1. Introduction

Highlights

- Attention to the early development of young children can lead to better future earnings and other benefits to the individual and society. This focus can have equity enhancing value as poor children are at higher risk for inadequate development outcomes.
- Since FY00, the World Bank has increasingly supported early childhood interventions in its lending projects. While the number of projects fluctuates over the years, there is an upward trend.
- Evaluating the Bank's support to early childhood development is timely because of its relevance to the institution's newly articulated poverty reduction goals and its ability to design and implement interventions across the new Global Practices and to look to the Sustainable Development Goals.

Young children’s development (i.e., physical, socioemotional, language, and cognitive) plays a major role in shaping their subsequent school attainment, performance, health, and future earnings and in discouraging antisocial behavior (Heckman, Pinto, and Savelyev 2013; Naudeau and others 2011a,b; Duncan and others 2007). Critical brain development occurs during the early years, with particular rapidity in the prenatal stage until three years of age. Nutritional deficiencies during this time are associated with later cognitive and noncognitive delays and diminished school progress (Georgieff 2007; Grantham-McGregor and others 2007; Walker and others 2007; Glewwe, Jacoby, and King 2001). This has led many in the international development community, including the World Bank, to promote early childhood development (ECD)¹ as a means to achieve poverty reduction.

Healthy, nourished, and stimulated children (see box 1.1) are more prepared to enter school, which is associated with increased school attainment and higher earnings (Gertler and others 2013; Belfield and others 2006). Noncognitive skills such as self-control and motivation are important for later success in the labor market and are molded during the early years of children’s lives (Heckman and Katz 2013; Heckman 2013). The early shaping of socioemotional skills such as social competence, planning, and organization explained the long-term positive outcomes associated with the Perry Preschool program (Heckman, Pinto, and Savelyev 2013) and the Nurse-Family Partnership Program (Olds 2002). Programs such as these incorporate home visits that affect the lives of the parents to create a permanent change in the home environment that supports the child (Heckman 2008).
Box 1.1. What Is Stimulation and Why Is It Important?

In Jamaica, a stimulation program was established consisting of weekly visits by health workers who facilitated interactions between mother and child, as well as reinforced positive messaging, engaged with toys, and promoted active play (Grantham-McGregor and others 1991). The program supported the parents of children who were six months old at the outset until they were three years of age. The Independent Evaluation Group’s recent analysis of the long-term effects of early childhood development interventions found that stimulation is associated with improvements in general intelligence and cognition, and it is more likely to improve post-early childhood language outcomes than are supplementation or micronutrient programs. Early stimulation programs also proved effective in producing sustained improvements in school performance and employment outcomes. 


Poor children are more vulnerable to inadequate development outcomes (Grantham-McGregor and others 2007). Significant development delay (i.e., cognitive, language, physical, and socioemotional) by socioeconomic gradient was evident in several countries (Naudeau and others 2011a,b; Paxson and Schady 2007). In Colombia the socioeconomic gap in children’s receptive and expressive language skills widened between 14 and 42 months (Rubio-Codina and others 2013). Children with lower weight at birth have lower school performance, attainment, and earnings (Olds and others 2002; Case, Fertig, and Paxson 2005). The quality of parenting is the important scarce resource (Heckman 2008). All of this evidence suggests the need for early interventions from prenatal through the first few years of a child’s life. Figure 1.1 depicts essential interventions for a children’s growth and development based on review of research (Denboba and others 2014).\textsuperscript{2}

The Bank and international partners have worked together to advance the development of children. One of the key partnerships has been the Consultative Group on Early Childhood Care and Development, which receives financing from the Bank. This partnership has brought together donors, agencies, researchers, and nongovernmental organizations (NGOs) to share and disseminate knowledge. Strategic partnerships with external agencies related to maternal and child health, nutrition, and early learning remain an active feature of the Bank’s work through participation in steering and technical working groups as well as contributing to the development of the Sustainable Development Goals (SDGs).
Potential for Reducing Poverty

Greater impacts have been recorded for lower income children receiving early childhood interventions (Engle and others 2007, 2011; IEG 2014; Hasan, Hyson, and Chang 2013). Evidence from the United States shows that ECD interventions have lasting effects on poor families, helping overcome the disadvantages children are born into because of poverty (Heckman and others 2013). This is of particular importance given that inequitable health indicators from the Millennium Development Goals (MDGs) are associated with the wealth quintile in many developing countries (Wagstaff, Bredenkamp, and Buisman 2014).

The Bank and its partners have promoted ECD interventions seeking to break the intergenerational transmission of poverty, to equalize opportunities for human capital development, and ultimately contribute to economic growth (Young 1996, 2002; Young
and Richardson 2007). The argument made by the Bank is “the relationship that links child health with economically relevant dimensions is circular — poverty contributes to poor health and poor health contributes to poverty” (World Bank 2003). For countries within the Organisation for Economic Co-operation and Development, longer-term impact from ECD interventions has been measured (Cunha and Heckman 2009; Schweinhart 2007; Campbell and others 2002; Smith 2009; Duncan and others 2007), while there is only scant evidence for developing countries (IEG 2015). One of the more promising aspects coming out of the Jamaican intergenerational study is that mothers who received weekly home visits in the first three years of their child’s life enhanced their interactions with their children, and the offspring of the children also had higher developmental quotients, suggesting that early interventions have beneficial effects beyond the immediate generation (Walker and others 2013).

In looking to the future and the SDGs, early childhood development is expected to be represented among the targets and indicators. This is a shift from the emphasis on maternal and child health indicators within the MDGs. The ECD indicator is expected to represent a multidimensional index of children’s development. The implication for the Bank and other partners is that they will need to provide support to countries for implementation in the context of health, nutrition, social protection, and education programming. The ECD indicator is a signal from the international community to countries of the importance of supporting the development of young children, not just their health and survival.

Governments are increasingly focusing on early childhood development. In the countries reviewed by this evaluation, there were several reasons for their commitment, including improving human capital for later productivity and poverty reduction, and believing in equity or social inclusion. For example, the knowledge economy and the skills of future workers were important motivators in Jordan. Peru is committed to improving social targets such as the elimination of chronic malnutrition and the implementation of universal access to preprimary education. More recently Nicaragua has stressed ECD as a means to reduce intergenerational poverty, reflecting the government’s focus on improving social equity and opportunity.

**Purpose, Scope, and Methodology**

The Bank has increased its support to early childhood development interventions in lending operations. In FY00 there were 13 projects with early childhood development interventions and 34 in FY14 (see line in figure 1.2). The Bank has approved 414 operations in 106 countries between FY00 and FY14. While the number of the approved ECD projects fluctuate over the years, an overall upward trend is seen in lending, which
peaked in FY10 with 36 projects. Most of these projects contain ECD interventions as a portion of them. For this reason, it is not possible to accurately calculate the World Bank’s financial commitment to support early childhood interventions. A conservative estimate is $5.3 billion, which only includes full ECD projects and those where interventions comprised the full component and the amount was specified in documents. Excluded from the figure were 168 investment operations and 82 development policy loans because the amount devoted to ECD interventions was not determinable.

**Figure 1.2. Trend in Commitment and Number of Bank Projects Supporting Early Childhood Development Interventions, FY00–14**

![Graph showing trend in commitment and number of Bank projects supporting early childhood development interventions, FY00–14.](image)

Source: IEG coding of World Bank projects.

This evaluation examines the Bank’s design and implementation of projects supporting early childhood development interventions for the purpose of informing the Bank’s future operations. It does not include the International Finance Corporation (IFC) because the ECD private sector is made up of NGOs and not-for-profit community organizations, which are not part of the constituency of the IFC. While other IEG evaluations examine maternal and child health, this is the first evaluation by IEG to examine the integrated concept of early childhood development. This evaluation is timely given the Bank’s newly articulated twin goals and the connection between improving children’s development and breaking the intergenerational transmission of poverty. There is a growing recognition in the Bank of the need to better coordinate and leverage its work. The intent of this evaluation is to provide information to the new Global Practices to better inform their work.
This evaluation assessed the Bank’s ECD support through its financial products, knowledge services, and coordination with other partners in client countries. It uses interventions (see figure 1.1) that serve young children and their families as the basis for identifying the Bank’s support to early childhood development through lending and analytic and advisory work, since there is no “ECD theme code” in the Bank.

As the evaluation framework depicts (figure 1.3), the Bank and its partners support government policies, regulatory frameworks, and programs. The Bank’s involvement is indirect because of other mediating factors (i.e., availability of services and household behavior) that affect child development outcomes. Thus, contextual factors at all levels (country, community, and family) are part of the framework, since they shape the type of interventions that are implemented in particular countries. The Bank rarely collects outcome measures of child development (see chapter 4), and few Bank common core indicators are relevant to ECD. Thus, the evaluation framework contains intermediate and life outcomes for illustrative purposes. Because of the anticipated lack of data, this evaluation did not set out to answer questions about the impact of the Bank’s support in improving child development outcomes. Instead, the evaluation examined the design of operations to see if they are consistent with the growing body of research around efforts that are likely to lead to changes in children’s development and improve their readiness for school.
This evaluation examined the Bank’s overall engagement on early childhood development as well as country-level support to be able to make judgments with the benefit of understanding country context (see appendix A for criterion for selecting the 16 countries). It primarily draws conclusions based on field and desk case studies, using portfolio and other sources of evidence (i.e., review of economic analysis, analytic work including Bank-supported impact evaluations, country strategies, results frameworks, and Human Resources data; a synthesis of ECD systematic reviews; and key informant interviews) to triangulate these findings (see appendix A for methodology). These countries were purposely selected and are not representative of those the Bank supports—they provide a picture of a range of visions and implementation around early childhood development interventions.

This report is organized into four chapters. Chapter two analyzes how early childhood development is featured in the Bank’s sector and country strategies. Chapter three examines the breadth of the Bank’s analytical work. Chapter fours assesses the interventions that the Bank supported and its evaluation of them. It also describes how
the Bank designs and implements ECD interventions within the examined countries and looks at whether the Bank adopted a coordinated approach across sector.

References


Chapter 1
Introduction


1 The World Bank’s analytical work has consistently defined early childhood development (ECD) as an integrated concept involving health, nutrition, hygiene, early learning, stimulation, and child protection, spanning the period from pregnancy to the transition into primary school. There has not been a consistent age for the end period; it ranges from six to seven years old across Bank documents.

2 IEG adapted the Framework in Denboba and others (2014) by including well-child visits and identification of development delays and disabilities and highlighting every sector that has a role in supporting parents. Figure 1.1 does not include maternal education and access to safe water that are part of Denboba and others (2014), which are prerequisite conditions for the development of children. The interventions noted in figure 1.1 are the basis that this evaluation used to identify the Bank’s support. Interventions had to be targeted directly to pregnant and lactating women, infants, and toddlers as well as parents and caregivers.

3 The commitment trend in this evaluation is different from the Bank’s recent portfolio review (Sayre and others 2015) due to methodological differences. First, the Bank adjusted for inflation, while IEG used actual amounts. Second, IEG included additional financing with the total project costs of the originating project, which is consistent with the practices in completion reports. Thus, the amount of additional financing is included with the approval year of the project. Third, IEG utilized actual component amounts from appraisal document (active) and completion reports (closed), specifying nothing when interventions did not comprise the full component. IEG did not estimate any portion of project financing for ECD interventions.
CHAPTER 1
INTRODUCTION

4 The International Finance Corporation (IFC) does not have a large role in supporting ECD interventions. Its investments in both health and education have focused on increasing access to services through expansion of education infrastructure. Tertiary education comprises a large share of IFC’s education portfolio.

5 The countries with field-based assessment include: Bangladesh, Ghana, Jamaica, the Kyrgyz Republic, Mozambique, Nepal, Nicaragua, and Vietnam. Countries with desk reviews include: Bulgaria, Ethiopia, Jordan, Indonesia, Malawi, Mexico, Peru, and the Republic of Yemen.