Latest tools and resources to support adequate, equitable and efficient investments in early childhood development and education, during COVID-19 and beyond

CIES Panel
Thursday, April 29, 2021
1:00 – 2:30 EST
Panel Participants

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The World Bank

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ECDAN Consultant
Session Outline

• Welcome and overview of the importance of ECD financing in the current moment

• Presentation of Tools
  o Global Resource Guide & Brief on ECD Financing during COVID-19 (UNICEF)
  o Standardized ECD Costing Tool (Brookings)
  o Assessing the Cost of Inaction (ECDAN)
  o Costing Tools in the ECE Accelerator (UNICEF)

• Panel discussion

• Moderated Q&A

• Closing
Public Financing for Early Childhood Development

Ana Nieto (ECD Specialist), and Jennifer Asman (Public Finance Specialist)
UNICEF HQ
Why do we need to strengthen public financing for ECD and ECE?

- ECD/ECE as a cornerstone for national development and SDG agenda; 80 countries with integrated ECD policies and/or sectoral plans that include ECD/ECE

However..
- Often policies don't translate into **budget commitments, equitable, efficient** spending
- Due to Covid-19 gains are at risk: disruption of ECD services; crisis of care and learning; environment of financial constraints

Therefore.. Urgent to protect/enhance ECD/ECE investments and tackle PFM bottlenecks

**UNICEF's contribution to these efforts:**
- [Global Guide on Public Financing for ECD](#); How to protect ECD investments during Covid
- Global advocacy campaign: Visibility of consequences of economic/fiscal policies, investment case for protecting social spending (including ECD/ECE)
- Leveraging resources to support national fiscal responses (ODA, debt relief, etc.)
Global Guide on Public Financing for ECD: Increase capacity of governments, partners, civil society to address financial obstacles and deliver at-scale and sustainable results ECD. **Content:**

- How to define the ECD product, and analyze public finance issues and bottlenecks in different contexts
- Better target engagement by type of service:
3 Core Actions to address ECD financing bottlenecks

**Action 1: Effective budget advocacy**
- Align budget priorities with ECD policy priorities
- Use the right evidence & language to win 'buy-in'

**Action 2: Support budgeting processes**
- Increase sectoral and sub-sector budgets
- Improve transfers to disadvantaged areas

**Action 3: Promote budget coordination**
- Identify gaps, segmentation/overlaps in spending
Diagnostic assessments to understand:

i. **PFM environment** and identify entry points for advocacy

ii. **How the budget is formulated**, and budget **allocation mechanisms for ECD**

ii. **Political economy and fiscal space around ECD** to formulate politically savvy and targeted advocacy messages
## Global Guide on Public Financing for ECD

### Toolkit for evidence-based Advocacy

<table>
<thead>
<tr>
<th>TOOL</th>
<th>WHAT</th>
<th>HOW TO DO BETTER</th>
<th>WHEN BEST TO USE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Cost-benefit analysis</td>
<td>➢ Demonstrate economic and social returns to ECD spending</td>
<td>➢ Assess equity aspect</td>
<td>Budget advocacy</td>
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<tr>
<td></td>
<td></td>
<td>➢ Include short- and medium-term benefits</td>
<td>Support budget formulation</td>
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<td>➢ Use value-based judgement</td>
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<tr>
<td>2 Budget analysis</td>
<td>➢ Examine patterns and performance of public expenditure and link to service delivery and child outcomes</td>
<td>➢ Conduct pre-analysis scoping</td>
<td>Budget advocacy</td>
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<td></td>
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<td>➢ Link to reforms</td>
<td>Support budget formulation</td>
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<td>➢ Encourage government ownership</td>
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<td>➢ Include impact strategy</td>
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<tr>
<td>3 Local financing flow assessment</td>
<td>➢ Examine financing resources at local levels for ECD service provision</td>
<td>➢ Use simplified public expenditure</td>
<td>Budget advocacy for fiscal transfer</td>
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<td>➢ Leverage national accounts</td>
<td>Support budget formulation</td>
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<td>➢ Encourage government ownership</td>
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<tr>
<td>4 Costing</td>
<td>➢ Describe programmes and inputs</td>
<td>➢ Assess cost-effective alternatives</td>
<td>Budget advocacy</td>
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<tr>
<td></td>
<td>➢ Figure out the costs of each input</td>
<td>➢ Estimate additional costing</td>
<td>Support budget formulation</td>
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<td>➢ Add up the overall costs and calculate the unit cost</td>
<td>➢ Use expenditure-based unit cost</td>
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<td></td>
<td></td>
<td>➢ Explore programme synergies</td>
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<tr>
<td>5 Cost-effective analysis</td>
<td>➢ Look at a ratio of the amount of an 'effect' a programme achieves for a given amount of cost incurred</td>
<td>➢ Define the evaluation space to capture complementary effects</td>
<td>Budget advocacy</td>
</tr>
<tr>
<td>6 Public expenditure &amp; institutional review</td>
<td>➢ Examine institutional aspects of budgeting for ECD and review ECD-related spending across ministries and levels of government</td>
<td>➢ Encourage government ownership</td>
<td>Support budget formulation</td>
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<td>➢ Include impact strategy</td>
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<td></td>
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<td>➢ Link to policy initiative/reforms</td>
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</tbody>
</table>
Montenegro - Cost-effective options for preschool services for all

Background
- Limited coverage in northern regions
- Lack of awareness on importance of ECE

Core Action – Effective Budget Advocacy:
- Investment case for ECE + cost-effective ECE expansion models (unit costs, delivery models, current spending, financing gap for scaling up)
- Supported testing of alternative pre-school models
- Multipronged advocacy strategy (Gov, Parliament, and general public)

Results
- New National Strategy for Early Childhood and Preschool Education (promotes alternative models; aims to increase coverage, quality and sustainability)
- Treasury funding to hire more teachers; formalize pilot sites
- Enrolment rates increased from 52% in 2013 to 73% in 2019; average increase of about 20% in worst-performing municipalities
Protecting ECD Financing in the context of COVID-19

Adapting to a new context:

PFM context  ->  Constrained fiscal environment

Entry points for advocacy
-> Protect priority ECD services and programmes
-> Maximize impact of existing resources

The budget formulation process
-> Governments seeking savings and cuts
-> Opportunities may vary by sector – e.g. health, social protection
-> Rapid budget changes / adjustments
-> Emergency focus / recovery measures

Political economy
-> Same tools, different targeted advocacy and messages
Protecting ECD Financing in the context of COVID-19

Same tools, different targeting:

- **Investment case**...to protect social spending from budget cuts or austerity measures

- **Cost effectiveness analysis**...to identify how to maximize the impact of scarce resources

- **Budget analysis**...to assess changes to ECD spending from the COVID crisis, or identify efficiency improvements

- **Costing**...to protect ECD programmes (ringfence minimum spending), adjust to new delivery modalities, or include ECD in COVID stimulus or recovery measures
Advancing ECD Financing in the context of COVID-19

Croatia – Advocating for universal access to early childhood education

Pre COVID-19:
- Evidence generation to cost different scenarios for universal access to kindergarten to improve efficiency and transparency
- Platforms of discussion for key stakeholders

During COVID-19
- Pivot to incorporate ECE support in COVID response

Supported the government to secure $350 million over 10 years from the EU Recovery and Resilience Facility for kindergarten access for every child.

2018
- Convene stakeholders involved in kindergarten financing and policy
- Increased quota for kindergarten teachers
- Make kindergarten access govt. priority

2019
- Complete and disseminated study
- Supported govt. in securing $350 million USD from EU Recovery Funds for universal kindergarten
- Focused on access for vulnerable children by increasing staff and reforming of decentralized financing model

2020 (COVID)
**Burundi Merankabandi Cash Transfer Program**

(Government of Burundi, WB, UNICEF).

- Regular **cash transfers** and complimentary interventions (**cash+**) to vulnerable households with children
- **Cash+** interventions include ECD, with a focus on good health, adequate nutrition, safety and security, responsive caregiving and opportunities for learning (conception to 5 years).
- Adapt to the pandemic, monitor socio-economic impact, and provide more support for care-givers

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**Advancing ECD Financing in the context of COVID-19**
Protecting ECD Financing in the context of COVID-19

Combining in-country and global advocacy -

Evidence-informed advocacy to:
- Safeguard critical ECD spending
- Ensure financial resources are used efficiently and effectively
- Mobilize and deploy additional finances from all sources

At country level – supporting governments and national partners to leveraging domestic and international resources, protect and expand essential spending, and improve efficiency and equity

At global level – leveraging evidence to advocate for investment in ECD as part of an inclusive recovery; including through debt relief, ODA, fiscal space for investment (IMF, WB, regional development banks, bilateral partners, UN Financing for Development fora)
Regional analysis:

- Per capita spending is lower for young than older children, and insufficient to meet growing financing needs.
- Spending is lowest for children aged 3-6 years.
- Spending is higher on health than early learning (pre-primary education) services.

**Implication:** Governments risks missing demographic dividend and social and economic benefits from investing in the early years \((\text{Heckman curve})\)

**Next steps:**

Tailor analysis to countries, for targeted advocacy with governments and partners:

- Country level Investment in ECD Dialogues (Tanzania National Dialogue in May)
- ECD Budget Analysis
- ECD Investment cases (e.g. Burundi, Madagascar, Malawi)

Average per capita government and donor spending on core human capital sectors by age group in ESA, alongside the Heckman Curve of Return on investment, 2019 (in US$, 2017 constant prices)
Learn More

UNICEF Global Resource Guide on Public Finance for Children in Early Childhood Development

Quantifying Heckman: Are Governments in Eastern and Southern Africa Maximizing Returns on Investments in Early Childhood Development?

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Stay in Touch

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Costing Education and ECD: A Handy Tool

EMILY GUSTAFSSON-WRIGHT, SENIOR FELLOW

SARAH OSBORNE, SENIOR RESEARCH ANALYST
Why Collect Cost Data?

- Advocate for investment
- Budgeting and simulation
- Accountability of spending
- Cost-effectiveness analysis
- Cost-benefit analysis
Barriers to Costing

Supply Side

- Insufficient underlying data.
- Poor availability and/or access to tools to collect and analyze data.
- Methodological complexities.

Demand Side

- Low prioritization.
- Aversion to transparency.
- Heterogenous capacity and needs.
Brookings Costing Research
### Summary cost of program in US dollars - based on average LCD to USD exchange rate

<table>
<thead>
<tr>
<th>Cost by item</th>
<th>Exchange rate Nominal cost in USD</th>
<th>Real cost in 2015 USD</th>
<th>Total real cost in 2015 USD Nominal amortised costs in USD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7.32</td>
<td>7.26</td>
<td>6.31</td>
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<tr>
<td>Personnel - frontline/direct delivery</td>
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<tr>
<td>Personnel - other</td>
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<tr>
<td>Administration (direct costs)</td>
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<td>Administration (indirect overheads)</td>
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<tr>
<td>Cash transfers</td>
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<td>Contracted supplier services</td>
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<tr>
<td>Equipment (excluding vehicles)</td>
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<tr>
<td>Food and supplements</td>
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<tr>
<td>Knowledge sharing</td>
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<tr>
<td>Monitoring and in-service training</td>
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<tr>
<td>Program resources</td>
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<tr>
<td>Training - frontline/direct delivery</td>
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<tr>
<td>Training - other</td>
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<tr>
<td>Travel and accommodation</td>
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<tr>
<td>Own item name 1</td>
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<tr>
<td>Own item name 2</td>
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<td><strong>Unallocated</strong></td>
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<tr>
<td><strong>Total cost (excluding cost of buildings)</strong></td>
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<tr>
<td><strong>Buildings</strong></td>
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<td>Building type 1</td>
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<tr>
<td>Building type 3</td>
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<tr>
<td><strong>Total cost of buildings</strong></td>
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</tr>
<tr>
<td><strong>Total Direct Costs</strong></td>
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</tbody>
</table>

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Excel-based tool with multiple tabs, and functionalities including currency and PPP conversions, amortization, and more

**Standardized ECD Costing Tool (SECT 1.0)**
Bangladesh: parenting education for parents and caregivers of children aged 0-3 years.

Mali: micronutrient fortification and early stimulation for children aged 6 mos. to 5 years.

Malawi: preprimary program for children aged 3-6 years.

Mozambique: preprimary program for children aged 3-5 years, and parenting for 0-5 years.

México: parenting education for parents and caregivers of children aged 0-4 years.
Brookings Revised Costing Tool

- Based on Brookings Standardized ECD Costing Tool (SECT)
- Online, user-friendly format with accompanying user-guide built on Tangerine platform
- For use across ECD sectors including integrated programs
- Expanded to include primary and secondary education
- Built in functionalities such as currency conversion and amortization
- Builds a database of Education and ECD costs

For use by:
- Policymakers
- Funders
- Implementers
- Researchers
What types of questions can the tool be used to answer?

- What resources are needed to deliver an intervention?
- Is the project feasible within a given budget? (Cost-feasibility Analysis)
- What are the cost implications of a programmatic change, such as in dosage?
- What would be the cost of scaling up a program or intervention?
- How do the costs of intervention A compare to those of intervention B?
- What are the cost drivers of this intervention?
- What is the cost per beneficiary of an intervention or program?
- How are costs distributed across resource categories for this intervention or program?
- How are the costs distributed between one-time costs and recurring costs?
Broad use across different sectors & interventions

<table>
<thead>
<tr>
<th>Sector</th>
<th>Intervention Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>Parent Support or Training (early stimulation, growth, and development); Stimulation; Childcare or Day Care; After School Care; Early Childhood and Pre-Primary Programs; Transition to Equality Primary Ed; Primary Ed; Lower Secondary Ed; Upper Secondary Ed; Healthy Lifestyle Education, Comprehensive Sexuality Ed</td>
</tr>
<tr>
<td>Health</td>
<td>Antenatal Visits; Immunization; Disease Prevention; Family Planning; Health Care Visits; Mental Health; Menstruation Education</td>
</tr>
<tr>
<td>Nutrition</td>
<td>Pregnancy Nutrition Education; Oral Health Promotions; Screening and Treatment; School Meals/School Feeding; Deworming; Mosquito Net Promotion; Lifestyle Education; Sexuality Education: Health Services in Schools; Nutrition Education; Mental Health Education</td>
</tr>
<tr>
<td>Water &amp; Sanitation</td>
<td>Safe Water; Hygiene or Hand Washing; Sanitation</td>
</tr>
<tr>
<td>Social Protection</td>
<td>Birth Registration, Parental Leave</td>
</tr>
<tr>
<td>Governance</td>
<td>Policy or regulations in nutrition, health, education, and social protection; Governance reflecting ECD interests</td>
</tr>
</tbody>
</table>
Cost Categories

Overhead Costs
- Program Design
- Indirect Program Management
- Program Evaluation
- Other Overhead Costs

Direct Costs
- Training
- Direct Delivery
- Direct Program Management
- Transfers to Individuals/Families
- Other Direct Costs
Resource Types

- LABOR/PERSONNEL
- EQUIPMENT
- MATERIALS/SUPPLIES
- TRAVEL, ACCOMMODATION, AND TRANSPORTATION
- FACILITIES
- OTHER
Additional Cost Classifications

- Investment versus Recurrent Costs
- Imputed/Donated versus Paid For
Education Development Programs Costing Tool

The Education Development Costing Tool is designed to make the case for investment, as well as encouraging more informed/better investments, through supporting budgeting for education development, and planning for costed implementation plans at scale. This text should be simplified to tell exactly what this tool is for in easy to understand language.

How the Costing Tool Helps Improve Outcomes

<table>
<thead>
<tr>
<th>User Type 1</th>
<th>User Type 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Input your start up costs</td>
<td>Visualize your program costs</td>
</tr>
<tr>
<td>Input your ongoing management costs</td>
<td>Explore your program cost data</td>
</tr>
</tbody>
</table>

TRY THE COSTING TOOL
Tangerine-based cost calculator
Automatic data visualizations
What's next?

Once beta version is available, pilot testing across intervention types and geographies
Learn more!

www.brookings.edu/series/costing-early-childhood-development

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Cost of Inaction

Speakers:
Claudia Vasquez, Elizabeth Lule

CIES 2021
Virtual Meeting April 29, 2021
The COI is benefit in terms of income over the lifetime that is lost by not investing in children, net of the intervention costs.
Framework

Early childhood risks

- Poverty
- Poor maternal health
- Pregnancy & birth complications
- Under-nutrition
- Infections
- Lack of learning opportunities
- Exposure to violence

Outcomes to age 2y: Growth, health, wellbeing

Outcomes to preschool: School readiness

Outcomes late childhood: School achievement

Outcomes adolescence, adulthood: Health, wellbeing, income

Family and public investments
Online Tool

- It allows customizing the value of all the parameters involved
- Users can simulate potential scenarios and automatically obtain COI estimates
- Can be used to evaluate interventions affecting children under 5 in different sectors
- Covers +180 countries

It can be used to perform comparisons across interventions, coverage targets, and different assumptions on discount rates and long-term impacts

For use by policymakers, funding agencies, researchers and other interested in ECD investments

It is being tested in Brazil and with UNICEF in Bulgaria and Madagascar

Available soon at ECDAN website!
Simulation Tool

Country

Argentina

Population

Pick an intervention program

- Early-Life Nutrition Programs
- Home Visits Programs
- Preschool Programs

Or select a custom age range

Coverage rate

50%

Entry age

18

Time span

45

Economic metrics

Average cost per child

912

Impact

8

Discount rate

3

Results

COI

10,447,138,34

COI (% GDP)

2.009

Benefit:Cost ratio

10.191
Example of application:
The COI as share of GDP of not reaching universal preschool in selected countries

Simulations considering different discount rates and years to capture benefits
Preschool closures due to the pandemic may have life-long costs for children and societies.

For 140 countries in all income groups, the median loss of a 12-month cut in participation is 3.4% of GDP in low income countries and 4.6% of GDP in upper middle income countries.
ECE Accelerator

Cost and Financing tools to mainstream ECE in Education Sector Planning Processes

Divya Lata, UNICEF
dlata@unicef.org
A ROADMAP FOR ACHIEVING UNIVERSAL QUALITY PRE-PRIMARY EDUCATION BY 2030

- EQUITY IN ACCESS
- BUILDING SYSTEMS TO DELIVER QUALITY
- SIGNIFICANTLY INCREASING FINANCING FOR PRE-PRIMARY EDUCATION
ECE Accelerator: Analysis and Planning Toolkit

ECE Accelerator Approach

- **Integrate ECE** systematically into ESP processes
- **Build capacity** of national education systems to effectively plan for and implement ECE programmes
- Promote **knowledge exchange** and peer learning

**ECE Accelerator Toolkit**: Global e-toolkit with practical resources to support the inclusion and strengthening of ECE in ESP processes

[https://www.ece-accelerator.org/](https://www.ece-accelerator.org/)
Tool 2.3: List of core ECE cost and financing indicators and variants

- What, how, data sources & gaps
- Resources-expenditures & cost drivers
- Classified by priority
- Case studies & other resources
Tool 3.3: Tips, checklist, and examples: ECE simulation models:

- Types and uses of ECE Simulation Models
- Need-based and intervention-based projections
- Post-simulation adjustments
- Communicating with costers and planners
Using the Toolkit

ESP and Operational Plans
- Sierra Leone
- South Sudan

Costing Scale-up
- Lesotho

ECE Financial Framework
- Tajikistan
Linkages with other tools

• Global Guidance on Public Finance for ECD

• Standardized Early Childhood Development Costing Tool (SECT)
Conclusion

• Tools are Complementary –
  • Explore and build on synergies

• Strengthen advocacy
  • Protecting and increasing investments in ECE/ECD
Join us!

- **Explore the toolkit**
  - You can download the tools for offline use (to contextualize, adapt, translate, etc.) OR work on them directly online → you can create an account

- **We want to hear from you:**
  - How you are using or adapting the tools;
  - Feedback or suggestions on improvements;
  - Populated examples of tools

- Use the “Contact Us” page to reach us.
Thank You

You can find the slides from today at

[Brookings Costing Early Childhood Development site](#)

Keep an eye out for an upcoming blog and webinar from this group

Please reach out if you have any questions and stay in touch!