

How to Prioritize Early Childhood? A Note on the Recent Experience in Colombia

Mauricio Cárdenas and Ana María Cadena

Abstract

This paper assesses Colombia's recent expansion in comprehensive early childhood care, underscoring the importance of strong high-level political commitment, inter-institutional coordination and stable financing. According to initial evaluations, the socioeconomic vocabulary gap has been reduced by 33 percent. To a great degree, the strategy's success is related to Law 1607 of 2012 that earmarked part of the corporate income tax and established a floor to budgetary appropriation for this program, with a minimum growth of inflation plus two percentage points. Grassroots organizations influencing local politics, and NGOs focusing in early childhood have been also key to the strategy.

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A Note on the Recent Experience in Colombia**

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Introduction

There is consensus on the literature regarding the importance of investing in early childhood. According to scientific evidence on neuroscience, more than 85% of the neural connections of a human being are developed in the early years of life, thus making this stage the most important one for the development of basic skills (Shonkoff and Phillips, 2004). The first five years in a person's life, particularly the first 1000 days since the prenatal period, are critical because this time is when the highest number of neural interconnections, which enable the brain to function properly, are developed (Grunewald, 2005 and Council for Early Child Development, 2010). This process continues, in the case of the visual cortex, as well as the areas of the brain for hearing and language, up until the end of the preschool stage. Regarding cognitive processes, the peak is achieved at the age of 18 months, however, its development extends until adolescence.

What takes place in the early years of life has important and long-term consequences (Almond and Currie, 2011). For example, individuals from a vulnerable environment with little investment during their early childhood achieve lower results in their education and subsequent careers, they are prone to illness, and are likely to live less years and to become involved in criminal activity (Britto et al., 2017; Black et al., 2017). It has been proved that these processes can be positively modified by performing interventions that improve the individual's learning capacity (Cunha et al. 2006; Engle et al. 2007; Heckman 2006; Yoshikawa et al. 2013 and Bernal, 2014). Programs aimed at pregnant women and at children during their early childhood produce significant impact throughout the individual's life in aspects such as health, education, work skills and even the development of personal traits such as propension for pacific coexistence (Black et al. 2017; Britto et al. 2017 and Lancet 2016).

Interventions during early childhood are more profitable than those applied in any other stage of the individual's life. There are several reasons for this. The first one is that during the early ages it is easier and less expensive to alter abilities. The second is that the interventions, having taken place at an early age, generate benefits during a longer period of time, which increases their present net value. Third, in addition to the private benefits such as performance or cognitive development results, social and emotional development, schooling, wages and productivity, there is evidence of social benefits in several fields (equality, criminality, teenage pregnancy, etc.) which in turn relieve pressure in the tax burden required to address these types of problems in the future. By combining private and social returns, the amount of benefits outnumbers those of interventions in other stages of the life of individuals. In summary, the earlier the intervention, the greater the return (regarding the Colombian experience see Bernal and Camacho, 2010 who compare several investments in human capital and their impact on the life cycle of people).

Considering the above, policies aimed to create a comprehensive system for social protection targeted towards children and their families occupied a key role in the government agenda since 2010. The 2010-2014 National Development Plan (PND) *Prosperidad para Todos* (Prosperity for All) states that "(...) The design and implementation of a comprehensive

early childhood attention strategy is considered a priority. Interventions aimed at boosting children's development during early childhood, besides being a right, are a window of opportunity for social and economic development because they produce long-lasting impacts related to psychological strength, decrease in morbidity and criminality issues in the individual's life cycle; better academic performance, less repeated courses and less dropout, all of which increase the permanence of children within the educational system, and their future productivity and income. Therefore, this is the social investment with the highest return”.

As for the 2014-2018 National Development Plan *Todos por un nuevo país* (All for a new country) the action course above is followed and there is an emphasis on “a unified and inter-sector work effort aiming to articulate and promote the development of plans, programs, projects and actions for a comprehensive attention to each child, according to his or her age, background and condition.”

The current National Development Plan (2018-2022) *Pacto por Colombia, pacto por la equidad* (A Deal for Colombia, a Deal for Equality) gives priority to comprehensive development from early childhood up to adolescence. Particularly, the Plan has the objective of providing care for 2 million children with early education within the framework of comprehensive attention.

Since 2011 the government initiatives were articulated through the *Comisión Intersectorial para la Primera Infancia (CIPI)* (Intersectoral Commission for Early Childhood) integrated by representatives of the *Instituto Colombiano de Bienestar Familiar (ICBF)* (Colombian Institute for Family Welfare), the Ministry of Health and Social Protection, the Ministry of Education, the Ministry of Culture, the National Department of Planning (DNP) and the Department of Social Prosperity (DPS), all under the coordination of the Executive Branch through a High-level Advisor reporting to the First Lady.

From the start, the Commission produced a guideline document (not a detailed manual) for the local authorities to adjust their services and resources according to the strategy, with a focus on the poorest demographics, groups in threatened or marginalized conditions or in a position that made their rights vulnerable. The Commission was fundamental for the strategy's success as it allowed to establish guidelines according to the international standards, and further achieve a greater coordination between government agencies with joint responsibilities in the early childhood *comprehensive* attention programs. *De Cero a Siempre* (the initial name of the strategy) considered that, in order to achieve full results, interventions should include the following services: childcare, early education, nutrition, health and protection of rights.

Thus, *De Cero a Siempre* strategy for early childhood development defined a comprehensive roadmap including social security enrollment, civil registry, vaccination, growth and development appointments, nutrition follow-up, family education, early education with established educational personnel, access to books and resources, and a nutritional support of 70% (for more details on the elements of the strategy, refer to Bernal and Ramírez, 2019).

Later, Law 1804 of 2016 raised this strategy to State policy status, while ensuring that the annual budgeted resources cannot be lower than those previously allocated. Such action provided a legal basis to the Intersectoral Commission for Early Childhood and assigned functions to its members. Perhaps the most innovative aspect of the law was the structuring of monitoring and evaluation systems for the strategy, which are made up of the following three components:

Early Childhood Comprehensive Development Follow-up System

Under the direction of the Ministry of Education, this system performs the follow-up of children in the early childhood stage, through the record and monitoring of the nine care items prioritized by the national government and which are provided to pregnant women and to children under six years of age, all within the framework of the Comprehensive Care Roadmap. The system is the main tool to articulate information regarding children, to detect whether the prioritized attentions are being provided or not and to issue alerts accordingly, to classify the situation of their rights and to provide orientation regarding policy decision making on the national and territorial scope. Currently, the system is the official source of *SINERGLA*, the tool used by DNP for reporting the objectives defined in the National Development Plans.

Early Childhood Information System

This system, designed by the Ministry of Education, supports the quality management processes through two modules: Sole Registry of Early Education Providers and Registry of Qualified Human Talent. The first module identifies the public and private providers of early education services within the framework of comprehensive early childhood care. The second provides means to gather information regarding human talent qualified through the entities that are part of the Commission, which has been systematically carried out since 2015.

Early Childhood Quality Measurement Model

This component gauges the quality of the early education modalities by evaluating general characteristics in terms of infrastructure, staffing, human talent profiles, qualification and professional development processes, interaction with parents, community (such aspects are commonly acknowledged as the structural quality of early education) and gives a special emphasis on the interactions occurring between teachers, children and peers (known as components of processes quality).

This paper highlights some aspects that have been crucial for the implementation of Colombia's strategy, including design, targeting, financing, and institutional dimensions.

The *De Cero a Siempre* strategy's targeting tool is the SISBEN index which provides an overview of the quality of life within the households related with its members' education, the household's building materials and access to public services, among others. Employment, socioeconomic stratum and household income are not crucial aspects for classification under

the SISBEN index. Under SISBEN-3 (in the process of being upgraded to SISBEN-4) the scoring goes from 0 (more vulnerability) to 100 (less vulnerability). For certain social programs, and for the everyday use of the SISBEN, a level-based classification is used in which level 1 corresponds to scorings between zero and 47.99 and level 2 for values between 48 and 54.86. These levels are determinant of the size of the subsidies and benefits that are received within the same program.

The defined limits for early childhood care by the ICBF (Colombian Institute for Family Welfare) are (less or equal to) 57.21 in the 14 main cities, 56.32 for the rest of the urban population, 40.75 for the rest of the dispersed population. Priority is also given to victims of events related to the armed conflict, as well as to the families identified through the Severe Poverty Relief Strategy (Red Unidos) and those benefited by the priority interest housing program, among others.

It is worth mentioning that the limits required for other state-provided social programs are generally lower, which reflects the objective to include the greater possible number of children as beneficiaries of this intervention.¹

A Budget for Early Childhood

The Colombian Institute for Family Welfare (ICBF) is the government organization in charge of managing the support programs for the underage population in vulnerable conditions. This organization oversees the allocation of resources for early childhood care and other programs for the youth.

The ICBF is part of the Social Inclusion sector which reports to the Department for Social Prosperity (DPS). The DPS is the national government cabinet-level institution in charge of policies, general plans, programs and projects for the assistance, care and relief of victims of violence, for social inclusion, for attention to vulnerable groups and their social and economic reintegration.²

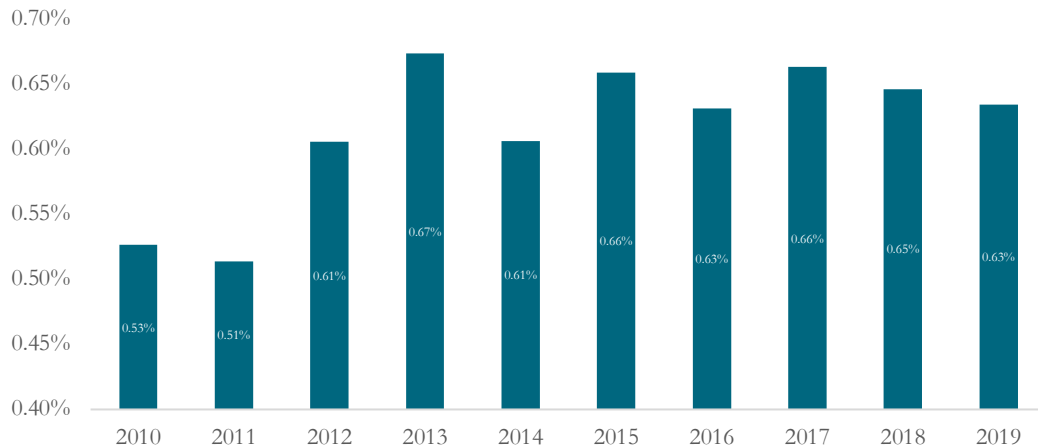
¹ The limits for other programs are 30 for *Familias en Acción* (conditional cash transfers), 39 for *Colombia Mayor* (cash subsidy for the elderly) and 23 for free social housing programs. SISBEN-4, currently under implementation does not use a score, but rather an implied level of income for the household (calculated using quantile regressions). Households below a given level of income are eligible for social programs.

² Besides the ICBF, DPS includes the Victim Relief Program and the Historic Remembrance Center.

Figure 1 shows the evolution of ICBF’s budget since 2010. As shown, the allocations for the entity rose to 0.63% of GDP in 2019 from 0.53% of GDP in 2010. The bulk of the budget includes the entity’s investment programs in which, besides the resources allocated for early childhood support through which the *De Cero a Siempre* program is financed, construction resources for the Children Development Centers (CDIs) are also included.³

However, ICBF’s budget includes financing for programs other than the early childhood care program, including the Underage Protection Program, which allows for the financing of over 250,000 children undergoing rights restoration processes and more than 5,000 substitute mothers.⁴ Transversal support programs are also financed, such as the communications plan, citizens attention program, and the 141 national line, as well as the execution of the nutritional situation survey for rural and urban population and the Food Security Network. The operational resources are allocated mainly for payroll for 8,864 public servants directly employed (5,161 in 2010), the entity’s administrative expenses and the payment of settlements, among others⁵.

**Figure 1. ICBF Budget 2010 – 2019
(Share of GDP)**



Source: MHCP, DGPPN

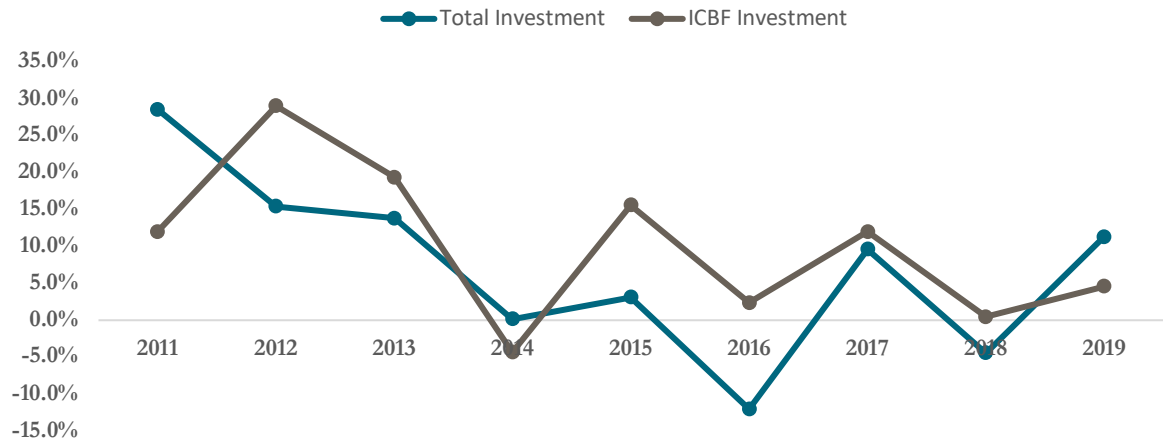
³ The CDIs are financed mainly with the early childhood support resources, which are all considered in ICBF’s budget. However, resources are also assigned from the entity’s infrastructure program (through which the adolescent detention centers are financed); there have also been instances in which resources from the Office of the President (which also has an early childhood care investment project) had been assigned.

⁴ During 2018 the early childhood project represented 63.5% of ICBF’s total budgeting, while the Protection project represented 14.5%.

⁵ To a certain degree, the increase in the operational expenses can be explained due to the Ministry of Finance approving in 2016 the transfer of 3,736 temporary positions (financed through the investment budget) to permanent positions, which are financed with operational resources. This resulted in an increase in operating expenses with an equivalent reduction in the investment budget.

ICBF's investment budget increased at a higher rate than total investment in the National Budget (PGN). In fact, since 2015 when it was necessary to reduce the total investment budget after the fall in oil prices, the ICBF's investment budget continued to increase (Figure 2). The sources of this budget, some of them financed by taxes with specific destination to ICBF, are discussed below.

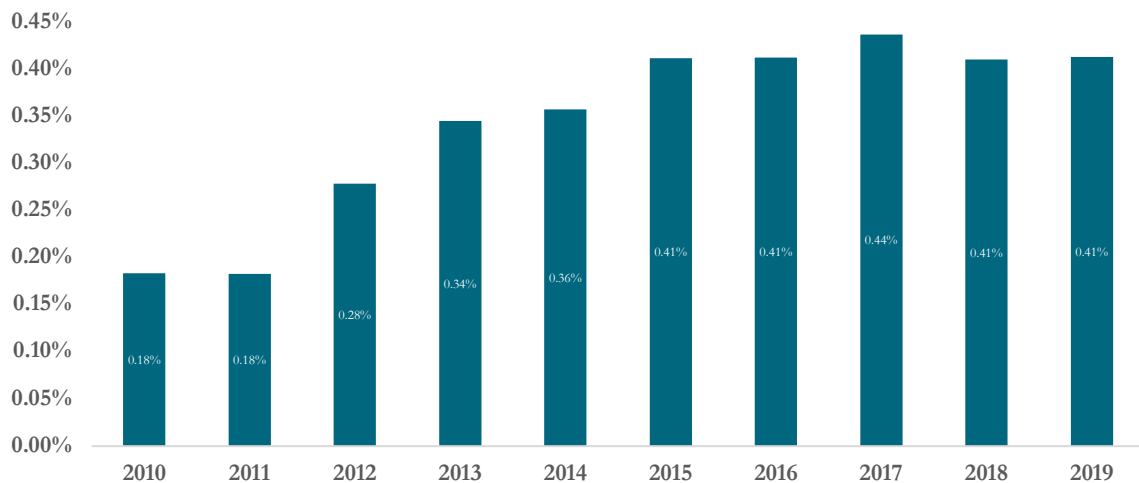
**Figure 2. Investment Growth
PGN Vs. ICBF**



Source: MHCP, DGPPN

Figure 3 shows the specific resources allocated to early childhood care within ICBF's budget and whose growth over the past 10 years has been even more substantial, from 0.18% of GDP to 0.41% of GDP.

**Figure 3. Early Childhood Budgetary Allocation 2010-2019
(Share of GDP)**



Source: MHCP, DGPPN

These resources provide for financing of the two service lines offered by ICBF:

1. Parent training (known as FAMI households): is targeted towards pregnant women, nursing mothers and children under 2 years of age. This program is targeted to adults and is not in charge of the initial care and education of children.
2. Children Early Care and Education: this line is worked out through two modalities:
 - a. Traditional (family) care: Community Welfare Homes (*bogares comunitarios*) focus on serving children under 5 years of age in vulnerable conditions. The care is provided by community substitute mothers, who adapt their households to receive, on average, 13 children from their neighborhood. There is a variant of this model to provide the service in rural areas. This modality, in its original version, ensures that the child is cared for, albeit it does not include education, health and professional nutrition components (the “community” substitute mother prepares the food). There is only one community mother for every 13 children, of different ages. These Welfare Homes were very popular in the 1980’s and 1990’s as an easy-to-implement, low-cost intervention, with very limited initial investment in infrastructure. The model was replicated in many places throughout the developing world given its excellent cost-benefit evaluations. However, the arrangement was very informal as substitute mothers did not have an employment contract, were paid only a fraction of the minimum wage and had no social security. However, the program allowed for community mothers to get some training and become certified. One lesson from the Colombian experience is several intervention models can coexist, and that variation and experimentation is useful in order to do perform evaluations and

bring adequate solutions to different contexts. Solutions to the need of early childhood programs varies significantly depending on the availability of resources (financial and human), and other factors such as population density. There is no one-size-fits-all-needs intervention.

- b. Institutional care: provided primarily in Child Development Centers or CDIs (for their acronym in Spanish) that serve 300 children on average, with a higher cost per child. It is important to know that the comprehensive institutional care can also be provided in children's homes, business community households, multiple community households and social kindergartens.

In any of the two modalities, the comprehensive care service can be provided, albeit it is mainly delivered under the institutional care modality. However, some Community Households have evolved and also provide comprehensive care. Concretely, the comprehensive service is marked by:

1. Concurrently providing care, initial education, health, nutrition and rights protection.
2. Encompassing an explicit pedagogical component with the objective of fostering early development; it is not just a program that provides a safe space for children while mothers work.

Children who receive comprehensive care can enjoy a balanced diet according to their nutritional requirements, and have access to spaces where they can partake in early childhood activities such as art, literature, games, and environmental exploration. They also have trained professionals at their disposal that are qualified to target the number of processes and areas promoting quality of care.

Figure 4 shows the evolution of the services provided by ICBF for the two types of care since 2005. As shown above, the total number of children serviced by the ICBF increased substantially, from 1,355,471 in 2010 to 1,895,596 in 2018. Meanwhile the traditional care option decreased.⁶

The migration from traditional to comprehensive care has represented a greater cost for several reasons.⁷ One of the reasons is that traditionally care was provided for 9 or 10 months of the year; as of 2017 the children's assistance has been guaranteed all year round.

⁶ According to OECD figures (2016) between 2007 and 2013, coverage of children of ages between 0 and 6 enrolled in Comprehensive Education and Early Childhood Services (EIAIPI) increased from 16% to 41%, especially among families in vulnerable conditions or in poverty.

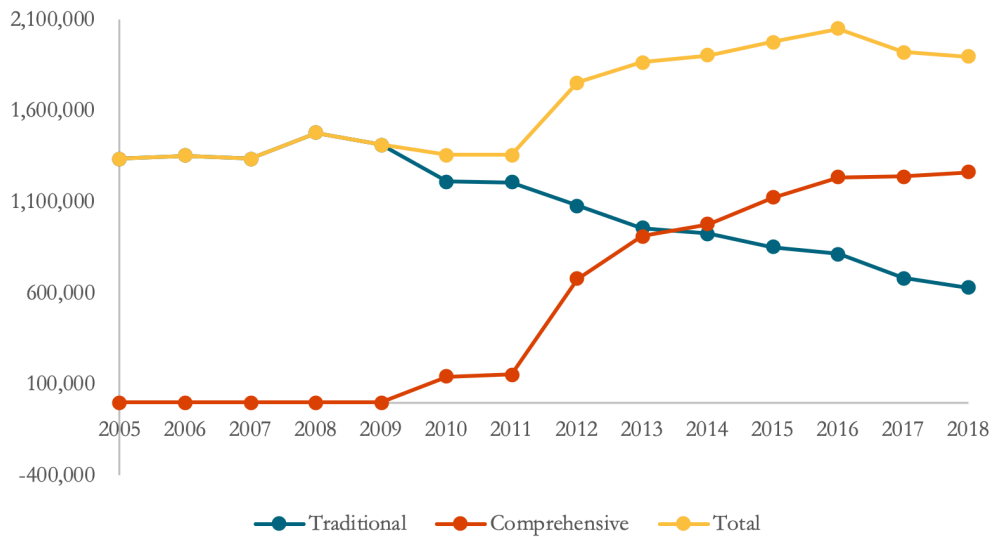
⁷ The cost per child by year in 2018 was COP \$4 million (US\$1,200) in the comprehensive care program vs. COP \$2,600,000 (US\$750) in the traditional modality.

The increase in costs comes mainly as a result of the nature of the comprehensive care service in comparison to community households (and the necessary infrastructure):

1. The centers require additional staff to manage locations which does not exist in community homes. Besides teachers, there is a center director, a pedagogical coordinator, janitorial and maintenance staff, security, etc.
2. Because it is a more robust infrastructure, it implies a higher maintenance cost. There are spaces, equipment and support material which are not available in community homes. Usually, a CDI designed for 300 children should consist of 1,500 square meters. The infrastructure investment is USD \$1 million per facility, plus USD \$ 200,000 for equipment.
3. There is cafeteria and kitchen staff that community homes do not have.
4. This was partially compensated with the increase in the child to adult ratio. In community homes, the ratio was 12-15 children (on average) per adult and in the centers, it was 30 children on average per adult.
5. Initially, there were higher qualification requirements for teachers and staff, which have been made more flexible in order to not exclude community mothers from these processes.

Additionally, other specific aspects that may account for the cost increase are related to the requirements arising from judicial measures, such as the one in 2017 which required the transfer of 58,837 infants belonging to indigenous groups in the Department of La Guajira from the traditional care modality to comprehensive care (in order to comply with the commitment for differential care for ethnic communities).

Figure 4. Number of 0-5 year old infants in traditional and comprehensive care



Source: DPCG - ICBF

In addition to the above, with time, greater resources have been allocated to ensure formalization of community mothers and to improve the benefits for substitute mothers.⁸

Regarding community mothers, Law 1607 of 2012 set forth that as of 2014 they would be considered formal workers and would earn a minimum wage, or its equivalent, according to the number of hours working in the program. Such decisions required the Colombian Government to bear an additional expense starting in 2013 when mothers went from receiving a scholarship equal to 70% of the minimum wage to receiving a full minimum wage, and even to a greater degree since 2014 with the complete formalization of community mothers, which implied not only payment of minimum wage, but of other benefits mandated by law (such as social security contributions). The annual cost of this decision is close to 0.05% of GDP. Currently, there are more than 53,000 community mothers in charge of children in early childhood programs around the country: 43,000 of them provide care for children in their homes, with 12 to 14 children per household, and about 10,000 do so in child care centers for children under 2 years, as well as pregnant and nursing mothers.

⁸ Community parents are community educational agents in charge of providing care for children in the early childhood stage in the Community Welfare Homes program. The substitute mother is a person in charge of a Substitute Home. Such households are family-managed care modalities consisting in “locating the child or youth in a family committed to providing the necessary care and attention in place of the family of origin”. This initiative aims to rescue abused children and offer them an ideal family environment, in which they can grow up in a safe way and surrounded by love and protection.

For Substitute Mothers, the same Law established that, during 2013, they were to receive a scholarship equal to a monthly legal minimum wage proportional to the number of active days and the level of occupation of the substitute household during the month. To this day, there are 5,257 substitute mothers who provide care for children whose rights have been violated in some way, thus ensuring the restoration and preservation of the latter. Furthermore, Decree 2083 of 2016 established that substitute mothers that cease to work as such will be enrolled in the Subsidized Health Regime.

Taxes Specifically Allocated to ICBF and Minimum Income Guarantees

In 2012, with the goal of boosting the creation of formal employment in the economy, Law 1607 reduced payroll taxes, earmarked to SENA (2%), the entity in charge of training adults for employment, and to the ICBF (3%), as well as the contributions made by employers for employee's health (8.5%). This modification was enforced as of July 2013 and is applicable to workers with salaries below 10 minimum wages (97% of total work force employed in 2017).

Simultaneously, the corporate income tax rate was lowered from 33% to 25%, and a new tax on corporate profits was introduced (CREE), with an 8% rate. Of that amount, **2.2 percentage points were destined to the ICBF**. As per the estimations of the Ministry of Finance, the expected tax collection with this specially earmarked tax was equivalent to the amount collected via payroll taxes.

However, due to the uncertainty, the aforementioned law set forth a guarantee for the ICBF and SENA, through which it was established that the budget of these entities would have as a floor the approved amount for 2013 adjusted annually with the growth of the consumer price index plus two percentage points (2%).

Thus, the norm guaranteed that when transitioning from payroll tax-based income to income based on profits, the ICBF would not see its income at risk, on the contrary, such income would grow, at least, by 2% each year in real terms.⁹

Later, the 1739 Law of 2014 increased the CREE tax rate by 1% (from 8% to 9%), of which an additional **0.4 percentage points were targeted exclusively to early childhood**.

***"ARTICLE 18.** A fourth subsection to article 24 of 1607 Law of 2012 must be added, which will be as follows:*

⁹ According to article 243 of the aforementioned law *"the National Government will ensure that resources allocation in ICBF and SENA's budgets, is at least an amount equivalent to the budget of such bodies for the 2013 tax period not including the parafiscal contributions made by public entities, parafiscal contributions made by business and legal entities and assimilated taxpayers corresponding to employees who earn more than ten (10) current legal monthly minimum wages, nor the contributions that such entities receive from National General Budget in such term of validity, **adjusted annually with the growth of the consumer price index plus two percentage points (2%).**"*

*As of the 2016 tax year, from the 9% of the tax rate referred to in subsection 2, article 23 of the law herein, a point shall be distributed as follows: **0.4 points will be targeted for the financing of early childhood care programs** and 0.6 points shall be targeted to finance public higher education institutions, scholarship credits through Icetex, and improvement of higher education quality.”*

Subsequently, in 2016, with the 1819 Law, the tax scheme was simplified by cancelling the CREE, which was unified with corporate income tax. Regarding the unified income tax (total rate of 33% in 2019) it was set forth that **2.2 percentage points are targeted to the ICBF**, for compensation of the loss of payroll income, and **another 0.4 percentage points are specifically targeted to finance comprehensive early childhood care programs**, either through programs implemented by the ICBF or other entities that also engage with this demographic group, such as the Ministry of National Education or the Executive Branch. The Intersectoral Commission for Comprehensive Early Childhood Care (CIFI) would oversee prioritizing such resources. It is worth mentioning that this law kept the mandatory requirement of a minimum guarantee of CPI inflation plus 2% in the increase of the annual budget of the ICBF.

"ARTICLE 243. *Specific targeting.*

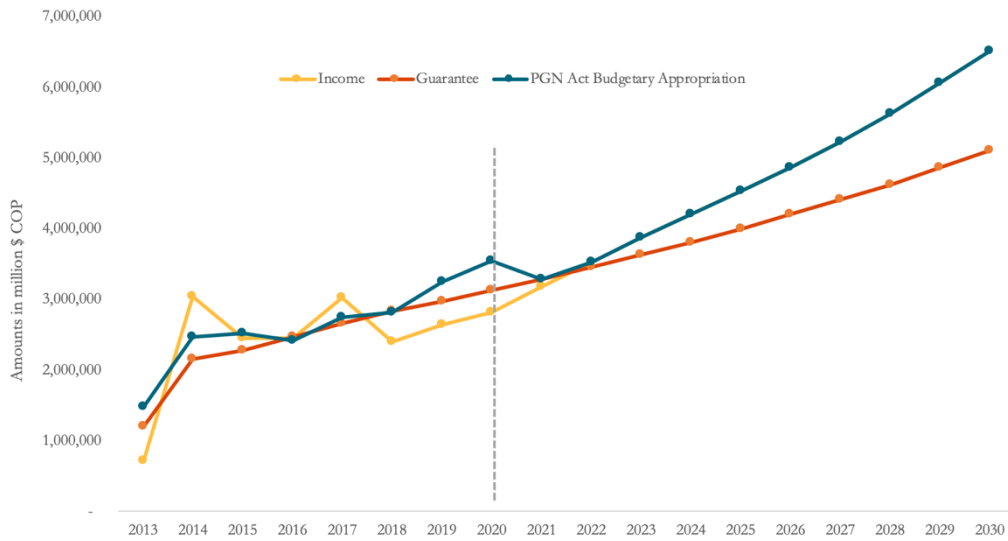
From the 2017 tax year, 9 percentage points (9%) of the Income Tax rate and Complementary Taxes for corporations, will be allocated as follows:

1. *2.2 points will be targeted to the ICBF.*
2. *1.4 points will be targeted to SENA.*
3. *4.4 points will be targeted to Social Security in Health.*
4. *0.4 points will be targeted to financing early childhood care programs.*
5. *0.6 points will be targeted to finance public higher education institutions for the improvement of the quality of higher education and/or to finance loan-scholarships through the Icetex”.*

Regarding the ICBF specifically, and notwithstanding the significant fiscal revenue reduction endured by the country since 2015 due to the decline in oil prices, the National Government has fulfilled the commitments acquired with the entity in terms of securing growing minimum resources. In order to fulfill its commitments with the ICBF, the government has made an important budgetary effort.

Figure 5 shows the income targeted specifically to the ICBF, the guarantee required by law and the budget that was in fact allocated to it (or which is planned to be allocated to the entity according to the income expected to be collected).

Figure 5. ICBF earmarked income, guarantee, and budget allocations

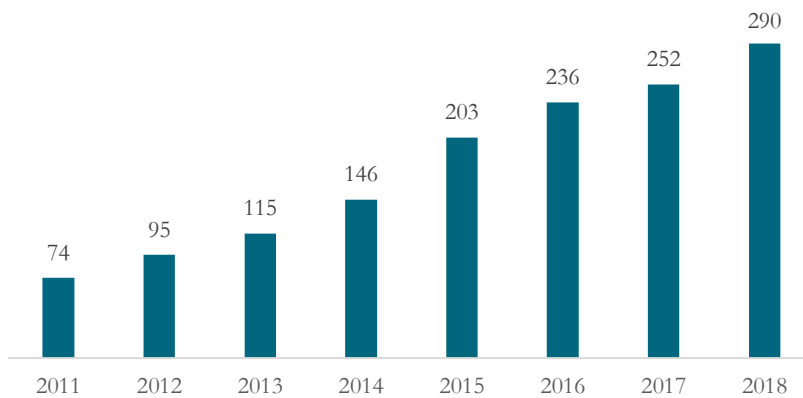


Source: MHCP - DGPPN

Progress in Early Childhood Care

As a product of these efforts, by 2018 the ICBF managed to provide comprehensive care to 1,264,606 children, compared to 151,312 in 2011. To achieve this progress in care levels, great efforts were made by the country in terms of infrastructure. By 2018 there were 290 infrastructure units for the comprehensive development of children (named CDIs). This represents an ample coverage of CDIs throughout the national territory. Figure 6 shows the evolution in terms of the number of CDIs since 2011 and figure 7 shows its coverage in the national territory.

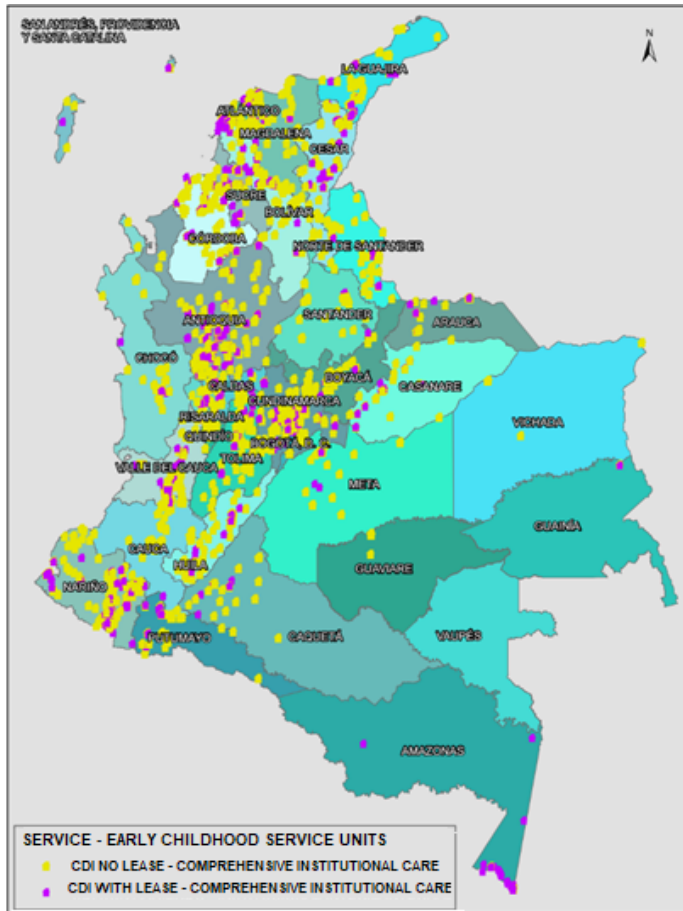
Figure 6. New CDIs (Accumulated)



Source: DPCG - ICBF

The map below shows the CDIs' distribution, including the state-owned CDIs available to the operator to be used to provide care to children, and CDIs directly owned by operators (without lease) and CDIs in which payment made for each child must include the cost of leasing an infrastructure, which the operator pays to provide the service (with lease).

Figure 7. CDI distribution, state-owned, and operator-owned



Source: DPCG - ICBF

According to the results of the study carried out by Bernal and Ramírez (2019), the extension of the *De Cero a Siempre* program “had significant and quantitatively relevant impact on the children’s language, which persists five years after the national strategy began”. Positive results were obtained, albeit less robust, on the children’s nutritional level; in particular, positive results were observed regarding size and weight in the case of boys, but not in girls.

On the other hand, the DNP (2018) performed an official evaluation of this policy. The evaluation sought to review progress in terms of structuring, institutional capacity and articulation of the entities. The results are positive in terms of ensuring that the different sectors involved at the national level are organized into an operational structure set forth in

the Intersectoral Commission for Early Childhood (CIPI). However, the evaluation revealed challenges at the territorial level in the consolidation of such structures.

Regarding the results, the evaluation focuses on eight specific areas: civil registry, current healthcare affiliation, complete vaccination scheme, growth and development appointments, nutritional assessment and monitoring, families and caregivers with training procedures, access to early education, and access to books and resources. "An important result in the management of early childhood care has been observed, going from nearly 50% of children having received services in two to three concurrent care areas in 2013, to 33% of children receiving 6 care areas and 11% receiving 11 care areas in 2018." When comparing services within the context of comprehensive care and traditional services, significant differences were observed. "In traditional services, slightly less than 30% of the children have five or more services, while regarding services in the context of comprehensive care, slightly less than 60% had five or more services. This shows to a large degree, the result of including interdisciplinary teams in the services, either for the direct guarantee of specific care (such as family training) or for the management of other outside care, as is the case with health care services."

It is necessary to give continuity to these efforts which have allowed for significant advances in early childhood care, both on the technical and on the budgetary level.

Pending Issues: General Participation System

Intergovernmental transfers have been a subject of fierce debate and controversy in Colombia. The 2001 constitutional reform (Legislative Act 01 of 2001), together with Law 715 of that same year, created the General Participation System (SGP) which distributed resources to the sub-national governments (departments and municipalities) for different purposes, among which are the following: education (58.5%), health (24.5%), drinking water and general purpose (17%), all in direct relation to the improvement of service coverage and quality conditions in the provision of services. As established by the reform, between 2002 and 2005 the SGP grew annually by a percentage equal to the rate of inflation generated plus 2 percentage points, and between 2006 and 2008, at 2.5% in real terms.

Subsequently, through Legislative Act 04 of 2007 established that in the years 2008 and 2009 the SGP would grow 4% (in real terms), to then fall to 3.5% in 2010 and 3% between 2011 and 2016. However, if the economy grew in real terms more than 4% in a given year, the transfers would then increase by the percentage equivalent to GDP growth over 4% with exclusive targeting for early childhood support programs. Because the economy grew over 4% between 2010 and 2014 (except in 2012), in this way significant resources were allocated for investment in early childhood programs by territorial entities.

As of 2017, the SGP growth rule, as set forth in the Constitution, was tied to the weighted average of the last four years of the country's current income, therefore the figure that granted resources to early childhood disappeared.

In 2018 the national government filed a bill to reform the distribution of SGP resources and formally establish a percentage specifically assigned for early childhood programs, and not only in basic education as it is done today. In the government's judgement, despite the significant increase in resources allocated by the national government to the ICBF, which have allowed for a greater coverage for early childhood services, it was necessary to have a source at the head of the territorial entities to complement the ICBF resources. Unfortunately, the project was not successful as it was withdrawn due to the change of administration in August 2018.

Specifically, what the government proposed was to allocate 0.5% of the SGP (about US\$65 million in 2020) for the provision of initial education services within the framework of comprehensive care in government educational institutions (pre-kindergarten, kindergarten, and transition), the strengthening of the quality of the care provided and the exercise of inspection and surveillance functions. As per the bill, the distribution criteria for resources allocated to the provision of the service will consider population under 6 years of age, the poverty indicator and targeting criteria set forth in article 6 of the Law 1804 of 2016. The distribution criteria for resources assigned to finance quality will consider the number of providers, inspection and surveillance costs, and supplementary actions aimed to strengthen the quality of initial education.

Final Considerations and Conclusions

In sum, the Colombian experience during the last decade has allowed to expand the coverage of comprehensive early childhood care and to improve the quality of services offered to low income demographics. In terms of content, investment in comprehensive care must be based on a pedagogical curriculum and must also ensure that the child has access to health and nutrition. It must have the right inputs, starting with human resources with adequate training, as well as the infrastructure and equipment required. All the above must take place in an environment that fosters family participation, accompanies the transition to school, and has a good administrative management.

The main lessons derived indicate the necessity of a strong high-level political commitment, inter-institutional coordination and the importance of securing a stable financing. The results of the strategy are prompt and solid to a degree that once the process of change has begun, it is possible to achieve continuity because the effects are tangible and derive in support from citizens and political sectors. In Colombia, according to evaluations carried out a few years after introducing the comprehensive care modality, the socioeconomic vocabulary gap has been reduced by 33%. However, while the results are positive, they are less robust when assessing the children's nutritional condition.

To a great degree, the strategy's success has been related to the tax effort by the government that, amidst of a plan aiming to reduce public spending in other sectors, prioritized investments in early childhood. The assurance of having minimum resources by way of Law 1607 of 2012 was key for the institutional planning. In the future, it is necessary to evaluate the possibility of complementing such resources with additional sources of income for subnational governments.

The need for additional sources of funding is essential to achieve full coverage for all children in poverty conditions. Additionally, it is estimated that 30% of 1.4 million Venezuelan migrants are minors. The Colombian government has committed to providing the early childhood care program under the same conditions that Colombian citizens receive. For this reason, there will be additional tax burdens in the coming years.

Regarding lessons for other countries, it is worth asking why it was possible for Colombia to assume a strong leadership role in this matter. Why was it possible to achieve budget support? Which factors were present in Colombia and what recommendations can be shared with other countries that want to drive similar processes?

This work raises 5 main factors for success:

1. Institutional Planning: it is key to ensure the coordination of the different state agencies that have responsibilities regarding early childhood. An active role of the Executive Branch is required, otherwise it becomes virtually impossible to ensure the level of priority required for the agenda and, on top of all, to coordinate inter-agency work to implement this strategy. A challenge any government faces is overcoming the individual jealousy and interests of each sector through collaborative work. The presence of the president, or of the First Lady as in the Colombian case, is key to put aside the natural rivalries between agencies and sectors.
2. Political support: from the start the strategy had the support of the benefited families, especially mothers who witnessed the impact on their children and their own lives (preliminary evidence shows that their participation in the job market increased). Grassroots organizations positively influenced local politics, which increased the interest of municipal mayors in this type of initiatives. Aware of the important political appeal, mayors prioritized the search for resources from the National Government for the construction of CDIs which derived in political support in Congress, key to ensure the resources that should be allocated in moments of spending cuts.
3. Private sector: The role of NGOs focusing in early childhood was key to the strategy's success in Colombia for several reasons. First, their economic strength allowed for financing research and evaluation activities as well as the implementation of programs, fundamental for the process of change. The government relied on several organizations (e.g., AeióTU, Genesis, Santo Domingo, Primero lo Primero, UNICEF, etc.) which promoted innovation, provided significant resources and ensured continuity for the initiatives in the face of changes in the Executive Branch¹⁰. The NGOs were also fundamental for passing of the Early Childhood Law in Congress. The bottom-line message is that NGOs focused and specialized in these issues are needed, rather than organizations that promote

¹⁰ For example, the aeioTU-Fundación Carulla alliance operates 21 CDIs for 8,600 children.

social policy in general terms. Specialization in this field has greater impact. The work done with NGOs gave rise to public-private partnerships of great importance with huge potential in the future. This means that both the state and society benefit from the synergies by developing projects where private resources complement the government's tax effort, which allows for better results in program impact evaluations.

4. Interaction between the public sector and academia. Such interaction is required not only for designing an initial plan, but also for evaluation phases. Ongoing dialogue between the Ministry of Finance and the academic sector in forums and workshops to assess the cost-efficiency of interventions is essential to succeed in allocating budgetary resources. In other words, in addition to a dialogue with the officers responsible for sectoral affairs, it is instrumental that the academic community publicize their results and the economic authorities offer proper spaces to make them known. It is noteworthy to mention that local academic talent is necessary (either from universities or research centers), because although international experts (such as Professor Heckman or representatives of multilateral bodies) play a role in the initial phases by creating interest, the permanent and continuous work of a group of Colombian researchers has been key to ensure feedback for the design and adjustment of strategies in a diverse and changing landscape.
5. International outreach. International recognition helps give the program continuity. Once a reputation is achieved it becomes politically expensive to lose it. For this reason, it is necessary that government authorities responsible of early childhood, civil society and academia achieve international projection. Colombia started to be perceived as a case of success, which in turn provided motivation for the stakeholders to achieve better results and promoted a truly virtuous circle. Providing advice to other countries with less experience and technical capacity helps all the actors involved maintain a high morale.

In brief, additionally to resources and institutional coordination, the academic sector contributed to the preparation of a well-designed plan, based on both national and international evidence, as well as its ongoing evaluation and adjustment. Over the years, the government of Colombia experimented with several programs with reliable information that allowed for the evaluation of the results and learning the lessons derived. Society, through NGOs, has also been a leading force in the financing and implementation of the programs.

The Colombian experience makes it clear: early childhood care is essential to bridge the gaps between high and low-income children regarding the child's development. With the right resource combination, inter-institutional coordination, and leadership it is possible to achieve high impact results. However, the challenges are tremendous, as obtaining the desired coverage demands significant resources. Therefore, spending cuts in other sectors must be explored. To this effect, impact assessments and their comparison with other government programs are critical.

It is also necessary to redefine an institutional architecture that survives presidential terms. The answer is not obvious, because the presence of a body that coordinates the work of different sectors and institutions will always be necessary.

Finally, permanent evaluation is a core part of the success of any public policy intervention. Construction of adequate infrastructure and hiring of specialized labor are no guarantee of success. Such assets are necessary but are not enough. Therefore, continuous evaluations must be carried out to make necessary adjustments and to ensure program quality.

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