Enrolment for early childhood development (ECD) services has surged from 1.0 to 1.6 million between 2012 and 2017, but the supply and quality of services has fallen short. 

Recommendation: The Government should significantly increase the supply and quality of ECD services to match growing demand as well as expected standards in all urban and rural districts.

The current Government commitment to ECD of MK669.73 million in fiscal year (FY) 2018/19 is equivalent to only MK409 per each of the 1.6 million children accessing ECD services per year, which is insufficient to provide high-quality services.

Recommendation: The Government should revise upwards the ECD budget under the Ministry of Gender, Children, Disability and Social Welfare (MoGCDSW) to at least MK1.5 billion in FY2019/20, excluding grants from donors.

The quality of ECD services is compromised by limited stimulation and learning materials, inadequate nutrition, poor qualification of care-givers and classrooms that are vulnerable to adverse weather conditions.

Recommendation: The Government, together with stakeholders, should increase investments in training care-givers, procure locally-made learning materials, reinforce infrastructure and strengthen quality assurance.

In FY2018/19, the World Bank committed MK2.85 billion to ECD to be channeled through the MoGCDSW under the auspices of the ‘Investment in Early Years Project’.

Recommendation: The Government should leverage these resources to strengthen national ECD systems, with a focus on enhancing district planning for ECD, expanding financial and information management systems and conducting robust monitoring and evaluation.

A wide range of stakeholders are involved in providing ECD services, but there has been minimal coordination and harmonization of care and learning approaches and practices.

Recommendation: The MoGCDSW should prioritize the strengthening of its capacity to ensure that all ECD service providers adhere to minimum standards.

ECD is a key priority of the Government of Malawi, guided by the National Early Childhood Development Policy (2017).
PART 1  INTRODUCTION

This Budget Brief makes a case for the Government of Malawi (GoM) and development partners to increase and improve quality of investments in early childhood development (ECD). Recommendations proffered in this Brief are based on analysis of identifiable budget allocations to ECD since fiscal year (FY) 2015/16. The analysis focuses on budget lines under the Ministry of Gender, Children, Disability and Social Welfare (MoGCDSW) as presented in Detailed Estimates of Expenditure on Recurrent and Capital Budgets and the Program Based Budget (PBB) for FY2018/19. The analysis also benefitted from a review of secondary data in the form of reports produced by the MoGCDSW, donors and NGOs operating in the country and recent journal articles on ECD.

PART 2  OVERVIEW OF ECD IN MALAWI

ECD is a key priority of the Government of Malawi, guided by the National Early Childhood Development Policy (2017). Through the third Malawi Growth and Development Strategy (MGDS III), the Government has made a commitment to improve access to, and quality, of ECD services. The Government is aiming to ensure that all eligible children have access to quality ECD services by 2030. ECD encompasses a wide range of services such as early stimulation, nutrition and early learning.

1 UNICEF defines ECD as a range of services to facilitate the cognitive, linguistic, socio-emotional and physical development of a child from 0 to 8 years.

The MoGCDSW is mandated to provide policy guidance, financing and quality assurance in the delivery of ECD services across the country. ECD services are provided through Community Based Care Centres (CBCCs) or specialized ECD centers. Through the MoGCDSW, the Government monitors progress towards enrollment and delivery of ECD services to all eligible children. The ability of the ministry to perform this role has however been constrained by limited financial and technical resources.

A wide range of stakeholders including NGOs, religious organizations and private sector are involved in the provision of ECD services. Local authorities are also playing a key role in the delivery of ECD services, including through financing construction activities with resources sourced from the Local Development Fund (LDF), Constituency Development Fund (CDF) and sometimes the District Development Fund (DDF). Reports from field visits by UNICEF staff and partners have however showed that there is very limited coordination amongst stakeholders in the delivery of ECD services. Care and learning approaches and practices are also, for the most part, not harmonized.

The proportion of all eligible children enrolled for ECD has significantly increased since 2005. The percentage of eligible children accessing ECD services increased by thirteen percentage points from 34% in 2010 to 47% in 2017. By December 2017, a total of 1,636,777 children were reached with ECD services, up from 1 million in 2012.1,2 With this, Malawi is ahead of many African countries when it comes to access

to ECD. By October 2017, Malawi had 11,600 ECD centers, including Community Based Child Care (CBCC) centers. Service at ECD centers is provided by volunteer caregivers (35,420 in total in October 2017).

Whilst access to ECD services has increased, there are significant challenges regarding quality of services. Quality of ECD services is being compromised by several factors including type of infrastructure, unavailability of trained care givers and insufficient supply of stimulation, learning and nutrition interventions. Reports from the MoGCDSW show that majority of ECD centers are built with less durable materials without meeting national housing standards, resulting in many of them being rendered not fit for use whenever there is heavy rain, floods and strong winds. The MoGCDSW estimates that only 23% have been purposely built. As shown in Figure 2, there are significant disparities in the number of purposely built structures by district, from as low as 7 in Mulanje to 216 in Nkhata Bay. In 2014/15, 439 ECD/CBCC centers were severely damaged by floods.4

Most caregivers work as volunteers, with very minimal or no professional training in ECD. By October 2017, about half of the 35,420 volunteer caregivers had not received professional training in ECD. Field reports from UNICEF staff and partners have also shown that care givers, who oftentimes work with insufficient materials, do not follow any curriculum. There are also limited resources for quality assurance by the MoGCDSW.


Key Takeaways

- Demand for ECD is not in tandem with the current supply and quality of services.
- The emphasis in the past few years has been on increasing access to ECD services, without paying sufficient attention to the quality of services. There is a risk that if quality issues are not addressed intended ECD outcomes may not be achieved.
PART 3  WHY IS INVESTMENT IN ECD CRITICAL FOR MALAWI?

Improving nutrition, early stimulation and early learning, through quality ECD, is critical for building a productive, competitive and resilient nation, envisioned in MGDS III. Investing in ECD in Malawi will not only benefit children of today, it will also have a direct impact on the stability and prosperity of the nation. New research from Lancet series on ECD shows that epigenetic, immunological, physiological, and psychological adaptations to the environment occur from conception, and that these adaptations affect development throughout the life course. Growth failure in the first 2 years of life has harmful effects on adult health and human capital, including chronic disease, and lowers educational attainment and adult earning. Investment in early years, especially in the first 1,000 days of life, therefore has a profound impact on brain and cognitive development, including longer term effects on health, learning, skills gain and life time earnings (Figure 3).

Limited access to ECD services is one of the reasons behind poor education outcomes by many children in primary school. Recent studies have established a strong association between investment in early years and academic performance in primary school. High repetition in early primary grades, estimated at 25% and 20% for Standards 1 and 2, respectively, as well as insufficient mastery of numeracy and literacy skills have been attributed to lack of early learning. Recent studies have revealed that more than 80% of students at the end of Grade 2 were unable to read a single familiar word. As a result, Malawi has one of the lowest scores in the regional Southern Africa Consortium for Measurement of Education Quality (SACMEQ) examinations.

ECD services contributes to reduction in child mortality and poverty. Lack of adequate nutrition and care is one of the factors driving child mortality in many countries. Child morbidity and mortality has far reaching socio-economic consequences to Malawi. Early childhood development interventions have the potential to strengthen coordination across sectors for common health, nutrition, and learning goals.

Investment in early years has a profound impact on brain and cognitive development.

Figure 3 Investment in ECD and Associated Rate of Return

![Figure 3](source: Heckman 2007)
In FY2018/19, the Government committed MK669.73 million to ECD, which is equivalent to MK409 per each of the 1.6 million children accessing ECD services each year. This allocation is 9% higher in nominal terms than the revised estimate of MK616.44 million allocated in 2017/18. However, once accounting for price changes, the Government’s allocation to ECD actually decreased by 2%. Thus, Government allocations to ECD have almost stagnated in the current year (Figure 4). As a share of the total budget and GDP, the allocation to ECD stands at 0.05% and 0.01%, respectively.

The World Bank has also committed MK2.85 billion to ECD in the current financial year through the MoGCDSW. This commitment was made under a new project on ‘Investing in Early Years for Growth and Productivity in Malawi’. The project will, however, focus mainly on ten districts. If added to the Government contribution of MK669.73 million, the total ECD budget in FY2018/19 amounts to MK3.5 billion, which is equivalent to 0.25% of the total budget and 0.07% of GDP. Due to a lack of disaggregation, it is difficult to know how these resources are distributed across districts. It is also likely that this expenditure will mainly take place in the second half of the financial year.

The total ECD allocation does not include funding from other stakeholders, such as NGOs, as well as sub-national funds, such as the Local Development Fund. Over the past 3 years, construction of ECD classrooms has also been enabled by funding from the LDF, District DDF and the CDF. In FY2015/16, the Government spent MK128 million on construction of ECD centers using all funding sources.

Key Takeaways

- Total Government allocation to ECD is insufficient to meet growing demands and to ensure that expected ECD standards and outcomes are progressively achieved.
- Donor and stakeholders’ contributions are critically needed to complement Government efforts, but they should be coordinated, with service delivery approaches and practices harmonized.

Figure 4: ECD Budget Allocations (in current MK millions)

Source: Budget Estimates (FY2014/15-2018/19)

Figure 5: Share of ECD Budget as % of Total National Budget and GDP

Source: Budget Estimates (FY2014/15-2018/19)
The share of the ECD budget earmarked for acquisition of fixed assets has increased from 21% (MK128 million) to 24% (MK160 million) in FY2018/19 (Figure 6). This translates to a 25% nominal increase and 13% increase in real terms. Many stakeholders expect that this allocation will be used for the construction of more ECD centers. Using an average cost of MK3 million per center, this means that around 53 new centers can be constructed in FY2018/19, if all the money is disbursed to District Councils for this purpose. Unfortunately, this is not likely to be the case. Currently, 53% of eligible children are not enrolled in ECD programs, at least partly due to the supply shortage. Several Community-Based Child Care Centres (CBCCs) also require upgrading, since most of them were not purposely built.

However, much of the FY2018/19 ECD budget (43.5%) will go to travel expenses, which is up from 37.4% in FY2017/18. Compared to the previous year, the travel budget increased by 51% in nominal terms and 37% in real terms. Although a travel budget is required to ensure quality assurance, it is important to balance allocations between various cost centers under sub-program 2 (ECD) within the MoGCDSW. It is also concerning that the budget for education supplies decreased by 98% in real terms between FY2017/18 and FY2018/19.

Currently, 53% of eligible children are not enrolled in ECD programs, at least partly due to the supply shortage.

Key Takeaways

- The role of Local Authorities’ vis-à-vis policy formulation, financing, quality standards and monitoring of ECD service delivery is critical. All Local Authorities should therefore be encouraged to include a budget line on ECD.

- ECD budgets are skewed in favor of administration (travel, office supplies etc), at the expense of programs such as early stimulation, nutrition and learning.

With the introduction of program based budgeting (PBB), a few Local Authorities have started to include ECD in their annual budgets. Examples of District Councils which allocated resources for ECD in FY2018/19 include Chikwawa (MK340,000), Phalombe (MK340,000), Ntchisi (MK3.8 million), and Nsanje (MK2.2 million). In some Districts, Nsanje for example, the allocations to ECD (MK2.2 million) in FY2018/19 was lower than the previous year (MK5 million).
PART 6 EQUITY AND EFFICIENCY OF ECD SPENDING

Equity and efficiency of ECD spending has not been systematically monitored. On the surface, it appears that the emphasis of the Government and stakeholders has been on improving access. Three equity issues may, however, need to be addressed. First, there is no clear formula on how ECD resources, which are centrally allocated, are distributed amongst District Councils. As shown earlier in Figure 2, there are significant disparities in the number of purposely built structures. Reports from MoGCDSW show huge variations in the number of structures per district. Second, the lack of harmonization of care and learning practices may mean differences in quality of services offered. Third, there is inadequate data and less robust mechanisms for monitoring efficiency and equity of ECD services. A useful starting point could be to focus on generating data from the education management information system (EMIS) on first and second level primary school grades on dropout, repetition and completion rates.

Key Takeaways

- The Government, together with stakeholders is encouraged to focus on improving quality of ECD services, including through continuous professional development of care-givers, improvements in the learning environment and enhanced quality assurance.
- Stakeholders should come together to flesh out an equity and efficiency agenda on ECD service delivery.

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