MAY 6–8, 2026

INVESTING IN THE EARLY YEARS

A Global Technical Financing Forum

KIGALI, RWANDA

TRACK 1: EXPANSION
May 6, 2026

In support of Act For Early Years

Republic of Rwanda | ECDAN Early Childhood Development Action Network | AfECN Africa Early Childhood Network | unesco | unicef | World Health Organization | NCDA National Child Development Agency

Dialogue 2: How can we expand resources, improve efficiency, and ensure equity and quality services?

Securing sustainable public finance for young children.

Dialogue 2 Track 1: Expansion (Simba ballroom)

- **Focus:** Expanding the financing envelope to support key early years policy priorities: How can we responsibly diversify public financing sources?
  - What additional public financing sources could governments draw on to increase investment in young children?
  - Which public financing options are most realistic, meaningful, and worth prioritizing in practice?
  - What policy or institutional changes are needed to unlock and use these public financing sources more effectively?
- **Chair:** Boniface Kakhobwe, Early Childhood Development Specialist, UNICEF
- **Framing:** Robert Simiyu, Social Policy and Economic Specialist, UNICEF
- **Discussants:**
  - Jean Claude Ndabananiye, Senior Programme Specialist, UNESCO-IIEP
  - Ibrahima Samba, Education Specialist, World Bank Group
  - Jacqueline Muthura, Coordinator, Africa Working Group, Local Public Sector Alliance
- **Rapporteur:** Sara Dang, Lead Advisor, Early Childhood Care and Development, Save the Children

Robert Simiyu

Social Policy and Economic Specialist, UNICEF

THE MISALLOCATION

Spending isn't where the evidence says it should be

Africa's social spending on children is heavily skewed toward older ages: the opposite of where the evidence says it should be.

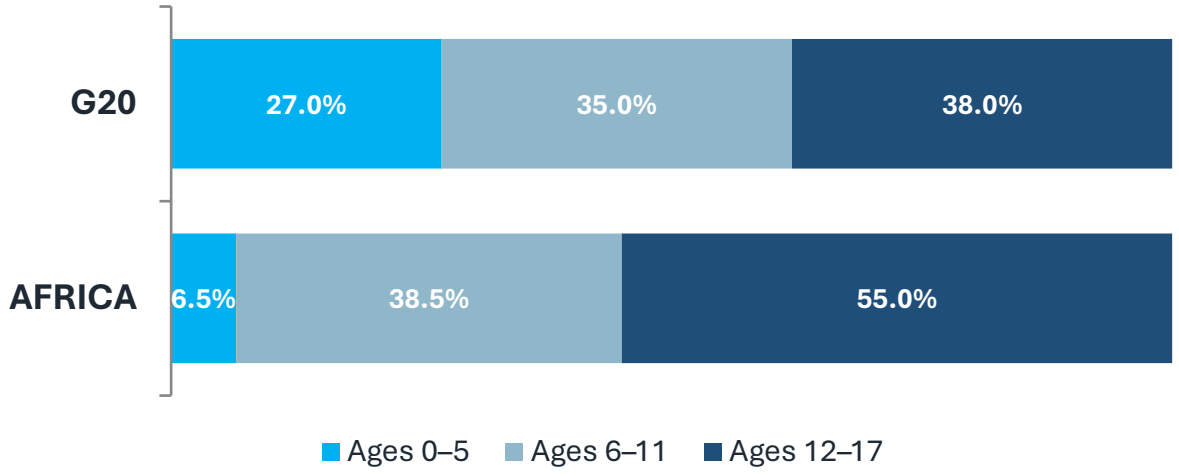
<7%

of child-related public spending in Africa benefits children under five

16 x

more spent per child aged 15 than per child aged 1 and the imbalance has not improved since 2015

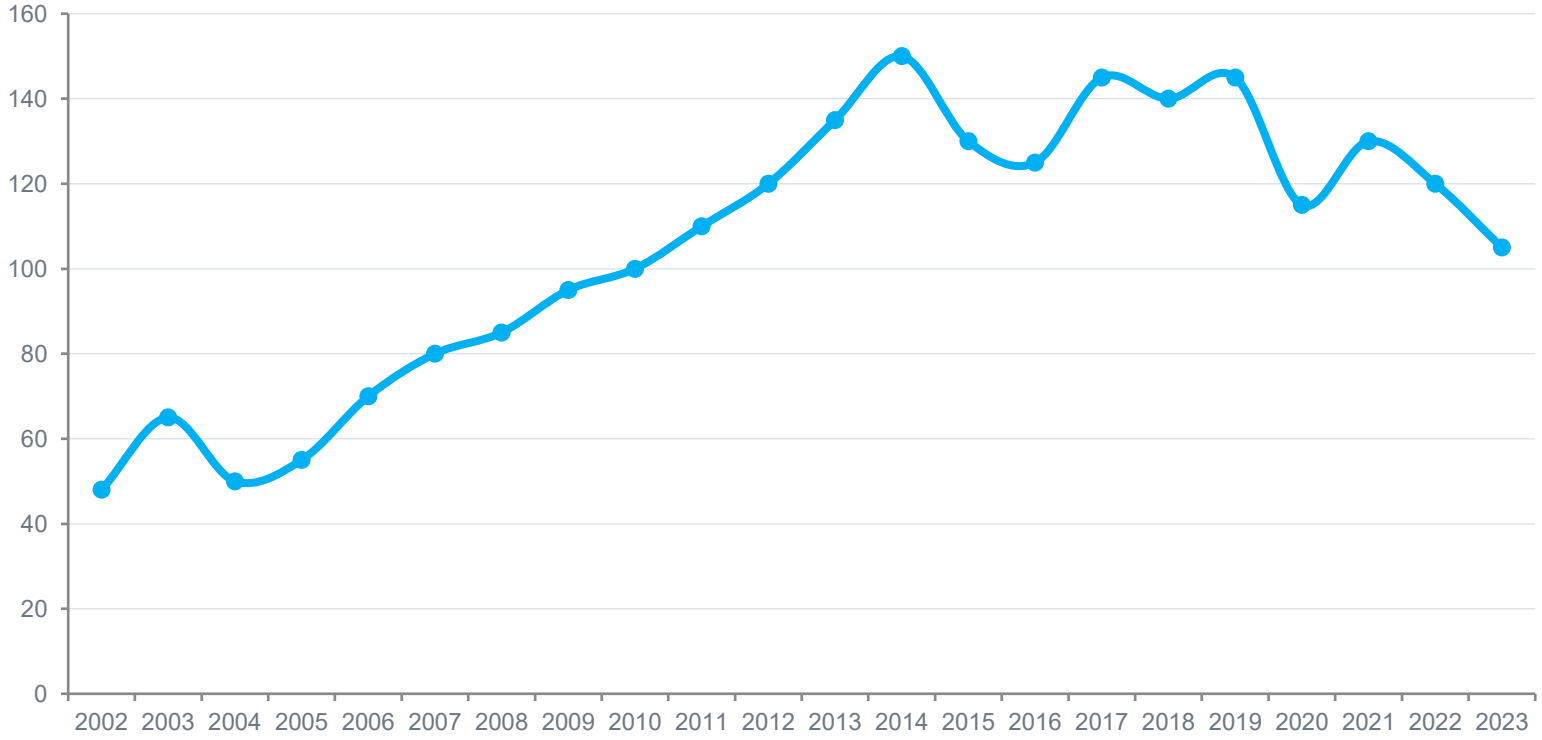
Share of child-related social spending by age group



15 of 26 African countries spend close to zero on the 0–5 age group.

A decade of growth, then a plateau

Estimated per-capita ECD spending in ESA countries, 2002–2023 (constant 2021 USD)



Tripled, then stalled

Per-capita spend rose from ~USD 48 (2002) to ~USD 150 (2014), then plateaued under fiscal pressure.

85% sits in health

Most ECD-attributed spending is captured under immunisation and maternal & child health programmes.

Wide income disparities

Low-income countries spend approx. USD 26/child/year vs. approx.USD 573 in upper-middle-income — a 20× gap.

Source: Authors' calculations based on UIS and WHO data. Note: figures averaged over the 0–6 cohort, not per-beneficiary.

When you read the budgets line by line, much less is visible

ECD budget allocations per child, 2022 (constant 2021 USD)

Key takeaways

USD 6.51

ESAR average per child (excluding South Africa) - less than 5% of the global-database estimate.

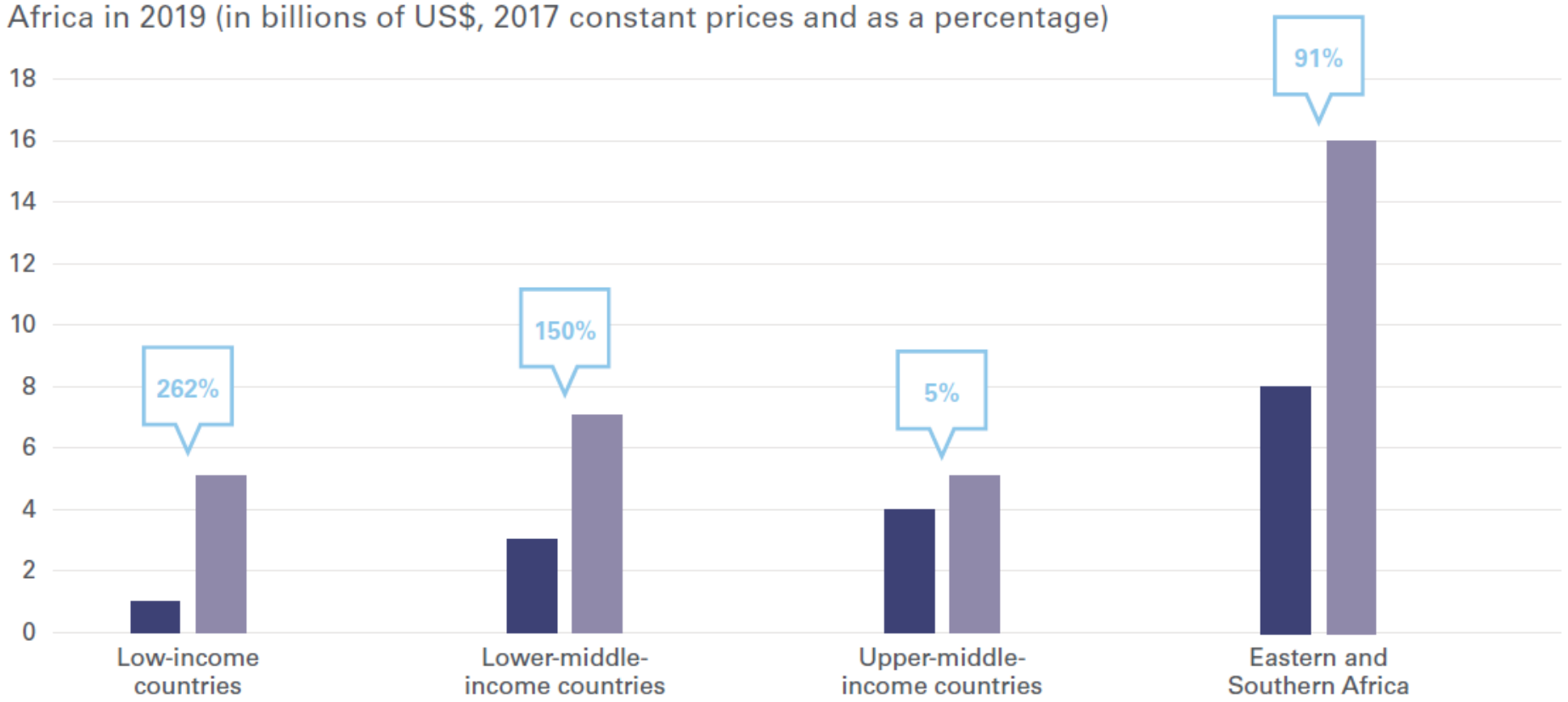
South Africa outlier

USD 254/child reflects inclusion of the Child Support Grant, which covers all under-18s, inflating the apparent ECD share.

Source: data collected from country budget books (13 ESA countries, fiscal years approx. 2017–2022).

Estimated Gap-Actual Expenditure Vs Need in Health and Education-Government and Donor Funding-2019

Figure 37 Estimated gaps (as a percentage of actual expenditure) in government and donor funding on education and health to meet international spending targets, by income groups in Eastern and Southern Africa in 2019 (in billions of US$, 2017 constant prices and as a percentage)



Notes: Excludes Somalia and South Sudan due to lack of data. The funding gap is the difference between the actual expenditure and what is required to meet international targets in both health and education. Spending targets used for this analysis are those from the Incheon Declaration for education expenditure and from Chatham House for health. The recommended benchmark for health is 5 per cent of GDP, and 4 to 6 per cent for education.
Source: UNICEF Eastern and Southern Africa Regional Office analysis, 2021, based on data from WHO, UNESCO, UN Department of Economic and Social Affairs, OECD Statistics and the IMF (2020).

WHAT COUNTRY BUDGETS REVEAL

It's not only how much - it's how well, and how steadily

EXECUTION

Botswana

85%

of planned ECD allocations went unspent in some years

Persistent planning and procurement bottlenecks mean that even where budgets exist, money doesn't reach children.

VOLATILITY

Zambia

–92.7%

drop in early-learning funding from 2018 to 2020

Funding fell from ZMW 98 million to ZMW 7.2 million in two years, illustrating how quickly ECD priorities can be cut.

COMPOSITION

South Africa

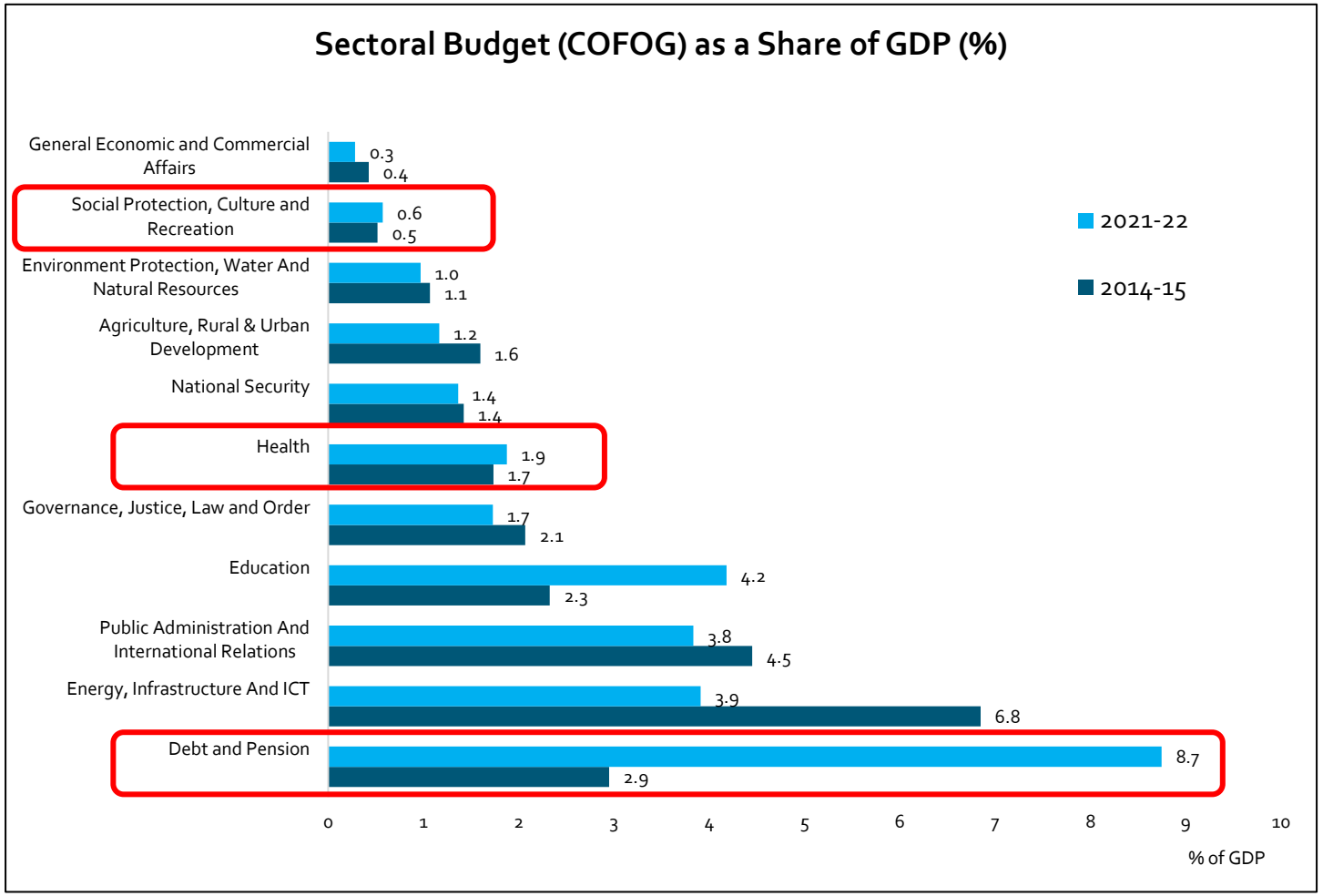
95%

of identifiable ECD allocations sit in social protection

Strong execution rates, but visible spending is concentrated in child grants – limited visible funding for responsive caregiving and other NCF domains.

Allocations also vary year-to-year in Lesotho, Eswatini, Kenya and Rwanda, indicating volatile priorities across NCF domains.

Kenya Example-Debt and Pension spending has expanded rapidly while social sectors lag



- **Debt and pension spending has surged:** The combined share of debt and pension rose from about 2.9 percent of GDP in 2014–15 to 8.7 percent in 2021–22, a threefold increase that now dominates budget growth.
- **Health and social protection gains are marginal:** Health spending increased only from 1.7 to 1.9 percent of GDP, while social protection, culture, and recreation remained around 0.5 to 0.6 percent, showing minimal expansion despite rising needs.
- **Budget priorities are shifting away from services:** Rapid growth in nondiscretionary spending on debt and pensions is crowding out fiscal space for health and social protection, limiting the government's ability to scale service delivery.

How Do we Diversify Public Financing for ECD?

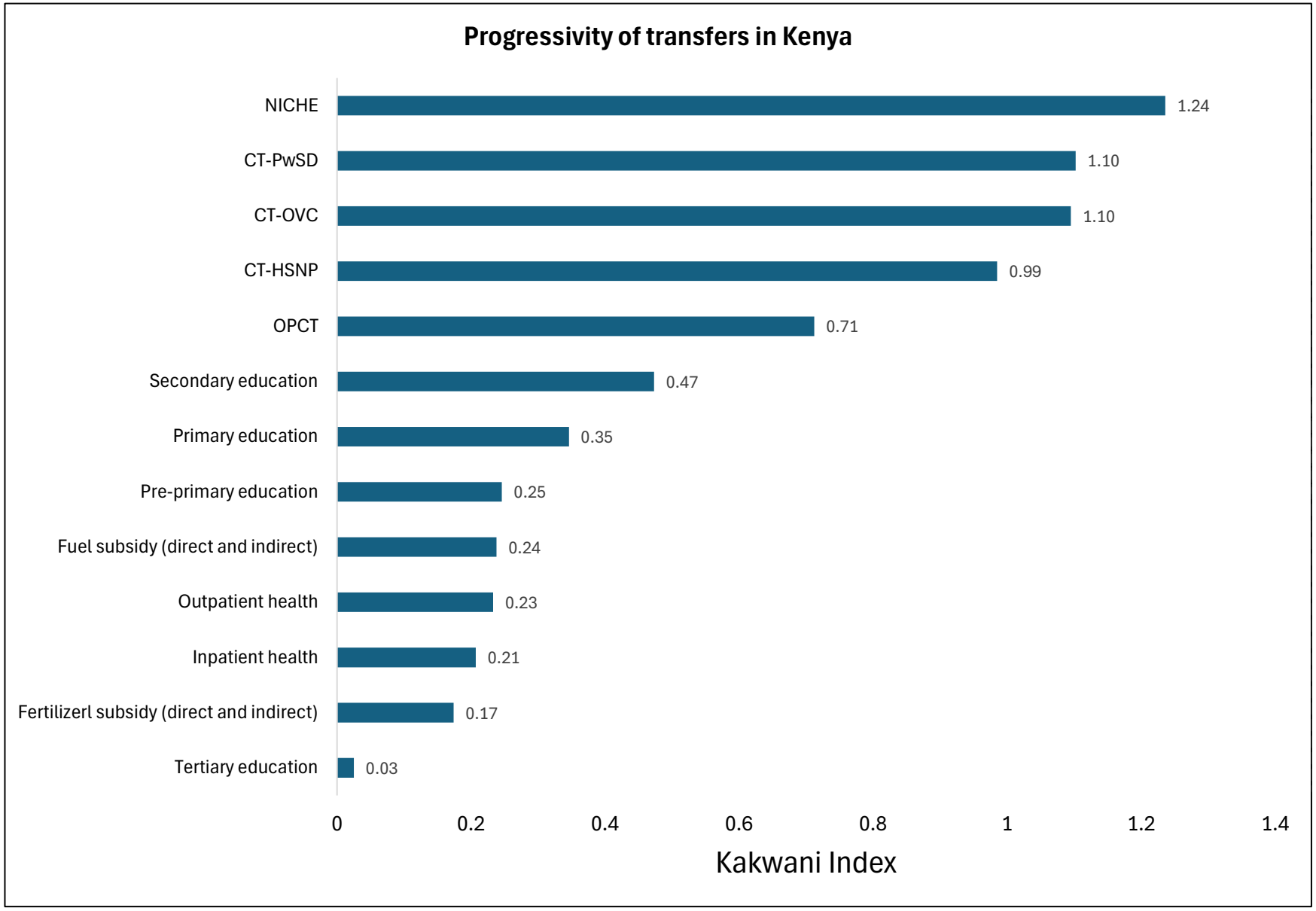
Efficiency Gains along the Budget Cycle

- **Allocative efficiencies-** shift resources- target early years
  - **Costing of ECD Services-** will automatically reveal the need
  - **In health-** why treat (curative) when you can prevent (nutrition and sanitation)
- **Execution efficiencies-** budgeted money should reach front line services and families on time and in intended amounts. Reduce blockage in pipes
- **Equity**– in education- why keep increasing higher education capitation when poor children drop out in early years.

Local Governance/Decentralization-Accelerate

- Local Revenue
- Increase Equitable Shares from Center
- Conditional/Ringfenced releases
- Incentives that are performance related
- Front line facilities retainers of fees
- Capabilities by front line facilities to claim their stake in national systems-like health insurance
- Further fiscal decentralization from local HQs

Carefully Consider Fiscal Policy-Social cash transfers highly progressive



- NICHE, a nutrition sensitive social protection programme, is the most progressive of the transfers, **a larger share of public funds reaches the poorest households**
- Effectively, ensuring adequate care during the critical first 1,000 days of life
- Yet social assistance spending gets only 0.3% of Kenya's GDP

Source: The World Bank, GOK & UNICEF, 2025, Poverty and Distributional Impacts of Fiscal Policy in Kenya: A CEQ Assessment with Extensions to Gender and Children

Alternative/Innovative Finance

- **Tap into options that exist in country and target a % for human capital development-ECD**
    - **Natural resources-oil, Gas, Minerals**
    - **Tourism**
    - **Sin Tax**
    - **Technology Tax**
- **PPPs in social sectors-** not as developed as Infrastructure and Energy
- **Debt for Children-** negotiate debt swaps for children programmes
- **Climate Finance Opportunities-** countries still need support to grow the capability to tap into this

Conclusion

WHAT NEEDS TO CHANGE

A coordinated, prioritized, phased approach

Four actions to translate ECD policy intent into measurable results.

1

Prioritize & cost

Establish clear budget lines for a tractable number of high-impact, cost-effective ECD interventions, with realistic, phased financing strategies.

2

Institutionalize

Embed ECD across national & subnational systems: dedicated budget lines, cross-sectoral tagging, programme-based budgeting, MTEFs.

3

Coordinate

Anchor planning and financing in a high-level inter-ministerial structure. South Africa and Kenya show how this accelerates implementation.

4

Hold accountable

Strengthen budget tagging, expenditure reviews and fiscal-space analysis, and link allocations to reliable input and outcome data.

Domestic Resources – Maximise Potential

- Maximize what is **already in budget**
- **Local governance** can be an accelerator
- **Fiscal policy** can be a game changer- don't underestimate social assistance
- Keenly look at key **revenue sources** in country-potential to earmark
- **Innovative finance** exists-tap into it.

THE BOTTOM LINE

Financing the early years is the highest-return human-capital investment available, but regional budgets don't yet reflect it.

Closing the visibility gap, trough clearer budget lines, programme-based budgeting, and stronger PFM, is the practical first step.

Thank you

Together, we can unlock financing that will translate evidence into budgets and budgets into services for young children and their families!

Jean Claude Ndabananiye

Senior Programme Specialist, UNESCO-IIEP

The ECCE financing challenge: A PFM perspective

1. The Planning & Costing Gap

Education sector plans (ESPs) have expanded over time (sector-wide incl. ECE) but:

- Integration of ECCE remains weak in key ESPs technical areas: costing, monitoring, and equity targeting.
- too **many ECE interventions without clear prioritization,** dilute focus, overstretch capacity, and leave policies aspirational rather than actionable.

2. The Budgeting/Funding Gap

- **Budgeting processes not conducive to strategic (re)-allocation of funds**
- Limited capacities (technical, negotiation, etc.) vis a vis MoF during the budget preparation cycle
- Mis-aligned donor financing bypassing national systems results in **fragmentation and parallel spending**

3. The Execution Gap

- **Chronic under-execution**: 30–40% of non-salary budgets go unspent in most countries
- Multiple causes: funds rationing from MoF, procurement delays, weak implementation capacities mostly at sub-national & service-delivery levels

4. The Accountability/Implementation Gap

- **Without a functioning performance feedback loop(MEL), the evidence base for sustained ECCE investment cannot be built.**
- Limited accountability: no joint planning & MEL frameworks inside gov agencies & depart., and across all external stakeholders
- Data and information on implementation delayed or absent.

Raising budget allocations is necessary but insufficient: PFM bottlenecks may prevent resources from reaching children

Unlocking Public Finance for ECCE: Three Priority Actions

1. Prioritization at the cornerstone of future planning grounded in realistic implementation capabilities & fiscal space

- ESPs to **focus on a limited number of high-impact, sequenced reforms** that can realistically be delivered within existing capacity and resources
- **Systematic use of costing tools and financial simulations** can help align policy ambition with fiscal space, support decision-making,

2. Additional public financing sources — Create fiscal space through PFM efficiency gains

- **Regularly diagnose and address PFM bottlenecks**
- **Use evidence to reallocate** from lower-priority spending using programme / performance/ outcome-based budgeting practices
- **Align donor funding** with national systems to reduce fragmentation and parallel spending
- Establish dedicated **formal tools/mechanisms** for performance monitoring to track budget–outcome links

3. Policy & institutional changes — Embed ECCE in national PFM reforms

- **Mandate ECCE in MTEF planning cycles** with multi-year cost projections
- **Build results-based MoE–MoF dialogue.** Establish joint MoE–MoF working groups on education and ECCE performance and accountability
- **Strengthen sub-national transfer mechanisms**: timely and predictable school-level resources
- **Generate and publish ECCE execution data & performance report** to build public and donor trust in the system

Raising more resources for ECCE is essential —
but how those resources are planned, managed and monitored determine whether they reach children

Thank you

Together, we can unlock financing that will translate evidence into budgets and budgets into services for young children and their families!

Ibrahima Samba

Education Specialist,
World Bank Group

Leveraging Multiple Entry Points for ECD

- **Many entry points with a range of community, center and home-based services**
  - Health system
  - Community nutrition platforms
  - Education system
- **WBG Project Portfolio:**
  - **Multi-sectoral ECD project** with a range of entry points: nutrition, health, preschool, read@home and birth registration
  - **Health projects** : maternal and child health, women empowerment
  - **Higher education**: childcare provision in higher education institutes

Financing for all this work comes from a variety of sources

- International Development Association (IDA)
- Domestic (Gov't of Senegal)
- Early Learning Partnership (ELP) Trust Fund
- International and local NGOs
- Families

Integrating Childcare into Senegal Higher Education Project (Espoir Jeunes)

Early Learning Partnership (ELP) grant

Helped the team work with the Government to explore potential to do more work on childcare

Entry point identified: Espoir Jeunes Higher Education Project

- Initial idea: offer childcare to enable women to participate in training

ELP $1:$1 match incentivized IDA allocation

- ELP Trust Fund offers countries $1:$1 match to match IDA/IBRD allocations for childcare
- Incentivized gov't to commit $2 million for childcare activities in Espoir Jeunes

Building the childcare workforce

Developing childcare as a training track in TVET institutions to train childcare workforce and a national training approach for childcare

$100,000 catalytic grant from ELP MDTF catalyzed $4 million invested in childcare in Senegal ($2m IDA and $2m ELP MDTF Recipient-Executed grant to Government)

Rolling out READ@Home to reach 50% of all children age 0-6 in Senegal

Early Learning Partnership (ELP) grant to support Read@Home

Helped the team work with the Government to develop Read@Home (package of 17 high quality storybooks in 7 local languages for children age 0-6)

Package of high-quality storybooks developed

More efficient procurement

- $3.5 million in IDA finance in PIPADHS project used to finance purchase and distribution of 11 million books

Partnerships with 5 CSOs

Parent support

2 million children reached with 11 million storybooks

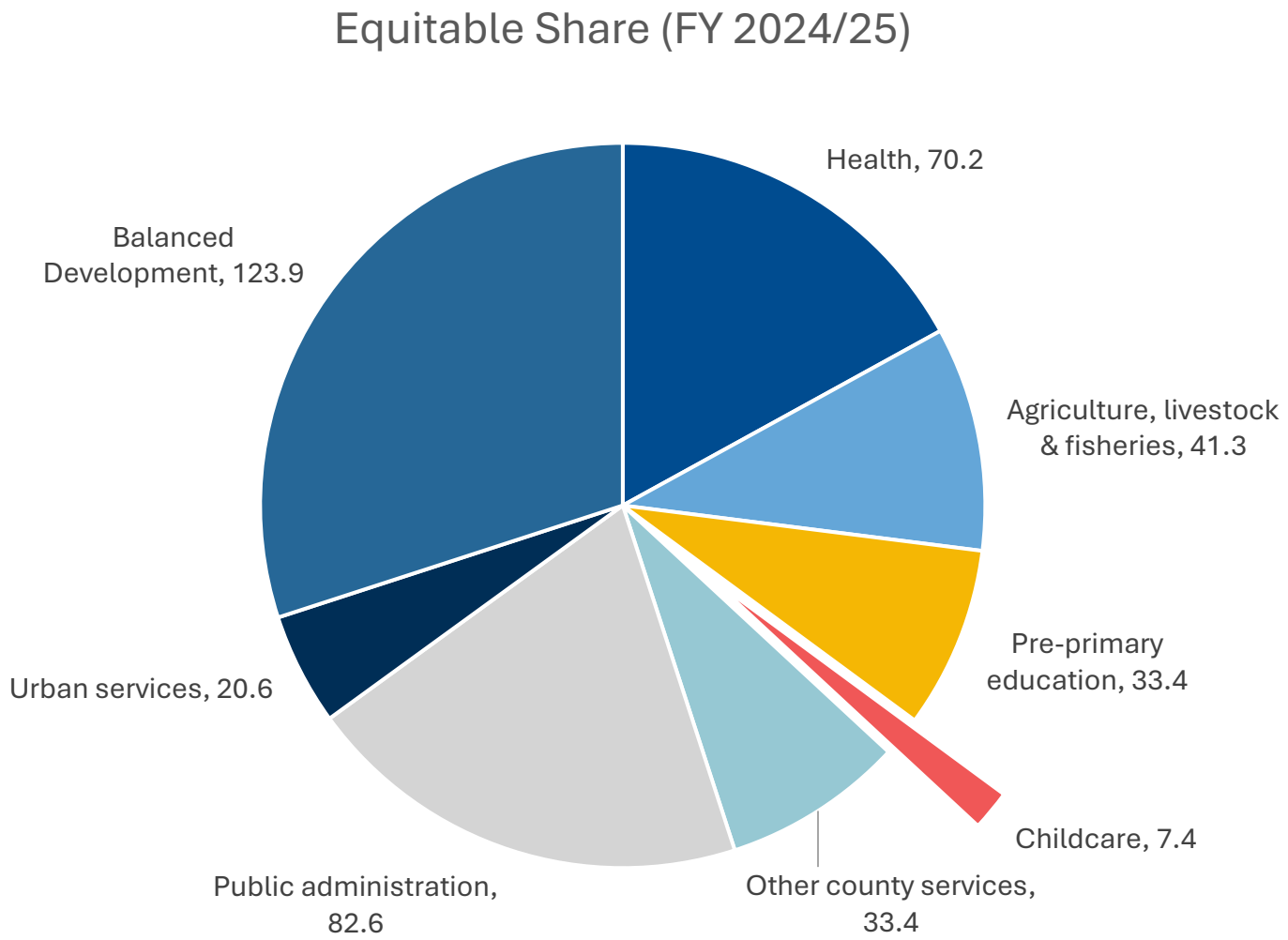
Thank you

Together, we can unlock financing that will translate evidence into budgets and budgets into services for young children and their families!

Jacqueline Muthura

Coordinator, Africa Working Group, Local Public Sector Alliance

County Governments in Kenya receiving Equitable Share – for *all* their constitutional functions

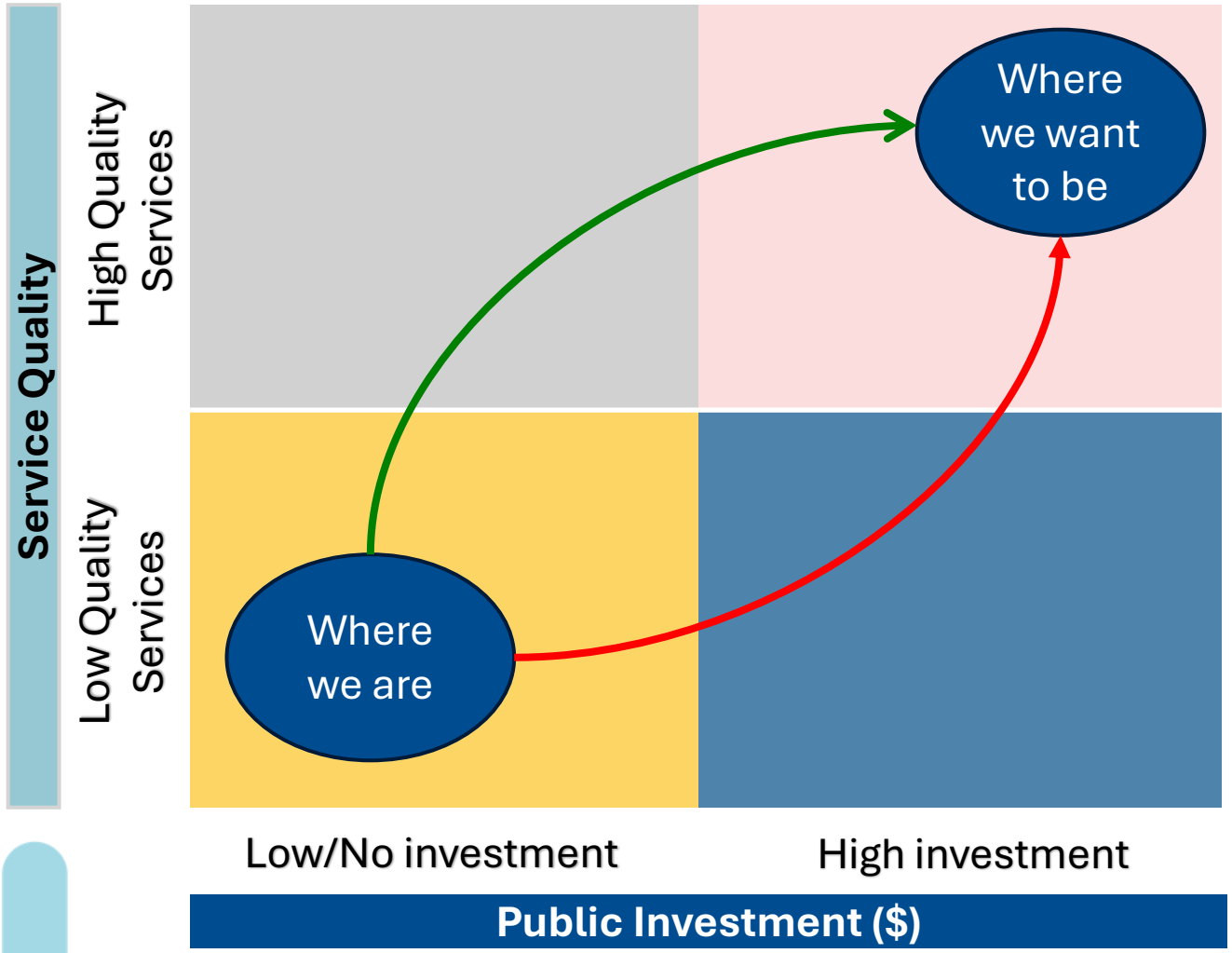


- County governments' equitable revenue share: **KShs. 412.95 billion** (2024/25)
- A computation of the indicative Equitable Share allocation by function suggests that **KShs. 7.4 billion** is provided annually to county governments to fund their childcare function
- Actual county government spending on childcare in Kenya: almost nothing

LOCAL PUBLIC SECTOR ALLIANCE

Source: *Local Public Sector Alliance. 2025. County Funding for Childcare in Kenya: How Much Fiscal Space Is There for County Childcare Spending? Nairobi, Kenya.*

The Real Financing Issue Isn't Finance – It Is Politics



- **The money for investing in ECD exists, the priority doesn't**
- **Politicians respond to political returns – *and won't scale investment based on promises***
- **Make ECD / childcare politically attractive *first***

Money follows political priority: leaders invest when early childhood services become visible, valuable, and vote-relevant.

LOCAL PUBLIC SECTOR ALLIANCE

The Real Financing Issue Isn’t Finance – It Is Politics

What to do

- **Start with low-hanging fruit that earns political credit**
- **Make ECD and childcare visible in plans and budgets**
- **Demonstrate value through concrete flagship examples**
- **Build a constituency that asks for childcare & ECD by name**

The Real Financing Issue Isn't Finance – It Is Politics

Expanding Financing

- **Untapped fiscal space in existing intergovernmental transfers**
- **Conditional and performance-based grants for ECD/childcare**
- **County own-source revenues and fiscal incentives**
- **Leveraging household and community spending through smarter public finance**

Thank you

The real financing issue for childcare and ECD is not simply “where do we find more money?”, but “how do we align finance systems and political incentives so that leaders want to put money on the table for young children?