

TECHNICAL COOPERATION PROFILE

OCTOBER 29, 2008

I. BASIC PROJECT DATA

Country: Regional

Program name: Early Childhood Development and Poverty Reduction

Program number: RG-T1575

Team members: Aimee Verdisco, Team Leader; Jennelle Thompson, Ana Santiago, Claudia Cox and Tania Vera (SCL/EDU); Rosina de Souza (LEG/SGO)

Beneficiary: Ministries of Education

Executing agency: SCL/EDU

Financing plan:

IDB Finnish Technical Assistance Fund (FTA):	US\$100,000
IDB Norwegian Consultant Fund (NCS):	US\$300,000
Local:	US\$100,000
Total:	US\$500,000

Technical responsibility: SCL/EDU

Execution timetable:

Execution period:	1 December 2008 – 31 May 2010
Disbursement period:	31 August 2010

Tentative dates: Approval by November 2008

II. BACKGROUND AND PROBLEM STATEMENT

- 2.1 Striking disparities in what children know and can do are evident well before they enter school, and these disparities are predictive of subsequent academic performance. Children from poor families disproportionately enter primary school unready to learn – for example, with cognitive abilities and vocabularies far below what children from families with higher incomes. As a result, poor children often repeat grades and eventually dropout. Such early failures that have life long consequences; completion of at least the basic cycle of education is minimum condition for breaking the intergenerational transmission of poverty. The best hope for mitigating such disparities thus is intervening before children enter school.
- 2.2 Early childhood development (ECD) generally refers to integrated packages of interventions in education, health and nutrition targeted towards children aged 0-6 and their families. Research has shown that with appropriate and quality interventions in ECD, children born into poverty today have a better chance of escaping poverty, and raising children who will also elude poverty and reach their full potential in adulthood.
- 2.3 Throughout Latin America and the Caribbean, there are approximately 38 million children aged 0-6 living in poverty. Few have the possibility of accessing quality ECD programs. Current estimates suggest that the financing gap for ECD

programs throughout the Region is US\$14 billion a year. The implications for the Bank in this regard are many, including significant potential for pipeline to help cover this financing gap.

- 2.4 Conditional cash transfers (CCTs) offer poor households a cash incentive in return for accessing basic services that underpin the development of human capital and reduction of poverty over the longer-term (e.g., education, health, nutrition). Thus conditioned, CCTs are seen as a strong lever for increasing demand for more and better services and for expanding access to interventions that positively boost the potential of poor children and their families.
- 2.5 About 15 countries throughout Latin America and the Caribbean have adopted, at some point in time, CCT programs; many have been supported in their efforts by the Bank. Although ECD has not been incorporated to date in any of these programs, there is considerable speculation that CCTs offer an efficient means of delivering ECD services and of further expanding the reach of CCT benefits.

III. PROGRAM OBJECTIVE AND DESCRIPTION

- 3.1 The objective of this TC to reduce poverty through the implementation of quality ECD programs. More specifically, this operation will evaluate various modalities of ECD as they relate to poverty reduction, measure their impact, and use these results to increase the Bank's pipeline in ECD.
- 3.2 **Component 1. Evaluation of Conditional Cash Transfer Pilot Project with ECD (US\$400,000).** This component will provide the resources to evaluate ECD interventions in a conditional cash program and to determine if such interventions produce the intended results in poor populations. More specifically, this component will evaluate the impact of a pilot project implemented as a component of Familias en Acción, a conditional cash transfer program, in a sample of rural communities in Colombia. This pilot project includes a new module of cognitive stimulation for children aged 6 to 18 months, delivered by volunteer mothers making in-home visit to beneficiaries. Emphasis is placed on teaching mothers to use every day objects, activities and tasks to teach children new words and concepts. These activities are reinforced by training for health center staff in early stimulation and cognitive development. (Beneficiaries of Familias en Acción are required to take their children for regular visits to health centers.) In addition, a nutritional supplement in the form of micro-nutrient sprinkles is given to beneficiaries. Strong evidence exists to suggest that nutritional deficiencies negatively affect cognitive as well as physical development. To date, Familias en Acción has meager effects on the nutritional status of children. This intervention will seek to change this.
- 3.3 This component will include an evaluation to empirically test the contribution of early childhood education on readiness to learn and, by extension, on poverty reduction. It will undertake a cluster randomized trial at the community level to determine the impact of cognitive stimulation and nutrition on a number of

education- and health-related outcomes, such as motor and mental development, language development, nutritional status, and time use. Since it will not be possible with this operation to follow beneficiary children into adulthood and monitor their education and labor outcomes, readiness to learn will be used as a proxy for poverty reduction. Insofar as children benefiting from this pilot project enter preschool and first grade ready to learn, they face higher probabilities of finishing basic education and successfully transitioning into secondary education and beyond. Such an evaluation is critical for drawing lessons learned on the impact of ECD interventions in the context of conditional cash transfer programs and the degree of replicability these interventions have for implementation in other contexts. Both ECD and conditional cash transfer programs have been highlighted as areas in which the Bank expects more pipeline.

- 3.4 Colombia provides a unique opportunity for piloting this initiative, in that Familias en Acción has expressed interest in the project, but that the results of this initiative will have important implications for the Region as a whole. CCTs are an “innovation” of Latin America and the Caribbean; about 15 countries now have some form of CCTs in execution. The results of the pilot thus could have significant implications for CCTs in other countries.
- 3.5 **Component 2. Sector Diagnosis and Capacity Building (US\$80,000).** The Bank’s comparative advantage in supporting ECD across the Region emerges from its ability to respond in a timely manner to pressing issues and its continued presence and participation in policy dialogue with country authorities. This component thus will be specifically oriented towards developing the Bank’s line of work in ECD as it relates to poverty reduction. It will provide resources to undertake sector diagnosis of ECD in countries where Bank intervention may be required in the near-term (e.g., Peru, Colombia, and Mexico), disseminate results and, in implementing these activities, help build local capacities for program development and evaluation in ECD. As noted above, ECD represents an area for considerable growth in the region as is the Bank’s involvement in an area in which the financing gaps are large. Most all children who currently do not have access to quality ECD programs are from poor populations.

IV. COST AND FINANCING

- 4.1 The total cost of the TC is US\$500,000. Of the total amount US\$100,000 will be finance by the Finnish Technical Assistance Fund (FTA); US\$300,000 will be finance by the Norwegian Consultant Fund (NCS); and US\$100,000 will be local contribution in kind. (See Annex I - detailed budget).

Table IV-1.
Budget US\$

Description	FTA	NCS	Local	Total
Component 1	60,000	290,000	50,000	400,000
Component 2	30,000		50,000	80,000
Contingencies	10,000	10,000		20,000
Total	<u>100,000</u>	<u>300,000</u>	<u>100,000</u>	<u>500,000</u>

- 4.2 The team is reaching out to the Scandinavian countries for a pool of resources. In order to simplify coordination and assure the success of this project, it is approaching those donors of tied funds in advance to explore the possibility of allowing their contribution the freedom of hiring one consultant best fit for the task. This has been done on other occasions by the tied consulting services trust funds (e.g., Norwegian Consultant Trust Fund); the Finnish Fund is untied.

V. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 5.1 This operation will be executed by the Bank. It will be executed in 18 months and disbursed in 21 months.

VI. MAJOR ISSUES

- 6.1 There are no major issues associated with this project.

VII. ACTION PLAN

- 7.1 SCL/EDU will finalize details regarding the components of this operation, including the municipalities within which the pilot project will be implemented and the details surrounding their implementation and evaluation.
- 7.2 SCL/EDU will have the technical responsibility for this operation. It will prepare a Plan of Operations and all corresponding TOR. The Board is expected to approve the TC by September 2008.

VIII. ENVIRONMENTAL AND SOCIAL STRATEGY

- 8.1 The TC was reviewed by the Environmental and Social Impact Review Committee (ESR) on October 27, 2008; the TC does not involve investments in infrastructure and no negative environmental or social effects were identified. The TC has been classified as a "C" according to the Safeguard Classification Tool.

IX. APPROVAL

(ORIGINAL FIRMADO)

Marcelo Cabrol,
Chief SCL/EDU

10/28/2008

Date

ANNEX I
EARLY CHILDHOOD DEVELOPMENT AND POVERTY REDUCTION
(RG-T1575)

Table –IV 1. Detailed budget US\$

Description	FTA	NCS	Local	Total
Component I				400,000
Design of Pilot Project	25,000	25,000	25,000	75,000
Training of Service Providers		50,000		50,000
Implementation of Pilot	25,000	165,000		190,000
Evaluation of Pilot		50,000	25,000	75,000
Preparation and Dissemination of Final Report	10,000			10,000
Component 2				80,000
Sector Diagnosis	30,000		50,000	80,000
Contingencies	10,000	10,000		20,000
Total	<u>100,000</u>	<u>300,000</u>	<u>100,000</u>	<u>500,000</u>