and the Bernard van Leer Foundation (Vargas-Barón 2007). The paper covered trade-offs in funding ECD services and introduced approaches used to finance ECD programmes in countries throughout the world. In addition to summarising that discussion of the financing of ECD programmes, this note presents a few comments regarding scale and sustainability from a recent exploratory study on these topics (Vargas-Barón 2008a).

ECD financing issues are complex and diverse, especially because they include investments in five sectors (health, nutrition, education, protection, and sanitation) and the period from pre-conception to at least age 8, and sometimes age 10 or 11. ECD encompasses a wide range of services, such as:

- Prenatal health care, education, nutritional supplements, and birthing
- Child and maternal health care and education
- Child nutrition, supplementation, and education
- Parenting education and support
- Early childhood intervention with more intensive services for vulnerable children with developmental delays, malnutrition, diseases, or disabilities
- Early childhood care and development (home, community, and centre-based)
- Pre-primary education (preschools, kindergartens, crèches, nursery schools)

- Inclusive pre-primary education
- Transition from home or pre-primary to primary school
- Protective services and juridical protection of children's rights
- Home, centre, and community environments, including potable water, sanitation, and hygiene

The Consultative Group's Cornerstone 4 calls for developing ECD policies and annual operational plans. It also urges countries to include ECD in all relevant sectoral and multisectoral national policies and plans. Currently, the weakest area of ECD policy planning is in the realm of financial planning. Each ECD Policy or Policy Framework should include an Investment Plan, and each annual operational Plan of Action (or Strategic Plan) should provide detailed budgets for each programme included in the Plan. To date, inadequate attention has been given to financial planning for ECD services; the complexities and trade-offs regarding ECD investments have not been fully considered. A few recommendations for planning ECD investments are provided at the end of this article.

What are some of the main ways nations finance their ECD systems?

Apart from international funding support, three main types of ECD financing are found in countries: public-sector, civil-society, and private-sector support.

Public-sector ECD support

In most countries, public-sector finance is the main type of investment in ECD services. As in the education and health sectors, experience has shown that public-sector investment at all levels must be the backbone of ECD systems, with complementary funding from institutions of the civil society and private sector. Indeed, in all OECD countries except Korea, the preponderate investment in childcare and pre-school services for children ages 3 to 6 is made by the public sector, although parents always share the cost in OECD countries (OECD 2006).

However, many countries of the Majority World have come to depend mainly on international and national NGOs and private-sector support to provide clinics, hospitals, childcare centres, and preschools. As a result, these nations tend to lack an adequate infrastructure of health, nutrition, and education services to assist their most vulnerable parents and children. They usually also lack national service standards, and programme quality is rarely monitored. These countries have a long way to go to establish basic systems to ensure that vulnerable children will receive essential ECD services, especially those children from impoverished families and cultural and linguistic minority groups.

Due in large part to studies revealing the high return on investment in ECD, ministries of finance and planning are becoming increasingly involved in ensuring that enough funds will be made available for key ECD services, especially for vulnerable populations.

These ministries are beginning to work to expand ECD services in concert with line ministries, including ministries of health/nutrition, education, social protection, and sanitation. Cameroon, the Central African Republic, Chile, Colombia, Ghana, Kenya, and Mexico are examples of countries where strong collaboration exists between ministries of finance and line ministries.

In Colombia, a semi-autonomous ECD institute, the Colombian Institute for Family Welfare, manages much of the nation's funds for integrated services for young children and their families (Vargas-Barón 2006). This approach helps ensure collaboration between the Ministries of Social Protection (which houses the former health ministry) and Education as well as the Ministry of Finance and the National Planning Department.

In addition to central ministries, provincial or state agencies for education, social protection, and health as well as integrated or intersectoral programmes often manage sizeable ECD budgets. In some nations, such as Peru and Colombia, central budgets have been largely decentralised to provincial and/or municipal levels. In addition, provincial and municipal income from taxes and other sources is increasingly being devoted to ECD services, thereby complementing national budgetary contributions.

For decentralisation to be effective, it is essential that systems for comprehensive ECD programme and financial planning be provided at provincial and local levels. This necessitates providing training manuals and courses for governors, regional agency personnel, local mayors, councils, and other planning groups as well as ensuring the strong involvement of parents, schools, clinics, and community groups. Well-articulated systems for decentralised ECD financial and programme planning

are emerging in countries as diverse as Belarus, Brazil, Cameroon, Chile, Colombia, and Mexico.

Public-sector ministries and agencies at all levels provide regular budgets, special grants, contracts for services, and subsidies for ECD services. The latter often include fee-sharing arrangements for municipal-level ECD programmes, as is often the case in the U.S. Governmental agencies in Canada and some U.S. states offer low-cost loans for ECD programmes, thereby helping community-based organisations, private-sector establishments, and NGOs.

The public sector secures its ECD funds through the general national budget and sometimes through a variety of tax revenues, including dedicated income tax revenue paid by families and/or businesses as is found in Sweden, the U.S., and Brazil, among others; dedicated payroll tax revenue as in France (7%) and Colombia (3%); public lotteries as in Jamaica, the United Kingdom, and some U.S. states; and excise taxes on commodities, business tax concessions, or gaming that are levied in some U.S. states. As yet, few import/export taxes or taxes on extractive industries (such as logging, diamonds, gold, uranium, petroleum, and other natural resources) have been instituted, although countries rich in natural resources could consider them since such industries rarely contribute a "fair share" to national social development.

In addition, policies and laws are often established that provide cash transfers or conditional cash transfers directly to parents who may use them to pay for ECD services. These payments include child subsidies, paid maternity and paternal leave, service vouchers, fee sharing with parents, subsidies for child care centres, tax credits for children, and targeted pre-primary scholarships or grants for poor or marginalised groups.

Private-sector and civil-society ECD support

Private-sector and civil-society institutions provide a significant amount of the funding for ECD services in many countries. Increasingly more public-private partnerships, networks, and coordination systems are being established to help ensure that civil-society and private-sector services will be able to go to scale and become sustainable. Such institutions also help public-sector services achieve high quality and develop effective materials, training, and monitoring systems, although they rarely achieve national-level scale by themselves (Vargas-Barón 2008a). Some NGOs have been absorbed into public-sector institutions to ensure their sustainability and expand their programme coverage, for example, the NGO Conozca a Su Hijo that was merged with a public preschool programme, JUNJI, in Chile. Other early childhood NGOs, such as Tonus or Alpha in Belarus, became public-sector institutions to survive in an NGO-averse environment.

Many institutions of civil society, such as foundations and nonprofit institutions, provide grants to ECD programmes. Others accept grants or contracts in order to be able to offer ECD services or quality improvement workshops and materials.

Private-sector organisations such as corporate foundations or businesses and banks also provide grants or contracts to ECD programmes. Citizen-benefactor support includes donations of funds and in-kind support. Some NGOs and other organisations provide loans to private and nonprofit ECD providers. In Colombia, cooperatives of employers and employees often provide a full range of ECD services for the employees, from clinics, to parent education and support, child care, and pre-primary education.

Some employers provide centre-based ECD services for employees, but employers increasingly appear to favour providing employees with incentive payments to purchase services in locations of their choice. Often, employers will offer employees a package of family-friendly supports that cover all or a large part of child- and healthcare costs as well as health insurance. However, these arrangements do not help low-income families who are agriculturalists, self-employed, or unemployed.

It is important to note the economic value of the foregone or lowered earnings of mothers and others who care for young children. The size of the childcare “industry” is astounding, but little studied. For example, in California, the childcare industry employs over 123,000 people, making it the second-largest employer in the state (NEDL 2001). Although it is usually poorly remunerated, child care plays a major role in ensuring that women, and especially impoverished single mothers, will have an income while caring for others’ children.

Also, parents pay significant amounts of participant fees and other costs related to ECD services (tuition, food, uniforms, materials, etc.). They also contribute time and labour to construct and maintain ECD centres. Unfortunately, dependency upon parental fees often restricts centre-based ECD services to middle- and upper-income families. In contrast, community-based ECD centres, such as those of the Christian Children’s Fund’s Madres Guías programme in Honduras, which features a high level of parental involvement and in-kind contributions, have been successful in mounting sustainable programmes (Vargas-Barón 2008a).

National funds for integrated ECD services

Large-scale national-level funds for integrated ECD services have been established in several countries, including Jamaica’s Social Investment Fund; France’s Caisse Nationale des Allocations Familiales; the New Opportunity Funds of Scotland and England; the Child Care and Development Fund, a block fund for U.S. states; the Competitive Fund for Educational Innovations, which includes support for ECD, in the Dominican Republic; and the Colombian Institute of Family Welfare’s payroll tax fund.

If a National ECD Fund is established, it is important to ensure that

contributions will be provided each year. Sometimes, ministries of finance or national laws establish such funds and designate the amount of contributions or the percentage of budgets that are to be provided by specific ministries. In other cases, the executive branch, such as a special presidential or prime minister’s fund for children, is set up through executive mandate. Colombia’s monthly payroll tax for ECD services is based on legislation, and the funds are placed in a separate bank account that serves as a national fund for children. A special budget for ECD may be created in a lead ECD ministry or, as in the case of Colombia, a semi-autonomous institute. Often, institutions of the private sector and civil society will contribute to such a fund,



Ecuador: Christian Children's Fund/Mary Moran

Socialising and developing relationships are important elements of early childhood programmes.

as is the case with the Millennium Development Fund of Brazil.

Recommendations

In light of the urgent need to expand investments in ECD in all nations, and because of the complex array of ECD investment approaches, the following recommendations are offered for discussion:

- Participatory ECD policy-planning processes should include rigorous investment planning in full collaboration with ministries of finance and planning as well as line ministries of education, health, social protection, and sanitation. National NGOs, institutes, and private-sector institutions should also be included, as appropriate.
- As recommended by Robert Myers in another article in this issue, it is essential to conduct careful studies of cost per unit of service, cohort and/or programme in order to have a reliable basis for projecting potential future costs (Myers 2008).
- Mapping studies should be conducted to help ensure that costs are projected for serving the high-priority populations and geographic regions targeted in the national ECD Policy or Plan.
- Cost simulations should be prepared that fit policy options and decisions in each nation, as recommended in articles in this issue by Richard Brandon (2008), Jan van Ravens and Carlos Aggio (2008), and Leon Charles and Sian Williams (2008).
- Funding targets should be established for annual programme, sectoral, and intersectoral budgets and for medium- and long-term ECD support. See "Toward Establishing National and International Investment Targets to Expand Early Childhood Services" (Emily Vargas-Barón 2008b) in this issue for a

discussion of general ECD targets.

- Nations should establish high, medium, and low targets for funding ECD services in order to plan flexibly, maximise the use of scarce financial and human resources, and achieve the highest possible quality.
- A National ECD Fund should be considered, as well as an array of innovative funding approaches in addition to legislatively established public-sector budgets.
- All programmes should be designed from the outset to go to scale and become sustainable through establishing a long-term and diversified investment plan as well as securing official recognition for national-level ECD programmes.

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Key issues in promoting expanded private-sector investment in early childhood education and care

Johannes Meier

A strong case for investment in ECEC

An abundance of academic research supports the macroeconomic business case for ECEC. At the core of this reasoning is the insight that “skill begets skill, motivation begets motivation,” in the words of Nobel Laureate James Heckman. Moreover, the earlier educational deficits are addressed, the more efficient and effective the intervention will be.

Despite abundant scientific evidence, most societies fail to give adequate consideration to returns on investment when allocating educational resources. In Germany, for example, the largest public per capita investments in education are made in secondary and tertiary education—not in early childhood.

Awareness is growing in many countries that more investment in ECEC is urgently needed. In a time of high public deficits and stretched public budgets, expanded private-sector investment in ECEC is often identified as a potential solution to this dilemma.

This brief paper looks at factors for success in expanding private-sector investment in ECEC by examining the interface between the state and the private sector. I shall argue first that promoting for-profit private-sector investment in ECEC only makes sense if modern regulatory structures are in place to ensure quality of service delivery and access for all children. Second, I shall identify a number of potential roles for and contributions by NGOs in expanding investment in ECEC.

A closer look at the interface between the state and the private sector

The main challenge is to find a good balance between the interests of the state and the private sector. This balance is not simply a matter of deregulation and privatisation, nor of defending state monopolies at all costs. It is misleading to use the term “private-public partnership,” as it obfuscates the inherent conflicts of interest between a for-profit service provider and a state that is seeking to leverage private service delivery capabilities and capacities.

Instead, we should think in terms of helpful or unhelpful conventions between states and companies that reflect an appropriate or inappropriate balance of their respective interests. Three key considerations may be useful in assessing such a balance in the context of ECEC.

Democratic principles must be borne in mind as a society defines its vision and goals for ECEC. Any vision for ECEC should focus on the goal of providing all children with access to high-quality education. This not only makes economic sense; it is a moral imperative. Looking again at the example of Germany, we see that the educational goals for ECEC remain unclear, while the debate on the role of nursery schools and early excellence centres continues to be highly emotional. Orchestrating national and international dialogues to forge shared visions and goals for ECEC is a necessary step in defining the role of

Any vision for ECEC should focus on the goal of providing all children with access to high-quality education. This not only makes economic sense; it is a moral imperative.

private-sector investment in ECEC.

Based on a consensus regarding goals for ECEC and its role in society, a regulatory structure should be established with performance standards and principles that allow for decentralised, flexible implementation. At this point a note of caution is appropriate: all-encompassing, detailed standards can become counterproductive in dealing with the complexity and diversity of individual needs in the area of ECEC. It is a critical challenge to find the appropriate level of abstraction in defining quality standards in order to unleash the creative and economic potential of private-sector investments. This is particularly important since international research shows that the average commercial childcare centre provides lower-quality care than do nonprofit centres (Cleveland et al. 2007).

Policymakers and public administrations need to develop internal core competencies in designing a statutory framework for contracting with the private sector. First, they must be able to define and monitor performance

measures and compare performance across different delivery systems. Most countries, however, lack sufficient transparency with respect to ECEC indicators. Second, they must be able to calculate the costs and benefits of contracts with private-sector providers. In many countries, a lack of double-entry accounting standards in the public sector constitutes a major obstacle to a robust financial assessment of contracts with the private sector, as well as with and within the nonprofit and public sectors. A further complication lies in the complexity of multiple, overlapping financing and budgeting systems for child and youth support (education budgets split across multiple stakeholders, social welfare agencies, and community groups) found in most countries.

In short, expanding private-sector investment in ECEC is not necessarily a straightforward proposition. As indicated above, a number of complex and interdependent factors are crucial to achieve a good balance and robust agreements between the state and the private sector. NGOs can make an important contribution in this context.

Potential roles for NGOs and foundations

Three potential roles exist for NGOs and foundations in promoting ECEC: courageous innovators, independent monitoring agents, and advocates.

First of all, NGOs can act as courageous innovators by setting up pilot programmes for new service delivery. By drawing on additional funding and resources, such pilots can often implement alternative approaches to ECEC that would be impossible in a conventional setting. It is important to note, however, that it is not an easy matter to scale up innovative ideas implemented in pilot programmes and translate the best practices of such programmes into a mainstream “product.” Unfortunately, in many cases the necessary resources

Independent monitoring and evaluation is crucial to ensuring that ideological battles do not obscure the need for capacity building and quality improvements.

are not allocated in the initial concepts for innovative ECEC pilot programmes to ensure they will become sustainable and go to scale.

In its role as an innovator, the Bertelsmann Stiftung has developed new educational materials for ECEC that have been widely distributed to stakeholders in collaboration with state governments in Germany. During the past three years more than 150,000 copies of publications describing the development of high-quality ECEC centres have been disseminated. For example, the British Sure Start framework “Birth to Three Matters” was adapted for the German context, and 15,000 copies of documents describing this framework have been distributed. Some education ministries have bought a copy for every ECEC centre in their respective states.

Independent monitoring and evaluation is crucial to ensuring that ideological battles do not obscure the need for capacity building and quality improvements. While simple in principle, the task is often highly complex to execute, as definitions of quality, capacity, and process are rarely precise in ECEC delivery. However, ideological battles can often be avoided if good baseline and benchmarking data are available. Moreover, accountability starts with ensuring transparency in respect to the quantity and quality of services.

The Bertelsmann Stiftung recently published a report comparing ECEC in

Germany’s sixteen states (Bock-Famulla 2008). More than two years of intense interaction with the state ministries were required to identify comparable data and harmonise definitions. The results are striking: They show a huge variation in ECEC delivery, in terms of both input and output.

Finally, NGOs and foundations are a valuable source of scientific insight in the debate on goals and a vision for ECEC, and they can advocate for more investments in ECEC. In Germany, the political debate on ECEC should focus on three critical goals: (1) ensuring that every child has access to a high-quality education from the very beginning; (2) reducing the role of socioeconomic selection mechanisms by compensating for the poor starting conditions of children from low-income homes; and (3) fostering a holistic education that takes into account multiple dimensions of learning.

A 2008 Bertelsmann Stiftung study on the effects of nursery school attendance provides insight into these roles (Fritschi and Oesch 2008). The study showed that attending a nursery school increases the likelihood of a recommendation that the child enter an upper-tier secondary school after completing fourth grade. The increase is most pronounced for children of less educated families. This result has led to a great deal of discussion regarding the need for ECEC, especially for children from an immigrant or less advantaged socioeconomic background.

To sum up, it is clear from the strength of the business case for ECEC that we need to find new avenues to expand the capacity of ECEC options and enhance delivery quality. Encouraging the private sector to invest in ECEC makes sense, provided that a good balance can be guaranteed between public and private interests. NGOs and foundations should do their part to

help achieve such a balance at the interface between the state and the private sector.

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For more information on ECEC work by Bertelsmann Stiftung, see:

www.bertelsmann-stiftung.de/cps/rde/xchg/SID-0A000F0A-858A8867/bst/hs.xsl/335.htm

www.laenderreports.de

www.bertelsmann-stiftung.de/cps/rde/xchg/SID-0A000F0A-59C072E9/bst/hs.xsl/nachrichten_85558.htm

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Toward establishing national and international investment targets to expand early childhood services

Emily Vargas-Barón

When the six goals for Education for All (EFA) were drafted in 1999, the Preparatory Commission for the 2000 World Education Forum lacked the technical information required to establish targets for ECD—or even pre-primary education.

EFA Goal One—“expanding and improving comprehensive early childhood care and education, especially for the most vulnerable and disadvantaged children”—lacks an indicator, measure, and target. Although at the time several members of the Commission wanted to include a target for Goal One, it proved impossible to build a consensus around a single indicator and measure, let alone a target.

Now, because a significant number of brain research publications, longitudinal studies, and evaluation reports have shown that it is critically important to expand investment in early childhood, it is time to think seriously about establishing a small number of high-priority investment targets. Some programme-related targets have been suggested for ECD services and outcomes; this article will not focus on them. Rather, it will present a few indicators and targets for expanding investment in ECD.¹

Some investment-related targets could be policy oriented, such as the following:

- Nations prepare and adopt an official ECD Policy or Policy Framework.
- A National ECD Plan of Action, based on the ECD Policy, is prepared, implemented, and evaluated each year.
- Nations establish and regularly convene an intersectoral Council for Early Childhood Development, including representatives of the public and private sectors as well as civil-society organisations.
- ECD is included in national health, nutrition, HIV/AIDS, sanitation, and social protection policies, as well as Poverty Reduction Strategy Papers, Common Country Assessments, UN Development Assistance Frameworks, One UN Plan documents, EFA Plans, and Fast Track Initiative Plans.

These are laudatory propositions regarding ECD policy, but it is doubtful that in and of themselves they would be sufficiently powerful to increase financial investments to the levels required to meet the basic health, nutrition, education, protection, and sanitation needs of all young children in all countries. To expand investments in ECD, national targets should be complemented by international targets.

Many quantitative national and international funding targets exist for the sectors of health, education, and poverty reduction. These targets have

¹ This article is exploratory and is intended to spark an international dialogue on ECD targets. It does not reflect the official position of the Consultative Group on ECCD.

helped countries and entire regions to increase funding support for key programme initiatives. However, no international investment targets have been proposed as yet specifically for ECD. Investment targets are urgently needed to help draw increased national and international attention to the critical and complex needs of vulnerable children and the importance of investing in ECD to address those needs effectively. ECD investment targets should be established for nations and for international bilateral donors, UN and multilateral organisations.

In this regard, it is important to recall that investment in ECD involves five main sectors:

- Health (preconception, prenatal, and maternal and child health)
- Nutrition (prenatal and child nutrition and supplementation)
- Education (preconception, prenatal, and parenting education; early childhood intervention; early childhood care and development; pre-primary education; and early primary education)
- Social protection (protective services, legal protection, and juridical protection)
- Environment (potable water, waste management, sanitation, hygiene, housing, space to play, community facilities for children)

Age ranges for early childhood begin with preconception and continue to age 8—and, in some nations, to 10 or 11 years of age, marking the beginning of adolescent and youth services. This wide range of multisectoral services is admittedly complex, but when services are addressed through sectoral or cross-sectoral ECD targets, investments in ECD can grow more rapidly.



Malawi: Rob Buchanan

Big enough to start school: A brother and sister test out whether their fingers can touch their ear – sister needs to wait a little longer to go to school!

The following sections deal first with national and then international targets, and conclude with suggestions for additional steps to expand ECD investments.

National ECD investment targets

National ECD investments are critically important. Each country must establish its own indicators and targets. The following discussion advocates providing national policymakers with some suggestions regarding indicators and targets for establishing ECD investment in their countries.

As is the case in the education and health sectors, international support for ECD supplements and complements

national investments. To help ensure long-term programme sustainability, national investments should include recurrent expenditures for programme services, coordination, and expansion; continuous pre- and in-service training systems; and monitoring and evaluation.

Investment targets for education ministries

Investment targets for ECE may be easiest to establish and achieve. With respect to education, usually industrialised nations devote from 5% to 6% of gross national product (GNP²) to general education budgets (UNESCO 2006a). The 2007 Global Monitoring Report (GMR) on ECD noted that, “in 2004, over half the

² Gross national product (GNP) and gross domestic product (GDP) are similar but different. GDP refers to the total market value of all goods and services produced within the borders of a nation during a specified period. The GNP includes the GDP and is the value of all goods and services produced in an economy, plus the value of the goods and services imported, less goods and services exported. While the GNP is an indicator of a country's total economic activity, the GDP is commonly used as an indicator of the economic health of a country and to assess its standard of living.

124 developing countries for which data are available were spending less than 4.8% of GNP [on the entire education sector]. In fifteen of these—including several that are far from the EFA goals, such as Niger and Pakistan—the share was below 3%.”

The often-stated international goal for general education spending is 7% of GNP, and very few countries have reached or exceeded this goal. In 2006 the Final Communiqué of the High-Level Group for EFA (UNESCO 2006b) recommended a slightly lower level: “All EFA partners [should] make increased efforts to generate adequate resources for achieving the EFA goals by 2015, in the context of increased ODA pledges: developing country governments will continue to increase the proportion of national budgets allocated to education, seeking to reach 4%-6% of GNP for education.” In general, it is recommended that from 6% to 7% of GNP be invested in the general budgets of education ministries.

ECE investment in relation to GNP and GDP

In light of the general GNP target for education and with respect to ECE, the GMR states, “As a share of GNP, public expenditure on pre-primary education was greatest in Central and Eastern Europe, at 0.5%, compared with 0.4% in North America and Western Europe and 0.2% in Latin America. Data on these shares over time are available for only a few countries. No strong trends are observable. There is some indication that the share has fallen (from relatively high levels) in Central and Eastern Europe since 1999” (UNESCO 2006a).

Regarding ECE, John Bennett notes that, “in 1996, the European Commission Network on Childcare ... recommended to European countries an investment level of at least 1% of GDP on early childhood education and care. It should be noted that currently only

the Nordic countries have reached this level” (OECD 2006). Kamerman (2000) estimates that “this level would be roughly equivalent to one fifth of the public education budgets of EU states.”

From this discussion, it could be inferred that a national goal for funding ECE of 0.5% to 1% of GDP would be advisable. This percentage should grow over time because it is generally believed that all nations invest too little in ECD. Some might advocate recommending that 1% to 1.5% of GDP be invested in ECE.

ECE investment as a proportion of the education budget

With respect to the proportion of national education budgets that should be devoted to ECE, the GMR states: “In general, countries accord relatively low priority to pre-primary education in their public spending. Less than 10% of total public education expenditure was allocated to it in 65 of the 79 countries with data available. Over half allocated less than 5%. Most of the 14 countries allocating more than 10% are located in Europe” (UNESCO 2006a). In spite of these low figures, compelling arguments regarding the short-, medium-, and long-term benefits of ECD lead us to recommend investing a higher percentage of the education budget in ECE.

Box 1 recommends ECE targets for Ministry of Education budgets.

Investment targets for health ministries

It has proven to be more difficult to establish national health targets for early childhood because maternal-child health care is often merged with other parts of a nation's health budget. It is even more difficult to assess budgetary amounts for child health dedicated to children from birth to age 6 or 8 from budgets covering children from birth to 18 years of age. In general, very few

BOX 1

ECE investment targets for education ministries

Nations should devote at least 0.5% to 1% of GDP to parent and early childhood education.

Progressively, over a period of five to ten years, nations should invest from 14% to 20% of their education budgets in early childhood and parent education, with the goal of investing up to 25%.

studies have been conducted on the financial contributions to ECD activities of national budgets for health, nutrition, sanitation, and social protection.

For the health sector, the following levels of support were recommended in one World Bank article (Mingat and Jaramillo 2003):

- Percent of GDP devoted to the health sector as a whole: 1.5% to 2%.
- Percent of GDP devoted to ECD health services: 0.1%.

Although 1.5% to 2% of GDP for the health sector is similar to targets proposed by international health planners, the percentage for ECD health services appears to be extraordinarily low. Of course, it all depends on what parts of the health sector are included in ECD health services. Because of the budget categories commonly used by health ministries, it has proven to be very difficult to obtain exact figures regarding national health budgets for investments in prenatal and maternal health care, childbirth, and infant and child health care to 8 years of age. A better target range for investment in ECD health services may be from 0.3% to 0.5% of GDP or higher.

With respect to the percentage of the budgets of ministries of health that should be dedicated to ECD, it proved

impossible to find any recommended targets. In the interest of dialogue, it might be useful to consider employing the figures used for the education budget (see box 2).

BOX 2

ECD investment targets for health ministries

Nations should devote at least 0.3% to 0.5% of GDP to maternal and child health care.

Progressively, over a period of five to ten years, nations should invest from 14% to 20% of their health budgets in maternal and child health, with the ultimate goal of investing up to 25%.

General national investment target for ECD

In each nation, a general public sector ECD investment target could be proposed and discussed by macro-economic planners.

Joining together the ECD public sector investments of the education, health, and protection budgets, it may be posited that **approximately 2% to 2.5% of GDP should be invested in ECD.**

It will be challenging to calculate this overall investment in ECD in each country. For this reason, more attention has been placed on developing indicators and targets for the education and health ministries.

In general, all of the targets listed above are lower than current public sector spending in a few Northern European countries but higher than the amounts presently invested in ECD in most other nations. Many low-income countries will be unable to attain these targets immediately, and their ministries of planning and finance should work with line ministries to develop

a phased plan for expanded ECD investment. Through developing and implementing appropriate ECD policies and annual operational plans, as well as related sectoral and multisectoral policies and plans, several middle-income and emerging lower-income nations should be able to attain and exceed these targets within the next five to ten years.

With respect to spending on ECD per child, no targets are recommended at this time. It is exceedingly difficult to assess spending per capita across nations due to the absence of reliable data and studies, the lack of assessments on the value of in-kind contributions, and the non-comparability of national data sets and purchasing power between countries.

International ECD investment targets

As noted above, international funding for ECD is supplementary and complementary to national investments in children. For this reason, external funds should be used to leverage national public-sector, NGO, and private-sector investments in ECD. International donors and agencies could support innovations such as the preparation of ECD policies and plans, the framing of pilot programmes that are designed to become sustainable and go to scale, the design and development of sustainable training systems, the preparation of curricula and educational materials, the funding of external evaluations and research, and other high-priority projects.

In spite of abundant research results demonstrating the high return on investment (ROI) from early childhood services, many international donors still lag behind national policymakers when it comes to investing in early childhood.

As noted in the 2007 EFA GMR, “ECCE is not a priority for most donor

agencies. Almost all allocate to pre-primary less than 10% of what they give for primary education, and over half allocate less than 2%” (UNESCO 2006a). Many donors do not fund early childhood services at all. The authors of the GMR estimate that, “US\$11 billion of external support per year—three times the current level—is needed if early childhood and adult literacy programmes are to expand and all children are to complete primary school by 2015.”

BOX 3

Target for international donors

International donors should devote 15% of their investments in education, health, nutrition, social protection, and sanitation to ECD, with a goal of increasing this percentage to 20% by 2015.

Overall, multilateral and bilateral agencies should give from US\$1 billion to \$1.5 billion annually for ECD.

By providing at least 15% to 20% of social investments in nations, donors would demonstrate that they are cognisant of research results on ECD's high ROI and of the imperative to improve the status of the world's children.

Some bilateral donors should be recognised for their leadership in investing in ECD. These donors include Canada, Finland, Japan, the Netherlands, Norway, Spain, Sweden, and the United Kingdom. With respect to specialised agencies of the United Nations and multilateral donors, the Inter-American Development Bank, UNICEF, and UNESCO stand out. Increasingly, the European Union, World Bank, WHO, and FAO are encouraging expanded investment in ECD.

Recommendations for next steps for expanding investment in ECD

In addition to helping to establish national and international ECD indicators and targets, the Consultative Group and its partners might consider the following:

- Encourage donors to join together to create an **international fund for early childhood**. An example of a successful international fund is the Global Fund to Fight AIDS, Tuberculosis, and Malaria that has garnered widespread donor support. An international fund for early childhood could promote policy planning, integrated approaches, comprehensive planning at community levels,

formulation of innovative programmes designed to go to scale, development of training and accountability systems, and research and evaluation.

- Help to convene **regional partnership roundtables for ECD finance and public-private collaboration** at international, regional, and national levels to discuss ECD benefits, innovative approaches to fund ECD, and ways to achieve national and international ECD investment targets.
- Conduct **national and regional studies** on ECD costs and financing.
- Sponsor **mapping exercises** to ensure programme equity, access, and quality.
- Assist nations to conduct **simulations** to develop sound cost projections to maximise the benefits of ECD investments.

Ultimately, to achieve equity from birth onward, improve birth outcomes, and gain a higher return on investment, governments, civil society, the private sector, and international donors should work together to expand investments in children.

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Bolivia: Christian Children's Fund/Mary Moran

Investing in the development of young children: a priority for every nation

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Solving Latin America's most urgent problems: ECD and the Consulta de San José

Aimee Verdisco

If Latin American and Caribbean (LAC) governments, philanthropic and non-governmental organisations, and aid agencies had US\$10 billion to solve the most urgent problems of this region, where should the money be invested? What intervention would get the biggest bang for the buck?

To answer this question, the Inter-American Development Bank convened a panel of renowned economists in San José, Costa Rica in October 2007 and asked them to critically review and prioritise a set of "solutions" by applying methods of welfare economics. Thus modelled on the Copenhagen Consensus on global issues held in 2004 (and recently repeated in June 2008), the Consulta de San José was based on the contention that, in spite of the billions of dollars spent on development challenges across the LAC Region, few targets (e.g., Millennium Development Goals, Poverty Reduction Strategies) are actually met. Such inefficiencies in spending often stem from politics, ideology, or the adoption of a given policy in the absence of empirical evidence on effectiveness. "Rational prioritisation" provides a means to remove these forces and come up with efficient answers to pressing policy dilemmas.

In the Consulta de San José, ten problems identified through a survey administered to about 1,800 policymakers, business representatives, journalists, researchers, and others were put on the table (see box 1). For each of these issue areas, a solutions paper was prepared by an expert in the field. Each paper included a

detailed discussion of the challenge at hand, up to five feasible opportunities for solving it, and a cost-benefit analysis for each proposed intervention. In each case, a discussion of the underlying assumptions of the welfare model applied was included, as were alternative views. Proposed solutions were analysed and ranked on the basis of their scope, costs, and benefits by top economists from the LAC Region. A Youth Forum, competitively chosen from a pool of promising scholars and young professionals from the region, went through a similar exercise.

BOX 1

Ten challenges

- Democracy
- Education
- Employment and social security
- Environment
- Fiscal problems
- Health
- Infrastructure
- Poverty and inequality
- Public administration
- Violence and crime

After three days of structured presentations and debate, the Consulta delivered its verdict: ECD topped the list as the most effective and efficient investment priority for the LAC Region.

That ECD yields high rates of return is nothing new. The world's best economists, including Nobel Laureate James Heckman, have substantiated the social and private returns from investments in young children. What is particularly noteworthy in this case

is that the benefits of ECD extend to most of the challenges identified by the Consulta de San José, from education and health, to poverty/inequality, violence and crime, employment and social security. ECD creates benefits for children, their families, and their communities. In line with practitioners and advocates around the globe, the Consulta understood ECD as interventions that improve the physical, intellectual, and social development of children early in life. Its analyses included programmes to monitor children's physical development, childcare services, preschool activities, upgrading hygiene and health services, nutrition, and improving the skills of parents. "With any of these programmes," concluded the Consulta, "public and private investors should get their money's worth."

And then some.

The Consulta may have underestimated the benefits of ECD. Much like education, ECD is both a consumption good that confers immediate benefits and an investment good that confers personal and social benefits well into the future. To many observers, the benefits of ECD emerge primarily from the nurturing of noncognitive skills that lead to success later in life, including reductions in crime and delinquency, dropout and repetition rates, teenage pregnancies and reliance on public assistance; as well as increases in taxes, income, high school graduation, postsecondary training and employment rates of mothers, and college-entry rates among programme participants. Yet there are cognitive benefits as well. ECD positively affects readiness to learn,

which includes the cognitive development and behavioural and emotional development of young children. Gains along these dimensions are exceedingly difficult to monetise and thus are often left unaccounted for in cost-benefit and other analyses, such as those done in support of the Consulta. Indeed, it is much easier to assign a dollar value to, for example, grade retention, health, or crime outcomes.

In much the same vein, new research from the U.S. speaks to the impact of the ECD “industry” on labour markets, above and beyond allowing parents to seek opportunities outside the home for work and education. An economic impact analysis of ECD in Los Angeles County found that the industry generates about US\$1.9 billion per year and provides over 65,000 full-time jobs.¹ The data necessary for calculating such estimates are not available across the LAC Region, however the effects of ECD as an industry likely function in a similar manner.

It merits noting that the Consulta did not analyse the costs and benefits of ECD in isolation, but rather as a function of how they compared to the costs and benefits of forty other policy proposals (see box 2 for the Consulta’s top ten). Some of these have gained considerable currency as interventions of choice among government and international donors.

For example, conditional cash transfers (CCTs) ranked fifth overall. CCTs generally provide monthly cash payments to poor households, usually mothers, conditional upon, for example, children attending school and regular health checkups. An ever-growing volume of research on CCTs, much of it based on sophisticated statistical techniques, points to the positive impact CCTs have on poverty reduction, school

BOX 2

Top 10 ranked policy solutions

- Early childhood development
- Fiscal rules
- Increase investment in infrastructure, including maintenance
- Policy and programme evaluation agency
- Conditional cash transfers
- Universal health insurance: basic package
- Nutrition programmes for preschool age children
- Crime prevention through environmental design
- Replace taxes on formal employment with other taxes
- Adopt policies and services to reduce transaction costs for trade

attendance, and health. In fact, the strength of such empirical evidence pointing to the potential of CCTs to reduce poverty has underpinned decisions to adapt these interventions to diverse circumstances in LAC and beyond. Indeed, an adapted version of Mexico’s Oportunidades model, of which CCTs are a key feature, has been implemented in New York.

When evaluating proposals, the Consulta clearly saw the value of ECD in building human capital from the point of view of the primacy human capital has in reducing poverty and sustaining development. Yet it also saw the importance of investing early. Whereas, for example, CCTs target children in school, ECD targets them from the start. ECD enhances the accumulation of human capital by strengthening the bases upon which school performance lies and later performance in the labour market is

predicated. Children thus have their entire lifetimes to reap the benefits of ECD. Implicit here is the idea (to date unsubstantiated by empirical data) that the next generation of children will also benefit from investments in ECD. As human capital is accumulated, inter-generational transmissions of poverty are broken. Thus the case for investing in ECD becomes even stronger.

The Consulta de San José sought to draw attention both to critical issues facing Latin America and the Caribbean as a region and to their potential solutions. A critical question thus remains: What impact have these processes had on decision and policy-making in the LAC Region? Although it often takes time for processes such as these to permeate into governments and their decision-making channels, and caveats regarding attribution and causality apply, some interesting and innovative work is taking place. For example, several governments are in the process of exploring options for how best to incorporate ECD components into existing CCT programmes; others are moving toward national policies and standards for ECD, and still others have created financing mechanisms to ensure compliance with policies and standards. These initiatives should provide fertile ground to continue the type of debate started with the Consulta de San José and to further make the case for ECD as a policy priority for governments across the globe.

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For more information on the Consulta de San José, including all papers, see: www.iadb.org/res/consultaSanJose/index.cfm

¹ Insight Center for Community Economic Development. 2008. *The economic impact of the early care and education industry in Los Angeles County*. Los Angeles, CA: Child Care Planning Committee.

Economic losses due to failure to provide early childhood development services: Empirical evidence from Eastern and Southern Africa

Sudhanshu Handa and Anand Sharma

The economic losses arising from a failure to ensure adequate ECD were recently highlighted in *The Lancet* (Volume 369, 2007). Calculations based on estimates of years of schooling lost due to malnutrition and slow learning, with a rate of return per year of schooling of 9%, indicate that the total loss in adult lifetime earnings due to early childhood malnutrition alone is around 22% (Grantham-McGregor et al. 2007). These estimates are based on illustrative data from panels in three countries (Brazil, Jamaica, and the Philippines).

The purpose of this article is to apply the *Lancet* model to two longitudinal data sets from Eastern and Southern Africa (ESA) in order to derive additional estimates of the economic cost of ignoring ECD in that region. The large sample sizes and lengthy panels make these two data sets a unique resource for researchers who wish to study the impact of early childhood circumstances on later life outcomes.

The KwaZulu Natal Income Dynamics Survey

The KwaZulu Natal Income Dynamics Survey (KIDS) is a longitudinal survey that currently has three rounds of data (May et al. 1999) and is housed at the School of Development Studies at the University of KwaZulu Natal in the Republic of South Africa (RSA). The data sets (for the years 1993,

1998, and 2004) are available to the public for direct download through the project website (sds.ukzn.ac.za/).

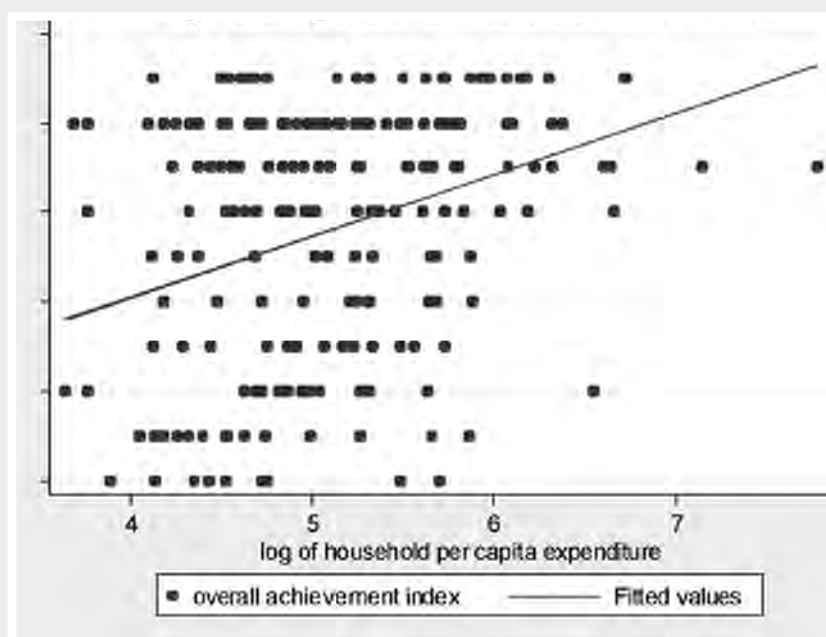
In this analysis, we use the 1998-2004 panel to assess the link between early childhood deficits in 1998 and later grade attainment and school achievement in 2004. We follow Grantham-McGregor and others (2007) and measure ECD deficits using stunting and living in poverty. Grade attainment is measured by years of

school completed; achievement is measured by a composite score based on the number of correct responses to a set of questions on mathematics and literacy administered to children ages 7-9 in the 2004 panel. This index ranges from 0 to 12 and has a mean of 7.5 and a standard deviation (SD) of 2.5. Poverty is measured by (log of) household per capita consumption expenditures and malnutrition is measured by height-for-age z-score (with a cut-off of -2 to indicate stunting).

The relationship between household income at ages 1-4 (from the 1998 survey round) and learning six years later (2004), controlling for nutritional status and age, is shown in figure 1. The difference between the bottom and top quintiles is around 4 points, which translates into a 1.6 SD difference and is highly statistically significant. Thus loss in cognitive achievement due to early childhood poverty (controlling for malnutrition) is extremely high in RSA.

FIGURE 1

Learning in 2004 and household income in 1998



The effect of stunting at ages 1-7 on grade attainment (years of schooling) at ages 7-12 and on learning at ages 7-9 is estimated via multivariate regression analysis, controlling for household income and age. Predicted years of schooling and learning achievement are shown in figures 2 and 3 respectively. The effect sizes are quite substantial. By age 12 stunted children lag behind by 1.3 grades relative to normal children (figure 2); by age 9 in 2004 (age 3 in 1998, shown on the horizontal axis in figure 3) stunted children score about 0.8 points lower on the achievement index relative to normal children. These differences represent about one third of an SD in each case; for achievement, based on the trend lines in the graph, this difference can be expected to increase to about 0.6 SD by age 17, when most children end school in RSA.

We derive the economic cost of early childhood malnutrition based on the estimates presented above and a rate of return to schooling of 9% per year (cumulative lifetime earnings). The loss in years of schooling is about 1.3 by age 13 and is assumed to increase to 1.5 by age 17 based on the trend in figure 2. The loss in learning by age 17 is around 0.6 SD as explained above. Grantham-McGregor and others (2007) report that a 0.75 SD deficit in learning translates into about a 2-year reduction in schooling, so a 0.6 SD loss translates into 1.6 years of lost schooling. Thus the total loss in schooling due to stunting alone (controlling for income) in RSA is 3.1 years. Based on a rate of return of 9% per year, the cumulative lifetime loss in adult income for children who are stunted by age 7 is approximately 30%. While this is significantly larger than the 22.2% loss in income estimated by Grantham-McGregor and others using illustrative numbers across three countries, it is still a lower bound because it does not include the additional loss due to growing up in income poverty,

which itself is an important predictor of learning achievement (controlling for malnutrition) as shown above.

Grantham-McGregor and others suggest that the “poverty effect” can account for an additional 5.9% in lost earnings.

FIGURE 2

Years of schooling in 2004 and nutritional status in 1998

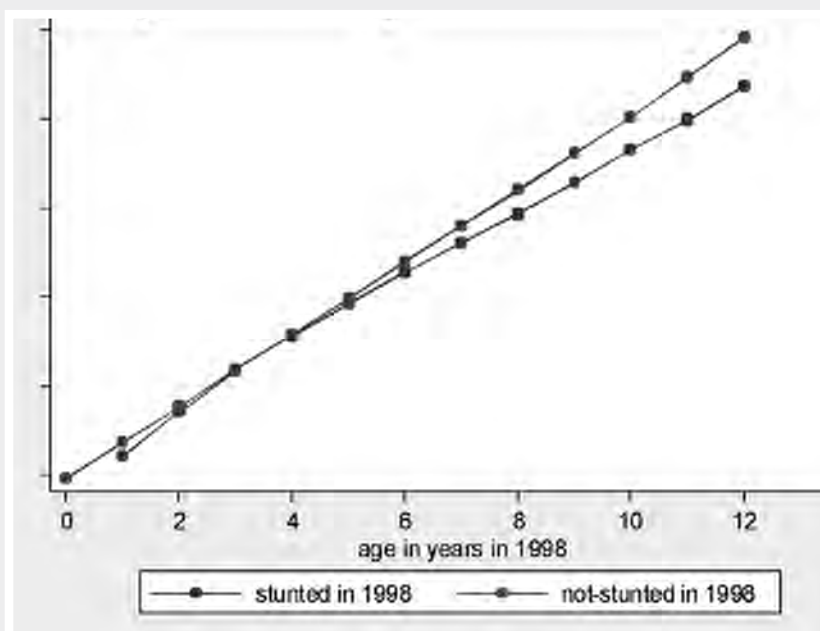
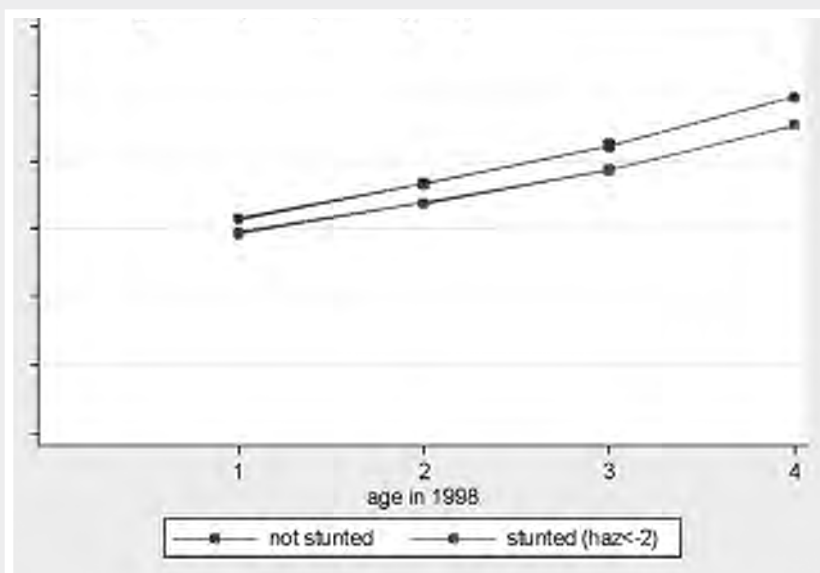


FIGURE 3

Learning index (2004) and age by nutritional status in 1998



The Kagera Health and Development Survey

The Kagera Health and Development Survey (KHDS) consists of four panels collected in Kagera, Tanzania in 1993–4 and a fifth follow-up in 2004, thus providing an eleven-year longitudinal data set of over eight hundred households. These data were collected by the World Bank (2006) and are available to download at www.worldbank.org/LSMS/country/kagera2/kag2home.html. The KHDS did not collect learning achievement data, so analysis focuses on the relationship between malnutrition by age 5 (<-2 SD in height for age) and years of completed schooling eleven years later. Figure 4 plots estimated years of schooling by age in 2004, based on nutritional status eleven years earlier and controlling for income. A consistent gap in school attainment tracks all the way up to age 18, though at around 0.5 to 0.75 grades, the deficit is much smaller than that observed in RSA.

Again assuming a rate of return per year of schooling of 9%, the Kagera results suggest much smaller losses due to malnutrition alone, in the range of 4.5 to 6.75% per year. Of course these do not include losses due to reduced cognitive achievement and poverty, the addition of which will likely place the loss in lifetime earnings due to ECD failures at over 10%.

Private versus social returns to ECD

The estimates above are solely the private costs associated with ECD failures. Not included are the substantial social benefits linked to improved education, which include reductions in healthcare costs, crime, violence, abuse, juvenile delinquency, and other public externalities. The cost of crime in the U.S. has been estimated at over \$600 billion per year (Anderson 1999), while results from the High/Scope Perry Preschool Project show that an ECD intervention alone can reduce crime rates by 14–26% (Barnett 2003). Consequently, the total

social loss associated with neglecting early childhood development can very easily represent 40–50% of adult lifetime earnings. It is hard to imagine an alternative investment in any sector of the economy that would deliver a larger financial payoff than a well-designed ECD intervention for poor children.

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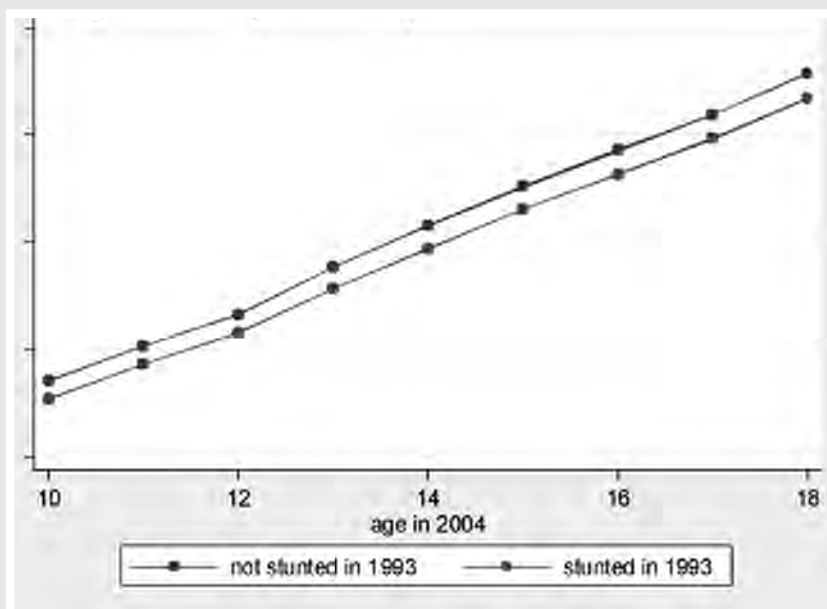
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FIGURE 4

Tanzania: years of schooling versus nutritional status 1993



Business champions for early child development in emerging markets

Jeannette K. Fournier

The Hague often plays host to hotly contested and highly contentious international tribunals. On April 22-23, 2008, however, business leaders from Europe and beyond gathered at The Hague to voice unequivocal support for ECD programmes as a means to combat poverty and improve business performance. The occasion was the conference “Business Champions for Early Child Development—Building a Healthy and Educational Workforce in Emerging Markets,” a project of the Committee for Economic Development (CED) and the Wolfensohn Center for Development at Brookings.

Why is an American business-led think tank working with a development institute to promote ECD in developing countries? CED is a 65-year-old independent, nonprofit, nonpartisan research institute whose trustees number more than two hundred of America’s top business and education leaders. ECD has not always been one of CED’s premier issues, although our trustees have a legacy of prioritising education as a mechanism for economic growth. As the new millennium approached, CED’s trustees looked for an innovative way to ensure higher student achievement and grow a more qualified workforce. We commissioned Dr. James Heckman, Nobel Laureate in Economics, to produce a major paper entitled “The Productivity Argument for Investing in Young Children.” The paper argues that investments in early education are the best way to ensure that disadvantaged children have an opportunity to succeed alongside their



Korea: UNICEF

Early Childhood programmes and services pay off NOW and in the long term.

more advantaged peers.

Our more recent 2006 study, “The Economic Promise of Investing in High-Quality Preschool: Using Early Education to Improve Economic Growth and the Fiscal Sustainability of States and the Nation”¹ then took the research one step further and identified the long-term benefits of early childhood care and education. This study convinced our trustees: kids who receive high-quality early care and education are better students, more active citizens, and productive employees. We launched a countrywide outreach project that proved that when the

business community’s voice is brought to bear on an issue, the policy community listens. Since the launch of CED’s U.S. effort, investment in ECD programmes at the state level has increased by \$US2-3 billion per year.

CED and the Wolfensohn Center believe that certain preconditions set the stage for the successful implementation of ECD programmes. The first condition is a mobilised constituency ready for reform. The second is an understanding among business leaders, policymakers, and the public that these programmes will prove to be a high-return investment. CED believes that the business

¹ Available at www.ced.org/docs/report/report_prek_econpromise.pdf (July 20, 2008).

community can serve as a catalyst for change. Unfortunately, advocates and policymakers often exclude this constituency from participating in education and development debates. CED decided to leverage the support of international business leaders to put ECD programmes at the forefront of international economic discussions. Together with the Wolfensohn Center, CED decided to take its model abroad to build an international constituency for reform. The conference in The Hague was the first event of many dedicated to this goal.

The meeting attracted an eclectic group of business leaders, policymakers, academic experts, even royalty. James D. Wolfensohn, former president of the World Bank and founder of the Wolfensohn Center for Development, welcomed attendees to the conference, while Her Majesty Queen Beatrix and Her Royal Highness Princess Laurentien of the Netherlands attended and expressed support for ECD programmes. They were not the only ones.

Dr. James Heckman spoke about the positive economic impact of ECD programmes. He remarked that investing in children from low-income families induces a higher rate of return than proportional investments in low-skilled adults. This return is particularly encouraging in developing countries, where over 200 million children under the age of 5 stand to benefit from ECD programmes. Dr. Jack P. Shonkoff, director of the Center on the Developing Child, Harvard University, followed Heckman's presentation with an animated account of the developmental benefits of ECD programmes. Shonkoff challenged the audience to find a physician anywhere in the world who believes that ECD programmes don't benefit children.

Charles Kolb, CED president, wholeheartedly agreed that ECD

programmes are "the right thing to do" for reasons that go beyond corporate philanthropy. Speaking to nearly one hundred conference participants, Kolb remarked: "ECD programmes can increase employee performance, lower employee absenteeism, and enhance a company's competitive edge as a new market entrepreneur. In the long term, corporations that support ECD are helping to secure a healthy workforce and develop a strong consumer base."

The presentations were sober and impassioned, but interspersed with levity. At dinner, former chair and CEO of Heineken, Thony Ruys, was captivated by CED's unique centrepieces—bowls of LEGO bricks donated by the LEGO Group. He announced that he would award a prize for the best LEGO sculpture. ECD experts, policymakers, and business leaders alike broke into a flurry of activity. The Steigenberger Kurhaus Hotel's staff nimbly manoeuvred the statues, castles, and robot-like figures to serve dessert. The significance of a group of distinguished leaders spending hours playing with LEGO at a conference focused on ECD programmes was not lost on anyone.

Keynote speaker Gary Knell, CEO of Sesame Workshop, also treated guests to a dinner performance. The Dutch Muppet Pino (Big Bird's blue-feathered cousin) interrupted Knell's discussion of successful public-private partnerships for ECD initiated by Sesame Workshop in Egypt and South Africa. Pino repeatedly asked to play a game with the chuckling Knell, who politely declined because guests were still eating dinner.

On the second day, conference participants got back to business. Afternoon panel discussions featured international representatives who discussed their experiences in supporting ECD programmes in emerging markets. Presenters were Antony Burgmans, former chair, Unilever NV and PLC (Netherlands); Ayla Göksel Göçel, CEO,

Mother Child Education Foundation (Turkey); Dennis Jönsson, president and CEO, TetraPak Group (Sweden); Henrik Lorensen, vice president, LEGO Group (Denmark); Dr. Johannes Meier, executive board member, Bertelsmann Foundation (Germany); Hlengiwe Mkhize, ambassador to the Netherlands (South Africa); Doug Price, founding chair, Qualistar Early Learning and CED trustee (USA); and Christophe Schmocker, UBS Optimus Foundation (Switzerland), among others.

James Wolfensohn's concluding message to the business leaders in The Hague was a call to action: become more engaged in ECD. He requested that each business leader complete a survey detailing their interest in ECD programmes by region and topic. He also agreed to send a personal e-mail to participants to ensure their ongoing collaboration with ECD programmes. CED and the Wolfensohn Center for Development are now working to connect these business leaders with ECD programmes in their respective home countries and abroad.

The next conferences and project activities will take place in Washington, D.C., in December 2008 and in Cape Town, South Africa, in 2009, supported by Bernard van Leer and W. K. Kellogg Foundations in collaboration with CED and the Wolfensohn Center. If the enthusiasm of the participants leaving the conference in The Hague proves any indication, these events are sure to draw more business leaders committed to the common cause of ECD.

As one European business executive stated, "I wasn't sure why I got an invitation to this event. Now I know, and want to do more."

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A note on costs and costing of early childhood care and development programmes

Robert G. Myers

The purpose of this note is to offer some thoughts on what is being done, and what might be done, to estimate the costs of ECCD programmes and to offer conclusions from a recent review of cost studies (Myers 2007).

The word “estimate” is used rather than “calculate” or “measure” or “determine” because the process involves a variety of assumptions and choices about how to value resources that make it difficult to say with finality that *the* cost of Programme X is a certain amount, let alone compare directly the costs of Programme X with those of Programme Y. The process of costing is complicated. It is influenced by differences in purposes and characteristics of programmes, contexts in which programmes function, programme models, and methodologies. Results are therefore approximate, and direct comparisons of costs across programmes are seldom possible. It is probably not an exaggeration to say that existing cost studies have often included an important element of art as well as of science.

Why estimate costs?

Among the reasons for estimating programme costs are the following:

1. *To budget and plan and to assess feasibility.* For planning and budgeting purposes it is necessary to respond to questions such as:

- What do different strategies and models of attention cost to start up and to implement?
- Within budget limitations, what are the technologies, methods, activities, and contents that will let one construct

a programme to meet certain goals for a particular population?

- What would it cost to extend programme coverage or to improve quality?
- What would it cost to add a component to an existing programme?

When emphasis is on budgeting and planning, particularly within certain financial limits, there is a tendency to look only at those costs that the particular institution making the budget or doing the planning will contribute, rather than to look at all costs regardless of who bears them.

2. *To monitor programmes and provide public accountability.* To help the adjustment process, it is important to be able to monitor programme costs, both to see whether the projected costs and budgets turn out to be relatively accurate or need adjusting; and to help determine costs of possible changes, using as a starting point the actual costs incurred but keeping in mind that, as programmes grow, costs per child may change. In addition, monitoring of costs feeds into a more general public accounting process that is part of fostering transparency in the use of resources and of conforming to democratic responsibilities by reporting on what is being done with funds.

Here a different set of questions may come into play. For instance:

- Are real costs the same as budgeted costs?
- In what programme categories and activities are resources concentrated?
- Are funds being spent for the

purposes they were designated?

- Do adjustments need to be made in technologies and methods, activities and contents, populations served, or the duration of programmes in order to meet goals within budget limitations?
- How do costs vary with conditions and change over time?
- How do costs vary at local levels within the same programme model and/or across programme models?
- Are there equity and quality problems related to costs (at the system level, across programmes/regions, or within programmes)?

With the last two questions we move beyond simple financial accounting and guides to programme adjustment to examine basic questions about how the costs of a programme support public goals of equity and quality in attention to young children. To examine these questions requires disaggregating the monitoring process to look at costs at the level of centres or districts serving different populations.

3. *To justify investments by relating costs to outcomes or to benefits.* If costs are relatively low but no identifiable outcomes are associated with a programme, then it will not be a desirable option, even though its low costs may make a particular programme seem attractive. By the same token, a relatively high-cost programme may be a good investment because it produces desired effects (such as improved learning) and perhaps even results in related savings along the way (for instance, by reducing costs of remedial

programmes or school repetition). But linking costs directly to outcomes does not occur frequently, either because the information desired is not readily available or because so many assumptions are needed to arrive at a result that the exercise loses credibility. Because effects and benefits are often intangible or difficult to define, let alone to calculate in monetary terms, the greater challenge in using costs for this purpose may be specifying and operationalising definitions of benefits rather than estimating costs. Nevertheless, we will see that estimating costs is in itself not always as straightforward a process as we might like it to be.

Examples of the questions that fall in this category of purposes for calculating costs are:

- Is an investment in a particular programme cost-effective or economically beneficial, on its own terms or as compared with other programmes?
- Is there a more cost-effective way to achieve the same results?

How are costs defined and estimated?

Cost is the value to someone (individual, organisation, government, society at large) of something (resources) used to achieve (transform) something (outcome).

This definition makes clear that an estimate of costs depends on whose point of view is taken when making the estimation. The approach recommended here is to think in terms of total costs, that is, costs of all aspects of a programme (that seeks certain outcomes for a particular population and focuses on certain ways of

transforming resources) *regardless of who bears those costs*. Without this broader view, one cannot easily answer questions about, for instance, inequities in the way resources are made available or whether the investment made in a particular programme is economically sound. A narrower view could lead to unfortunate decisions, such as a decision to expand a successful programme by increasing the government's budget when needed complementary resources from other contributors might not be present during expansion as they were in the successful programme.

But how should costs be evaluated? Theoretically, the cost of a specific intervention can be defined as the value of all the resources that it utilises had they been assigned to their most valuable alternative use (Levin and McEwan 2001, 44). In practice, the most common way is to assign a value in terms of the price of something as it is bought and sold in the market.¹ However, some resources used in ECD programmes are not bought and sold in the market, so a "shadow" price needs to be calculated. This would be the case, for example, for the contributions of volunteers or for a donated building. In brief, to estimate costs requires a careful and clear definition of all the resources that are actually being used in a programme, regardless of who provides the resource, so they can be valued in the most appropriate way. Once that has been done, either a market price can be assigned or, when market prices are not available or are distorted, evaluators can assign values based on shadow prices that are thought to express the real value of the resource as used in the programme.

A common way to define the resources is to identify the components or "ingredients" in a programme (see Levin and McEwan 2001). Although programmes may differ a great deal in how they are set up, certain categories of cost appear and reappear, common to most programmes. These include: **personnel** (those who attend to children directly as well as administrative, supervisory, and support personnel, whether paid or volunteer); **training**; **infrastructure** (buildings/facilities, equipment—the costs of which, if owned, need to be spread over the life of the resource); **materials and supplies**; and **overhead expenses** (such as utilities). Depending on the programme, there may also be costs for **food**, **attention to health**, **transportation**, and **uniforms**, as well as costs of **developing new programmes** and of **evaluation**.

Strategies for estimating programme costs

At least three main strategies are used to estimate programme costs:

1. *Using budgets or expenditures found in official documents.* This strategy is the most common. Unfortunately budgets, even if they are specific to the particular programme for which costs are being estimated (i.e., the programme budget is not embedded in a larger budget appropriation,² making it difficult to sort out what falls to the specific programme and what does not), do not provide a very good starting point for estimating costs of programmes. Budgets do not provide information about what resources are provided from other sources, they do not spread out capital costs over the life of a programme, and they are best guesses and projections that often bear

¹ For instance, paper and pencils or cleaning materials or food can usually be valued easily because the price is set in a relatively competitive market and the best alternative use of the resources is essentially the same as their use in a particular early childhood programme.

² In some countries, for instance, early education programmes are embedded in a basic education category that includes primary schooling, making it extremely difficult to sort out the early education appropriations.

little relation to actual expenditures. Expenditures may be limited to accounting within budget categories and may be difficult to access.

2. *Constructing costs by looking at the resources actually used by programmes in operation.* This approach to estimating costs may be more complicated and expensive than using budgets or expenditures, but it opens up the perspective and allows all costs of a programme to be identified and evaluated, including costs hidden in various budgets and costs associated with volunteer work and donations of resources. To utilise this method at the

level of a programme, it is necessary to visit a sample of the places where the programme is being implemented and to construct costs on the basis of questionnaires, conversations with practitioners and participants, observations, and a look at accounting records.³ This method allows a look inside a programme in operation, identifying and taking into account variations in costs from place to place and their relation to particular conditions. It is relevant to discussions of equity and quality as well as to projecting costs for budget purposes, allowing comparisons among settings within the same programme. The estimated

costs for a particular unit centre in a programme might be organised as in table 1, which shows, for each component, who is bearing the cost. (For an example of this strategy the reader is referred to Raczynski 2006.)

3. *Constructing costs a priori or by modelling.* This approach begins with a set of assumptions, based on research, experience, and prevailing norms, about what combinations of resources are needed in a programme to produce the desired results. The starting point may not be the combination of resources necessary to reach an “ideal” outcome, but instead may be built

TABLE 1

One way to organise estimated costs at the level of an ECCD centre

Components	Public		Private		
	Regular budget	Special programme	Parents & community	Education staff	Others (business, church, foundation, etc.)
	National	State and local			
1. Personnel (salaries, benefits, housing, meals)					
2. Infrastructure: buildings					
3. Infrastructure: equipment					
4. Materials					
5. Supplies					
6. Food					
7. Overhead expenses					
8. Transportation					
9. Training					
10. Supervision					
11. Uniforms					
12. Other					

³ Just sending out questionnaires to those in charge of centres is not enough. Memories fail. There are sometimes reasons to hide resources received. It is not possible to check answers against local accounting or local realities.

around what is considered an acceptable or even a “minimum” result. This method of constructing costs can be particularly useful when trying to set out a new programme. If linked to estimates of differential benefits, it may be useful when trying to compare costs of different programme models. When utilising a modelling approach it is not necessary to determine in advance where the financing will come from in order to implement the model. After estimating costs, different ways of obtaining the necessary resources can be considered. The model therefore is not tied directly to the availability of government funding to provide the resources defined as necessary, or, for that matter, to any other source of funding. If the prospects of financing seem totally unrealistic, adjustments may be made in the model and the simulation. (For a description and examples of how to apply this strategy, the reader is referred to Williams with Morrison and Watson-Campbell 2004.)

Conclusions from a review of existing cost studies

The following conclusions about costs and costing of ECCD programmes can be drawn from a review of existing cost studies:

1. **One should not attempt direct comparisons of the costs of ECCD across countries, systems, or programmes.** Too many differences exist in purposes, expected or real benefits, populations (age groups, enrolments, characteristics of participants), contexts (dispersed/concentrated, price structures, and insertion in markets), technologies, components, hours of operation, in-kind contributions, etc., to allow comparison.
2. **Information bases in systems are typically weak and do not easily permit cost calculations.** Much is hidden in aggregated categories. It is hard to amass information about costs from different sources as they converge

in a particular programme or learning environment. Disaggregated cost data should be sought to the extent possible. Interviews and observations in the field are usually essential to conducting an acceptable cost analysis.

3. **Most studies are of costs calculated from analyses of public budgets or expenditures and focus on direct operational costs; most do not include time or in-kind costs borne by families, volunteers, and private organisations.** Although time and in-kind costs are not important in some programmes, they do add up to a significant contribution in others, particularly in community-based, non-formal programmes, which are often carried out in poorer or hard-to-reach areas. Recognition needs to be given to hidden parental and community contributions, without which it would be difficult for the programmes to function.
4. **Few studies estimate costs on the basis of selected case studies of specific learning environments (centres, homes).** This is a useful exercise to see how actual costs vary in different learning environments within a programme and across programmes and for analyzing how sources of financing vary. Such analyses shed light on questions of equity in the level of resources provided and in the distribution of who bears the cost.
5. **The estimation of costs required to mount a programme of “acceptable” quality is a useful exercise for planning or to compare with the actual costs of programmes in operation.** An excellent example of this is the work done in the Caribbean (see Charles and Williams in this issue).
6. **It is right to be sceptical of any cost estimate made for an early childhood programme.** To understand the estimate, and sometimes to overcome that scepticism, requires looking behind the results to see

Recognition needs to be given to hidden parental and community contributions, without which it would be difficult for the programmes to function.

from whose viewpoint the estimate is presented, to determine what “ingredients” were taken into account, and to see what assumptions were used to assign values to the ingredients. This can be extraordinarily frustrating for those of us who would like to think that one accepted and scientific way exists to determine costs.

7. **More use should be made of costing information to look at questions of social participation and equity in order to ensure that vulnerable young children will receive services of adequate quality.** These issues have remained in the background as planners and budgeters worry more about what a programme will cost and the implications for their particular budget than about the larger social picture in which the process of obtaining and using resources is embedded.

This brief note is based on a more extensive paper prepared for the Consultative Group, financed and being prepared for publication by the Bernard van Leer Foundation (Myers 2007).

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A national experience in ECCD costing, financing, and resource mobilisation: **The Colombian case**

Alejandro Acosta

Colombia has been recognised as the country that first brought health, nutrition, and infant stimulation together to improve child development (Super, Herrera, and Mora 1990). This early longitudinal research project, conducted in the early 1970s, led to a diverse array of innovative policies and programmes to improve early childhood and family development in Colombia and throughout Latin America. Government, organisations of civil society, and international agencies developed these programmes. Significant progress was made from the 1970s to the early 1990s through greatly expanded public-sector, civil-society, and private-sector investments in ECCD.

Toward the end of the 1990s, however, serious setbacks occurred in Colombia and the Latin American region. The situation in the region contrasted with the international rise of ECCD. Internationally, results from research in a variety of disciplines, from neuroscience to psychology, as well as many evaluations and longitudinal studies of quality ECCD programmes, revealed the importance of expanding investments in early childhood and social development. In Latin America, however, early childhood was losing importance in the public agenda and in many organisations, including those most closely related to childhood. This decline in support resulted in the elimination of important ECCD programmes and the weakening of many of the institutional gains achieved during earlier decades. In Colombia, the

combined effects of the ECCD crisis of the 1990s and rising community violence deeply affected the quality of life of vulnerable children and their families.

To counter this crisis and support the expansion and improvement of ECCD services in Colombia, a group of organisations (Fundación Antonio Restrepo Barco, Save The Children UK, UNICEF Colombia, and Centro Internacional de Educación y Desarrollo Humano, CINDE) belonging to the Consultative Group's Network for ECCD in Latin America and to the Alliance for Colombian Children created the Colombian Working Group on Economy and Childhood.

Initially, the Working Group focused on two tasks:

- Positioning the financing and costs of ECCD programmes on the policy agenda at the national level
- Demonstrating the relationships between economic growth and ECCD

The Working Group concluded that the process of building attention for early childhood services in the Latin American region should be addressed in three parallel ways:

1. *Make the subject of early childhood visible in national-level discourse and policy-planning activities.* As a result of major regional and national efforts, the Working Group, in collaboration with many other networks and organisations, has succeeded in making early childhood visible in national planning agendas in Colombia and in virtually

all Latin American countries. With the development of many recent innovative programmes and research projects, ECCD increasingly demonstrates its feasibility.

2. Move Colombia and the region toward building public policies for early childhood development. The Working Group emphasised a participatory approach to mobilise all members of society to work toward achieving universal coverage, providing special attention to vulnerable children, and improving programme quality.

3. Ensure that ECCD becomes one of the pillars of overall social and economic development policies. This effort on the part of the Working Group was central to achieving sustainability.

With this approach in mind, the Working Group launched a major effort to analyse what the region and Colombia had produced with respect to ECCD development in the 1980s and early 1990s, especially regarding policies, costs, and financing. (See the list of references for some of the

key documents used in this review.) The Working Group also focused on relationships between poverty and the status and needs of young children.

After working with the Alliance for Colombian Children to position the topic of ECCD on the national agenda in Colombia, the Working Group then undertook its first study on national ECCD investments (Sarmiento et al. 2004). Its conclusions included the following:

- A multidisciplinary analysis needs to be promoted so that economists can identify the specific characteristics of children. Populations should be broken down according to quintiles of income, gender, zone, and region.
- To be effective, social policy must focus on the family and integrate programmes around the family. Current practice, in which many organisations and programmes target groups of people, leads to duplications of work and reduces the impact of government initiatives.

- It is essential to improve equity with respect to social expenditure. Research has shown that traditional methods of allocating funds have resulted in increasing benefits mainly for those sectors of the population with the highest incomes.

- Macroeconomic policy must broaden the base of stable resources devoted to ECCD to include those that are less sensitive to economic cycles. (By contrast, for example, Colombia's important source of public financing for ECCD since 1974 has been a payroll tax, initially pegged at 2% of payrolls and now at 3%. The strategy has an internal challenge in that it is procyclic in character. When the economic cycle is lower and needs rise, the collection is also lower. Consequently, it is necessary to have an additional, more stable funding source that will buffer the payroll tax during times of downturn in the collection of taxes.) In this way, it would be possible to implement child protection policies that would not increase indebtedness. The Working Group noted that Chapters 9 and 11 of the United States Code prevent the State from neglecting "vital services" that it provides to its citizens in order to service the national debt.

- The previous points require strengthening society's knowledge about the importance of meeting the costs of essential early childhood programmes. Stronger public support should help to improve the accountability of the public sector.

- Various social sectors should be involved in ECCD, including government, NGOs, universities, churches, the media, international organisations, and the private sector.

To build a public policy for early childhood in Colombia, an evaluative study was also undertaken regarding ECCD service modalities (Working Group on Economy and Childhood 2005). As a part of this evaluation, the cost



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structure of five service modalities in Bogotá was studied: kindergartens; ECCD alliances; neighbourhood child-care homes; children's care homes; and infant and preschool children's centres. Two instruments were designed to gather data about the centres and the families using them. For the centres, the questions focused on their costs and sources of income. The questionnaire for the families requested information on family budgets. The team also calculated the cost of the time invested by families and the value of immediate benefits to them and their children.

In addition to providing a basic study on costs, the evaluation concluded that child development could be positively influenced by means of effective interventions. The researchers also noted that these programmes reduced tensions resulting from social exclusion and the precarious conditions of poverty that keep children from achieving their potential. In addition, the evaluation underscored that these modalities have a positive impact on achieving children's and women's rights and social equity and on expanding participation in governance issues related to children and families. The study sought to demonstrate the

relationships among ECCD services, family support, and the collective effort to overcome poverty and social exclusion. It asserted that by means of overcoming social indifference and stimulating integrated public action, a shared responsibility between the family, civil society, and the State could be developed.

Having made important contributions to early childhood policy planning in Colombia in the years 2005 to 2008, the Working Group now expects to assist with the implementation of programmes and projects called for in the country's ECD Policy, as well as with social and economic policies related to issues affecting the status of young children in Colombia.

Sixty years after the term "underdeveloped country" came into use, the Working Group continues to pursue the question, "How can development be achieved?" As stated by Easterly (2003, 5), "As the adventurers of old, we economists have tried to reach the precious object, the key that would allow the poor from the tropics to escape their situation. On several occasions we believed we had found the elixir.... None of them has yielded the promised results."

Collier (2007, 5) notes: "All societies used to be poor. Most are now lifting out of it, why are others stuck? The answer given is traps. Poverty is not intrinsically a trap; otherwise we would still be poor. Think for a moment of development as chutes and ladders. In the modern world of globalization there are some fabulous ladders; most societies are using them. The countries at the bottom are an unlucky minority, but they are stuck."

Discussions about development such as these provide an opportunity to incorporate early childhood not only in the design of public policies but also in the development of economic theories. ECCD should relate to the

construction of capital at the local and national levels as well as to the building of individual and collective capacities for economic productivity and growth.

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Toward an adequate ECD centre subsidy for children under 5 in South Africa: **A costing of centre delivery**

Linda Biersteker, Judith Streak, and Malibongwe Gwele

The South African government has increasingly recognised the significance of investment in ECD services of different kinds to support child development and protect child rights. Primary health care is free for young children and for pregnant and lactating women, and 2.86 million children from birth to age 4 access a government-financed cash transfer via the Child Support Grant Programme.¹ Since 2001, the government has invested significantly in expanding services for 5-year-olds in a reception year of formal schooling, falling under the Department of Education. This service will be universally available to nearly 1 million children by 2010. Norms and standards for funding the reception year have been legislated, and provincial budget allocations are increasing toward providing for the access and quality requirements. More recently, attention has shifted to the greater challenge of meeting the needs of South Africa's 4.98 million children under 5 years. In 2005 the government produced the National Integrated Plan for ECD, providing for an integrated service package for under-5s, with a focus on poor and vulnerable children. The Plan includes primary health care services, birth registration, child support grants, and early stimulation. These services can be offered via the home, through

a range of community programmes, or at early childhood centres.

Budgeting for the age group 0-5 falls to three departments at the provincial level: the Department of Health for provision of health services; Education for training of personnel, curriculum guidelines, and learning materials; and Social Development for monitoring and providing funding (not full cost) to agencies offering ECD programmes. To date the latter has largely been for ECD centres, which are estimated to cover only 22.6% of children.² Currently a drive to increase centre access and quality is being coordinated through one of the government's leading short-term measures to address poverty, the Expanded Public Works Programme (EPWP). The political commitment for service expansion for under-5s has been demonstrated by the inclusion of ECD in the EPWP and in the APEX³ priorities announced by the president in February 2008.

This article examines the costs of sustaining a centre programme at a minimum level of quality and draws out some implications for current budgets. The need to establish an adequate ECD centre subsidy and to scale up ECD provision for under-5s must be understood in the context of the scale of poverty, and its impact on children, in South

Africa, as well as in the tradition of limited funding for ECD programmes.

Context

The large scale of child poverty and associated deprivations

Recent research (Streak, Yu, and Van der Berg forthcoming) based on the Income and Expenditure Survey 2005/6 (Statistics South Africa 2007b) estimates that 65.5% of South Africa's children are poor.⁴ Moreover, the study confirms that the poverty headcount is slightly higher (66.1%) among children under 5 (Streak, Yu, and Van der Berg forthcoming).

An environment of poverty does not provide a good platform for development. Research on the correlation between poverty in the traditional sense and other forms of deprivation illustrates that children who live in poverty suffer poorer access to basic services and rights as well as poorer-quality services (Dawes, Bray, and Van der Merwe 2007). Undernutrition is the most devastating effect of poverty. The Department of Health reports that one quarter of children under 3 are stunted (Labadorios 1999), severely compromising their development and their ability to benefit from education.

1 This is a cash grant of R210 monthly for children under 13 whose primary caregivers qualify on the basis of income. (See Biersteker and Streak 2008 for calculation of eligibility and Proudlock et al. 2008 for more information on the grant.)

2 Calculations are based on the 2007 Community Survey data (See Statistics South Africa 2007a).

3 There are nineteen APEX priorities or particular "business unusual" focus areas for government covering a wide range of areas including economic (e.g., self-employment interventions, ICT platform, energy security), social (e.g., war against poverty, implement special crime combating and security initiatives), and governance and administration (e.g., improve civic services, ensure integrated planning).

4 The Income and Expenditure Survey (Statistics South Africa 2007b), the most recent national data set available, used per capita income as the welfare indicator and set a conservative poverty line cutoff at the 40th percentile of households (R6,542 per annum per capita in 2007 prices).

Low level of government funding for ECD centres and the need to cost delivery

Research on the level of government funding for ECD has highlighted the very low level of government financial support (Departments of Social Development, Education, and Health 2004; Streak and Norushe 2007; University of Pretoria Department of Early Childhood Education and Development Bank of Southern Africa 2007). This pattern is not unique to South Africa; families in many countries are expected to provide for their own young children. It is problematic, however, because families in poor communities do not have the resources to pay for ECD services, either in cash or kind, and centres that rely on fees tend to exclude the poorest children. In this context, many ECD personnel, themselves poor, earn extremely low salaries or even work on a voluntary basis. Quality of provision tends to reflect cost, and poorer and more marginal ECD projects result in poorer services for children.

The Department of Social Development has a system of poverty-targeted per capita subsidies intended to address this issue of access for poor children. The subsidy goes to non-profit ECD centres for qualifying children. Severe implementation challenges have constrained expansion in the number of registered centres and the reach of the centre subsidy. These challenges include delays and difficulties with the registration process, as only registered centres may apply for subsidisation (Biersteker and Streak 2008). Since 2003-4, a campaign has been underway to increase the numbers of registered centres and those children and centres receiving subsidies. Between the financial year 2006-7 and 2007-8 there was a 15.9% increase in the numbers of centres and children subsidised (to 332,353

children). The Department's budget for the subsidies increased from Rand⁵ (R) 422 to R900 million, and the subsidy itself increased from an average of R6.07 in 2005-6 to a nationally required minimum daily subsidy of R9 in 2008-9. Three of South Africa's nine provinces have yet to reach this level, and two already pay R11 (Erasmus 2008).

There is evidence that the subsidy is the only stable source of income to most ECD centres serving poor communities, where fee income is erratic; it generally improves the service offered, particularly in making it possible to provide a nutritional programme (see Unit for Social Research 2003). However, recent case studies make it clear that the level of the subsidy is insufficient to sustain centres of good practice for children of low-income or unemployed parents (see Ndingi, Biersteker, and Schaffer 2008). This means that, because of the fees, centres mostly cater for working parents.

What the ECD centre subsidy covers

In the past the subsidy was primarily intended for nutritional support. In practice, however, many centres interpreted the regulation that the subsidy cover "the programme" to include payment of caregivers, because there is no government funding for salaries for ECD (ages 0-4) service delivery (Streak and Norushe 2007).

In recognition of the broader needs of centres, the Department of Social Development recently proposed the following subsidy breakdown (Erasmus 2008):

- 50% nutrition
- 25% contribution to salaries
- 25% administration (equipment, office expenditure, maintenance)

Assessment of the gap between the subsidy and costs

In May 2008 we updated an estimation undertaken by the Early Learning Resource Unit in 2005 of the costs of running a basic ECD centre programme (Biersteker and Streak 2008). This estimation addresses daily costs, excluding in-kind contributions; it does not include initial infrastructure and equipment costs, nor staff training (which has received funding support via the Departments of Labour and EPWP as well as the private and philanthropic sector), nor the oversight role of local and provincial government.

On the basis of the financial statements of forty-nine subsidised ECD centres, both small and large and from different districts in the Western Cape Province, estimates were arrived at for administrative and operating costs, including consumables. A menu recommended by the Department of Health Nutrition Directorate, based on the requirement that the centre provide 50% of their daily nutritional requirements, was costed for children 1-3 years and 4-6 years. While salaries are generally very low, the costing was based on minimum wages. For the cook, the basic wage prescribed by the Department of Labour for a domestic worker was used. There is no minimum given for a caregiver/teacher, and the salary costed was based on the current recommended salary for a reception year teacher of R3000 per month, even though indications are that that this is higher than the average paid in the sector at present.⁶ On the basis of these estimates, the cost of a sustainable facility based on the nutritional requirements and prescribed ratios for two age groups is provided in table 1.

⁵ In 2007, the exchange rate of the Rand fluctuated around an average of R7.05 to the US dollar.

⁶ There is no up-to-date national information, but it is commonly reported that training allowances of R1500 are higher than what caregivers will earn once trained (Biersteker 2008).

TABLE 1**Basic costs in South African Rand of centre programmes for two age groups for items supported by per capita subsidy**

	Costs for under 3 yrs group of 24 (two caregivers)	Costs for 4-6 yrs group of 20 (one caregiver)
Salary for 1 caregiver @ R3000 per month	36000	36000
Salary for 2nd caregiver for under-3s	36000	
Salary for a cook/general assistance@ R1166 per month	13990	13990
Nutrition	34848	31680
Administration	17610	17610
Total	138448	99280
Per day	524.42	376.06
Per child per day	R21.85	R18.80
Subsidy	R9	R9
Proportion of costs covered by subsidy	41%	48%
Balance to be made up from fees and other sources	R12.85 per child per day	R9.90 per child per day
(Per child per week)	R64.25	R49.50

These estimates indicate the large gap between the current subsidy level and the basic costs of running a centre, even with the increased subsidy. While government subsidies do make a difference⁷ and will be increasing, it is clear that they are insufficient to cover costs, particularly in the current context of rising prices for food and services. There is a clear need to raise the value of the subsidy to meet the real costs of providing services of minimum quality at centre level so that the programme is sustainable. Moreover, this step needs to occur in conjunction with expansion of the subsidy's reach.

Implications for budget expansion and the issue of sustainability

The need to both substantially raise the value of the per capita subsidy and expand the number of children and centres receiving it implies a massive expansion of resources allocated to scaling up ECD centres for children 0-5 at the provincial level. Is this proposal sustainable?

Currently South Africa runs a budget surplus of 1% (Presidency of Republic of South Africa 2008, 9). Fiscal room therefore exists to expand spending

on scaling up ECD for under-5s. However, for the provinces to have the necessary additional funds available to spend on scaling up ECD, the national government will have to make the funds available to them in the annual division of revenue. In addition, the provincial treasuries will need to allocate additional funds for this purpose rather than to competing priorities. This allocation will require advocacy around the importance of ECD in the provincial budget process, where it is currently a low priority. Another issue that will need to be addressed is the concern about limited capacity (managerial and monitoring) to spend

⁷ In the 2005 study, the subsidy made up 70% or more of the income of 39% of the centres studied (see Erlank and Biersteker 2005).

a substantially larger ECD budget for under-5s in provincial Departments of Social Development.

Conclusion

This small-scale study underlines the need for thorough and regularly updated costing studies of *inputs* into programmes in order to help ensure feasibility, minimum quality, and sustainability. In addition, programme *outcomes* should be assessed in relation to costs. Programmes delivered at centre, home, or community levels should be included in this exercise as the access envisaged is unlikely to be met by centres alone on current budgets. In addition to costs, comparative outcomes from the three different modalities should be assessed over time.

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Going to scale with effective ECD interventions: What is involved? A costing model of the Madrasa ECD Programme in East Africa

Shireen S. Issa with Judith L. Evans

The early years of life are increasingly recognised as providing a critical window of opportunity to lay the foundations of positive physical, cognitive, emotional, and social development. Still, governments often find it difficult to afford investments in ECD services, given several competing priorities and limited resources. Of concern to those trying to replicate and scale up effective preschool programmes are the human and financial requirements for doing so. It is in the best interest of all stakeholders if effective interventions are taken to scale in a cost-effective way.

Costing studies aim to inform policy decisions for governments willing to invest in ECD interventions as a core strategy for meeting the Millennium Development Goals (MDGs) in health and education. However, attempts to cost community-based ECD service programmes often fall short of providing a clear picture of direct and indirect costs borne by the service provider on a per-community basis for the duration of active support. Also, historically, the contribution of community members is not formally documented.

When examining cost efficiencies and prospects for replication/expansion of programme models, accurate and comprehensive costing data are critical to inform potential improvements and/or expansion of service delivery. This recognition was the driving force behind the costing study conducted in 2006 on the Madrasa Early Childhood Development Programme, a community-based initiative of the Aga Khan Foundation that operates in East Africa (Issa 2006).

The Madrasa Programme

The Madrasa Programme was initiated in the 1980s at the request of Muslim communities in Mombasa, Kenya to His Highness the Aga Khan to facilitate an improvement in the educational status of children in these communities (Bartlett 2003). The programmatic scope and documented impacts of the programme (Mwaura 2003, 2005) speak volumes for the success of community-driven ECD services. The programme's main objective is to increase access to and retention in primary school for children of disadvantaged urban, peri-urban, and rural Muslim communities by improving their overall well-being through strategies that foster a child-friendly and supportive household and preschool environment in their early developmental years.

The Programme expanded to Zanzibar in 1990 and Uganda in 1993. It is represented in-country by Madrasa Resource Centres (MRCs) in Kenya (Mombasa), Uganda (Kampala with a satellite office in Mpigi), and Tanzania (based in Zanzibar Town on Unguja Island with a satellite office on Pemba Island).

At the time of the costing study (and also in 2008), the Programme supported 203 community preschools in East Africa (66 in Kenya, 53 in Uganda, and 84 in Zanzibar), the majority of which (about 75%) were located in rural areas while others were in peri-urban areas. Of these, about 153 communities had received two to three years of support. As of December 2007, the

Madrasa Programme has served some 54,000 children in East Africa (including those currently enrolled) and has trained over 4,500 community-based (and other interested preschool) teachers and 2,000 School Management Committee (SMC) members.

The Madrasa Programme also undertakes outreach activities that involve training for teachers who do not represent Madrasa preschools. These activities fall under the purview of the Madrasa Centres' role and responsibilities as resource centres for ECD activities in East Africa in addition to being community-based ECD service providers. Over 3,000 additional pre- and lower primary school teachers and trainers have received training and support through the outreach work to date.

The parameters of the costing model

While the Madrasa Programme and its funders and other donors would no doubt benefit from some economies of scale as the number of communities being supported is increased, for the purposes of this study, costs were estimated based on activities associated with the five-year phased approach toward establishing and operating preschools by one MRC in fifteen representative communities at a time. "Representativeness" was assessed based on the following criteria:

- length of affiliation with the MRC
- demographic status of the community
- school fees

- school size (as determined by number of teachers given a 1:15 teacher to child ratio)
- school structure (as indicated by number of rooms as well as construction of new versus modification of existing structures)

The study differentiated between different kinds of costs, including the following:

- *infrastructure and setup costs* (initial capital expenditure related to setting up facilities, including supporting a lien structure at the MRC country office)
- *direct costs* (those borne by the MRCs in direct connection to activities undertaken for establishing and operating the preschool, such as teacher training and supervision)¹
- *indirect costs* (of operating the Madrasa preschool, commonly referred to as general expenses, overhead, and operational costs, e.g., relevant MRC administrative and programme staff salaries)

Another dimension that needs to be accounted for if the true costs of the programme are to be reflected are the hidden costs that need to be covered if the Madrasa preschool programme is to be replicated. Hidden costs comprise the community's contribution (cash and in-kind). The linchpin of community-driven initiatives of this nature is the participation of the community and the vested interest which drives them to not only benefit from the services provided but also to substantially contribute (their time, financial resources, and/or other material resources) to

BOX 1

The MRC approach: A three-phase process

Lessons learned from many years of work by the MRCs on the ground suggest that sustainable, quality community-based preschools involve long-term presence and a range of partnerships and resources over time. The MRC approach in communities has evolved into a three-phase process that typically occurs over the course of five years (assuming that staff is reasonably well-versed in ECD methodologies).

The first phase, *community sensitisation and mobilisation*, prepares community residents to formally join the Madrasa Programme by meeting the MRC's selection criteria for partner schools (enrolment of students, identification of caregivers, identification and improvement of facility, etc.).

The second phase, *training, monitoring and evaluation, operations, and support*, follows the signing of a contract between the MRC and community preschool; it incorporates typically two and sometimes even three years of intensive training for SMCs and teachers, depending on each community's ability to organise itself and work together to achieve agreed-upon goals. "Graduation" involves assessment of the extent to which a school has satisfied the community involvement, teaching and learning environment, and management criteria set out in the contract. The assessment helps to evaluate whether or not the schools are operating at an acceptable standard of quality and with the required systems in place to ensure the school's technical, financial, and organisational sustainability.

Following graduation, the third phase, *post-graduation support for sustainability*, involves a continuation of support via on-site mentoring visits, refresher courses, and training on new topics to support evolving needs.

the project. Historically, the quantum of this contribution by communities themselves has not been studied comprehensively within the Madrasa Programme nor indeed by many community-based ECD programmes.

So, how much does it cost?

The study indicated that costs across MRCs vary along a number

of dimensions (e.g., teacher training and building/facility construction). Overall costs are quite similar in the case of Kenya and Uganda and significantly different with respect to Zanzibar, owing to variations on several indicators: salary scales; cost of living; average enrolment per school; level of support provided by the MRC over five years; average travel time to

¹ This study accounted for time spent not just on implementation of activities but also staff time involved in planning and preparation for activities on a per-community basis.

² The feeding programme, a relatively new introduction to Madrasa Programme activities, involves the provision of a nutritious mid-morning meal/snack to each preschool child on school days. The cost variations during the training and support period are partially accounted for by the varied implementation of the feeding programme component of the Madrasa model across the three countries. In Zanzibar, this component was not implemented as a regular feature in 2006 and, as such, this component has not been costed as part of MRC-Zanzibar activities. In contrast, in Uganda, it was a regular part of the programme dependent on community contributions, and, in Kenya, it was a regular part of the programme dependent on MRC-Kenya contributions.

³ An area of significant cost difference pertains to the provision of the sustainability grant to each graduating community. In the past, all MRCs provided sustainability grants of US\$ 2,500 to all graduating communities. However, in 2006, MRC-Kenya planned to provide a grant of US\$ 5,500 to each graduating community whereas MRC-Uganda's grant per community was to be in the amount of approximately US\$ 1,500 with MRC-Zanzibar not planning to provide sustainability grants.

communities; feeding programmes² and sustainability grants,³ if any; and contributions toward school set-up costs with respect to structural improvements and/or construction.

All preschools received an initial grant of US\$1,000 (“seed money”), which was contributed to the costs of adapting or upgrading existing structures or building a new preschool. The communities contributed the remainder of the required funds/resources, either through in-kind donations (labour and/or providing some of the building materials) or cash contributions. Obviously those communities that decided to build a new structure had more to do, but again, costs varied depending on whether communities used more traditional local construction techniques or decided to build with concrete or mud bricks.

Tables 1 and 2 present a summary of costs in relation to key activities undertaken over a five-year start-up and support period across the three MRCs translated into the *cost per child per month during the activity period and for the five-year period*. Costs presented show both the MRC and community contributions.

What next?

The unit costs associated with the programme were slightly higher than anticipated and, not surprisingly, varied by country. Of course, arguments may be made for streamlining some processes and thus effecting greater cost efficiencies prior to scaling up. However, it is important to note that higher than expected costs are also a result of a careful attempt to include all contributions, including in-kind contributions by communities, a dimension which was heretofore not quantified.

To assess whether or not the per-child costs of the Madrasa preschools is reflective of similar initiatives and reasonable for such projects, cost studies



Zanzibar: Aga Khan Foundation/Zahir Rami

Members of Banda Maji, Unguja community build a Madrasa preschool.

BOX 2

Summary of costs

Overall, the direct costs associated with the 5-year phased implementation of the Madrasa Programme in one community are in the range of US\$6 to US\$15 per child per month based on average enrolment figures for each country, with the MRC contributing US\$3 to US\$11 and the community contributing US\$3 to US\$4 across the three countries.

The overall unit costs (direct and indirect as well as initial set-up costs) for one community range from US\$14 to US\$24 per child per month, assuming feeding programme and sustainability grant contributions.

Adjusting for contributions toward the feeding programme and sustainability grant provision, the overall unit costs (direct and indirect as well as initial set-up costs) associated with the five-year phased implementation in one community range from US\$14 to US\$22 per child per month. Direct costs are in the range of US\$6 to US\$12 per child per month based on average enrolment figures for each country, with the MRC contributing US\$3 to US\$8 per child per month over five years.

Aggregate costs (direct and indirect) for implementation in one community appear to be highest in Kenya and lowest in Zanzibar. The unit costs (per child per month) are similar in Uganda and Kenya, when considered absolutely, because of the lower average enrolment figure in Uganda.

of similar community-based initiatives need to be calculated. Once there is a better understanding of costs across various community-based preschools, the challenge will be to demonstrate to governments that investments in early

childhood interventions, while requiring concerted effort and considerable commitment, are possible and would help to increase efficiencies within the education system. For example, in some instances, an investment in

preschool can be paid for with monies saved as the result of reduced costs of repetition and dropout during the early primary years. Furthermore, costing studies, when complemented by longitudinal studies that show the

TABLE 1**Madrasa preschools MRC and community contributions—A regional analysis**

	Contributions (in US\$)	MRC Contribution			Community Contribution			Total Contribution		
		Kenya	Zanzibar	Uganda	Kenya	Zanzibar	Uganda	Kenya	Zanzibar	Uganda
1.0	Direct (including hidden) costs									
1.1	Year 1 – Community mobilisation	2,897	2,815	2,043	1,848	2,375	1,330	4,745	5,190	3,373
1.2	Years 2 and 3 – Training, support, M&E	18,700	6,401	10,136	6,975	7,832	5,914	25,675	14,233	16,050
1.3	Years 4 and 5 – PGSS	9,965	2,440	4,445	3,446	1,472	1,009	13,411	3,912	5,454
1.4	Sub-total direct costs	31,562	11,656	16,624	12,269	11,679	8,253	43,831	23,335	24,877
	<i>Cost per child per month over 5 years (direct MRC costs and hidden costs borne by community)</i>	11	3	7	4	3	3	15	6	10
1.5	Cost of sustainability & feeding grant	6,458	0	1,366	0	0	0	6,458	0	1,366
1.6	Sub-total direct costs (without sustainability & feeding grant)	25,104	11,656	15,258	12,268	11,679	8,253	37,373	23,335	23,510
	<i>Cost per child per month over 5 years (direct MRC costs without sustainability and feeding programme grant)</i>	8	3	6	4	3	3	12	6	10
2.0	Indirect costs									
2.1	Indirect costs – 5-year operational costs including repair and maintenance of capital equipment	25,270	23,655	25,444	0	0	0	25,270	23,655	25,444
	<i>Cost per child per month over 5 years (indirect MRC costs)</i>	8	7	11	0	0	0	8	7	11
3.0	Infrastructure and setup costs (one-time)	3,420	4,793	3,092	0	0	0	3,420	4,793	3,092
	<i>Cost per child per month over 5 years (indirect infrastructure and setup costs at NGO/govt level)</i>	1	1	1	0	0	0	1	1	1
4.0	Total contributions (direct, indirect, set-up, hidden)									
4.1	Total contributions (with sustainability & feeding grant)	60,252	40,105	45,159	12,268	11,679	8,253	72,521	51,784	53,412
	<i>Cost per child per month over 5 years (with sustainability & feeding grant)</i>	20	11	19	4	3	3	24	14	22
4.2	Total contributions (without sustainability & feeding grant)	53,794	40,105	43,793	12,268	11,679	8,253	66,063	51,784	52,046
	<i>Cost per child per month over 5 years (without sustainability & feeding grant)</i>	18	11	18	4	3	3	22	14	22

TABLE 2**Costing model assumptions**

	Kenya	Zanzibar	Uganda
Average number of teachers per school	3	5	3
Average enrolment per school	50	60	40
Average number of SMC members	9	9	8
Average number of SMC members attending regular meetings	9	6	5
Average number of community residents attending regular meetings	30	60	30
Rate per hour for MRC staff (US\$)	3.82	2.27	2.64
Average round trip travel time for MRC staff to communities using office transport (hours)	1.75	0.75	0.75
Rate per hour for casual unskilled labour (US\$ – average urban and rural communities)	0.28	0.30	0.19
Average round trip travel for community residents to MRC using public transport (hours)	1.75	1.25	1.25

long-term economic benefits of an effective investment in very young children today, serve as informative bases for policy decisions. Analysis from a current study looking at children across all grades of primary school who attended Madrasa and other preschools, as well as those who did not attend preschool, is underway. Initial findings from Uganda indicate that repetition rates in grade one for those children who attended preschool are half those of children who did not attend any preschool; the trend continues throughout primary school.

Follow-up by the Madrasa Programme since the costing study was carried out has focused on each MRC reviewing how they can lower the overall costs of their approach. For example, the MRC in Kenya has made changes to their training model so that teachers receive training during school holidays three times per year instead of travelling to the MRC each week, thus lowering costs for trainees and the MRCs. Other changes are under consideration elsewhere.

In addition, tracking of the mini-endowment funds (sustainability grants) that were set up in 149 of the preschools continues to provide the preschools with regular dividends that go toward the costs of teachers' salaries, maintaining the preschool premises, or other related costs, and thus supplement income from fees or other resources mobilised.

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A student at the Swiratwal-Huda preschool at Konde, Pemba learns how to count with teaching resources.

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A cost-benefit analysis of preschool education in Turkey

Mehmet Kaytaz

Turkey has one of the lowest levels of preschool education coverage among all lower middle-income countries. While some improvement has occurred during the last decades, still only 16% of the 7 million children between birth and age 6 are able to benefit from preschool education services. This figure is very low, even for countries with similar social structures but lower incomes. The effects of the lack of preschool education, and hence the unpreparedness of children for school, are visible in the performance of Turkish students in international comparative studies. The results give a clear danger signal for Turkey's future labour force.

Continuing Effects of Early Intervention in Adult Life (Kagıtcıbası et al. 2005) estimates the benefits of ECD for Turkey. The study follows the progress of a group of individuals from ages 3-5 to 25-27. It focuses on the participants' academic attainment, socioeconomic success, family relationships, life satisfaction, social participation, and social adjustment. Of the 217 participants in the original study, 133 were reached for the follow-up. The findings show that the children who had some form of ECE intervention (either themselves or their mothers) attained a significantly higher level of education than those who did not have an early intervention. Their performance in school was better in terms of lower dropout rates and school failure. The better performance of the programme group continued in the labour market; more of them were employed and they lost their jobs less frequently.

The ECD cost-benefit methodology used in this study is based on the approach developed for the World Bank by Mary Eming Young and Jacques van der Gaag (2002). In this approach, benefits are

simulated by changing some parameters related to enrolment rates and child health. The benefits expected from ECE services are restricted essentially to an increase in level of schooling and hence an increase in productivity and earnings. The wage-earning profile is estimated from a household budget and expenditure survey of wage earners in the private sector. The cost calculations include facilities, equipment, large repairs, and current expenditures. Several discount rates are used; here the results are reported only for a 6% discount rate.

The simulations are based on modest increases in enrolment rates and a decrease in dropout rates. It is assumed that with a higher level of ECE, enrolment rate in primary schools increases by 0.8%, in secondary schools by 1%, and in higher education by 1-1.7%. Even with these limited benefits, the calculated benefit-cost ratios range between 4.35 and 6.31. In other words, one unit of investment in ECE services brings a return of up to 6.37 units.

This means an increase in output, an increase in tax revenue, both in direct and indirect taxes, and increased public services. A rough estimation of the wage earners' increase in income tax revenue is 2.7%. This figure should be considered a minimum for two reasons: (1) it covers only wage earners and (2) the under-reporting of incomes in the surveys that are used to estimate the age-earning profile tends to underestimate wage income and hence income tax revenue.

Dropout rates were higher for secondary school students who had not had any preschool education. A simple scenario where dropout rates are equalised gives a benefit-cost ratio of 2.28. That is, a unit of investment in a year of preschool

education would create a benefit of 2.28 units for the individual and society just through a decline in dropout rates.

The low level of ECE services in Turkey is not the only problem with early childhood education in the country. The main model of ECE promoted in Turkey is a centre-based model that can be considered rather inflexible. The Mother Child Education Programme is an example of flexible and less costly ECE services provided by an NGO. Preliminary findings indicate that benefit-cost ratios for such a programme can go up to 8.14.

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The full project report, *A Cost-Benefit Analysis of Preschool Education in Turkey* (Mehmet Kaytaz, Mother Child Education Foundation, Istanbul) can be found at: www.acev.org/english/researches/research.asp

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Policy and finance simulations for designing access to high-quality ECD experiences:

Lessons learned from applications in the U.S.

Richard N. Brandon

In recent years, there has been widespread recognition throughout the world that learning begins at least at birth, and that children's later success in school and life is significantly influenced by the quality of experiences in the first five years. This recognition is based on a convergence of neurological and psychological research (Shonkoff and Phillips 2000; Bowman, Donovan, and Burns 2001). Affluent families in the U.S. and many other countries have accepted the importance of early learning and invested in high-quality ECE settings for their children. Children from low-income families in the U.S. are more likely to be in lower-quality ECE settings (Mulligan and Flanagan 2006). The public policy outcome of this recognition has been an increasing emphasis on expanding access to high-quality early learning opportunities especially for impoverished or socially marginalised families. Unfortunately, much of the developing world is still focused on providing access to primary schools (Brandon 2002). While this access is important, if developing nations do not pay equal attention to the early years, the educational achievement gaps between industrialised and developing nations are likely to increase.

The purpose of simulations

Over the last decade, an interdisciplinary team at the University of Washington's Human Services Policy Center (HSPC) has developed and applied a policy simulation approach to exploring policies to promote ECD in numerous U.S. states and counties (Brandon et al. 2004; HSPC 2008). Two impulses motivated this effort.

First, we observed that the methods for estimating the cost of providing young children with access to high-quality early learning services were crude and often systematically biased to produce excessively high estimates. It was often assumed that all young children would be in full-time, full-year non-parental care, of the most formal and highest cost modalities. In point of fact, only about 60% of U.S. children ages 0-5 regularly spend any time in non-parental care, and a large portion of them are in part-time arrangements (HSPC 2007). Our response to this problem was to develop a relatively sophisticated set of computer routines to estimate costs, including conducting and analyzing a household survey to determine patterns of ECE utilisation in

the relevant jurisdiction (note that such patterns vary significantly across states, per Capizzano and Adams 2000).

Second, we observed that ECE analysis, along with primary and secondary finance studies, was structured to have an external group of experts provide a single "best policy" recommendation with a cost estimate attached. This was of limited utility in the political context of education policy development. First, if the cost was higher than the political leadership could find the economic resources and political will to support, there was no partial-funding alternative, or no clear method to phase in policies and costs. Second, if the political leadership wanted to make significant changes to the experts' recommended policies, the



Louise Zimanyi

ECD stakeholder community lacked the knowledge and information to debate such modifications and guide them in the most productive manner.

Our response to this problem was to create a simulation process that would allow stakeholders to explore numerous sets of policy specifications and receive analysis comparing the financial implications of the alternatives. HSPC produced a structured set of key decisions necessary for cost estimation, which have since been codified in a “Decision Guide” (Brandon, Stutman, and Lehman forthcoming). In this process HSPC provided stakeholders with concise summaries of relevant research findings so that their decisions could reflect a balance of local values and preferences with findings about the effectiveness of alternative policy specifications. This was done because for some of the major ECD issues being debated in the U.S. there are strongly held opinions but no clear delineation of optimum levels derivable from research findings.

For example, a major issue is whether to require ECE staff to have baccalaureate (BA) degrees similar to those of primary and secondary teachers. Since our best estimate is that only about a third of teachers in centre-based ECE have such degrees at the present time (Brandon and Martinez-Beck 2005), such a shift would require a major change in requirements and entail a substantial increase in resources to pay compensation sufficient to recruit and retain BA-level staff. However, the research base is mixed, suggesting a benefit of college education, but, as noted by Tout, Zaslow, and Berry (2005), there is no clear threshold. Brandon with Scarpa (2006) show data suggesting that the marginal benefits of college degrees are not sufficient to increase ECE quality to high levels.

Some studies have found better quality of teaching from a Child Development

Associate certificate, which is less academically rigorous than an Associate of Arts degree, but has a clear skills focus and includes demonstrating proficiency in the care of young children (Raikes 2003). The HSPC simulation analyses include estimating the compensation necessary to recruit and retain BA-level staff in a competitive labour market and applying those figures to estimate total provider costs.

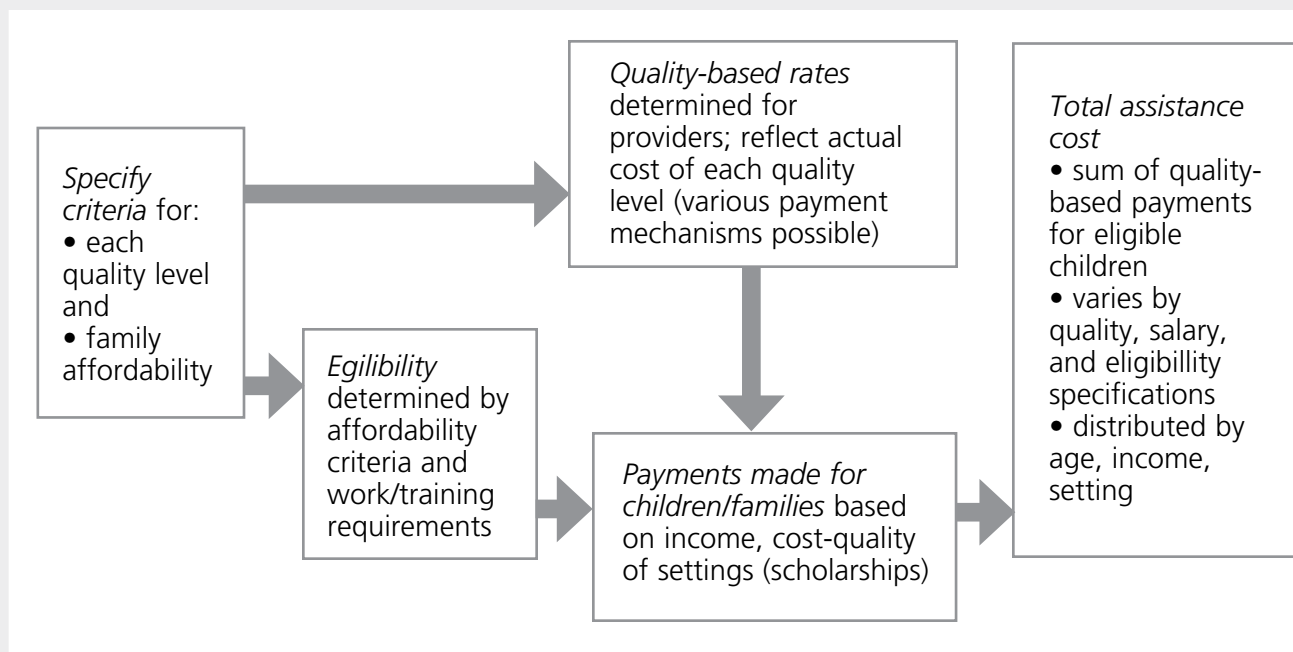
A second controversial issue HSPC has explored is whether the benefits of public programmes should be targeted solely to children from low-income families or made universally available to all children. Some research literature suggests that the benefits of high-quality ECE are greatest for low-income children and that benefits should be targeted (Fuller 2007). Recent research suggests that all income groups benefit from high-quality ECE, but low-income children benefit somewhat more (Loeb et al. 2007; Magnuson, Ruhm, and Waldfogel 2007). The authors of these studies contend that the differential impact on low-income children indicates a policy of targeting resources to those children. Others argue that a linear relationship exists between family income and both cognitive and social-emotional development, with middle-income children doing less well than highly affluent children and low-income children doing the worst (Barnett, Brown, and Shore 2004). The implication is that all but the most affluent children require assistance to have equal access to quality (Brandon et al. 2004). It has also been pointed out that, in the U.S., social benefits with broad middle-income constituencies tend to garner the greatest support and achieve the highest quality (Brandon, Kagan, and Joesch 2000).

A major benefit of our policy simulation process has been to elucidate these issues, provide stakeholders a balanced review of the relevant research, and allow them to explore

the costs of different alternatives that are each within the reasonable bounds of desirable outcomes. We have found that requiring a BA-level degree for a majority of staff would make the cost of ECE substantially higher than the amount that upper-income families currently pay and require major increases in public budgets. HSPC analyses indicate that under most reasonable policy scenarios, middle-income families would not be able to afford high-quality ECE without assistance, and that carefully designed policies could provide access to all young children without excessive cost.

To provide this capacity for comparative financial analysis, HSPC has developed a highly flexible micro-simulation approach. The simulation package includes several modules:

- The *hourly cost module* takes the various specifications about staffing (e.g., child:adult ratios; staff qualifications and compensation; professional development opportunities for staff; services to children with special physical or emotional needs; staff health, retirement, and vacation benefits) and generates an estimated hourly cost to provide services. For states that are developing quality rating systems, HSPC provides estimates of the cost to achieve each level of quality (Brandon, Stutman, and Lehman forthcoming; Brandon, Maher, and Scarpa forthcoming; Brandon, Maher, and Stutman 2007).
- HSPC next conducts an *affordability analysis*, which considers what share of family incomes net of federal (national) and state tax burdens would be required to pay for full-time, full-year ECE at the projected high-quality cost level. The affordability analysis helps the stakeholder team determine the degree of financial assistance required for children in each family income group to have financial access to high-quality early learning opportunities. We consider not just family income

FIGURE 1**Components of ECE policy and finance simulation**

but the effects of federal and state tax policy, including the benefits of such tax-related support as the Earned Income Tax Credit (a 'negative' income tax) and the Child and Dependent Care Tax Credit (which offsets some of the cost of child care).

- After the stakeholder group sets criteria for affordability and the terms under which financial assistance will be provided, we use our *financing module* to estimate the costs and distribution of benefits. HSPC derives a representative sample of children and household characteristics from a telephone survey of parents. We then apply the costs of high-quality ECE to the hours of non-parental ECE used by each child in the sample. Given that cost, we then apply the financial assistance specifications to determine the amount of assistance for which each child will be eligible, based on their family characteristics (e.g., parents' income and employment status) and adjust utilisation patterns to reflect the impact of different cost

and assistance structures. We then aggregate the per-child costs to derive an overall budget cost estimate, and use the family characteristic data to explore the distribution of benefits across income groups.

The modelling process is summarised in figure 1. An essential feature is that the process is iterative; we compare multiple alternative policy packages for at least two rounds of analysis. During the first round, participants typically set standards at aspirational levels. Our analysis reveals that they are not likely to be fiscally or operationally feasible within the time frame specified (usually 2-5 years). The second round tends to focus on a more realistic set of policies that can be phased in to meet budget constraints.

Key findings/lessons

We have found several major principles to hold consistently across the many simulations we have conducted for multiple jurisdictions.

Since staff compensation constitutes 60-80% of total costs, the costs of achieving high quality are highly sensitive to staff qualifications and compensation. We found that state specifications of educational qualifications reflected not just policy participants' views on early learning, but also the education levels of the population and the capacity of the higher education system to educate a large number of ECE staff. As one would expect, states with a higher share of the total population holding BA-level degrees considered it more realistic to have a high proportion of ECE teachers hold such degrees.

The estimated costs of high-quality ECE are in the range currently paid by upper middle-income families if salaries for BA-level teachers are set equivalent to those paid to social workers; if they are set at the hourly equivalent of primary education teachers (approximately 30% higher annually than social workers), then they would

greatly exceed current prices for relatively high-priced ECE.

Even at moderate compensation levels, the per-child cost of full-time, full-year ECE is equivalent to about 25% of net after-tax income for average-income families, and therefore not affordable without financial assistance. Since 30% of children aged 0-5 have a sibling in the same age range, the family burden could be much higher.

A financial assistance structure targeted purely to low-income families would thus leave middle-income families priced out of the high-quality market and make it unlikely that they would politically support such policies. At the other extreme, an approach of providing free access with no parent fees to all children, regardless of income, would be prohibitively expensive, equivalent to 30-50% increases in total public primary and secondary education spending. Such increases would require major new revenue sources.

An approach patterned on U.S. higher education finance seems to best balance the need to make high-quality ECE financially accessible for all income groups with the need for budgetary restraint. In such a system, a portion of total costs (about 25%) would be paid to providers on behalf of all children, regardless of income. The remainder of the cost would be covered by parent fees; similar to college tuition, income assistance would be provided on a graduated basis relative to family income. This would make high-quality ECE accessible to all family income groups, but with a budgetary impact equivalent to only a 5-15% increase in total public education spending (Brandon et al. 2004).

Conclusion

We have found that it is possible to design an approach to financing ECE that assures access to high-quality learning opportunities for all young

children without requiring massive expenditures or major new revenue sources. However, achieving such a balance of access and quality with fiscal and operational feasibility requires a careful design process that balances findings from research literature with knowledge of local values and circumstances. Our iterative policy simulation process allows such careful crafting of policies on a country-by-country or province-by-province basis.

We have received consistent feedback from participants and policy leaders (both directly and in a formal external evaluation) that the guided policy and finance simulation process is as valuable as the financial analysis. Participants report that they find particular value in having all major policy options laid out in a consistent, structured manner; receiving concise summaries of both the research literature and conversations about its applicability in different circumstances; and being able to consider multiple options and discuss their implications with a knowledgeable, diverse group of stakeholders and policy leaders.

This simulation approach could be beneficial for a wide range of countries seeking to expand and improve the quality of centre-based child care and development services. Our cost models allow consideration of parent education and family support of different intensities, as well as basic early learning services. These could be expanded for entities considering the full range of child and family services linked to early childhood education.

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A model to support ECD decision-making: Caribbean regional experiences with costs and simulations

Leon Charles and Sian Williams

The Caribbean Community (CARICOM) Costing and Financing Research Project 2008-9 is building on costing work commenced in the region in 2004. Evolving a model first drafted in Jamaica and used in country case studies in Suriname and Guyana, the project developers reviewed experience accumulated as the model was reconstructed in two further case studies in Anguilla and Belize. The Project is now tackling the following objectives:

- To use the methodologies, approaches, and lessons learned in the four country case studies to develop a composite costing model for the Caribbean region.
- To develop a user-friendly database platform for the costing model that will enable users in early childhood departments across the region to utilise it to conduct national costing studies.
- To undertake two to three more country costing studies in the Eastern Caribbean and use their results to assess both current sources of finance for the early childhood sector and the financing required to develop the sector.
- To review experiences with innovative financing mechanisms for social sector development in poor developing countries across the world and to identify the ones potentially useful for the Caribbean.
- To use the information generated by the costing studies and the financing assessments to recommend a financing and investment strategy for the early childhood sector in the region.

For some of the key documents used in this process, please see the list of references.

The genesis of the costing and financing work in the Caribbean region

In July 1997, the CARICOM heads of government approved the Caribbean Plan of Action for Early Childhood Education Care and Development as the strategic framework within which the development of the early childhood sector in the CARICOM region will be pursued, in the context of the region's Human Resource Development Strategy. In the decade since the plan was adopted, progress has been made in advancing its nine objectives, including the development of legislative frameworks for service provision and monitoring of standards, education, and training for early childhood providers; increased parent, community, and media awareness; and appropriate curriculum development. Despite this progress, a significant amount of work still needs to be done before the outcomes envisaged by the action plan can be achieved.

One objective on which very little progress has been made is that of providing adequate financing for the sector. This objective has become even more important in recent years as it has emerged as a prerequisite for significant progress on a number of the other objectives. The lack of progress on the financing objective has resulted from at least two constraints:

- Costing information has been insufficient to inform the quantum of financing required by the sector. Studies were hampered by the unavailability of the kind of ECD costing model required. A model had to be designed, together with approaches that would generate the kinds of information required. This process required significant experimentation in conceptual approach and methodology. The result has been costings which, although potentially useful, need to be validated by further studies that build on the lessons learned.
- Caribbean governments have been operating in a context of financial austerity and thus have not been able to dedicate significant resources to the early childhood sector. A supportive context for the development of financing proposals has not existed. This difficult public sector financial environment is expected to continue into the immediate future. Any progress in mobilising adequate financing for the early childhood sector will therefore have to depend on the use of innovative financing mechanisms that will not place significant additional burdens on the public sector, parents, or private providers.

The initial concept and approach, 2004

The costing approach in the Caribbean region began with a description of the specific outcomes desired from ECD services and the steps required to reach them. The core elements of what would be needed were then costed. The starting point was not to take

existing services and work out how to cost them. Research in the region had consistently shown that services—and particularly the learning environments provided—for children in poor populations were generally of very poor quality. Costing such services was therefore of little use in serving the overall objective to improve outcomes of children in early childhood.

ECD service models in preschools, day care services, and home visiting services were described in detail. For each model minimum standards, including adult-child ratios, were applied for costing purposes. The rationale for the standards applied reflected the intention of legislative, regulatory, and policy reform in the region, within the context of the Caribbean Plan of Action and the findings of research in Jamaica (Samms-Vaughan 2005), as to what factors in ECD services made a difference to children's outcomes.

The service models were adjusted to address the factors affecting the cost of provision for children and parents described as vulnerable (defined as being those at risk of not being able to benefit from an ECD intervention without specific support and additional resources). An ECD services costing model was designed as a customised spreadsheet in Microsoft Excel 2000. The spreadsheet covered the essential supports in four types of ECD service delivery models to be provided at a minimum standard of education, care, and development: preschools/nursery schools and preschool classes; day care centres; special education services in centres/schools; and home visiting programmes. The standardised industry costs (both per unit and per unit of time) were detailed and loan sheets with country summary sheets were prepared for use.

To take the information from costing at service level into financing and investment planning at national level,

the mechanisms and processes for calculating and identifying the other cost elements to be included were set out. These included the costs associated with implementation of the proposed service models to standard, increasing access to services by vulnerable children, and taking services to scale, assuming a commitment to universal provision over a stated period of time.

At this point in the model development, the work was left unfinished and financing arrangements were not recommended. Unlike the U.S., the Caribbean did not have cost-benefit evaluations of effective ECD interventions from which to address such questions as “Why spend this money?” “When will social costs be recovered?” “How can the impact on society of resource usage in the sector be assessed?” In fact, the poor quality of ECD programming for poor and vulnerable populations in the region did not provide a useful foundation for cost-benefit evaluations on current provision. A great risk was

thus attached in undertaking such an evaluation only to find no benefits at all. Further work also needed to be undertaken to assess not only who pays for ECD, including the issues influencing the levels of contribution by the public sector, parents, and private-sector sponsorship, but also how ECD is supported by non-financial means such as volunteer labour, shared resources, loaned facilities, and other in-kind mechanisms.

Evolving the model and approach, 2006

Greater clarity and improved structure was brought to the model and approach in four ways. First, utilising a model developed by the Inter-American Development Bank (1999), the typical early childhood sector in the Caribbean context was defined more explicitly, as shown in table 1.

The services of the health sector with respect to maternal and child provision and the services of primary schools



Moving from a model focused on costing delivery of ECD services at defined service levels to one aimed at providing financial information to inform policy decision-making by national authorities.

with respect to children 6 and 7 years of age were not included. Both these services are fully integrated into their respective sectors and are therefore not considered as part of the cost of ECD.

Second, the Caribbean model was structured to address several major issues by providing answers to the following questions:

(a). *Initial investment*

- What is the cost of establishing an early childhood centre as per provisions of minimum standards? Total cost? Cost per child?
- Are there economies of scale with larger centres?
- What is the cost difference between a good-quality centre and a poor-quality centre?
- What provisions are compromised in the poor-quality centre? Why?
- What additional investment is required to provide sufficient centres to enable universal access?

(b). *Operating costs*

- What is the annual operating cost of an early childhood centre as per provisions of minimum standards? Total cost? Cost per child?
- Are there economies of scale?
- What is the cost difference between a good-quality centre and a poor-quality centre?
- What provisions are compromised in a poor-quality centre? Why?

(c). *National administration and supervision*

- What is the cost of the government’s administration and supervision services at current levels of operation?
- What is the cost of the government’s administration and supervision services if a fully compliant regulatory and monitoring system is put in place?

TABLE 1

Characteristics of regional early childhood sub-sector

Parameters	Characteristics In Caribbean context
Goals	<ul style="list-style-type: none"> • Universal coverage • Stimulation and play • Primary school readiness
Activities	<ul style="list-style-type: none"> • Psychosocial and physical development • Education
Models	<ul style="list-style-type: none"> • Centre-based • Home visiting
Technologies	<ul style="list-style-type: none"> • Low adult:child ratios • Professional staff
Duration	<ul style="list-style-type: none"> • Full day, comparable to primary school cycle
Population served	<ul style="list-style-type: none"> • Large numbers of children • Between the ages of 6 months and 5 years • Reasonable health status
Programme context	<ul style="list-style-type: none"> • Nationwide programming • Majority of families middle- to low-income

(d). *Supports for enhancing the service provision*

- What is the cost of upgrading all teachers to minimum professional qualifications?
- What is the cost of curriculum development and maintenance?
- What is the cost of providing support and training to parents?
- What is the cost of ensuring an appropriate transition to primary school?

Third, the answers to the above questions provided the basis to consider issues raised from at least three policy perspectives, as detailed below:

- *Full-cost government provision*—Under this option, the government is assigned responsibility for the full cost of the service provision to all eligible children and for all development costs related to improving quality in the sector.

- *Full private-sector provision*—Under this option, service provision is in the hands of the private sector, with parents accessing services through the payment of fees. The government is responsible for sector oversight and some aspects of the development costs related to improving quality in the sector. This option also explores the impact of varying the type of sector oversight and development costs that the government will be responsible for. These can include full sector administration and development costs, as well as contributing to the cost of private-sector provision through general subventions as well as targeted supports, for example, paying the salaries of all teachers.

- *Government responsible for vulnerable population*—Under this option, the government is responsible for meeting the cost of the vulnerable

population, defined as those children living in poverty and those with special needs, and for all oversight and development costs related to improving quality in the sector. The remainder of the service provision is accessed by parents through the payment of fees.

Such information will immediately provide government with the parameters of the answer(s) to the question “How much will we have to spend?” and will provide decision-makers with a clearer basis to consider policy options.

Fourth, the layout of the worksheets was improved and made much more user-friendly for the average non-technical user. The layout was simplified to include separate input sheets (organised along common themes and designed to allow the user to input only the data relevant to a particular theme in one worksheet) and output sheets (that contain preset formulae that will automatically compute the outputs, once the input data is entered). At least three output columns were created, one for each of the policy options recommended above, to facilitate comparison across themes or items.

A model to support decision-making, 2007

The attempt to address the issues identified in the foregoing analysis eventually led to the development of an alternative financial model. This model was not simply focused on developing a costing for delivery of ECD services at defined levels of service, but was aimed at providing financial information that could be used as a basis for decision-making by national authorities. In this respect, the model represents a clear evolution from the initial costing model and can be considered more a model to support decision-making than a costing model.

The policy options being considered in two countries using the evolved model

provided impetus for the model’s further development. In one country where the government did not own or operate any preschools, it had just increased its subvention to teachers, but had no basis for knowing its impact on the overall cost of preschool operations. The government was also interested in knowing what the impact would be on the cost of the preschool operations, and the fees that they charged, if it were to pay the salaries of all preschool teachers. In the other country, the government had recently instituted a policy of providing financial assistance to preschools on the condition that the preschools reduce their fees to the parents. The government did not, however, set any benchmarks for the fee reduction, as it did not have any information on how the assistance provided would affect the overall cost of providing the service.

In response to these situations, the model was reconstructed to provide decision support information and answers to the following policy-related questions:

- What is the investment cost of providing daycare and preschool services? At current levels of service? Under a defined standards regime?
- What is the operational expenditure per child/month for different types of early childhood services?
- What are the actual operational costs per child incurred by early childhood institutions operating at different quality levels?
- What is the operating expenditure profile?
- How are current costs being financed?
- Are early childhood services profitable?
- What are the national expenditures on early childhood services?
- What are the current levels of

government expenditure on early childhood services?

- What would be the cost of various policy actions, for example, paying salaries of all teachers? Providing services for vulnerable children?

This decision support model was designed using Microsoft Excel and comprises six separate worksheets. The first, data input, is used for entry of the key data, while the other five analyse different aspects of the sector’s financing: startup costs, operational costs, revenue, government supports, and policy options. In some cases, specific input data for a particular type of analysis are included in the relevant worksheets; for example, some operating cost data are required in the operational costs worksheet. This design allows one to change the initial parameters in the data input worksheet and to see the impact of the changes in the analytical components and on the policy options.

The model begins its analysis with the practical experience of the early childhood providers at their current levels of operation and then examines the requirements to move to the desired levels of care. For consistency of analysis, the level used was that included in the draft CARICOM Early Childhood Development Minimum Service Standard (CARICOM Secretariat 2008). All of the analysis in the model is conducted at three levels, as follows:

- The actual monies received and spent by the operators and governments.
- The actual costs and revenues relevant to the operations when in-kind contributions, grants, donations, and other forms of non-cash support are factored into the process.

This emerged as a crucial factor, given the extent of NGO and denominational involvement in the sector in both case-study countries in 2007. These results demonstrate the costs that would have

to borne by an independent operator if one were to attempt to provide the same level of services out of their own resources.

- The full costs and revenues that *would* be applicable if operating under the draft CARICOM Early Childhood Development Minimum Service Standard. The requirements for minimum standards were determined by an assessment of the operator's current level of service quality and a determination of the changes that would have to be made to meet these minimum standards.

With this approach, the analysis did not try to impose a "one size fits all" approach to ECD programming, but rather sought to retain the ability of different operators to differentiate their offerings while operating within required standards of care.

Next steps, 2008–9

Based on concern within the region to "make sure that we get it right," the next steps have been framed as a research project to take place over the next eighteen months. The process of developing the model is experimental, and it has revealed more variations and potential configurations between data than previously anticipated. The project developers need room to experiment, revise approaches, and respond to additional information and increased understanding of the sector's financial functioning. In particular, the project aims to move the model to a more user-friendly, less cumbersome data-base platform from the current spreadsheet. Working from such a platform will make it possible to work with larger, more representative samples and perform more complex interactive processing and cross-tabulations. The move to such a platform could also provide a basis for merging the 2004 costing model and its 2006-7

reconstruction into one model that addresses different aspects of early childhood service provision.

The CARICOM costing model, which evolved from a model that provides costing information to one that supports ECD policymaking, has shown that it can generate information that addresses decision-makers' concerns. Decision-makers will always be more willing to consider alternative courses of action when the costs of the alternatives can be objectively quantified; the provision of such information is therefore critical in advocating for improved early childhood programming.

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Expanding early childhood care and education: A tool to estimate costs

Jan van Ravens and Carlos Aggio

A small wave of authoritative publications has recently collected, reviewed, and underscored the evidence of the benefits of ECCE for the child, the family, the community, the society, and the economy:

- In late 2006, the Education for All Global Monitoring Report (UNESCO 2006) tracked progress of EFA Goal One: the expansion of ECCE, especially for vulnerable and disadvantaged children. The report concluded that ECCE remains enormously underinvested considering its important benefits.
- In January 2007, a series of three articles in the reputable journal *The Lancet* (Engle et al. 2007; Grantham-McGregor et al. 2007; Walker et al. 2007) sharpened our knowledge of the broad impact on the young child of ECCE interventions.
- June 2007 saw the publication of "Early Child Development: A Powerful Equaliser" (Irwin, Siddiqi, and Hertzman 2007). Building on a vast body of evidence that includes the aforementioned publications, this report concluded that economists now assert that investment in early childhood is "the most powerful investment that a country can make, with returns over the life course many times the size of the original investment" (28).
- The Consultative Group on Early Childhood Care and Development, in its turn, developed "4 Cornerstones to Secure a Strong Foundation for Young Children" (see page 75). This strong advocacy statement comprises four sets of evidence-based recommendations to governments who are willing to expand and improve ECCE.

Much of the evidence in these publications has been available for quite a number of years, yet we have not seen the substantial increase in investment in ECCE that one would expect. One reason for the lack of investment is the diffuse nature of both the investment and its returns. ECCE, or ECD more broadly, is often the responsibility of not one but several ministries, together covering education, health, nutrition, social affairs, et cetera, depending on how countries have organised their government administration. Communities, NGOs, private companies, and international organisations play their part as well. The returns, substantial as they may be, materialise among an even broader range of stakeholders, often after many years.

Let us consider three examples. ECCE reduces government spending related to social exclusion and crime, true, but the government departments that benefit from these savings are unlikely to transfer all these gains back to the government department(s) that made the investments that created them. ECCE causes people to live longer, healthier, and more productive lives, sure, but while some adults donate money to the university they graduated from, few, if any, sponsor the kindergarten they attended. And yes, for every extra year that the average child spends in education, the gross domestic product (GDP) is predicted to be 3% to 6% larger than it otherwise would have been (OECD 2005), but this enormous effect spills over to a multitude of stakeholders. Few of them will be aware of it, and even fewer will voluntarily return a part of it to, for

instance, the Ministry of Education.

So, if we call expenditure on ECCE an investment, it is thus far a metaphor. No single actor invests all the money and enjoys all the benefits. Too many "free riders" prevent the metaphor from becoming reality. This situation of "market failure" makes a strong case for central government to demonstrate leadership, to take a stance above all stakeholders, to free up financial resources through general taxation, and to make the investment that eventually will benefit all. One important strategy to persuade governments to do this is to hold them accountable to the Convention on the Rights of the Child (CRC) and to their commitments to the Millennium Development Goals (MDGs) and Education for All (EFA). While this strategy is not sufficient, it could be flanked by efforts to increase the *transparency* of investments in ECCE at the national level, as well as their returns.

A tool to estimate the costs of expanding ECCE programmes

With these strategies in mind, we developed a tool to estimate the costs of substantially expanding ECCE, especially for vulnerable and disadvantaged children. Since the risk is always that the rapid expansion of a service may occur at the cost of service quality, we used a small number of key parameters to safeguard quality. The basic assumption is that programmatic ECCE services (as distinct from home visiting, which we will address a little later in this article) all have a number of basic characteristics in common, despite their rich diversity.

All programmes have one or more teachers or caregivers, an X-number of children, and hence a certain ratio between the two. All programmes have a certain duration, expressed in the number of hours per year, regardless of the way in which these hours are spread over the week and the year to suit local circumstances. All programmes need material inputs such as the building, food, nutritional supplements, toys, et cetera. For all such items, the literature on ECCE provides guidance in setting minimum standards that programmes must meet to yield the expected benefits (Crane and Barg 2003). One could say that a consensus is emerging in this regard, captured by the Consultative Group's 4 Cornerstones and underpinned by the publications mentioned at the beginning of this article.

In our Working Paper on costing the expansion of ECCE, published by the Bernard van Leer Foundation (van Ravens & Aggio 2008), we propose the following:

- that teachers or caregivers receive the same salary as primary teachers in their country
- that the duration of a programme be 800 hours per year
- that a full-time teacher or caregiver work 1800 hours per year¹ divided over the delivery of two programmes of 800 hours each and 200 hours of preparation and professional development
- that the group size is 20
- that teacher salaries make up 60%

of total costs, leaving 40% for material inputs and overhead

An extensive argumentation for these choices is given in the Working Paper. Perhaps more importantly, the model is interactive; it is contained in a spreadsheet that is included on a CD in the Working Paper, and readers can alter all of these parameters, according to their own opinions and insights, to observe the consequences for the outcomes of the estimations.

In the Arab States—a good region in which to apply the model because of its income diversity—we found that the participation of one child during one year costs 12.5% of the per capita income (gross national product, or GNP) of each country. In poor countries such as Sudan and Yemen, this comes down to a unit cost of US\$70 or less, while in Egypt and Morocco it is US\$145 and US\$190 respectively. In Kuwait and other rich countries it exceeds US\$2000. In Sub-Saharan Africa, the unit cost is higher than 12.5% of per capita income; in richer regions such as Asia and Latin America it is lower.² In so far as possible, we compared the unit costs that our model predicts with observed unit costs in countries, and the model generally stood the test.

A similar approach for home visitation

A similar approach can be developed for home visiting. We refer to the Working Paper for more details, but highlight that in this case the unit cost depends not only on per capita

GDP, but also on fertility rates. The larger the families are in a country, the more cost-effective the home visiting modality becomes. This is based on the logic that once parents have received counselling related to educating their first-born child, they will be able to apply the same skills and knowledge to their younger children.³ The cost of supporting parents during the first years of their children's lives can therefore be as low as US\$17 (per child per year) in a high-fertility country such as Yemen.

To calculate the annual cost of the expanded provision in a country, one needs to multiply its unit cost by the number of (additional) children to be reached. The determination of that number is essentially a political issue; one must find a compromise between the wish to reach as many children as possible and the available public financial resources. However, the CRC and the text of EFA Goal One provide guidance in this respect. The latter speaks of the need to prioritise “vulnerable and disadvantaged children.” First, it points at “special groups” such as disabled children and children affected by conflict, disaster, and HIV/AIDS. Second, one could argue that it also points more generally at children who live in poverty and deprivation and are less than ready to enter primary school. For instance, a government in a low-income country could decide to make ECCE services available by 2015 for all children living in contexts where people earn less than US\$1 per day⁴ (taking into account that this category of children

1 In practice, there can be part-timers teaching only one group, or working only a part of the year, but this does not affect the model's outcomes.

2 In the richer regions, the per capita GDP is by definition higher than in the poorer regions. This implies that the unit costs in an absolute sense—for example, expressed in US\$—are usually higher in the richer regions, not lower.

3 One could argue that parents always need some degree of extra support for additional children, for example, in terms of certain materials that are being provided per child. On the other hand, there is also a diminishing effect as children grow older; the parenting skills needed to raise a four-year-old child are different from those needed to raise a three-year-old, but not entirely different. On balance, we assumed that both effects generally neutralise each other.

4 It must be emphasised that the idea is not that governments would literally seek out children of parents that meet a statistical criterion such as living on US\$1 or US\$2 per day. To identify and select these children in a concrete village or community would be practically impossible and morally inappropriate. The statistical criterion merely serves as a tool for a general assessment at macro level, to be translated to local circumstance in the phase of implementation.

TABLE 1**Numbers of children (0-6), unit costs, and total costs in selected countries (2005–2015)**

Countries	Total number of children in 2005	% of children with access to pre-primary education in 2005	% of additional children to be included by 2015	Additional number of children in 2015	Average cost per child per year in "4+2" scenario (US\$)	Additional annual costs in 2015 (US\$ M)
	1	2	3	4	5	6 = 4 * 5
Algeria	1,183,333	6%	30%	425,127	235	100
Cambodia	1,055,556	9%	35%	426,899	30	13
Lao PDR	500,000	9%	32%	177,780	29	5
Bangladesh	10,081,818	11%	53%	5,197,328	36	189
Senegal	987,500	8%	61%	691,417	46	32
Yemen	2,000,000	0.9%	46%	1,209,660	36	44

SOURCES: UNESCO (2007), UNICEF Global Database on undernutrition. Latest available estimate, World Population Prospects: The 2006 Revision Population Database.

overlaps with the special groups). Governments of middle-income countries could set a more ambitious target by aiming at groups that earn less than US\$2 per day.

In our Working Paper—which is essentially a comparative study covering all twenty Arab States—we could not calculate the number of children within the special groups for each country; doing so requires in-depth analysis of national statistics. Moreover, international data on the number of people living on US\$1 or US\$2 per day were not available for a sufficient number of countries. Thus to develop and demonstrate the model, we needed to rely on proxies for the number of disadvantaged children. First, we assumed that governments would wish to reach out to all undernourished children. We constructed an index of undernourishment based on indicators of underweight, stunting, and wasting (UNICEF 2008). As a second step, we assumed

that governments would wish to include all children of illiterate parents. Parental illiteracy is so strongly associated with poor conditions for children that it can be seen as a valid proxy for disadvantage and vulnerability. Of course a vast overlap exists between the number of undernourished children and the number of children of illiterate parents. In most of the Arab States the latter outnumber the former, which implies that the two proxies make a good basis for a two-step approach in the expansion of ECCE.

A demonstration of our model

Table 1 demonstrates the model for six developing countries: two from our original study on the Arab States, supplemented by four countries from other regions to broaden the picture. The countries vary in population size and were selected because of their current low level of participation in ECCE.⁵ In keeping with the 4

Cornerstones, we assume that children enter a two-year early childhood programme (preschool, kindergarten, ECD centre, etc.) at age 4, and that this is preceded by four years in which the parents are supported in a home-visiting scheme; we call this the 4+2 scenario. Further comments on table 1 follow below.

In column 1 we include the total number of children aged 0-6 in the respective countries in 2005. In column 2, the percentages indicate the share of the children who already have access to preschool in 2005. These figures serve as the reference point and base-line year.

Column 3 presents the targets expressed as the percentages of undernourished children or of children of illiterate parents (whichever is highest) in 2015. The gaps between the figures in columns 2 and 3 are so large that it is very unlikely that a significant share

⁵ This explains the absence of countries in Latin America, where participation in ECCE is generally higher than elsewhere.

of the children within disadvantaged groups is already enrolled in 2005. The clearest example is Yemen, where less than 1% is enrolled. These are very likely to be elite children who have a low chance of being disadvantaged. Somewhat less marked is the gap in Bangladesh with, on the high end of the social spectrum, 11% of children having access to preschool and, on the other end, 34.7% of the children being undernourished and 53% having illiterate parents. But even in this case, the gap between the two groups is so large that very few of the disadvantaged can be expected to have access to preschool. Thus we continue on the assumption that none of the disadvantaged children in the countries in the table were already included in 2005.⁶ We further assume that governments focus their expansion efforts entirely on the disadvantaged groups and that the autonomous growth in participation on the other end of the social spectrum (e.g., as a result of a growing number of employed parents with both the need and the means to enrol their children) will not yet have reached the disadvantaged groups in 2015.

Column 4 presents the absolute number of disadvantaged children for each country in 2015. This figure is the result of a multiplication of the percentage in column 3 with the projected total number of children aged 0-6 in 2015. It goes without saying that the children in column 4 are not reached in one jump; it is the level of additional provision that countries are supposed to reach after a gradual process of expansion in the preceding

years, step by step. In this simplified analysis we focus on the situation in 2015, not on the preceding process as we do in our Working Paper.

Column 5 concerns the unit costs in the 4+2 scenario. This concerns the weighted average, that is, the costs of four years of home visiting per child plus two years of ECCE programme per child, divided by six. Multiplying the numbers of disadvantaged children in 2015 (column 4) with the unit costs (column 5) finally results in the figures in column 6: the additional annual costs in 2015. This is the amount of money that governments will be spending that year when the expansion process has been completed (i.e., the maximum figure in the period). This amount is "additional" since it concerns the extra provision compared to the situation in 2005; however, the provision in 2005 was very limited in these countries, and much of it was and is private. A similar figure can be estimated for each year of the period 2006–2015.

Column 6 clearly reveals important differences between the countries. Partly this has to do with the scale of countries (Bangladesh with its annual burden of US\$189 million has the largest population) and partly with their wealth (Algeria with its burden of US\$100 million is the richest). These differences are strongly reduced when we express the annual burdens of the six countries as a percentage of their government budgets; it then appears that the costs of implementing and sustaining the 4+2 scenario are only a fraction of what governments spend.

Three approaches to estimate returns on investment

The last question is: If the annual burden in column 6 is what countries invest, then what will be the returns? Essentially, three different approaches to this question have been pursued. At the macro level, Jaramillo and Mingat (2006) contrasted the differences between African countries in terms of ECCE participation with their differences in terms of dropout and grade repetition in primary education. They found that investment in ECCE pays itself back for 87% in terms of higher efficiency in primary education, meaning that education ministries alone could almost finance ECCE from their own cost savings. We recommend the application of this approach at the global level.

At the programme level, many studies have compared groups of children that attended ECCE with control groups that did not. Looking for cost savings in a number of areas (education, health care, social affairs, productivity, etc.) these studies revealed returns that are several times higher than the original investment (UNESCO 2006). It should be added that the returns found in American studies are usually higher than those in developing countries. This has to do partly with the high quality of these American programmes and their focus on disadvantaged groups⁷ and partly with the high costs of public services in the U.S.⁸

The third approach concerns the aforementioned finding of the OECD that increasing the average number of years children spend in education by one year

6 There may be exceptions, for example, children that are reached by programmes targeted at the poor. Examples are ICDS in India and BRAC in Bangladesh.

7 The more a programme focuses on disadvantaged groups, the more social malfunctioning there is to be prevented, and the higher the returns. The implication is that returns will gradually diminish with the expansion of such pro-poor programmes. Including the last unenrolled children will have a smaller impact than including the first.

8 For instance, one of the outcomes of ECCE is that it reduces crime rates. The costs of the juridical system and of imprisonment are very high in the U.S. and so are the costs savings that ECCE brings about. In countries where little money is invested in such facilities, the apparent monetary returns of ECCE may thus be lower. But the genuine impact of ECCE on children may be just as important as, or more important than, in the U.S.

raises a country's GDP by 3% to 6%.⁹ Even if we assume that (1) the impact of the entire 4+2 scenario is equivalent to that of only one year of regular education, and (2) that this impact is 3% rather than 6%, the additional income that the six countries in table 1 would receive as a result of expansion of ECCE is considerable. Indeed it is found to be, as Irwin, Siddiqi, and Hertzman (2007) put it, "many times the size of the original investment."¹⁰

This article is largely based on a Working Paper by the same authors titled "Expanding Early Childhood Care and Education: How Much Does it Cost?" published in March 2008 by the Bernard van Leer Foundation. The Working Paper can be obtained free of charge from the Foundation's website: www.bernardvanleer.org.

Both Jan van Ravens and Carlos Aggio were members of the independent team, based at UNESCO, that publishes the annual Education for All Global Monitoring Reports. They now work as consultants. Jan van Ravens is a sociologist specialised in education and early childhood development, while Carlos Aggio is a development economist working on education financial issues.

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⁹ This assumption is modest in the case of developing countries. The lower the average number of years that children spend in education to begin with, the bigger the impact of a given additional amount of education.

¹⁰ We have not included the outcomes of this exercise in table 1 for lack of entirely reliable data. But a quick and dirty application of the OECD's rule of thumb revealed very high returns in terms of growth of GDP.

Related Resources

ECD calculator

World Bank

The revised and improved ECD calculator designed by the Amsterdam Institute for International Development (AIID) allows you to calculate the economic benefits of comprehensive ECD programmes. The calculator focuses on the benefits of ECD programmes that become apparent through a better ability to take advantage of the schooling system. Children who participated in ECD programmes are more likely to enrol in school on time and progress to secondary and higher levels of schooling; are less likely to repeat classes or drop out; and have better learning capacities. The result is a better educated population (or birth cohort). The benefits of higher levels of education to individuals and society are enormous.

The ECD calculator provides a framework that will allow us to think about the economics of ECD—to think about ECD programmes as an investment. It will also help to put together the wealth of information on the effectiveness of ECD to form coherent ECD policies.

The ECD calculator allows you to calculate the net present value of an ECD programme that results in increased school enrolment and improved school achievement of a cohort (the “targeted group”) of 1,000 newborns. It is assumed that the ECD programme improves the survival chances, the nutritional status, and/or the cognitive development of the target group, resulting in better schooling outcomes. The latter is translated into increased lifetime productivity. The programme provides the present value of this increase in lifetime productivity, net of the additional schooling costs. The end result, the net present value, is the

maximum amount one can invest in an ECD programme for 1,000 children and still break even.

To download the ECD calculator, go to www.worldbank.org/children and click on Costing and Financing.

For a full understanding of the methodology behind the computer model, refer to:

- Keynote address “Investing in the Future” by Jacques van der Gaag, given at the Atlanta Conference “Early Child Development: Investing in the Future,” The Carter Center, April 8-9, 1996.
- Jacques Van der Gaag & Jee-Peng Tan. 1998. *The Benefits of Early Childhood Development Programmes: An Economic Analysis*. Washington, DC: The World Bank.

Investing in early childhood development: Benefits, savings, and financing options

Karin A. L. Hyde (2008)
Produced by the ADEA Working Group on ECD

This paper reviews the benefits of ECD programmes in education, health, and adulthood and is supplemented by summaries of cost-benefit studies and an in-depth discussion of the costing and funding issues involved in expanding ECD services in sub-Saharan Africa.

See ecdgroup.com/africa_region.asp



UNICEF: Pakistan

CG Secretariat Update

HIV/AIDS and young children: Report on two international events

The 2nd international symposium "Children and HIV/AIDS: Action Now, Action How" (organised by the Coalition for Children Affected by AIDS, which includes the CG, the Teresa Group, and Casa de la Sal) and the first-ever plenary on children at the XVII International AIDS Conference (www.iaconet.org), both held in Mexico City in August 2008, highlighted how young children and families affected by HIV/AIDS have been severely neglected in the responses to HIV and AIDS.

Linda Richter's plenary speech, "No Small Issue: Children and Families – Universal Action Now," received global media coverage. Richter made the case that responses should be large-scale, integrated, national, characterised by a social justice approach, and enabled by basic income security and by universal access to essential services such as health, education, and social welfare. All children in communities severely affected by HIV/AIDS require psychological, nutritional, and other support.

Richter made four recommendations for action:

- Policies, programmes, and funding must be redirected to provide support for children to and through their families.
- A dramatic rethink in policies is needed to develop comprehensive and integrated family-centred services.
- Because the backdrop to much of the impact of the AIDS epidemic is extreme poverty, much greater attention must be given to social protection for poor families. AIDS-affected households, in both low- and high-prevalence settings, typically experience a worsening of their

socioeconomic status. One study estimated that the implicit annual "tax" on affected households from reduced income was equal to a quarter of the average household's income for the entire year.¹

- We should expand the use of income transfers. It is critical that additional resources go directly to the poorest families affected by HIV and AIDS, not via the many intermediaries that currently stand between various forms of aid and the children who need it. Income transfers have demonstrated impressive results in supporting poor and vulnerable families, including those affected by HIV and AIDS.

For a complete list of presentations related to early childhood, and for Richter's speech, see www.ccaba.org/resources.html

The CG's HIV/AIDS Working Group is currently in the process of drafting an advocacy "how-to" roadmap, a kind of "cheat sheet" for new and seasoned advocates, which includes:

- The basics of how to do advocacy – what do the "actions" look like?
- A decision tree
- Who to go to in what context, with special consideration for the world of HIV/AIDS and how ECCD is viewed
- Specific messaging for different audiences

This roadmap will be accompanied by two background documents:

- The justification for focusing on ECCD in a context of high HIV prevalence
- What low-cost models work and can be scaled up

2008 Annual Consultation

October 13-16, 2008
Budapest, Hungary

The thematic focus of this year's consultation is young children and emergencies. Convened by the CG's Working Group on ECCD in Emergencies (EEWG), the objectives of the meeting include the following:

- To provide updates and highlights of the EEWG's action plan (since the CG's October 2007 Annual Consultation)
- To highlight the impacts of emergencies on young children, interpret their implications for programming, and identify research gaps and opportunities
- To present and discuss the draft EEWG position paper and draft framework for the 2009 issue of the *Coordinators' Notebook* on early childhood and emergencies
- To finalise the EEWG workplan for 2009

Outcomes and presentations will be posted at www.ecdgroup.com/focusareas/emergencies

Of special note, the work and spirit of this meeting is dedicated to international aid workers Jackie Kirk, Shirley Case, and Nicole Dial and driver Mohammad Aimal of the International Rescue Committee, who were tragically killed in Afghanistan in July 2008. They worked with passion and conviction under difficult circumstances to honour, advocate for, and improve the lives of women and children in emergency/conflict-affected countries. Jackie Kirk's work in particular will continue to illuminate our own path as we work to ensure that young children are included as priorities in the focus areas of conflict and gender.

For more information, see www.theirc.org/news/irc-mourns-four-beloved-colleagues1408.html

¹ Basaza, Robert, Darlison Kaija, and Dorothy Ochola-Odonga. 2007. The impact of HIV and AIDS on children: Lights and shadows in the "successful case" of Uganda. In *AIDS, Public Policy and Child Well-being*, ed. Giovanni Andrea Cornia 31-66, 2nd ed. Florence: UNICEF Innocenti Research Centre.

CG Strategic Plan 2009-2012

The Annual Consultation will also be an opportunity for the CG to develop a strategic plan for 2009-2012 that will define its ongoing contribution to international, regional, national, and local efforts to link early childhood to social development and poverty reduction as well as to advocate for improved investments, policies, and actions for the holistic development of young children.

Through knowledge generation and dissemination, communications and advocacy, and national and regional capacity building, we will continue to use the 4 Cornerstones as a key framework for moving the early childhood agenda forward through the work of the Secretariat, CG regional networks, and both current and new thematic working groups.

Please visit www.ecdgroup.com in late November 2008 for an update on our progress.

In the meantime, for an update on regional news, see ecdgroup.com/Regional_News.asp and, for an update on current key focus areas, see ecdgroup.com/Key-Focus-Areas.asp

We are pleased to report that “First Steps,” a three-part series on early childhood in Brazil, Uganda, and Moldova was produced this year for BBC World Television in collaboration with Rockhopper TV. Each segment highlights key issues of the CG’s 4 Cornerstones. The series can be viewed at www.rockhopper.tv/programmes/139/?related=series&id=10

In addition, we are broadening the range of current CG partners and creating a group of associates to work collectively and actively to identify areas of need and interest related to early childhood for advocacy work, joint action research, programming, and dissemination activities.

The criteria and process will be posted at www.ecdgroup.com/participation.asp

CCF Child Development Scale: Christian Children’s Fund

In its continuing commitment to high-quality ECD programmes in many parts of the world, Christian Children’s Fund has undertaken several innovative programme initiatives. Among these is utilisation of the CCF Child Development Scale. The scale monitors the development of children between birth and age 5 in five domains: gross motor, fine motor, cognitive, communication and language, and social/emotional/self-help. The scale includes indicators of development to age 6, but these indicators are to be used with children whose development is advanced in some way. This tool is designed to be used in partnership with parents.

The Child Development Scale supports several major objectives of CCF’s programmes:

- It highlights children’s strengths while also identifying areas in which their development is not as strong. It helps parents to understand their individual children better.
- It helps CCF staff, partners, and volunteers to enhance developmentally appropriate practices in home- and centre-based programmes and to target parenting education and family support. It helps them to be more aware of and sensitive to individualising for each child to stimulate optimal development.
- It aids participatory planning and implementing programmes for young children. It allows communities to access aggregate data that help to target programmes toward specific developmental needs of children in the area. It informs a shared vision based on accessible data.

- It adds capacity to the evaluation of programmes for children and parents. It provides data on whether programmes targeted toward children, parent-child interaction, parental knowledge and behaviour, or family support are having an impact on children’s development.

Another programme approach that CCF has sought to strengthen is the integration of health, education, and protection for young children. Although many of CCF’s hallmark programmes—Guide Mothers, Gardens of Mothers and Children, Loipi, and others—have long sought to integrate health, education, and child protection with curriculum and services and many have been associated with family livelihood and nutrition, CCF is currently piloting models of integrated health, nutrition, and stimulation based on the use of the Child Development Scale. These approaches include strengthening the continuum of early childhood programmes in emergency situations as countries move through the various stages of an emergency and transition to stable, long-term development conditions; increased use of youth in programmes with young children; and emphasising the integration of skills attained in the natural transitions in children’s lives with those required by major environmental changes, such as moving from home to an early childhood centre or moving from an early childhood centre to primary school. Within these various approaches we are seeking to more fully appreciate the agency of young children and to design models that encourage their input—especially in their daily activities.

Another major emphasis has been on increasing partnerships at all levels—community, area, national, and

CCF is seeking to more fully appreciate the agency of young children and to design models that encourage their input.

international—in order both to strengthen our programmes and to form better alliances to influence national policy. In some countries, we have joined with others to advocate for the development of national ECD policies. In others, we have sought to influence changes in existing policies or enhancement of collaboration among government departments or ministries. Our efforts target community participation and raising awareness and voice among all—including children and youth—as they seek to advocate for a better future for young children.

For more information, contact:
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Building capacity: Early Childhood Development Virtual University, University of Victoria

The Early Childhood Development Virtual University (ECDVU) is becoming well known to the ECCD international development community. Initiated in 2000 following the first African International Conference on ECD in Kampala, Uganda, the ECDVU has evolved to a praxis of theory, research and method that speaks to the need for new processes of engagement among academic institutions, academics, professionals, government officials, community leaders, families, and children. Through its sustained focus on leadership, multiorganisational networking, and intersectoral communication and collaboration, the ECDVU supports a diversity of African ECD capacity-building activities.

Participants in ECDVU programmes are typically nominated by ECCD-knowledgeable committees following

countrywide consideration of key goals and objectives for ECCD. Once the goals have been established, the committees solicit applications for the ECDVU programme and then identify teams of two to four individuals whose work experiences and current posts place them in a position to advance those goals through intersectoral activities.

The ECDVU has successfully delivered four ECCD programmes, two in Sub-Saharan Africa and two in the Middle East, and is poised to launch a third Sub-Saharan delivery in 2009 with the majority of courses facilitated by African faculty. Participants in the first, three-year master's degree programme in Sub-Saharan Africa achieved a 90% cohort completion rate; the second, one-year Professional Development certificate programme concluded with 96% completion. The World Bank has



Malawi: Rob Buchanan

conducted an external evaluation of the master's programme, which is available at www.ecdvu.org.

Of the twenty-four participants from nine countries who participated in the second Sub-Saharan programme, twenty-three successfully completed. A brief profile of the two programme graduates who represented the full cohort at the June 2008 University of Victoria Convocation provides some sense of the wide variety of ECCD-related activities in which ECDVU participants engage while undertaking the programme. Ruth Addison of Accra, Ghana, is the Senior Programme Officer and Head of the Programmes and Projects Unit of the Ghana National Commission on Children, where she serves as the National ECCD Coordinator. Masoud Ali of Mombasa, Kenya, serves as Project Director in three districts on the Kenyan coast for the Madrasa Resource Centre, an integrated ECD Aga Khan Foundation programme.

ECDVU is also actively involved in working with sub-Saharan universities (including University of Education, Winneba, Ghana; Chancellor College, University of Malawi; Open University Tanzania; and others) in a partnership effort to promote ECCD courses and programmes, and is searching for funding to inaugurate an Early Childhood Development Consortium of African Universities to support long-term sustainable and contextually appropriate ECCD programme delivery by African tertiary institutions.

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Early childhood development in UNICEF business plans

UNICEF has long promoted ECD as part of its overall mandate to safeguard children's rights and ensure that all children survive and thrive. In response to the global commitment of the Millennium Development Goals (MDGs), UNICEF prepares Medium-Term Strategic Plans (MTSPs) that set shorter-term goals and objectives toward achieving the MDGs by 2015. The MTSP is considered to be UNICEF's business plan in delivering results for children in a given time period.

The current MTSP, which covers 2006 through 2009, includes five programmatic areas and several key results that have a direct impact on young children's development.

1. Young child survival and development focus area mainly aims to ensure that all families, and especially those most at risk, have access to and are able to use health, nutrition, and psychosocial support services. As part of this focus area, UNICEF continually promotes parenting programmes with the objective of achieving one key result: *improved family and community care* for child survival, growth, and development.

In 2007 around fifty-eight countries reported having national strategies to promote parenting programmes. Most of the Caribbean countries, Thailand, and Belarus report over 80% coverage of such programmes, with Cuba reporting 99%. Countries like Malaysia, Brazil, Burundi, Cambodia, Serbia and Montenegro, Moldova, Mongolia, Mozambique, Kosovo, and Sri Lanka report over 50% coverage. The number of countries that included targets for scaling

up improved family and community care practices in their National Action Plans was sixty-three (plus thirty-three partially). While these figures are promising, overall coverage of parenting programmes is still only 28% and quality remains a challenge.

2. Basic education and gender equality programme focus area aims at universal primary education and gender parity. This focus area recognises the early years as the foundation of quality basic education and it has a specific target for improved school readiness defined by three pillars: child, school, and family. Developing Early Learning and Developmental Standards (ELDS) as the basis of early learning programmes to ensure school readiness is a key result of this focus area.

Although the target was forty, in 2007 around fifty-three countries reported having national standards to monitor school readiness. The Child to Child Initiative, currently piloted in six countries and considered an important link between school and family, provides primary school children with knowledge and skills to play with younger children and help them get ready for school. The UNICEF Education Strategy, submitted to the Executive Board last year, includes ECD as a cross-cutting programme area and considers it part of basic education, that is, at least nine years of education that starts with pre-primary and continues with post-primary programmes. The major challenge of this strategy is to ensure a smooth transition from pre-primary to primary school within the framework of school readiness as conceptualised by the Consultative Group on ECCD.

3. and 4. **Child protection and HIV/AIDS programme focus areas**

address improved care for children and families at risk and/or affected by HIV/AIDS. Parenting programmes and community-based ECD centres are the entry points in providing care. Coverage and quality are the major challenges in reaching out to these children and families on a wider scale.

5. **Children's right to development during emergencies and transition focus area.**

UNICEF considers that play and early learning opportunities—important elements of children's right to development—should also be fulfilled during emergencies and transition. The ECD Emergency Kit, which includes toys and learning materials for young children and guidelines for caregivers on how to use them effectively, is ready for wider use. Together with Save the Children, UNICEF co-convened a CGECCD Working Group on Emergencies to raise awareness about ECCD in emergencies. The Working Group is now an Inter-Agency Network on Education in Emergencies (INEE) Task Team.

UNICEF strongly believes that to scale up ECD interventions, they need to be mainstreamed into national plans, policies, and budgets. Evidence that states both the problem and what works to effectively address it is crucial, especially to reach those most at risk. The following are examples of UNICEF's efforts to scale up ECD interventions:

- UNICEF included a Child Home Environment questionnaire in the Multiple Indicator Cluster Survey (MICS) that was used in more than fifty countries. The results will provide a wealth of information about a child's environment and patterns of interaction with significant adults. The results are currently being analysed to inform ECD policies worldwide.

- Monitoring implementation of the Convention on the Rights of the Child (CRC) in early childhood, as recommended in General Comment 7, is a joint project to establish a set of indicators to assist countries to implement CRC and report on results for young children. The UNCRC Committee, WHO, the World Bank, the Consultative Group on ECCD, the Bernard van Leer Foundation, and HELP (Human Early Learning Partnership) are among the partners finalising the list of indicators and trying them out in selected countries.

- Designing global ECD indicators that assess the child's developmental status and map out vulnerabilities is one of UNICEF's major objectives in placing ECD on the global agenda. Currently, the Offord Centre at McMaster University is pretesting the indicators in Jordan and the Philippines with an expectation that they will be included in the next MICS and other household surveys, leading to a solid baseline on young children's developmental status globally.

The foundation of UNICEF's business plan for ECD is capacity development. The ECD Resource Pack was recently updated with the assistance of Judith Evans, and a series of regional training workshops took place. Currently, UNICEF is in the process of developing medium- and longer-term plans for capacity development to establish partnerships between international universities, training institutions with proven expertise in ECD, and the local universities and training institutes where UNICEF operates.

Recently, UNICEF has received funds from the Government of the Netherlands that will speed up the process both in scaling up successful ECD programmes and improving national delivery capacities in at least ten countries, selected mainly from Asia and Africa.

Thanks to aggressive survival interventions, more and more children are living today. It is important that children who survive should be able to develop their full potential.

Beyond 2009 and emerging issues

Climate change, hunger and increasing food prices, migration, and the growing number of urban poor are among the major issues that UNICEF will take into account during the preparation of the next business plan, which will take us to 2015 and beyond. Thanks to aggressive survival interventions, more and more children are living today. It is important that children who survive should be able to develop their full potential. Early childhood development will be the means and the ends in addressing problems and finding solutions within UNICEF's next business plans.

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New directions for financing ECD: Save the Children

Although there seems to be a growing recognition of the importance of ECD programmes and how they lead to improved health, education, and economic outcomes, funding to support ECD remains woefully inadequate. The purpose of this article is to highlight factors that should be incorporated into economic models that define future ECD programming. These factors offer new direction for financing ECD programmes.

Developmental competencies

ECD investments should focus on measuring the impact of ECD programmes on children, their caregivers, and the communities where they live. With regard to child outcomes, Save the Children USA (SC-USA) examines these across developmental domains through carefully planned evaluations.

Dosage

How much intervention is needed to obtain the desired developmental competency? For example, how many parent education workshops are needed to demonstrate increased knowledge of developmental milestones? Preliminary results from two SC-USA ECD programmes in the Philippines

indicate that a short (eight-week) ECD programme had a larger impact on children’s competencies than a full-year programme. One explanation of this result is that it may be easier to ensure quality during the shorter session than throughout the year. Although the amount of intervention needed will vary by child and family, it is important to capture dosage data because of the impact on per-child cost.

Service delivery

Different service-delivery strategies can be used to obtain the desired developmental competency. Service-delivery strategies may include classroom-based programmes, home visits, informal play groups, literacy fairs, etc. The cost per strategy needs to be intentionally considered in future ECD financial models. Substantial research shows that quality ECD classrooms result in children’s mastery across developmental domains. However, we must consider alternative service-delivery options that achieve similar results at a fraction of the cost. SC-USA has identified a menu of service-delivery strategies with the goal of examining the effect size of different ECD interventions.

Integrated service delivery

SC-USA has developed an integrated ECD approach that weaves ECD programming into services offered across sectors (i.e., health, nutrition, and education). The purpose is to develop a continuous and widespread system of care for young children from prenatal into the first years of primary school. In general, health and nutrition programmes may be the only institutionalised care for young children from birth to age 2. Our current trend is toward developing ECD programming with our colleagues outside the education sector to provide ECD technical support to staff and families with young children. The goal is to provide ECD support services early in the child’s life and across diverse points of entry. Table 1 exemplifies an integrated and continuous ECD intervention strategy in Guatemala that offers ECD services and training to colleagues, across disciplines, from pregnancy into primary school.

Frequency of services

This factor explores the relationship between the regularity of ECD programmes and child/parent outcomes. That is, do ECD interventions have a

TABLE 1					
Continuum of Integrated ECD Intervention in Guatemala					
Adolescents	Pregnancy	Birth – 28 days	1 month – 3 years	3 – 4 years	5 – 6 years
Health (Youth)	Saving Newborn Lives (prenatal and newborn health programme coordinated with Ministry of Health)	Saving Newborn Lives (prenatal and newborn health programme coordinated with Ministry of Health)	MYAP (nutrition and growth monitoring programme); Educación Oportuna – ECD programme	MYAP (nutrition and growth monitoring programme); Educación Oportuna – ECD programme	Pre-primary education managed by Ministry of Education

greater effect if they are offered during a compact, short period or stretched out over a greater length of time? Studies of frequency will inform cost for services.

Level of training for the service provider

The level of preparation needed for effective, quality ECD service delivery has fiscal implications. Some ECD strategies can be effectively implemented using programme staff with limited education (e.g., informal parent support groups, some child development screenings), while other strategies require greater training (e.g., ECD classroom teachers).

Advocacy and sustainability

To ensure service coordination without duplication, SC-USA works with existing community organisations (e.g., health committees, school governance committees) to include an ECD component. These existing (voluntary) community organisations are respected in the local context. With limited orientation, they are economical resources for sustaining quality ECD services.

There is no expectation that all of these factors should be examined in every SC-USA programme evaluation, however, we attempt to include at least one of the factors in each evaluation design. These factors will help us to increase access and quality of ECD programming within current fiscal realities.

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Early childhood care and education 2008-9: UNESCO

UNESCO's goal in early childhood care and education (ECCE) is to assist member states to attain the first Education for All (EFA) goal on ECCE, namely, the expansion and improvement of comprehensive ECCE services and programmes, especially for vulnerable and disadvantaged children. UNESCO focuses its assistance on policy work and undertakes policy advice; capacity building of policymakers; advocacy; and information generation and dissemination. UNESCO's actions in ECCE are guided by the vision of lifelong learning and a sectorwide perspective. It regards ECCE as an integral part of the plans and policies of the education, social, and/or health sectors, and it considers investment in ECCE to be a highly effective means to combat poverty, inequity, and exclusion. The following are examples of UNESCO's ongoing and planned actions in favour of EFA Goal 1.

UNESCO policy briefs on early childhood

A series of quarterly notes that seek to answer various questions on the planning and implementation of early childhood policies. The policy briefs can be found at www.unesco.org/education/earlychildhood/brief.

ECCE policy reviews

ECCE policy reviews have been or are being carried out in different countries with the aim of reviewing the country's ECCE policies and systems and suggesting recommendations on key policy issues. UNESCO Bangkok, in cooperation with UNICEF, undertook a regional policy review involving eight East

and Southeast Asian countries in 2006-7. UNESCO Regional Bureau for Education in Africa is conducting a review of Senegal. UNESCO Rabat is carrying out reviews in Tunisia and Morocco. UNESCO Moscow, in collaboration with the World Bank, intends to carry out reviews in selected regions of the Russian Federation focusing on quality issues. A set of guidelines on the purposes, contents, and methods of national ECCE policy reviews is under preparation.

ECCE indicator project

Spearheaded by UNESCO Santiago, the project seeks to identify, pilot, and refine programme-level and macro ECCE policy indicators that will be useful for improving policy and practice in the Latin American context. UNESCO's Kingston and Brasilia offices will join the project in 2008-9 to use the indicators in the context of the Caribbean region and Brazil.

Better Early Childhood Programme (Primeira Infância Melhor) in Brazil

This is an innovative large-scale programme targeting children from birth to age 3 and their parents. The programme model is based, in part, on Educa Tu Hijo, a Cuban nationwide parent education programme for improving early care and education, and, in part, on experiences in other countries. The programme has been successfully piloted in two Brazilian states (including Rio Grande do Sul), closely involving the private and business sector and mobilising popular support. Efforts to scale up are planned for 2008-9.

Caring and Learning: Cross-national research on the integration of ECCE

This project addresses the problem of divided or overlapping responsibilities for ECCE at the national policymaking and administration level and looks at the experiences of selected countries, particularly those that have integrated ECCE within the education system.

The main objectives are to reach a better understanding of the option of integrating ECCE within education, to identify advantages and drawbacks of the option, and to draw policy lessons for other countries. This project is currently being undertaken in 2008-9.

UNESCO's support for ECCE in East Africa

To enhance the capacity of vital institutions to support holistic ECCE and to promote the development of quality-assurance mechanisms for ECCE in Rwanda, UNESCO Nairobi will undertake a number of activities, including support to the General Inspectorate of Education, National Curriculum Development Centre (NCDC), and Kigali Institute of Education. Inspectors recently recruited to the Inspectorate will be provided with training on ECCE. Other support will be offered for the implementation of the new ECD curriculum guides. UNESCO Nairobi is also planning an ECD forum for East Africa, beginning with Kenya, Rwanda, and Uganda, to share experiences and to identify common concerns, issues, and targets for ECCE.

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Education programme focuses on early transition: Aga Khan Foundation

The Aga Khan Foundation's Education Programme aims to increase access to education and enhance the quality of learning opportunities for all learners, especially those who have been marginalised. To provide a focus for their work on the ground, foundation staff have identified four cross-cutting themes that present a framework for learning in the coming years:

- Pluralism
- Transition programmes to improve continuity of learning across levels
- Work with marginalised or excluded groups
- Community public-private partnerships that promote quality education opportunities for children and youth

Though the AKF has been working broadly on all four cross-cutting themes, a particular emphasis has been placed over the last few years on issues related to early transition for children as they move into primary school, regardless of whether they have had the opportunity to experience preschools or other ECD services. In addition to working to strengthen its ability to monitor and assess children's learning (especially in lower primary), AKF assesses whether ECD and education settings are welcoming and have sufficient materials for children to use. Examples of AKF-supported programmes that are involved in these areas are highlighted below.

AKF's Releasing Confidence and Creativity Programme, Pakistan

After analysing government data showing very high dropout and repetition rates in the early primary

grades, AKF staff worked with its local partners to reorient Releasing Confidence and Creativity (RCC) from a general school improvement programme to an initiative that deliberately targets the katchi class (essentially a form of preschool or kindergarten class) as well as grades one and two. The timing of the programme coincided with the government's decision to formally recognise the katchi class as part of the basic education system. Since the programme started in 2003, katchi classes have become bright beacons in the schools, full of colour and enthusiastic activity. The programme is presently in its third phase of implementation and caters to 32,845 children in 243 schools across three provinces of Pakistan. Baseline data are currently being analysed to compare RCC and non-RCC supported schools and students, and specific studies to track students' progress and learning are underway.

Bodh Shiksha Samiti, India

Bodh Shiksha Samiti, a Rajasthani NGO, has been pioneering innovative approaches in education for the most disadvantaged children in urban slums and rural areas. The NGO works through its own Bodhshalas (Bodh's informal urban schools) as well as government schools. Bodh classrooms have plenty of low-cost or free learning materials and there is good peer support among teachers, who continuously assess students in all academic subjects, the arts, and social interactions. An external agency, Education Initiatives, conducted a learning achievement study in 2008 to look at the progress of children in Bodhshalas versus those

in Bodh-supported government schools and those in non-programme schools. The assessment involved students in grades two to five and was conducted by Bodh to understand and measure the quality of student learning in Hindi and mathematics. Initial findings indicate that students in the Bodhshalas performed at a higher level in both Hindi and mathematics across all grades. Bodh and AKF will continue to analyse the data to improve their programming.

Madrasa Preschool Programme

AKF's Madrasa Regional Preschool Programme—implemented by three Madrasa Resource Centres (MRCs)—currently supports 203 community-based preschools in Kenya, Uganda, and Zanzibar. In addition, the MRCs are engaged in a growing range of outreach efforts that respond to requests from local governments and NGOs. Reports are being finalised from studies on the impact of the Madrasa Programme on children's learning and school readiness. The studies followed children through preschool and compared children in Madrasa preschools with those attending other preschools and those who stayed at home. Results showed that any preschool experience had an impact on children's cognitive outcomes; for children who had attended Madrasa preschools, there was a significant difference in terms of their cognitive development and school readiness. The study also found that the quality of the preschool environment mediates children's cognitive outcomes. A separate study is currently underway that looks at a different sample of students from standard 1 to the end of primary in the three countries. Primary schools were selected that have tended to take in the graduates of the Madrasa preschools. The sample again includes children with Madrasa preschool experience, those with other preschool experience, and those with no ECD

experience. The researchers hope to analyse repetition rates across the years for each group of students and aim to look at teachers' assessment of the students in terms of their ranking in the class and learning achievement.

AKF Education Programme, Syria

AKF's Education Programme in Syria has also been placing increased attention on the early transition of children into primary school. The AKF programme team included in its regular summer camps a specialised session for children entering primary grade 1; kindergarten and grade 1 teachers were involved, along with camp volunteers. Also, training of new school counsellors has included the topic of transition and helping children adjust to primary school.

Other updates

Aga Khan University's **Institute of Educational Development in East Africa** has been developed and it delivered its first six-month in-service certificate course for ECD professionals to twenty-one teachers. The next course will begin in December 2008 in Kisumu, Kenya.

AKF's concentrated efforts to improve child tracking were a critical driving factor in the development of a **global Education Management Information System (EMIS)** for its Education Programme. The system provides AKF Education Programme staff with a set of web-based tools to analyse their data on children, teachers, and schools more effectively. The data entry module allows information to be entered at the classroom level, disaggregated by grade and age. Multiple levels of analysis will be available through the reporting module, which looks at students' enrolments, repetition, dropout, and survival rates, both as a snapshot and historically.

The Aga Khan Foundation's Education Programme aims to increase access to education and enhance the quality of learning opportunities for all learners, especially those who have been marginalised.

At the end of last year, AKF hosted an **education programme learning** workshop, giving its education officers and partners an opportunity to update themselves on research and best practices in the field of early literacy and numeracy. Additionally, staff received training in early literacy teaching techniques from an expert from the U.K. who has worked with various Aga Khan Development Network (AKDN) programmes over the years. AKF staff have followed up with new initiatives to strengthen, expand, or start new programmes that promote early literacy and language development in countries such as Portugal, East Africa, Kyrgyzstan, Afghanistan, Syria, Egypt, and Pakistan.

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A time of rapid change:

Bernard van Leer Foundation

Since the departure of Bernard van Leer Foundation's executive director, Peter Laugharn, in July, we have been happy to welcome an interim executive director, Monique van 't Hek. One of Monique's first priorities was engaging in a mid-term review of our three-year statement of strategic review during a time of rapid change at Bernard van Leer Foundation. This review was an opportunity to refine some of our priorities and assess the choices that were made 18 months ago in terms of progress so far. At the same time, our board initiated a Van Leer Entity Review which assessed the consistency of shared values and goals among the different van Leer institutions: the Bernard van Leer Foundation, the van Leer Jerusalem Institute, the Jerusalem Cinemateque, Crecor, and the van Leer Group Foundation.

We are also happy to welcome on board Selim Iltus, our new studies officer, who started in September. With Selim's arrival, we look forward to strengthening the evidence base in support of young children and our key messages for advocacy. Selim also will provide technical support for our work and contribute to our publishing programme. Also relatively new to our staff is René Schoenmakers, manager of monitoring, evaluation, studies, and information. René was previously with Plan International. He brings a wealth of experience as we find pragmatic ways to document the outcomes of our grants and organise our knowledge assets to provide easy access to relevant information, including the use of new technologies and platforms.

With Bernard van Leer Foundation's reorganisation into three issue areas (strengthening the care environment; successful transitions: the continuum

from home to school; and social inclusion and respect for diversity), we drafted issue area frameworks to guide our work. We are now occupied with drafting programme strategies. The first round of strategies includes Peru, Orissa (India), Kenya, Israel, The Netherlands, Mexico, Colombia, South Africa, and the Caribbean. The strategies reflect a range of inputs and consultations, building from the lessons of the past and identifying new opportunities.

- *Strengthening the care environment*
- *Successful transitions*
- *Social inclusion and respect for diversity*

While Bernard van Leer Foundation has been moving ahead on programme development, we have been strengthened by various inputs, such as a workshop by RAPID about policy advocacy, training by MDF about outcome orientation, and learning reviews that, among other things, looked into learning communities and information management. In the past year, we have updated our procedures for proposal assessment and developed a policy on programme development.

In terms of generating knowledge, a range of recent working papers can be found on our website, looking into issues such as costing expansion of ECE programmes for the most disadvantaged, fostering language development, and our recent "Early Childhood Matters" about quality within early education. Our new series "Early

Childhood in Focus" is proving very successful, designed to inform policy from key research findings. Bernard van Leer Foundation is contributing to three international research projects that are key to each issue area: the joint learning initiative about children affected by HIV/AIDS; another joint learning initiative on diversity issues; and "Young Lives," a longitudinal study that looks at the effects of poverty on children and their transitions.

Finally, Bernard van Leer Foundation organised a number of major events recently. One took place in The Hague in April 2008 designed to cultivate champions of early childhood from the corporate sector. The Committee for Economic Development and the Wolfensohn Center for Development were key partners in that endeavour. A national event in The Netherlands about diversity in early childhood was hosted by Museon in 2007. We also played an active role in the XVII International AIDS Conference in Mexico City, supporting participation and presentations, bringing out publications/materials, and presenting an exhibit about a forthcoming book by Antony Swift, to be published by PANOS, where he looks first-hand into the effects of HIV/AIDS on children and families. Bernard van Leer Foundation will follow up these events with new initiatives in 2009.

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Plan adopts and integrates the 4 Cornerstones as a framework for its ECCD programming

Plan, as a child-centred community development organisation and one of the strongest nongovernmental players in the child rights and child development arena, recognises the crucial importance of ECCD and the need to strengthen the quality of its ECCD programming, both from the perspective of children's rights, programme impact, and accountability and from the perspective of organisational effectiveness and efficiency.

Plan's vision is of a world in which all children realise their full potential in societies that respect people's rights and dignities. A growing evidence base clearly indicates that the youngest children all over the world may only grow up to fulfil their potential when their rights to survival, protection, development, and participation are holistically guaranteed through quality ECCD programmes, including programmes designed to support parents and caregivers to fulfil their roles and responsibilities. Not only does access to quality ECCD programmes secure children's rights to the best start in life, but ECCD is also the necessary (and often critically absent) base for a society's social and human capital development that may ensure continued national growth and enable poverty reduction strategies to be functional and effective.¹ In addition, ECCD costing and financing studies are unanimous that investing

in the youngest children from birth to age 8 gives a country's economy significant return on investment in the long term.² A recent series on child development in *The Lancet*³ estimates that globally 200 million children under 5 years of age will not reach their full development potential. The study indicated a correlation between the socioeconomic gradient of the child and its development: The children least likely to achieve their full potential are those living in exclusion and poverty. It is exactly these children that Plan works with.

Plan's vision is of a world in which all children realise their full potential in societies that respect people's rights and dignities.

During the Plan Global Leadership Conference held in 2006, Plan identified ECCD as a critical global theme. Following that commitment, a Global ECCD Workshop was held in Dhaka,

Bangladesh in March 2008. During this workshop—aimed at bringing forward ECCD as a global theme and priority—it was agreed that a future Plan global programme framework for ECCD programming should be built around the 4 Cornerstones model created by the Consultative Group on ECCD. It should be mentioned that the 4 Cornerstones model is a global, state of the art, evidence-based programming and advocacy tool. Plan was and remains instrumental in the conceptualisation, development, and further deployment of the 4 Cornerstones as part of its membership in the Consultative Group on ECCD.

For Plan purposes and relevance, the 4 Cornerstones will be adapted and made Plan-specific, bringing them into line with Plan's child-centred community development approach, its global programme framework, and the outcomes of the strategic and business planning processes. On top of that, specific regional ECCD programme strategies are under development in the two Plan regions in Africa (Eastern and Southern Africa Region and West Africa Region). Equivalent and in sync with the global processes, both regional ECCD programme strategies—in their specific ways—integrate the 4 Cornerstones as an analytical and strategic programming grid because of the holistic and evidence-based nature of the model.

1 Jaramillo, Adriana, & Alain Mingat. 2003. *Early childhood care and education in sub-Saharan Africa: What would it take to meet the Millennium Development Goals?* Washington, DC: World Bank.

2 Garcia, Marito, Alan Pence, & Judith Evans, eds. 2008. *Africa's future, Africa's challenge: Early childhood care and development in sub-Saharan Africa*. Washington, DC: World Bank.

3 Grantham-McGregor, Sally, Yin Bun Cheung, Santiago Cueto, Paul Glewwe, Linda Richter, Barbara Strupp, & the International Child Development Steering Group. 2007. Developmental potential in the first 5 years for children in developing countries. *The Lancet*, 369: 60-70.

It is anticipated that through the development of a Plan global ECCD programme framework and the reiteration of regional ECCD programme strategies, the reach and quality of Plan's ECCD programmes and projects will enhance, resulting in greater child development impact for the youngest children, in particular the most vulnerable. As an anecdote to demonstrate the potential impact and relevance of using the 4 Cornerstones model at all levels (from global to local), an illustration from the work of Plan Sierra Leone is appropriate. Plan Sierra Leone's Child Health and Development Project—funded by the European

Commission—is holistically targeting the child survival, protection, and development rights of children in the Moyamba region. The 4 Cornerstones have been integrated in this project and adapted for use in the parent education and support component of the project. Communities and caregivers are encouraged, through a self-assessment methodology, to monitor both their progress toward responding to the rights of children in each of three age categories and the (local) policy-level implications.

Plan is fully aware that children's holistic development starts here, with ECCD programmes reaching the

youngest children from before birth up to 8 years old. Plan perceives it as a matter of demonstrating accountability to its own vision as expected of us by ourselves, our partners, the wider world and—most importantly of all—by all children.

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UNICEF: Afghanistan

4 CORNERSTONES

To secure a strong foundation for young children

Early childhood programs provide a strong foundation for good health, growth, and success in education and life.

Investing in young children saves money and pays off now and in the long term.

CORNERSTONE 1: Start at the beginning

Integrate early stimulation, child development, and parenting information into prenatal, early health, nutrition, and education services by:

- Providing access to parenting programs that address holistic child development, particularly for the most vulnerable families;
- Improving services for young children and families including early stimulation, health, nutrition and child care.

CORNERSTONE 2: Get ready for success

Ensure access to at least two years of quality early childhood programs prior to formal school entry, beginning with the most vulnerable and disadvantaged children.

CORNERSTONE 3: Improve primary school quality

Increase investments and improve the transition from home or preschool to primary school and the quality of learning in Grades 1-3 by:

- Providing teachers with knowledge about early childhood, learning environments and styles, and methods for teaching early literacy and numeracy during pre/in-service teacher training,
- Giving children adequate learning materials, and
- Ensuring smaller sized classes.

CORNERSTONE 4: Include early childhood in policies

Address Early Childhood in all national policies and plans across sectors, including Poverty Reduction Strategy Papers (PRSPs), Common Country Assessment's (CCA's), UN Development Assistance Framework (UNDAF), One UN Plan documents, Education for All Plans (EFA), and Fast Track Initiative Plans (FTI). Assure adequate resources and multi-sectoral coordination by ensuring that Early Childhood is integral to development and macroeconomic planning and budgeting.



THE CONSULTATIVE GROUP ON EARLY
CHILDHOOD CARE AND DEVELOPMENT
www.ecdgroup.com

International Early Childhood Resources

Starting up child-centred spaces in emergencies: A field manual

Christian Children's Fund, May 2008

This new guide details thirteen practical steps for implementing child-centred spaces in humanitarian crises based on the experiences of practitioners in twelve countries.

To download the guide, see www.christianchildrensfund.org/uploaded-Files/Public_Site/news/Publications/CSS-book.pdf

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New partnerships for EFA: Building on experience

Alexandra Draxler, April 2008

Early in 2007, UNESCO and the World Education Forum launched a new programme, "Partnerships for Education" (PfE). PfE aims to create a global coalition among multi-stakeholder partnerships for education (MSPEs) to advance toward the objectives of Education for All (EFA). PfE will:

- conduct studies and develop tools and frameworks for the establishment, implementation, and evaluation of MSPEs
- advocate for the development of multi-stakeholder partnerships in education
- build capacity for implementation within various countries, at both the regional and global levels

The study reviews current literature on public-private and multi-stakeholder partnerships relating to education. It is intended for development practitioners at the international and country levels.

For more information:

www.unesco.org/iiep/PDF/pubs/Partnerships_EFA.pdf

The contribution of early childhood education to a sustainable society

Ingrid Pramling Samuelsson & Yoshie Kaga, editors, June 2008

This report explores ideas of promoting a sustainable society through early childhood education. It emphasises that through sustainability, societies begin to embrace the values and principles of inclusion. In keeping with paradigms that support sustainability within early childhood education, it is critical to continuously rethink and redefine practices within the field. The document also highlights the works of authors from around the world, each of whom consider the notion of sustainability and early childhood education.

For more information:

unesdoc.unesco.org/images/0015/001593/159355e.pdf

Early childhood policy, getting it right: Lessons learned in Asia

Robert Horn, May 2008

This report details the key trends and challenges identified for early childhood policy in the Asia-Pacific region. It also includes country profiles in Pakistan, China, and the Philippines.

For additional information: www2.unescobkk.org/ARNEC/resource_documents/files/ECP.Doc1.pdf

The state of the world's mothers 2008: Closing the survival gap for children under 5

Save the Children, May 2008

Worldwide, more than 200 million

children under age 5 do not receive the basic health care they need.

This lack of care contributes to the deaths of nearly 10 million children each year from highly preventable or treatable ailments. The State of the World's Mothers reports continuously highlight the interrelationship between a mother's well-being and that of her child. This year's State of the World's Mothers report explores which countries are succeeding – and failing – to deliver basic health care to the mothers and children who need it most. The report examines the health care and survival gaps between the poorest and the wealthiest children within developed and developing countries and demonstrates that the lives of millions of children can be saved if they are provided with equal access to low-cost health care.

For more information:

www.savethechildren.org

Building the future of family involvement

Heather B. Weiss & Suzanne Bouffard, editors, May 2008

Recognising the value of family participation within the education system, this issue of *The Evaluation Exchange: A Periodical on Emerging Strategies in Evaluation* examines the current state of and future directions for the family involvement field in research, policy, and practice. It also features innovative initiatives, new evaluation approaches, findings, and interviews with field leaders. Now is the time to ensure that family involvement has a voice in policy and in the national conversation about education reform. This journal issue is designed to spark discussion about how to elevate voices at all levels.

www.hfrp.org/var/hfrp/storage/original/application/510c455b5997fc6af0ed14c03143dc96.pdf

Early Childhood Calendar

See the CG's online Calendar of Events: www.ecdgroupp.com/calendar1.asp for a list of events in 2009, including:

Inter-agency Network on Education for Emergencies (INEE) Global Consultation 2009: Bridging the Gaps: Preparedness, Relief, Development

March 31-April 2, 2009
Istanbul, Turkey

The third of its kind, this dynamic and forward-looking forum will bring together over 250 humanitarian and education practitioners, students, teachers, and staff from UN agencies, NGOs, donors, governments, and universities to explore developments in the field of education in emergencies, chronic crises, and early recovery to:

- Collaboratively explore emerging issues in this fast-changing field
- Share experiences, tools, and innovative approaches to programming, advocacy, policy development, and research
- Network with policymakers, teachers, leaders from the humanitarian and education communities, and fellow INEE members
- Identify key challenges and gaps in programming and policy, and devise a strategy for moving forward based on recommendations for meeting those challenges

For more information, please see www.ineesite.org/globalconsultation

UNESCO and the German Federal Ministry of Education and Research, in cooperation with the German Commission for UNESCO World Conference on Education for Sustainable Development

March 31-April 2, 2009
Bonn, Germany

This conference will host approximately 700 stakeholders from all over the world.

For additional details and background documents, go to www.unesco.org/ and follow the links to Education and then Key Events 2008-2009.

To register for the conference starting in November 2008, please contact: esddecade@unesco.org

ECE Leadership Conference

May 25-26, 2009
Unit for Child Care Research
University of Victoria
Victoria, BC, Canada
www.cyc.uvic.ca/uccr

World Forum 2009 on Early Care and Education

June 16-19, 2009
Hotel Europa
Belfast, Northern Ireland

In addition to a 10-year celebration of the World Forum, the 2009 conference will be a memorable experience that will expose participants to international perspectives on a wide range of early childhood issues and provide a first-hand look at how early childhood education is bringing communities together.

For additional information, see www.worldforumfoundation.org/wf/wf2009/index.php

AIDS Impact: 9th International Conference

September 22-25, 2009
Gaborone, Botswana

Please visit www.aidsimpact.com for more information about registration and submission of abstracts.

International Step by Step Association, Seeds of Change: Effective Investments in Early Childhood for Enduring Social Progress, 10th Annual Conference and 10th Anniversary Celebration

October 14-16, 2009
Bucharest, Romania

This event will explore holistic approaches to education, where political will and economic investments go hand in hand with effective implementation to ensure the development of social capital and societal cohesion. Special focus will be devoted to promoting a comprehensive approach to early childhood development and education (ECDE) as the strongest foundation for well-being and success throughout life.

Highlights include:

- Integrating research into practice: presentations on the latest and most important findings in neuroscience, developmental psychology, economics, and education
- Emphasising links between ECDE and economics in the short- and long-term perspective; building human capital; current investments and their impact on young children and their families
- Highlighting examples of successful partnerships among the public sector, civil society, and the private sector, as well as cooperation among health, social welfare, education, and other sectors, nationally and internationally, for maximising the benefits of public-sector investments in ECDE
- Sharing innovations in providing diverse forms of child-centred, comprehensive, and integrated approaches to ECDE at the community, regional, or national levels
- Showcasing research-based best practices in early childhood care and education, with an emphasis on those which ensure access, quality, and equity

- Exploring the implications of living in a global knowledge society and priorities for education in the 21st century

ISSA welcomes proposals for presentations and interested participants from Europe, the wider neighbourhood of Europe and Central Asia, and from around the globe.

Further information about the conference will be available soon on ISSA's website at www.issa.nl/

4th International Conference on Early Childhood in Africa

Fall 2009 or early 2010.

Check back at www.ecdgroup.com/calendar1.asp for location, dates, and conference website.

CGECCD 2009 Annual Consultation

Fall 2009

Watch for details at www.ecdgroup.com/calendar1.asp

Upcoming Events in 2010

- UNESCO World Conference on ECCE, Moscow, www.unesco.org
- International Society for the Study of Behavioural Development Biannual Conference, Zambia, www.issbd.org/
- XVIII International AIDS Conference, July 18-23, 2010, Vienna, Austria, www.aids2010.org/



Senegal: Louise Zimanyi

The Consultative Group on Early Childhood Care and Development

is an international consortium of donor and UN agencies and international NGOs, national and regional organisations and networks, and academic or educational institutions that advocate and support programme and policy development for young children from pre-birth to age 8.

See www.ecdgroup.com/participation.asp for an updated list of partners.

The CG operates through a secretariat overseen by an elected executive board made up of current partners. The CG is currently housed at Ryerson University in Toronto, Canada, and is jointly supported by the university's Office of International Affairs and Faculty of Community Services.

The CG was established in 1984 with a mission to improve early childhood policy and practice, focusing on children in disadvantaged circumstances.

The CG's key priorities include the following:

- To contribute to the development of a diverse global knowledge base on early childhood and to making such a base accessible to, and used by, a wide range of actors and stakeholders
- To facilitate a broad-based global understanding of the critical importance of early childhood to social development and poverty reduction, and to advocate for improved investments, policies, and actions to support the holistic development of young children
- To strengthen national and regional capacities to generate and disseminate knowledge, share information, and advocate for the support of children's overall development

The CG's **4 Cornerstones to Secure a Strong Foundation for Young Children** are used as the basis for our strategic work:

- Start at the beginning
- Get ready for success

- Improve primary school quality
- Include early childhood in policies

The CG draws on the work, knowledge, and expertise of its diverse partners and other early childhood actors to actively:

- Identify gaps, critical issues, and emerging areas of need and interest related to early childhood
- Enhance our awareness-raising, advocacy, and dissemination efforts
- Broaden participation in the work of the CGECCD

See www.ecdgroup.com for additional details on key activities and initiatives.

The *Coordinators' Notebook* is produced annually and is one of our networking tools. Each issue focuses on a particular issue or topic, as well as offering network news. We endeavour to provide information on the most appropriate research, field experiences, and practices to benefit individuals working with young children and their families. We encourage you to share this information with other networks you take part in. Feel free to copy portions of this Notebook and disseminate the information to those who could benefit from it. Please let us know about any programmes or efforts benefiting young children and their families in which you may be involved.



THE CONSULTATIVE GROUP ON EARLY CHILDHOOD CARE AND DEVELOPMENT

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