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FORUM ECONOMIC OFFICIALS MEETING

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FORUM ECONOMIC MINISTERS MEETING

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Virtual

INFORMATION PAPER NO.9: EARLY CHILDHOOD DEVELOPMENT

Purpose and Summary of Issues

Purpose

This Paper provides Forum Economic Ministers with an update on regional efforts to date towards the implementation of a coordinated, whole-of-government approach to improving early childhood outcomes. These efforts include the establishment of a ministerial level Pacific Regional Council for Early Childhood Development (ECD) at the 2nd ECD Forum in October 2019 with representation of Ministers of Finance, Health, Education, and Social Welfare.

The Ministers raised at the Forum the need to explore a pathway for reporting on ECD through the Forum Economic Ministers Meeting recognising that economic ministries play a leading role in improved public finance management of ECD.

Summary

Due to the range of factors which influence ECD, single sector solutions are insufficient to meet the challenges that impede the effective implementation of policies relating to ECD. Coordinating across sectors has synergistic effects that results in improved development outcomes for young children. ECD requires a comprehensive, holistic approach to policies and initiatives for children from conception to 5 years of age.

The Pacific has made significant advances on ECD. The nine-point Pasifika Call to Action on ECD endorsed by 15 Pacific island countries in 2017¹, outlines the key actions to guide national multi-sectoral efforts for ECD. It provides a means to track progress towards the 2030 Sustainable Development Agenda key target 4.2² on ECD.

The establishment of the multi-sectoral and ministerial level Pacific Regional Council for ECD provides a mechanism for joint political leadership to drive action and investments. The Council is

¹ Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tokelau, Tuvalu and Vanuatu

² ECD is specifically mentioned in Goal 4 target 4.2 however ECD is interlinked with and contributes to other Goals: Goal 1 (eradicating poverty), Goal 2 (end hunger and improve nutrition), Goal 3 (ensuring healthy lives), Goal 5 (gender equality), Goal 10 (reduce inequality), Goal 12 (ensure sustainable consumption) and Goal 16 (promote peaceful societies). Source: www.unicef.org

unique globally and is being lauded as a model for other regions to follow. Ensuring the effective allocation of public resources to ECD is a sustainable and effective way to ensure children get the best start in life. It is also an efficient form of public sector investment, avoiding costlier health and social interventions later in life. Countries that have made critical investments in early education and healthcare, including smaller island nations like Singapore and Mauritius, have transformed into robust economies and lifted the quality of living conditions for their people. Forum Economic Ministers therefore play a central role in promoting ECD.

Note for information:

- The establishment of the regional Ministerial level and multi-sectoral Pacific Regional Council for ECD as a platform for regional and multi-sectoral action on ECD; and
- The encouragement for a whole-of-government approach to ECD at the national level, in line with the Forum Leaders’ directive in 2018, and take a proactive role in maximizing efficiencies in resource allocations for a comprehensive package of support for young children and their families.

A. Overview

In 2018, Pacific Island Forum Leaders called for a whole of government, whole of community approach to NCDs, childhood obesity, stunting and early childhood development. Heeding this call, fifteen (15) Pacific island countries, at the Pacific ECD Forum in Nadi in 2019, committed to multi-sectoral action for young children, through the establishment of the Pacific Regional Council for ECD, with representation of Ministers of finance, education, health and social welfare - a model of a high-level, geo-political network for ECD that is unique globally and is being lauded as a model for other regions to follow.

2. A whole-of-government approach to ECD at the national level is critical, even more so now with the impacts of COVID-19 and the recovery efforts in building resilient Pacific communities. Economic Ministers can take a proactive role in maximizing efficiencies in resource allocations for a comprehensive package of support for young children and their families.

B. Discussion

Background

3. The Pacific has made significant advances on ECD. In 2017, 15 Pacific island countries³ met for the first time to discuss early childhood development in the region, and endorsed the nine-point Pasifika Call to Action on ECD (**Figure 1**). The Call to Action outlines the key actions to guide national multi-sectoral efforts for the optimal development of young children, and provides a means to track progress of the 2030 Sustainable Development Agenda key target on ECD, and contribution to other Sustainable Development Goals (SDGs).

4. The commitment to ECD was further strengthened by the Pacific Island Forum Leaders⁴ call

³ Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tokelau, Tuvalu and Vanuatu.

⁴ At the 49th Pacific Islands Forum Meeting in Yaren, Nauru, Pacific Islands Forum Leaders committed to leading a whole-of-government and whole-of-society approach at the national level to address NCDs, childhood obesity and early

for a “whole-of-government and whole-of-society approach” to address non-communicable diseases, childhood obesity and early childhood development.



Figure 1: Pasifika Call to Action on ECD.

5. In actioning this call by Leaders and the Pasifika Call to Action, regional level focus has been on framing and acting on the collective agenda for ECD including the transitioning of the Pacific Regional Council on Early Childhood Care and Education (PRCECCE) to a more multi-sectoral Pacific Regional Council for ECD. This transition was also endorsed by Forum Ministers of Education at their meeting in Nauru (2018) to ensure the approach to ECD in the Pacific is a multi-sectoral one and not focused only on education.

Outcomes of the 2019 ECD Forum

6. At the 2nd Pacific ECD Forum in 2019 in Nadi, the 15 Pacific island countries re-committed to providing a regional, collaborative approach in ECD to ensure *that No Child is Left Behind* and established the Pacific Regional Council for ECD, with representation of Ministers of finance, education, health and social welfare - a model of a high-level, geo-political network for ECD.

7. The Hon. Dr. Ifereimi Waqainabete, Minister of Health, Fiji and the Hon. Sili Epa Tuioti, Minister of Finance, Samoa are the interim co-Chairs of the Council until the election for these positions at the next Council Meeting⁵. The multi-sectoral modality and Ministerial level representation of the Council is unique globally and is being lauded as a model for other regions to follow.

8. The Ministers, in the Outcomes Statement of the 2019 Forum (**Annex 1**), committed to addressing the triple burden of malnutrition – stunting, micronutrient deficiency, maternal and childhood overweight and obesity, recognising that it is a burden that threatens the survival, growth

childhood development. <https://www.forumsec.org/forty-ninth-pacific-islands-forum-nauru-3rd-6th-september-2018/>

⁵ The next Council meeting is proposed for the third quarter of 2020.

and development of children, economies and societies. Most forms of malnutrition are rooted in poverty and inequity. Children who are malnourished are less likely to complete school, more likely to get sick, and remain in poverty⁶.

9. The Ministers also committed to establishing a multi-sectoral Ministerial coordination mechanism for ECD at the national level. A whole-of-government approach to ECD at the national level is critical, even more so now with the impacts of COVID-19 and the recovery efforts in building resilient Pacific communities. UNICEF and the Pacific Islands Forum Secretariat are providing targeted support to Kiribati, Republic of the Marshall Islands, Solomon Islands and Vanuatu in multi-sectoral policy and monitoring frameworks for ECD, a process that other Pacific island countries can learn from.

Role of Economic Ministers in progressing ECD

10. It is critical Economic Ministers take a proactive role in maximising efficiencies in resource allocations for a comprehensive package of support for young children and their families. Sufficient allocation of public resources to ECD is a sustainable and effective way to ensure children get the best start in life.

11. The attached discussion paper (**Annex 2**) provides a rationale for why investing in and intervening in the earliest years - the most critical stage of human development – better positions countries to break the vicious cycle of intergenerational and structural poverty, and inequality. Economic Ministers are central to making the investment happen.

C. Next Steps

12. It is critical that Forum Economic Ministers continue to commit and lead a whole-of-government approach to ECD at the national level to complement the work progressed at the regional level. Equally important is taking a proactive role in maximising efficiencies in resource allocations for a comprehensive package of support for young children and their families.

13. Finance and planning ministries have a unique and critical role to play in driving a coordinated multi-sectoral approach to ECD. These ministries are crucial to promoting budget coordination across sectors and levels of governments - pooling multiple sources of financing and identifying gaps, segmentation or overlaps in spending.

13. The Pacific Regional Council for ECD is poised to lead, coordinate, monitor, build capacity, and broker partnerships on ECD at the regional level. Plans are in place for the development of a workplan for the Council and a robust ECD data dashboard to track and support regional and national level advocacy to realize the SDGs by 2030. A Council meeting is planned for the third quarter of 2020.

Pacific Islands Forum Secretariat and UNICEF
29 June 2020

⁶ <https://features.unicef.org/state-of-the-worlds-children-2019-nutrition/#group-Nutrition-transition-ZjCfPHjOSV>



2019 ECD FORUM OUTCOMES STATEMENT

WE Ministers of Education, Health, Social Services and Finance Sectors and our senior government representatives from 15 Pacific Island Countries, and development partners, gathered in Nadi, Fiji from 23 to 25 October 2019 for the *2019 Pacific Early Childhood Development (ECD) Forum*, subsequent to the 2017 Pacific ECD Conference where the *Pasifika Call to Action on ECD* was endorsed:

1. Recognizing the need to collectively endorse the terms of reference of a regional council for ECD
2. Recognizing the need to follow -up on advances made since the Declaration of the Pasifika Call to Action on ECD
3. Recognizing the need to have a forum following on the culmination of a series of consultations across the region to discuss and agree on the governance and priorities of a multi-sectoral, regional council for ECD and to determine the implementing guidelines and monitoring framework of the Pasifika Call to Action on ECD.
4. Recognizing the need to spur coordinated and amplified action on ECD.

Therefore, after considerable discussion at this Forum, we accept the following outcomes:

On the Pacific Regional Council for ECD

5. Endorsement of the Terms of Reference of the Pacific Regional Council for ECD, with Ministerial representation at the Council level and Permanent Secretaries representation at the Steering Committee level and with Hon. Dr. Ifereimi Waqainabete, Minister of Health Fiji as the interim Chair and the Hon. Sili Epa Tuioti, Minister of Finance, Samoa as the interim Co-chair until the election of these positions at the next Council Meeting.
6. Collaboration with the Pacific Islands Forum Secretariat to explore a pathway for reporting on ECD through the Forum Economic Ministers Meeting.
7. Directive from the Ministers for the design of a 10-year workplan (2019-2029) for the PRC4ECD, with specific milestones leading to the achievement of Pasifika Call to Action on ECD and Sustainable Development Goals@2030.

On the implementation of the Pasifika Call to Action on ECD

8. Strong recognition that political commitment at the highest level is critical to prioritize ECD. Countries have committed to establishing a multi-sectoral coordination mechanism for ECD, unique to the country context, specifically at the Ministerial level, where it does not exist and/or in alignment with national priorities, plans and policies.
9. Strong commitment to collective, whole-of-government and society action that strengthens planning, implementing, monitoring and evaluation of ECD that leaves NO child behind, aided by robust data disaggregated by age, gender and disability.
10. Commitment to develop a Pacific multi-sectoral model for ECD at all levels.¹
11. Commitment to addressing the triple burden of malnutrition – stunting, micronutrient deficiency, maternal and childhood overweight and obesity – in the Pacific is critical to ECD and call for countries to take appropriate multi-sectoral action.
12. Strong recognition that the lack of investments requires the creation of fiscal space for ECD.
13. Strong recognition of multi-sectoral frontline workers and the need to build their capacities to counsel and support parents, communities, and children, including those with disabilities.
14. Strong recognition of ECD for climate action as mitigation, resilience-building, and adaptation strategies.
15. Strong commitment that all countries will monitor SDG 4.2.1² and SDG 4.2.2³, which will also be disaggregated by disability.

Conclusion

16. We, Ministers of Education, Health, Social Services and Finance Sectors and our senior government representatives from 15 Pacific Island Countries, and development partners, reiterate our commitment to providing a regional, collaborative approach in ECD to ensure *that No Child is Left Behind*.
17. We reiterate the call to all governments to implement the *Pasifika Call to Action on ECD*.

1 Regional, national, sub-national and local

2 Proportion of children under 5 years of age who are developmentally on track in health, learning, and psychosocial well-being by sex

3 Participation rate in organized learning (one year before the official primary entry age, by sex

DISCUSSION PAPER

IMPLICATIONS OF POOR INVESTMENTS AND INACTION IN EARLY CHILDHOOD DEVELOPMENT

A. Purpose

This Discussion Paper provides an overview of the status of young children in the Pacific and why it is critical to invest now in the development of our children. The implications of poor investments in Early Childhood Development (ECD) to short and long-term socio-economic goals of Pacific island countries is too great to ignore.

B. Summary

2. The foundation of the Pacific's human capital relies on the full realization of every young child's development potential. This development trajectory is threatened by children's inequitable access to quality services in health and nutrition, education, water and sanitation, child protection, and social welfare across Pacific island countries.

3. According to the World Bank's Human Capital Index, a young child born today in the Pacific will only be 47% productive when he/she reaches 18 – that is half of his/her full potential – due to poor health, education and welfare support while growing up. World Bank estimates, for example, that even if Pacific children remain in school for an average of 10.7 years, their learning is only equivalent to 6.1 years of schooling because of its poor quality.

4. Early childhood development requires a comprehensive approach to policies and initiatives for children from birth to 5 years of age, which is the school entry age in the Pacific. ECD also entails services for pregnant and lactating mothers, young children, and their families that address their needs across health and nutrition, early learning, safety and security, and responsive caregiving.

C. Discussion

Investment case for ECD

5. Overwhelming evidence makes it clear: investing in children's formative years is one of the most cost-effective strategies for inclusive and sustainable development. A critical time to shape human productivity is from birth to age five, when the brain develops rapidly to build the foundational skills necessary for success in school, health, work and life.

6. The earlier the investments, the higher the returns. As Nobel Laureate James Heckman demonstrates, the rates of return on investments in human capital decline with age (Fig. 1 below). Returns on ECD investments are considerably higher, between 7-10% more, compared to equivalent investments in the later years (primary school, secondary school and post-school job training).⁷

⁷ Heckman, J. J. (2008). The case for investing in disadvantaged young children. *Big ideas for children: Investing in our nation's future*, 49-58.

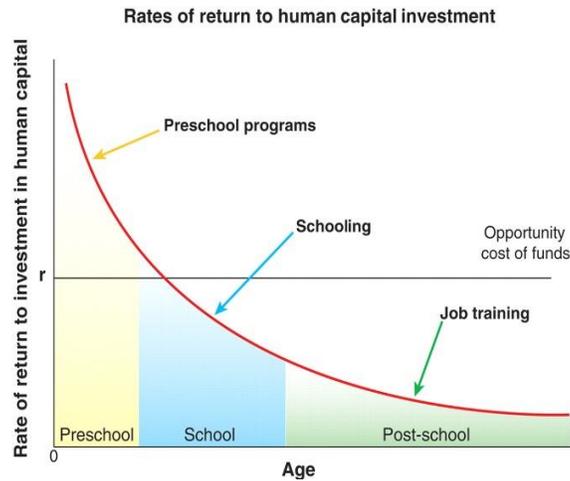
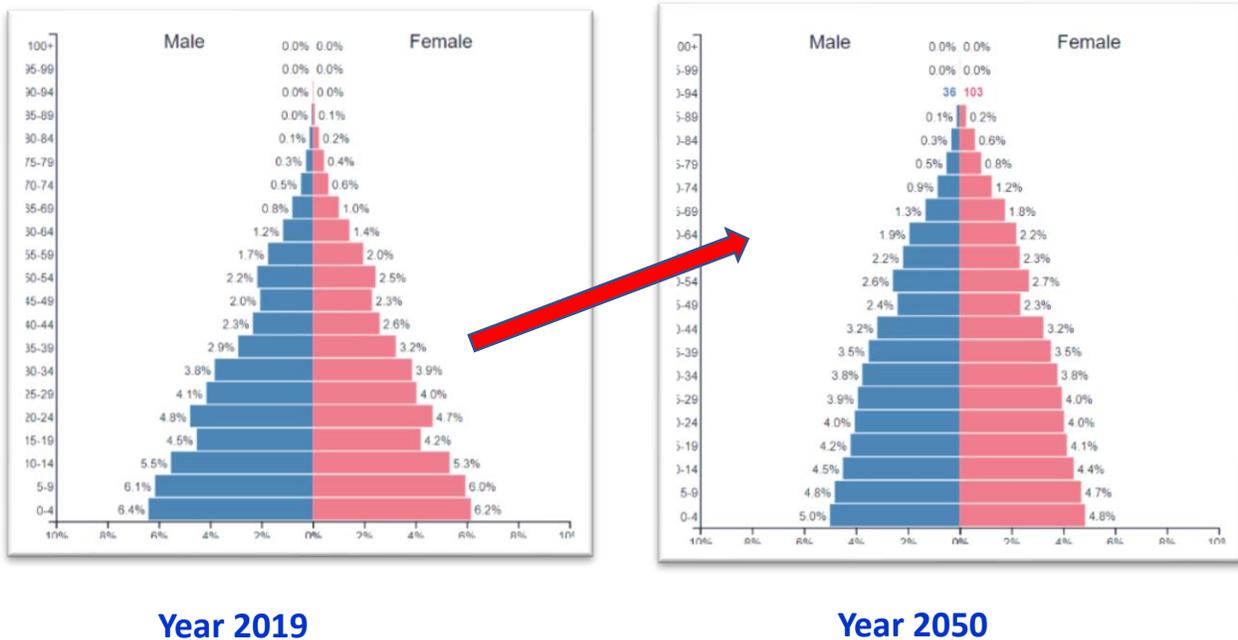


Figure 1: Early investments give the highest

7. Rates of return on early childhood investments far exceed costs. Quality programs in the early years yield an average of US\$6 and US\$17 for each dollar invested and can increase future earnings of participating children by as much as 25%.

8. Countries that have made critical investments in early education and healthcare, including smaller island nations like Singapore and Mauritius, have transformed into robust economies and lifted the quality of living conditions for their people.

9. Children born today will play a critical role for achieving the targets of the 2050 Strategy for the Pacific. To illustrate, as the figure below shows for Kiribati, children born now will form majority of the future working population as the population age structure transitions. Investing in children now are critical to tap into the demographic dividends of 2050 and beyond.



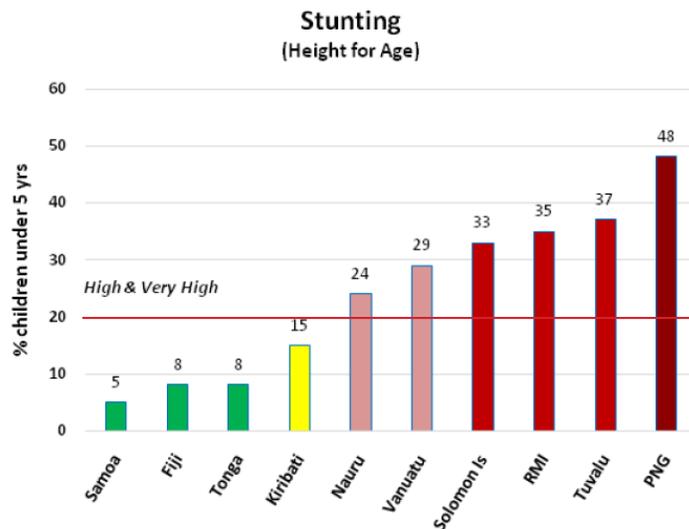
Costs of Inaction on ECD

9. The costs of inaction on ECD are too high to bear for the Pacific. Governments are likely to spend approximately 2-3 times the cost of ECD program in responding to the health, security, and productivity deficits that early childhood needs. Adverse experiences in the early years result to later deficits in health and abilities, which drive down national productivity, increase social costs, and impose significant fiscal burdens.



10. It is estimated that the lifetime cost of growth deficits in early childhood is an astounding 217% loss of annual adult wage.⁸ Developmental delays in the early years are difficult to compensate for later in life because early childhood is a particularly sensitive period for brain formation.

11. Stunting, a key indicator of early childhood development, is at an alarming rate in the Pacific. Where data exists, only three countries have low rates of less than 10%. Sixty per cent of these countries have high (20-29%) or very high rates ($\geq 30\%$) of stunting (see figure below). Of even greater concern is that, unlike other regions demonstrating a marked reduction in stunting, rates in the Pacific have remained stagnant and possibly increased since 2000.



12. Stunting⁹ is linked to future losses in cognitive ability and earning capacity, and is an enormous drain on economic productivity and growth, with estimates suggesting it can reduce a country's gross domestic product by up to 3%.¹⁰ However, it is reversible by the age of two with the right interventions and sufficient investment.

13. Stunting in childhood can lead to overweight and obesity in childhood, adolescence and adulthood. A child who is stunted is more likely to be overweight or obese, have hypertension, cardiovascular disease or diabetes later in life. Addressing stunting in the first 1,000 days of life contributes to the achievement of non-communicable diseases (NCDs) priorities in the Pacific.¹¹

⁸ Countdown to 2030, see <https://nurturing-care.org/resources/country-profiles-solomon-islands.pdf>

⁹ excessively low height-for-age caused by extreme nutrient inadequacy and repeated bouts of disease

¹⁰ WHO Stunting Policy Brief: https://www.who.int/nutrition/topics/globaltargets_stunting_policybrief.pdf

¹¹ UNICEF (2019). The triple burden of malnutrition in the Pacific. Unpublished paper distributed at the 2019 Pacific Early Childhood Development Forum, October 23-25, 2019, Fiji.

14. When children experience toxic stress – extreme or persistent stress brought about by poverty, impacts of pandemics such as COVID-19, abuse or neglect, parental substance abuse or psychosocial conditions, and exposure to violence – it can have debilitating effects on their brain, which in turn results to substantial costs to governments for medical care, social programs, and more.¹²

15. Rates of violence against children in Pacific island countries are among the highest in the world, including violent discipline in the form of physical and emotional abuse at home (up to 85%) and in schools, peer bullying (up to 75%) and fighting in schools (up to 70%) often leading to severe injuries (up to 68%), and sexual abuse before 15 (up to 37%).

Action options for consideration

16. Transforming the narrative of poor child outcomes in the Pacific demands not only an accelerated response but also a new way of doing things. This is even evident with COVID-19 and the impacts it has had on Pacific children.

17. While education and healthcare tend to feature prominently in national development agendas, holistic child welfare approaches and interventions does not. ECD requires coordinated action across almost all arms of government and segments of the community. Social protection initiatives must interact with health care investments, child protection interventions, education systems, economic and trade, and other social sectors to strengthen the achievement of cross-cutting policy objectives like ECD.

18. The adversity that children experience is complex: single sector solutions are insufficient. Coordinating across sectors has synergistic effects that results in improved development outcomes for young children. On stunting, for instance, evidence shows that single-sector interventions would not be able to get stunting rates to zero, while bundled initiatives like nutrition and parenting support are able to address stunting completely as illustrated on Figure 2 below.

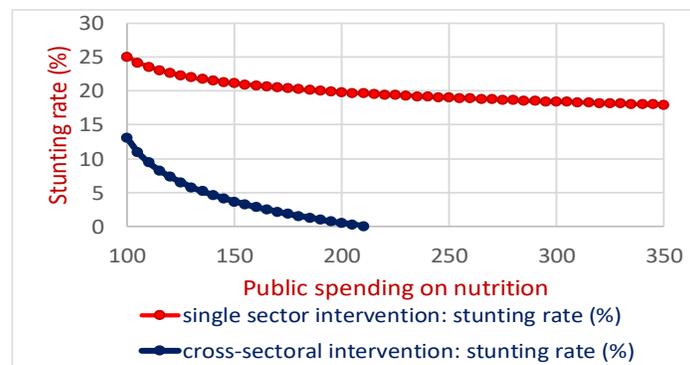


Figure 2

19. Finance and planning ministries have a unique and critical role to play in driving a coordinated multi-sectoral approach to ECD. They are crucial to promoting budget coordination across sectors and levels of governments - pooling multiple sources of financing and identifying gaps, segmentation or overlaps in spending.

¹² Center on the Developing Child (2007). *The Impact of Early Adversity on Child Development* (InBrief). Retrieved from www.developingchild.harvard.edu.

20. ECD financing is not only about allocating more resources but also about using available funds more efficiently, effectively and equitably. Public expenditure analysis on ECD conducted by UNICEF in Solomon Islands and Kiribati, for instance, shows that levels of ECD expenditure exceed the international benchmark of 1% of Gross Domestic Product. The report also found that both countries suffer from some of the poorest child outcomes in the region, indicating that their investments in health, education and social welfare of their children are not achieving their goals. Both countries are now undertaking reviews of their ECD services and budgets, with a goal to design a comprehensive national ECD policy and action plan that will better link strategic priorities on ECD with public resources.

21. In order to achieve ECD outcomes, countries need to tackle obstacles posed by public financial management constraints such as insufficient or inequitable budget allocation and ineffective expenditure. This starts with a commitment by countries to improve their ECD investments, conducting public expenditure reviews on ECD, and then finding the fiscal space for ECD interventions, either through foreign funding, domestic revenue or taxation, borrowing, or reprioritizing/improving.

22. Financing for ECD entails additional challenges but also unique opportunities. Governments can maximize the opportunity for shared financing between the public sector and the broader community. A growing trend is a government-led resourcing strategy that allows for and requires the allocation of resources by private entities and development partners, while the government is accountable for mobilizing and directing the necessary funds to meet ECD commitments and responsibilities.