

TC Document

I. Basic Information for TC

▪ Country/Region:	BRAZIL
▪ TC Name:	Behavioral Nudges for Early Childhood Development
▪ TC Number:	BR-T1501
▪ Team Leader/Members:	Cossi Fernandes, Joao Paulo (SCL/EDU) Team Leader; Duenas Herrera, Ximena (SCL/EDU) Alternate Team Leader; Hincapie Ordonez, Diana Patricia (SCL/EDU) Alternate Team Leader; Blasco, Ivana (SCL/EDU); Emilio Laguillo (SCL/EDU); Lima De Moraes, Vitoria (ORP/REM); Mendoza Benavente, Horacio (LEG/SGO); Mendoza Centellas, Mariana Beatriz (ORP/GCM); Michel Torino, Belen (SCL/EDU); Naslund-Hadley, Emma Ingrid (SCL/EDU); Valente Lins, Paula (CSC/CBR)
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	N/A
▪ Beneficiary:	Federative Republic of Brazil
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	Cofinancing Special Grants(COF)
▪ IDB Funding Requested ¹ :	US\$84,211.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	April 1st, 2022
▪ Types of consultants:	Firms
▪ Prepared by Unit:	SCL/EDU-Education
▪ Unit of Disbursement Responsibility:	CSC/CBR-Country Office Brazil
▪ TC included in Country Strategy (y/n):	Y
▪ TC included in CPD (y/n):	N
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Diversity; Gender equality; Social inclusion and equality

II. Objectives and Justification of the TC

- 2.1 The objective of this TC is to generate knowledge within the education division regarding the use of behavioral nudges in Early Childhood Development (ECD). Indirectly, municipal governments in Brazil may be benefitted by increasing enrollment rates and parental engagement at ECD level, children 0 to 5 years old. To meet this objective, the TC will finance a pilot of behavioral interventions with parents in one (or more) municipality. This TC will also lay the groundwork trying to demonstrate the causal impact of behavioral intervention at the ECD stage on students' future learning outcomes using the data from Brazil².

¹ These funds will be administered by the IDB through a Project-Specific Grant (PSG). FEMSA will contribute with US\$84,211.00

² The Country was chosen because it gathers important characteristics, such as: diverse socioeconomic status within the same municipality; education departments with rich data for ECD children and families; experienced consultants used to develop behavioral nudges interventions for the context; high-quality researchers available to conduct future studies regarding long-term effects of the intervention; and specialist available to manage the project.

- 2.2 In developing countries, investments in ECD have been shown to have the highest rate of return when compared with investments in other stages of education (Barnett, 2008; Cannon et al., 2017; Psacharopoulos, 1993). One explanation for that is the fact that children learn more rapidly at this early stage, and that the abilities they acquire while very young increase their future productivity as students and, consequently, their countries' productivity (Heckman, Krueger, & Friedman, 2002; Knudsen, Heckman, Cameron, & Shonkoff, 2006).
- 2.3 In Brazil, enrollment in pre-school (children 4 and 5 years-old) is mandatory, and the target in the National Education Plan (PNE) for daycare (children with 0 to 3 years old) enrollment is 50% to be achieved by 2024. However, according to [IBGE](#), in 2019, only 37% of children were enrolled in daycare, thus, more efforts are needed to increase enrollment to meet the national target. Besides, being below the target, enrolment at the ECD level is also unequal. The [Basic Education Annual Book](#) shows that 51% of children from the richest quartile (25%-richer families) are enrolled in daycare while only 29,2% of children from the poorest quartile of the population. This enrollment-gap can lead to a bigger educational inequality in future stages of education. Additionally, research on ECD has also suggested that it can be an important tool to decrease inequality, especially among gender and racial gaps (Fernandes, 2018; Berlinski, & Schady, 2019).
- 2.4 Behavioral nudges for families of children in elementary to high school have been successful to support families to conduct activities at home and thereby leading to better education outcomes (e.g.: Bettinger et al., 2020; Lichand & Christen, 2020). These interventions also showed higher impact on boys, which are usually more vulnerable than girls. However, evidence of use of behavioral nudges in ECD is still scarce. Between 2018 and 2019, Movva, a Brazilian startup, sent messages to mothers of 4–5-year-olds in different regions of Brazil, leading to changes in mothers' behaviors with their children. Results showed that 54% started to follow-up with their children's school activities, 46% started to interact with the teachers or school managers, and 59% started to talk with their children about what happened at school. However, it was not possible to estimate whether this behavior change led to better education outcomes.
- 2.5 In this TC, IDB will work with Movva and one (or more) municipal government to design an intervention to promote caregivers' behavior change and lay the groundwork/foundation to design and implement a long-term evaluation of how ECD services influence long-term educational outcomes.
- 2.6 This TC is aligned with IDB's 2025 vision to improve the strategic goal of "Promote social progress" by improving the quality and equality of education for Brazilian students. This TC is also consistent with the 2020-2023 Institutional Strategy Update (UIS) (AB-3190-2) and is aligned with the development challenge of social inclusion and equality, by promoting better behavioral tools for families of children enrolled in public ECD centers to develop with their children at home which leads to better development. The program is aligned with the crosscutting theme of gender equality and diversity by decreasing children's development gap between race and gender on future enrollment and learning outcomes. Furthermore, it is also consistent with the Bank's Country strategy with Brazil 2019-2022 (GN-2973-1), as it addresses issues to "Build a more effective public sector that promotes fiscal sustainability" and "Reduce social inequality and inequality of opportunity by enhancing public policy efficiency." Additionally, the program will contribute to the Corporate Results Framework (CRF) (GN-2727-12) since it seeks to improve the indicator: (i) students benefited by

education projects. The TC will also contribute to the following objectives of the Ordinary Capital Strategic Development Program for Social Development (GN-2819-1): “(i) enhance the relevance, quality, and volume of Bank lending in support of the social sector; (ii) strengthen public institutions’ efforts to become more effective and efficient in social programming, group targeting, and social sector project execution.” Moreover, it is framed within the priority dimensions of the Bank’s intervention in education, according to the Sector Framework Document for Early Childhood Development (GN-2966-2), especially in two lines of action: (i) promote efficient management and well-informed public policy; and (ii) implement development services or early infant programs with quality at scale. Finally, the program is consistent with the Skills Development Sector Framework Document (GN-3012-3) in Dimension 5 that “all children and young people acquire the necessary skills to be productive and contribute to society.”

III. Description of activities/components and budget

- 3.1 **Component I: Behavioral nudge pilot for ECD (Total amount: US\$80,000).** The objective of this component is to design and implement a behavioral intervention pilot with parents of one (or more) municipality to motivate them to enroll and engage their children in ECD centers. To be included in the research, municipalities should present a diverse population (racially and socially); with both children enrolled in early childhood education and/or waiting for a spot. The local government must demonstrate strong institutional capacity and high-quality data available. The TC resources will finance a consulting firm which will: (i) produce the contents to support caregivers in educational activities suited to the age group of 0-5; (ii) randomize students between “treatment” and “control” groups; (iii) manage the messages to the caregivers; (iv) analyze short-term educational outcomes, such as students’ attendance rates and the rate of enrollment in the subsequent school year to improve future interventions, according to “treatment” and “control” groups; and (v) organize final dataset to be hold by IDB so that long-term impact may be estimated.
- 3.2 Resources of this project to be received from FEMSA through a Project Specific Grant (PSG). A PSG is administered by the Bank according to the “Report on COFABS, Ad-Hocs and CLFGS and a Proposal to Unify Them as Project Specific Grants (PSGs)” (Document SC-114). As contemplated in these procedures, the commitment by FEMSA will be established through a separate Administration Agreement. Under such agreement, the resources for this project will be administered by the Bank and the Bank will charge a non-refundable administration fee of 5% of the contribution, which is identified in the budget of this project. The 5% administration fee will be charged upon the Bank’s receipt of the contribution. FEMSA expects to commit US\$84,211 in total to this project.

Indicative Budget

Activity/Component	ECD Fund	Total Funding
1. Behavioral nudge pilot for ECD	US\$80,000	US\$80,000
Administrative Fee (5%)	US\$4,211	US\$4,211
TOTAL	US\$84,211	US\$84,211

IV. Executing agency and execution structure

- 4.1 This TC will be executed by the Bank through the Education Division (SCL/EDU), mainly for three reasons: (i) to facilitate the establishments of agreements with municipal departments of education, which is usually harder when having only the service provider; (ii) having the Bank as an intermediary will strengthen the independence of the analyses; (iii) since this is an R&D TC, it is important that the Bank execute so that the Bank will have the property of the knowledge generated; and (iv) it will facilitate the dissemination of the knowledge for different governments in Brazil and in the region. Additionally, SCL/EDU has experience carrying out successful innovation pilots, including behavioral nudges interventions, and will also ensure consistency with EDU's agenda in CBR. These funds will be administered by the IDB, and results will be reported to FEMSA bi-annually.
- 4.2 Fiduciary arrangements: All disbursements will be executed through the Bank's systems and will require approval from SCL/EDU. All activities to be executed under this TC have been included in the Procurement Plan (see Annex IV) and will be contracted in accordance with GN-2765-4 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature.
- 4.3 This TC will conduct a single source selection method to hire Movva to design the intervention, manage the dispatch of SMS messages, and conduct short-term analysis. Movva is the only provider which has previous experience working with behavioral nudges with education departments in Brazil and which provides tested contents for the Brazilian contexts. Movva will be responsible to provide status of implementation of pilots quarterly. IDB will define with Movva the intervention to be carried out, monitor execution and hold the final dataset to evaluate the long-term impact.
- 4.4 The project team will be responsible for the preparation and submission to the donor of the project reporting, in compliance with the stipulations of the Administration Agreement.

V. Major issues

- 5.1 The risks associated with this operation are low, mostly associated with delay in execution due to lack of institutional capacity in the government. The Bank, through SCL/EDU, has extensive experience in the development of the issues, in addition to maintaining a permanent dialogue with both local counterparts and organizations, and with local and international experts to obtain the necessary technical assistance. Movva is also a strong partner and has done similar interventions in many different states and municipalities. Finally, given the COVID-19 pandemic and its unpredictable nature, some flexibility and adaptation to varying conditions should be expected which will require permanent supervision in contracts execution.

VI. Exceptions to Bank policy

- 6.1 No exceptions to Bank's policy were identified.

VII. Environmental and Social Strategy

- 7.1 This Technical Cooperation is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Banks Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Request from the Client - BR-T1501](#)

[Results Matrix - BR-T1501](#)

[Terms of Reference - BR-T1501](#)

[Procurement Plan - BR-T1501](#)