

Childcare and Early Childhood Development Expenditures in Africa

Comparative Policy Insights for
Advancing Women's Economic Empowerment

Insights from Policy Paper

- CGD Policy Paper (December 2024) by Kelsey Harris, Kehinde Ajayi, Astha Mainali
- Examines **public expenditures and policies on childcare and ECD** in four African countries: Côte d'Ivoire, Kenya, Rwanda, and Senegal
- Read the paper [here](#)
- Read the blog [here](#)



Overview

- Introduction: why review public expenditures on childcare?
- Methodology and data considerations
- Findings
- Key policy recommendations
- Conclusions and reflections on future research

Why review public expenditures on childcare and ECD?

Access to quality childcare is critical for women's economic empowerment (WEE)



- Women are typically the primary caregivers for children
- More and better childcare and family-friendly policies improves women's labor force participation and reduces employment-related gender gaps
- Childcare promotes better jobs and decent work, decreases unpaid work, and improves women's well-being
- This is on top of the developmental benefits for children

Governments have a central role in financing childcare and social protection



- Government support and provision helps to maximize impact and fill gaps to reach the most vulnerable
- 40% of all children lack access to childcare (World Bank 2020)
- Yet, understanding current investments can be complex and challenging, particularly in LMIC countries
- Insights from analysis can inform more effective public policy and close funding gaps

Methodology and Data Considerations

Data Overview

- Focus on spending in Rwanda, Senegal, Kenya, and Côte d'Ivoire
- Public data from ILO, UNESCO, OECD, UNICEF, World Bank
- Review of:
 - Government spending on childcare
 - Bilateral/multilateral aid on ECE
 - National care-related policies that influence national spending on care
 - Costs and benefits of filling care gaps

A Complex Care Ecosystem

Term	Definition
Early Childhood Development (ECD)	Broad term that refers to multi-dimensional child development interventions across nutrition, health, safety, care, and education for ages 0–8
Early Childhood Care and Education <i>or</i> Early Childhood Education and Care (ECCE <i>or</i> ECEC)	Includes both care and education components for ages 0–8 but often focuses more specifically on children aged 3–6, including pre-primary education
Early Childhood Education (ECE)	More singularly focused on education for ages 0–8, including pre-primary education for approximately ages 3–6 and primary education up to age 8

Data Challenges



Limited Data Availability: Most countries lack comprehensive data on childcare spending, with information typically limited to pre-primary education expenditures



Inconsistent Reporting: Countries report expenditure data inconsistently, with significant gaps in years and metrics



Fragmented Budgeting: ECD spending is spread across multiple ministries (education, health, social protection) with poor coordination



Age Disaggregation Gaps: Expenditure data is rarely disaggregated by age, making it difficult to track spending on children under 3 years

Findings



1. Persistent gaps remain in domestic spending and foreign aid for early education

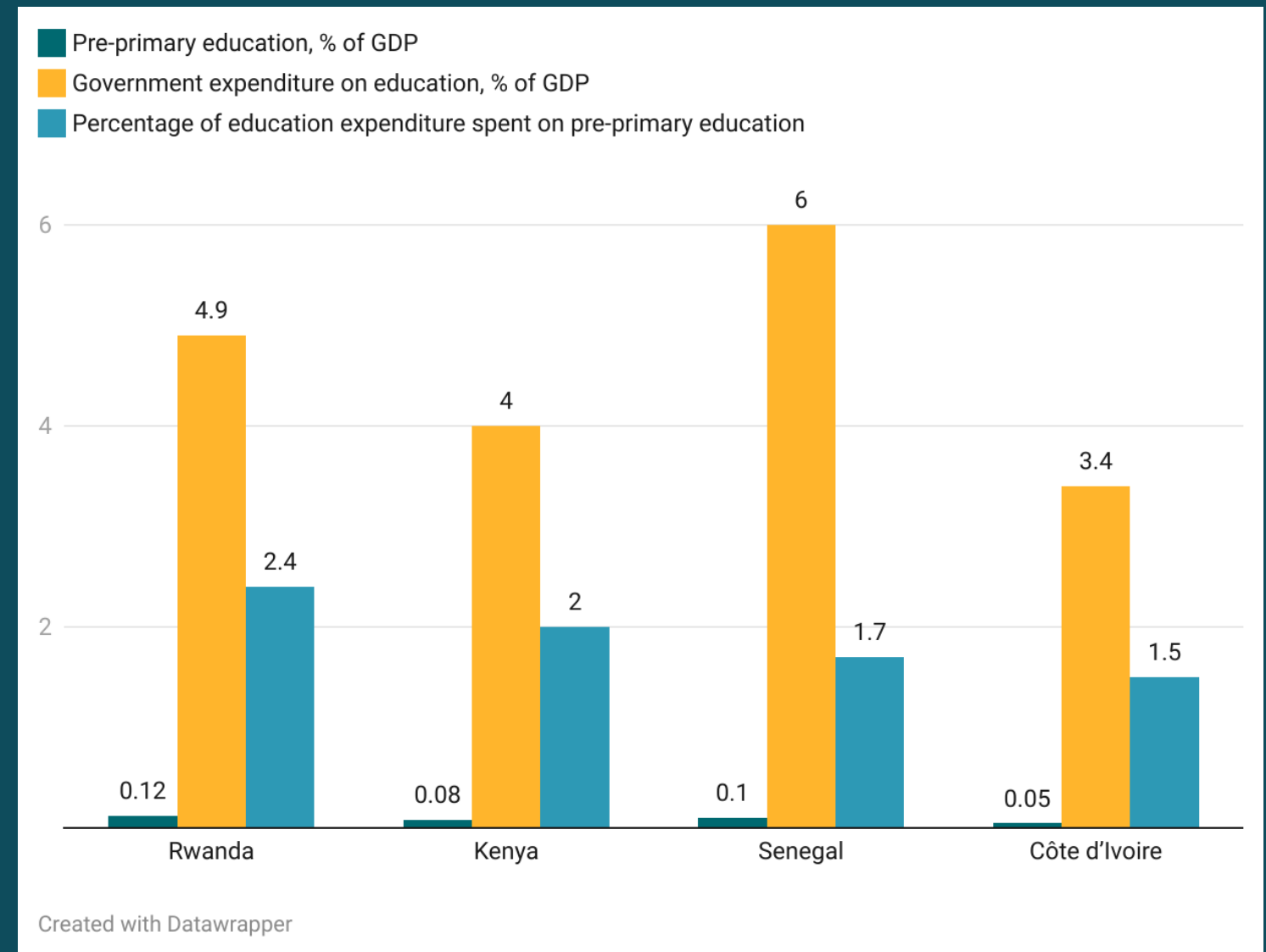
In Côte d'Ivoire, Kenya, Rwanda, and Senegal:

- Less than **0.2 percent of GDP** is spent nationally on pre-primary education (far below the global goal of 1 percent)
- Only **2 percent or less** of national education expenditure is allocated to pre-primary education (well below the global target of 10 percent)
- Bilateral foreign aid to ECE is **less than 0.7 percent** of education aid (far below the global goal of 10 percent)
- Total foreign aid (including multilateral) to ECE as a percentage of education aid ranges **from 0.3 percent in Kenya, to around 2 percent in Rwanda and Senegal, and 27 percent in Côte d'Ivoire** (compared to the global target of 10 percent)

Gov. Spending on Pre-Primary Education and Education

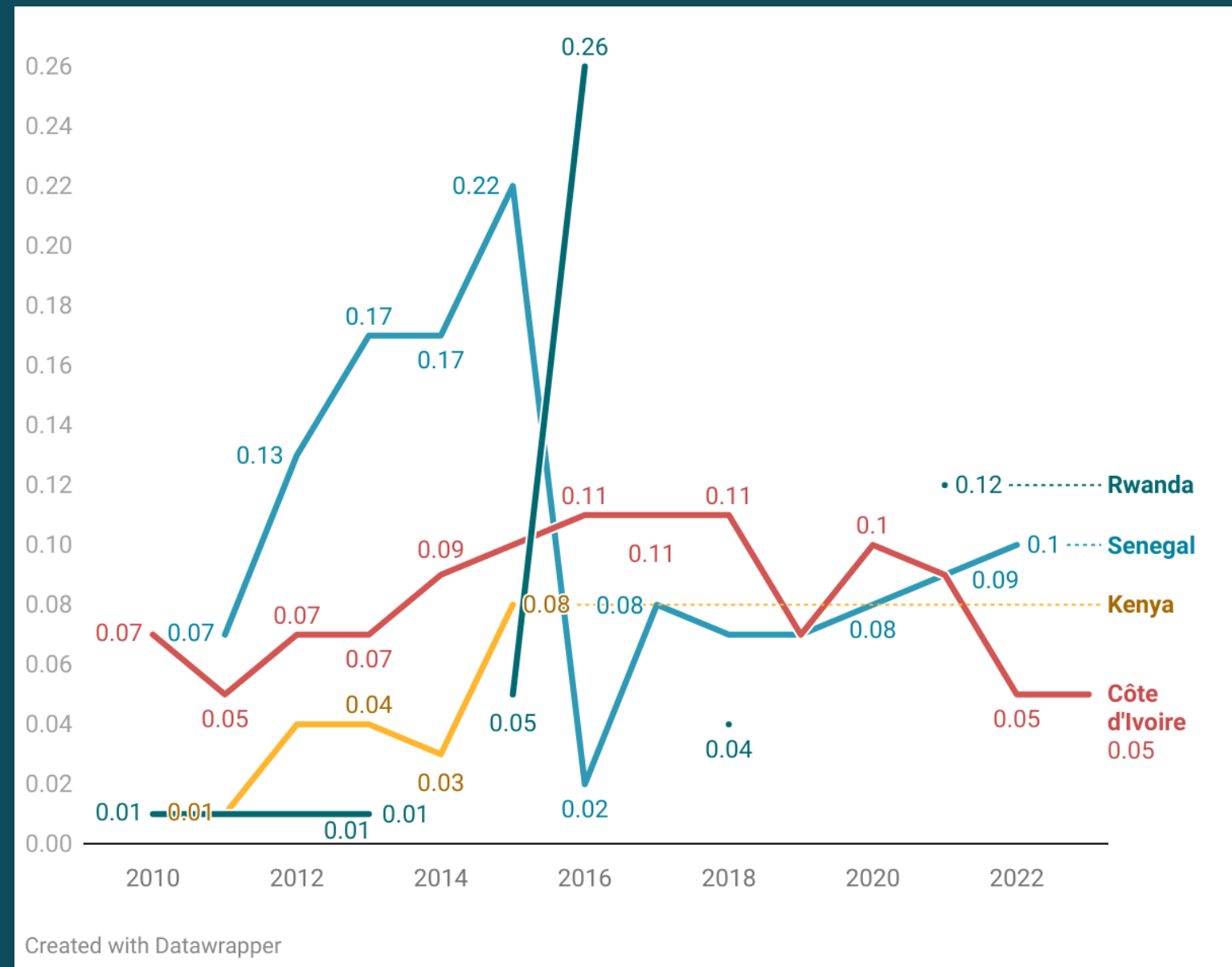
Global Targets for Comparison

- Pre-primary education: **1% of GDP**
- % of education spending to pre-primary education: **10%**



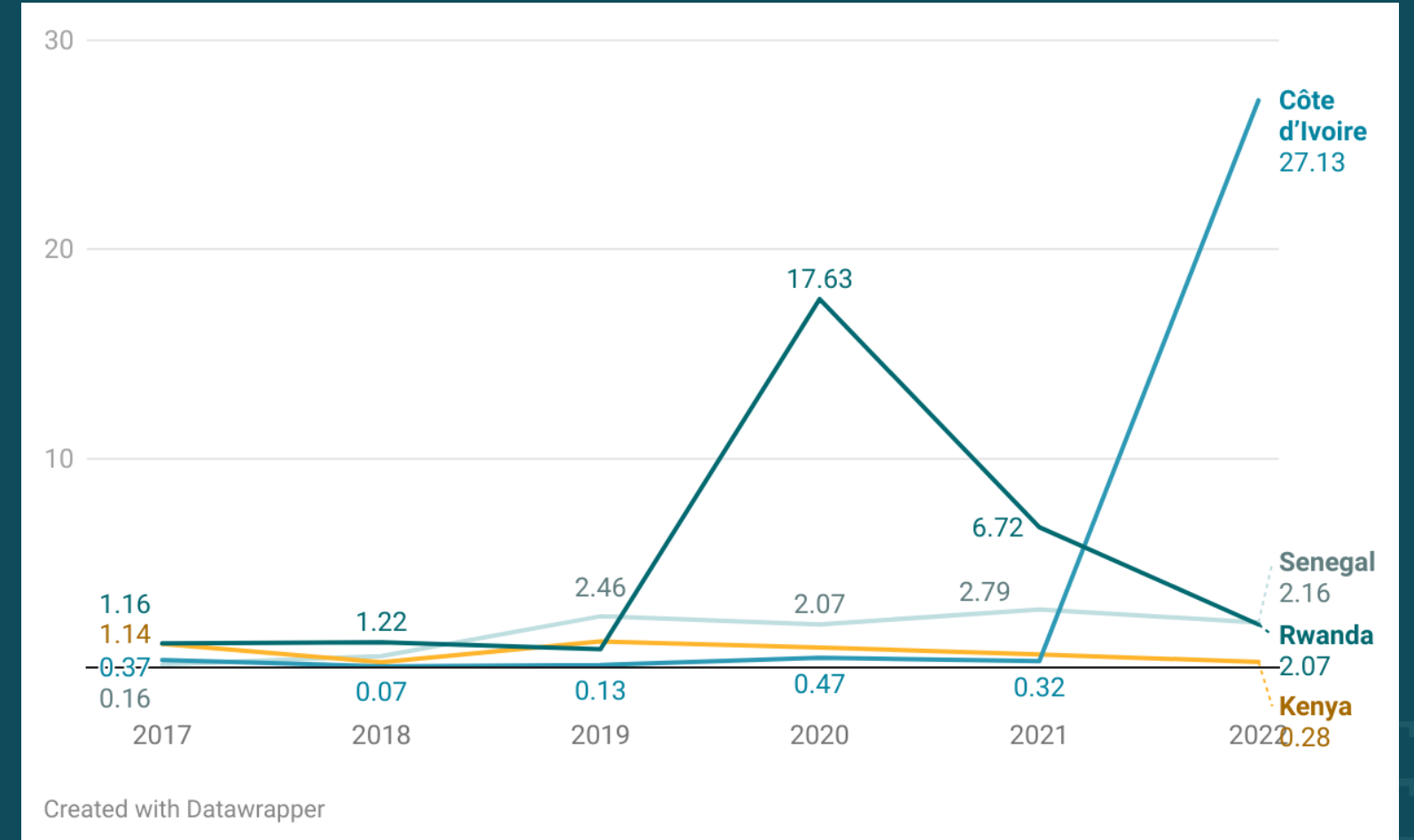
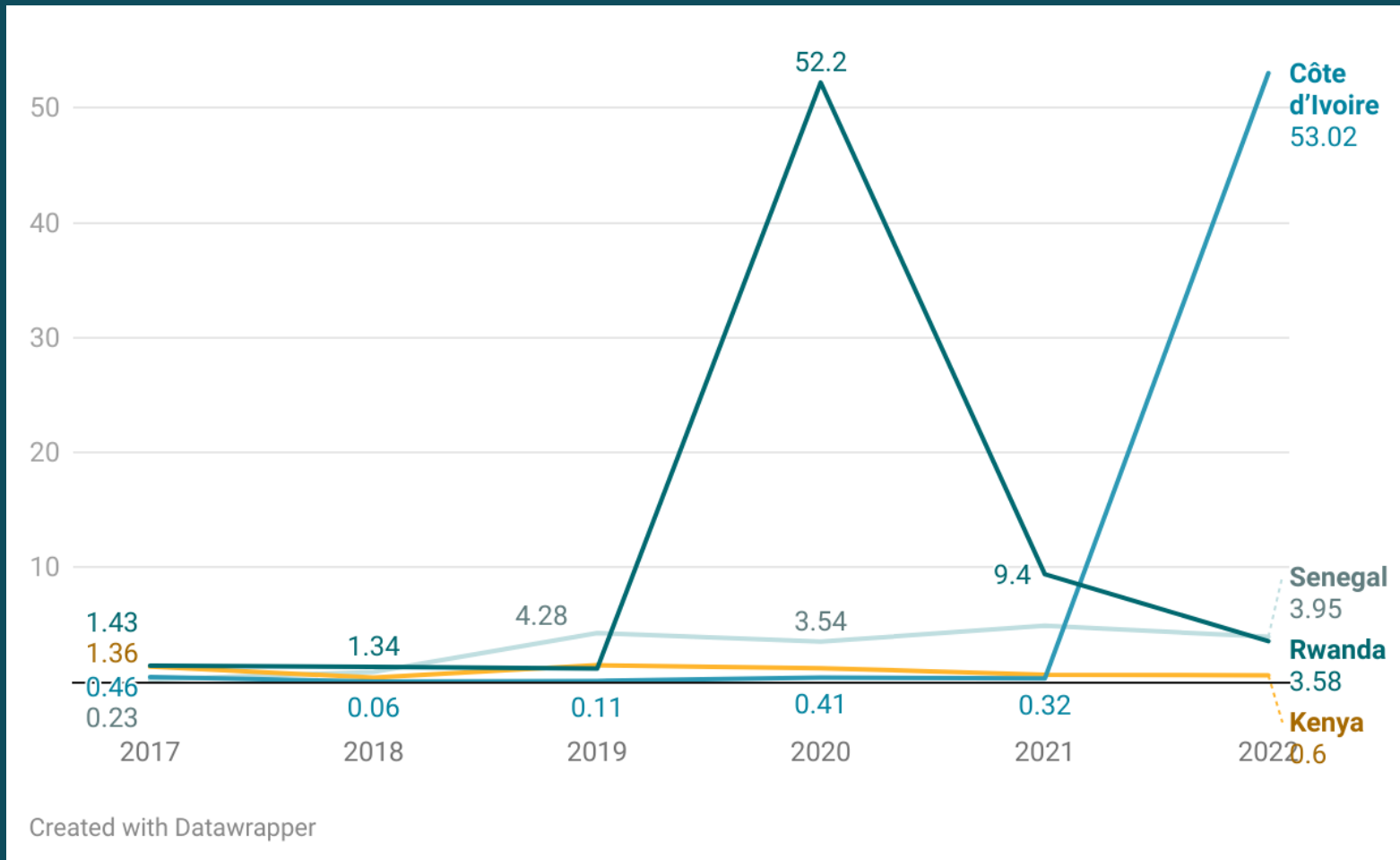
Sources: (a) UNESCO Institute of Statistics (UIS), *Government expenditures on pre-primary education as a percentage of GDP*. (b) The World Bank, *Government expenditure on education, total (% of GDP) – Rwanda (2023), Kenya (2023), Côte d'Ivoire (2023), and Senegal (2022)*, <https://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS?locations=RW-KE-SN-CI>. (c) Percentage of education expenditure spent on pre-primary education are authors' calculations.

Gov expenditures on pre-primary education as a percentage of GDP (2010-23)



Source: UNESCO Institute of Statistics (UIS), *Government expenditures on pre-primary education as a percentage of GDP*, distributed by UIS.Stat Database, <http://data.uis.unesco.org/#>.

ODA flows from donors to focus countries for early childhood education, 2017-22



Millions of USD to ECE

Sources: OECD, ODA CRS Flows on Early Childhood Education and Care, 2017-2022 (using constant price), distributed by OECD Data Explorer, [click here](#).

Percentage of education aid to ECE

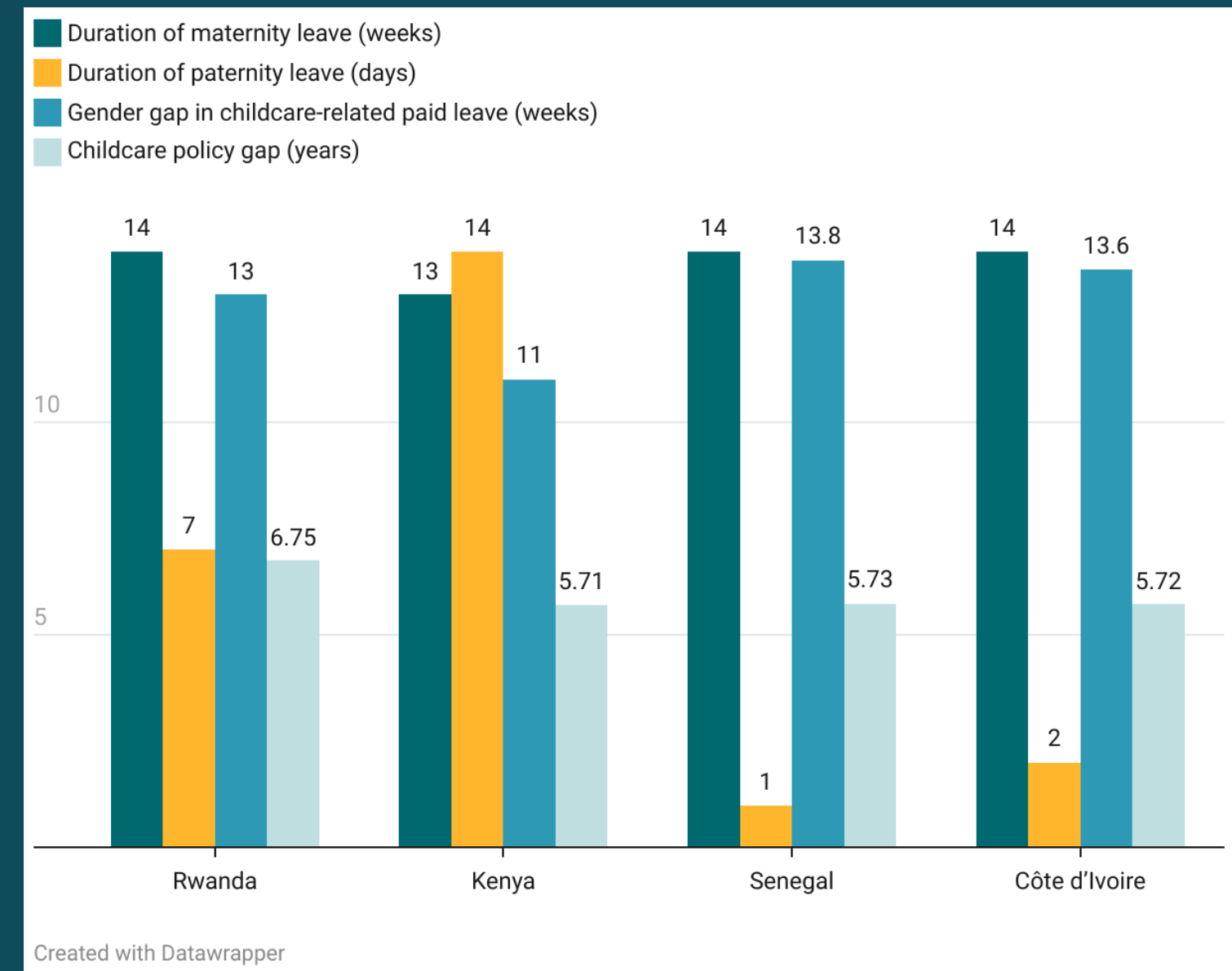
Sources: Authors' calculations based on OECD ODA data on ECE and education.

Spending is lowest in early years

- Investments in **first 6 years** of child's life leads to higher returns on investment and better outcomes as compared to later in childhood
- Reality is the opposite of this: **spending across childhood is lowest in the early years** and highest in teen years
- LMICs spend avg. of USD \$1,664/child before age 6, with only **\$63 of that spent before age 3**
- Rwanda, Kenya, Senegal, and Cote d'Ivoire show these **backloaded profiles**

2. Strategic and coordinated policies are critical to address gaps for children under three and empower their caregivers

- Legal and policy frameworks underlying spending are **critical levers of change**
- World Bank WBL finds gaps in childcare supportive and legal frameworks, but **focus countries fare better than SSA overall**
- Focus countries have varying leave policies and an **overall lack of statutory childcare systems**



Overview of national paid leave policies and gaps in focus countries (2021)

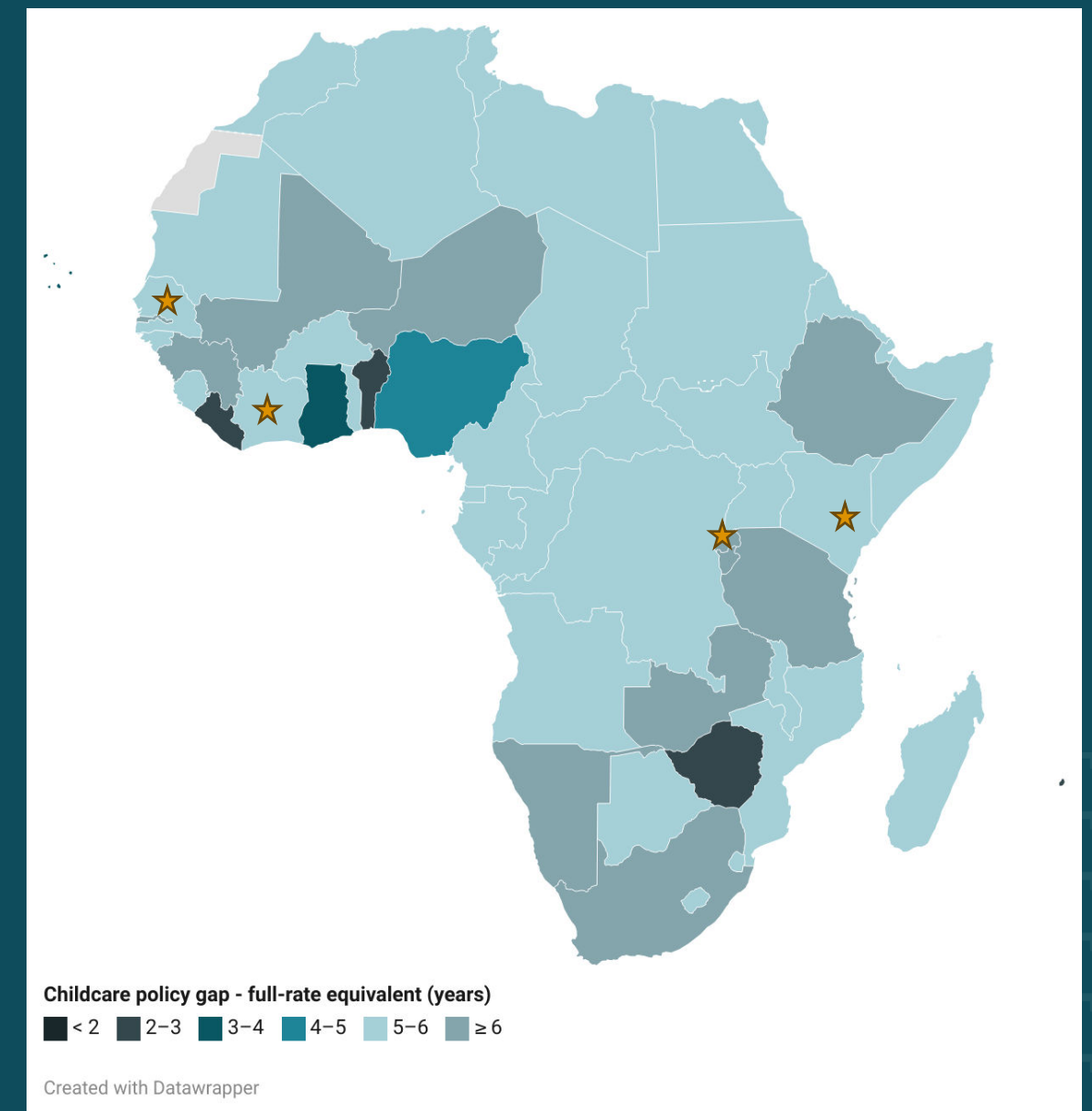
Sources ILO. Global Care Policy Portal.

Comprehensive ECD policies overlook women and children 0-2

- All focus countries have adopted **national, multisectoral policies on ECD** emphasizing health, nutrition, early education
- Most focus on children 3 and older, and significant policy **gaps still remain for children 0-2**
- Lack of focus on women's economic empowerment (WEE)
- Opportunity and **need to integrate the specific childcare needs of infants, toddlers, and their caregivers**

3. Investments to close large care policy gaps can generate significant returns

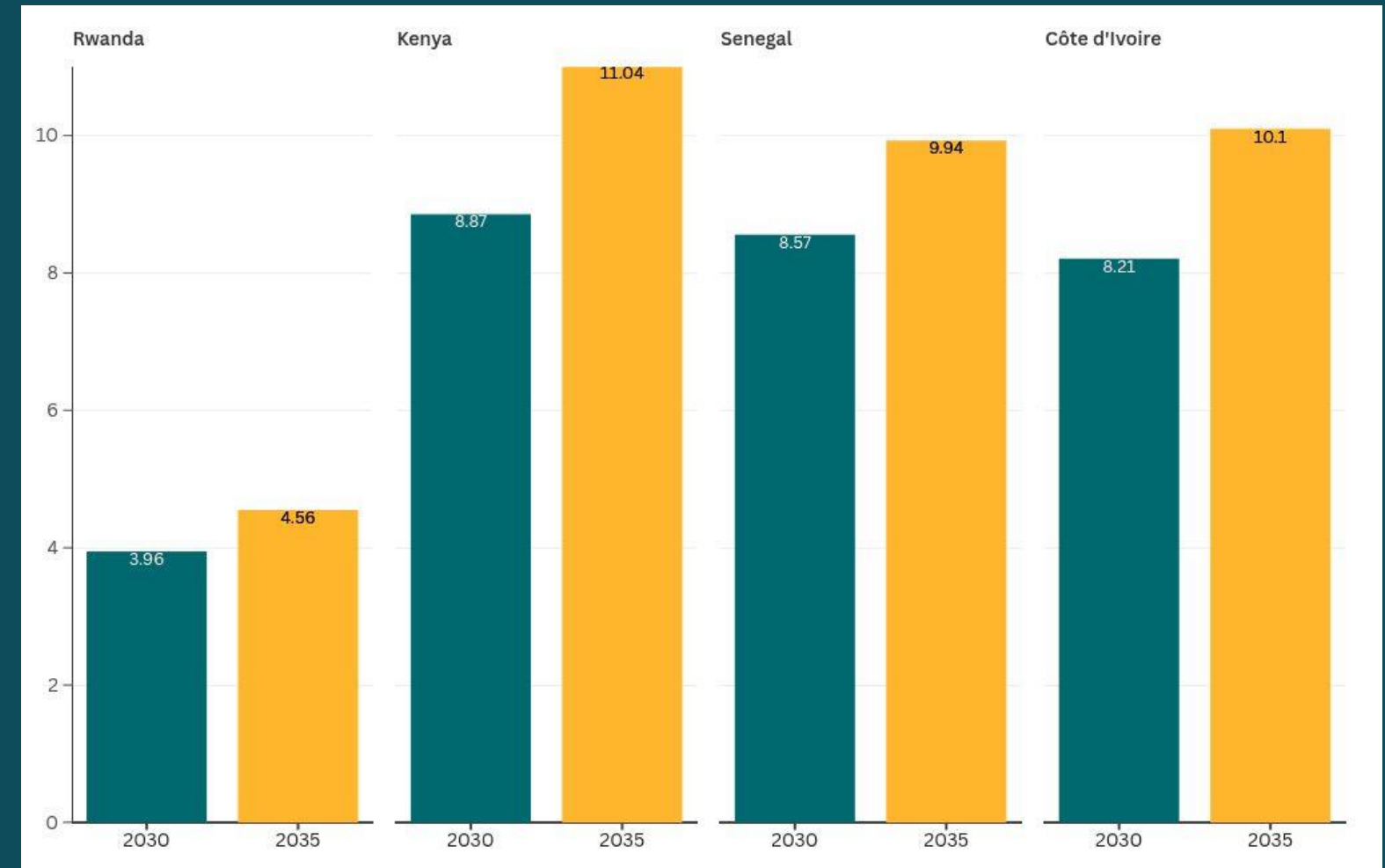
- Childcare policy gaps in 4 countries are large, ranging from **5.7 to 6.75 years**
- An investment of an **additional 1% of GDP** per year will be necessary to close gaps



Childcare policy gap in Africa

Additional Investment = Significant Benefits

- By filling care policy gaps, countries will see significant benefits:
 1. **Job creation:** Between 500,000 and 1.6 million new jobs could be created in each country by 2030, with the majority going to women.
 2. **Economic growth:** Investments in childcare yield high returns. For instance, Rwanda could see \$2.80 in economic output for every dollar spent on childcare.
 3. **Gender equity:** Targeted childcare investments could reduce gender employment gaps by up to 6.6% and wage disparities by as much as 33%.



Amount of additional investment needed by 2030/35 to close care policy gaps in focus countries

Source: International Labour Organization (ILO). "ILO Care Policy Investment Simulator," <https://www.ilo.org/globalcare/?language=en#simulator:1>.

Policy Recommendations

Expand the evidence base and utilize existing tools

1. Use budgeting tools
2. Conduct comprehensive expenditure analyses.
3. Expand tools to include more SSA countries.
4. Expand the evidence base around supply and demand for childcare.

Make public expenditure-related data more transparent, accessible, and predictable

1. Publicize budgets and expenditure reviews.
2. Publish more and better data on childcare.
3. Expand foreign aid data on childcare.
4. Look to countries with regular data.

Prioritize childcare and ECD in budgets and spending

1. Prioritize investments for children under 6.
2. Include separate ECD line items in national budgets.
3. Prioritize foreign aid for early childhood care and education.
4. Use a gender lens.

Implement integrated policies and leverage aid to maximize benefits and fill gaps

1. Implement better-integrated policies.
2. Strategize on how to gradually increase spending.



Conclusions and Future Research

Final reflections and questions

- Remember: available childcare expenditure data is *only* pre-primary education (ages 3-6)
- Unpaid care is not included in GDP (but should be!)
- Research on public expenditures of childcare and ECD should continue, particularly as more data becomes available
- Interested in hearing reflections on best practices and realities as it relates to childcare financing

Thank you!

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