

# A Review of Multilateral Development Banks' Investments in Childcare

**Megan O'Donnell, Kelsey Ross, and Shelby Bourgault**

## Abstract

The COVID-19 pandemic has led to an unprecedented increase in unpaid care work all over the world, causing women to leave the workforce, reversing decades of progress on gender equality, and resulting in increased focus and empathy around the global childcare crisis. Recognizing a gap in the evidence regarding multilateral development banks' current (and historical) investments in childcare solutions, in this paper we seek to establish a baseline, exploring the extent to which MDBs have invested in childcare over time, across geographies, and through various sectors and activities. Using project data from eight multilateral development banks' project databases, we compiled all projects with a childcare component from 2000 to June 2021. Our analysis explores best practices across institutions, identifies gaps and areas for improvement, and makes recommendations for how MDBs can increase and improve investments in childcare.

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The data used in this paper is available here: <https://www.cgdev.org/sites/default/files/Public-MDB-Childcare-Database.xlsx>. More information on CGD's research data and code disclosure policy can be found here: [www.cgdev.org/page/research-data-and-code-disclosure](http://www.cgdev.org/page/research-data-and-code-disclosure).

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# 1. Introduction

The COVID-19 pandemic has led to an unprecedented increase in unpaid care work all over the world, causing women to leave the workforce and reversing decades of progress on gender equality. This stark reality has increased attention to and empathy around the global childcare crisis.<sup>1</sup> The increased focus on childcare in the COVID-19 context builds on a steady rise in attention to this issue at multilateral development banks and other donor institutions, as well as among country governments. That said, huge gaps in political will, policy attention, and financial investment remain. The COVID-19 Global Gender Response Tracker, compiled by the United Nations Development Programme in collaboration with UN Women, reflects how few governments, especially those of low-income countries, have addressed care constraints in their COVID-19 crisis response and recovery plans, in spite of compelling evidence asserting the necessity of doing so. Just 5.8 percent of the 3000+ policy measures compiled through the tracker directly support unpaid care, with only one policy measure announced by a low-income country government (Burundi's policy on providing meals at care facilities), and just 16 from lower-middle-income countries.<sup>2</sup>

Through CGD's COVID-19 Gender and Development Initiative, we aim to promote gender equality and long-term prosperity in low- and middle-income countries by informing global and national decision-makers' policy responses to the current pandemic and future crises. Our early research and convenings with gender experts across donor institutions have highlighted increased policy attention and investment in childcare as a critical priority to enable an inclusive recovery. Recognizing a gap in the evidence regarding multilateral development banks' current (and historical) investments in childcare solutions, in this paper we seek to establish a baseline, exploring the extent to which MDBs have invested in childcare over time, across geographies, and through various sectors and activities. We focus on multilateral development banks in this paper noting these institutions' size, reach, and opportunities for policy influence, with plans to expand the sample of institutions we review to include bilateral institutions through future papers.

To drive increased attention and investment towards quality childcare solutions that benefit children and caregivers, with an emphasis on promoting women's economic empowerment, as well as broader human capital and economic development, we also seek to identify project elements that can be considered models of good practice for others to emulate. We aim for this research to serve as a starting point for conversations with decision-makers across donor institutions regarding how public and private investments in childcare can be increased and improved.

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<sup>1</sup> Though this paper focuses on childcare, we note that unpaid care goes beyond childcare and includes care for older people, people with disabilities, and people with ill-health, as well as related unpaid care work tasks that are undertaken within a domestic context (cooking, cleaning, collecting water and fuel, etc.).

<sup>2</sup> COVID-19 Global Gender Response Tracker, 2021, <https://data.undp.org/gendertracker/>.

## **2. Background: The importance of quality childcare support for women’s economic empowerment**

Lack of access to affordable, quality childcare is a binding constraint to women’s participation, productivity, and advancement in paid work. Though documented effects of childcare provision appear stronger in facilitating women’s access to formal employment, particularly in higher-income settings, evidence from contexts as varied as China, Argentina, Mozambique, Sri Lanka, Kenya, and Brazil demonstrates that access to childcare increases women’s employment or that lack of childcare decreases women’s employment (Del Boca, 2015; Maurer-Fazio et al., 2011; Berlinski and Galiani, 2007; Martinez et al., 2012; Gunatilaka, 2013; Lokshin et al., 2000; Paes de Barros et al., 2011). In an effort to juggle paid and unpaid work, some women are more likely to work informally through home-based and other part-time activities, compromising higher income and security in exchange for the increased flexibility childcare responsibilities mandate (Alfers, 2016).

The COVID-19 pandemic has further highlighted how childcare responsibilities act as a major constraint to women’s employment. When the crisis began to unfold, schools and childcare facilities shut their doors and women saw their care burdens balloon. Early evidence shows that across Asia and the Pacific, Lebanon, Colombia, Kenya, India, Ghana, and South Africa, women’s unpaid care responsibilities grew, both relative to their responsibilities before the pandemic and relative to men during the pandemic (UN Women, 2020; Kebede et al., 2020; Garcia-Rojas et al., 2020; Chakma 2020). Women at the far ends of the income and employment spectrum—that is, women working in the formal sector in high-income settings and women working informally and/or for little income (including women heads of household)—are likely experiencing the largest increases in time burdens. The former have been juggling childcare and remote work, and the latter have limited ability to earn steady income while caring for children during lockdowns (O’Donnell et al., 2021). Furthermore, the childcare sector itself is at risk of collapsing in many countries as a result of the pandemic, with consequences for the sector’s workforce, which is predominately women. With higher operating costs due to safety precautions and lower enrollment due to fear of the virus and increased poverty, early evidence from South Africa, Kenya, and India suggests that what few formal childcare services exist are at risk of closure (Grantham et al., 2021).

Recent CGD analysis reflects that, during the COVID crisis, women of working age, on average, have performed an additional 173 hours of childcare, about three times more than men of working age. These widening gender inequalities in caring for children have implications for women’s ability to enter and advance within the paid workforce on even footing with men (Kenny and Yang, 2021a). In parallel, Kenny and Yang find that women-owned firms have been 1.4 times more likely to close (permanently or temporarily) than majority men-owned firms, likely in part driven by women’s disproportionate caregiving responsibilities (Kenny and Yang, 2021b).

Despite strong evidence that care responsibilities hinder women’s ability to participate in desirable paid work, less is known about the types of childcare policies and investments proven to improve women’s economic empowerment and equality, especially in lower-income settings, while also benefiting children. A 2019 review of the literature reflects that most of the evidence on childcare’s impacts for mothers and other caregivers comes from Europe, North America, and South America (Chaturvedi, 2019). Evans, Jakiela, and Knauer document how few researchers evaluating early childhood development (ECD) programs and interventions, including childcare centers and preschools, pay attention to the impact of these programs on caregivers’ outcomes, including women’s labor force participation and income. In a review of 478 studies on ECD interventions in low- and middle-income countries, Evans et al. find only 105 that report mother-specific outcomes not centered on parenting practices, and only 19 focused on maternal labor market outcomes. Even fewer look across generations to examine childcare’s impacts on adolescent girls and older women, who also provide critical childcare support (Evans et al., 2021).

That said, some patterns on “what works” have begun to emerge. Daycare facilities seem to be a promising model for positive outcomes related to women’s economic empowerment but designing with caregivers’ working hours in mind is critical. A study in Ecuador found that access to daycare increased maternal employment by 31 percent (Rosero and Oosterbeek, 2011). In Kenya, access to daycare increased mothers’ income, and in Brazil, daycare increased the likelihood of the primary caregiver being employed by 22 percent (Clark et al., 2019; Attanasio et al., 2017). In Brazil, providing daycare increased the labor force participation of not only the primary caregiver, but also siblings and grandparents (Attanasio et al., 2021). The effectiveness of childcare interventions often hinges on the quality of childcare provided. Qualitative research in Kenya found that the most important factor for mothers considering using childcare services was the quality of their children’s outcomes, and mothers noted concerns about providers’ lack of training and high provider-to-child size ratios when citing areas of improvement in their children’s current childcare arrangements (UNICEF, 2016).

The International Finance Corporation (IFC) has documented the business case for employer-supported childcare options, citing improvements in employee retention, productivity, job satisfaction, and loyalty, as well as a positive impact on recruitment (IFC, 2017).<sup>3</sup> Evidence from Indonesia suggests that half-day preschool programs increase women’s employment overall, but women were still more likely to take up work in the informal sector with flexible working hours since full-daycare was not provided (Halim et al., 2019). Taken together, these studies suggest that providing some level of childcare allows women who were otherwise not engaged in paid work to do so informally, and providing more comprehensive childcare options may allow women to then shift into more formal and

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<sup>3</sup> However, employer-provided programs should not be considered a silver bullet. Laws that require employers with a certain number or percentage of women workers to provide childcare in the workplace impact negatively on women’s employment (Prada et al., 2015). To minimize these possible negative effects, governments should subsidize childcare and/or make such requirements gender-neutral.



secure working arrangements.<sup>4</sup> As noted in Buvinic and O’Donnell (2016), childcare itself has been proven to increase women’s economic empowerment—both in enabling caregivers to seek or increase paid work and in creating jobs within the care sector. It can also be added to other interventions to increase their impact, such as public works programs or training and entrepreneurship programs (Buvinic and O’Donnell, 2016).<sup>5</sup>

### 3. Methods

To compile MDB’s childcare-related investments, we searched each institution’s project database for projects ranging from 2000 to June 2021, using the search terms “care work,” “childcare,” “child care,” “creche,” “crèche,” “day care,” “daycare,” “early childhood education,” “nursery,” “nurseries,” “preschool,” “pre-school,” “pre-primary,” and “unpaid care.” We scanned the list of results found using each search term for relevance and recorded all projects with a childcare component.

Where the above approach yielded no results, we searched the full website of each institution using the same search terms, scanned for relevance, and recorded all relevant projects. For institutions with non-searchable databases that can be filtered by sector, we manually reviewed all projects tagged “infrastructure,” “services,” or related sectors to identify care-related projects and recorded all projects with a childcare component.

Finally, to validate the list of projects gathered through publicly accessible resources, we shared the list with gender and early childhood development expert(s) at each institution asking them to fill in any gaps.

We reviewed projects for the following institutions:<sup>6</sup>

1. Asian Development Bank (ADB)
2. Asian Infrastructure Investment Bank (AIIB)
3. African Development Bank (AfDB)
4. Development Bank of Latin America (CAF)
5. European Bank for Reconstruction and Development (EBRD)
6. Inter-American Development Bank (IDB)

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<sup>4</sup> On the other hand, home-visit-based interventions meant to alter parenting practices may increase women’s care burdens and time constraints, as evidenced in a study from Ecuador (Rosero and Oosterbeek, 2011). These types of interventions are increasingly popular, but rarely measure the impact on women’s time use (Evans et al., 2021). While rough patterns are emerging, there are still many gaps to fill regarding which interventions work under what conditions and for which populations. Addressing this gap in the evidence is critical to inform future policymaking and investment based on “what works” for children and caregivers.

<sup>5</sup> Though childcare provision is proven to increase women’s labor market participation, on its own it is unlikely to eliminate gender gaps in unpaid care work. Interventions that encourage men and boys to take on more of these responsibilities are also important to reduce and redistribute women’s and girls’ unpaid care work.

<sup>6</sup> Our original sample also included the European Investment Bank (EIB), which we opted to exclude upon finding project results in exclusively high-income countries (e.g., Sweden).

7. Islamic Development Bank (IsDB)
8. World Bank and International Finance Corporation (IFC)

## 4. Findings

From 2000 to present, we identify 348 projects with a total investment of \$32.2 billion. Most of this financing is not directed towards childcare activities but rather broader social protection, labor market, education, and other programs, which then integrate childcare as a subcomponent. Investments in projects dedicated to childcare (rather than those integrating childcare components into projects focused on social protection, education, or other areas) total \$2.08 billion from 2000 to June 2021 (6.4 percent of our sample’s financing). The IDB stands out with 30 projects dedicated to childcare (63 percent of the institution’s projects in our sample). In fact, the earliest dedicated projects in our sample, *Integrated Child Care Program* (2000) and *Nicaragua Integrated Childcare Program 2* (2001), are IDB projects. And although IsDB has only invested in six childcare projects in the last 20 years, the majority (four projects) have been dedicated projects.

Few projects that integrate childcare as one component of a broader investment include information in their appraisal documents on the specific amount of funding allocated for childcare, but exceptions include a World Bank project in Bolivia: *Improving Employability and Labor Income of Youth*. Its documents note the expansion of the “Mi Primer Empleo Digno” Program, a public works project, includes financing a daily stipend equivalent of Bs 500 per woman with children under six to cover meals, transportation costs, and daycare for children during training. Project documents for another World Bank project in Sierra Leone, *Revitalizing Education Development*, note the pilot approaches to improve the quality of care and education children receive in pre-primary school, which includes constructing early childhood care and education (ECCE) classrooms and teacher training, were expected to cost \$1 million, but the final cost was \$2.5 million.

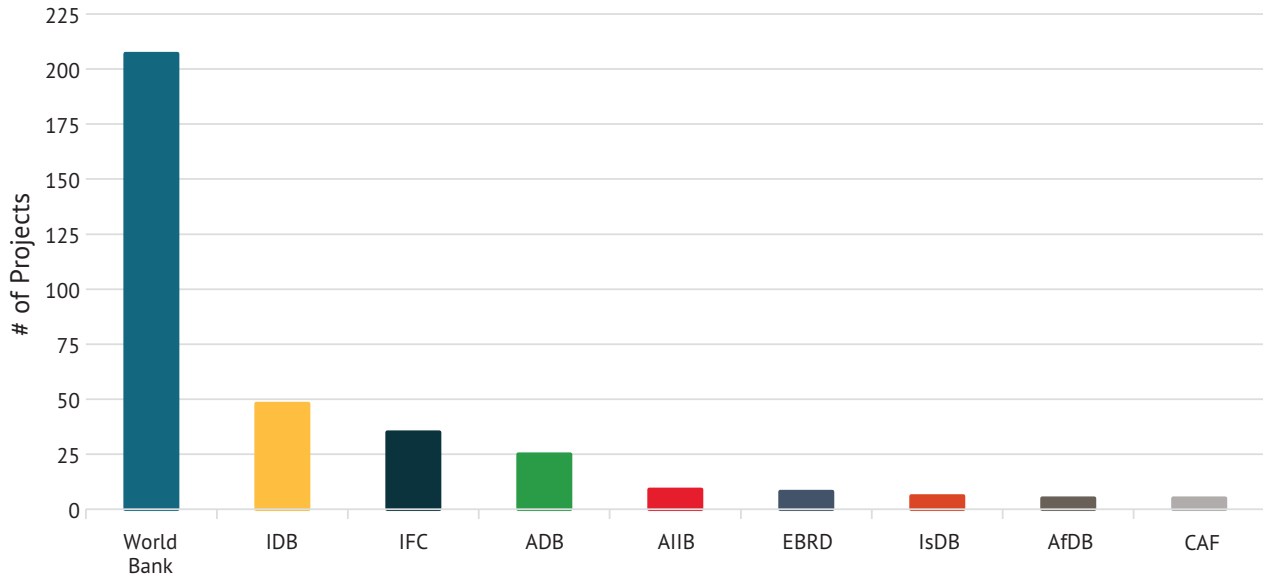
### 4.1. Projects by institution

The World Bank, even when separating out IFC projects, accounts for 59 percent of projects in our sample—which is unsurprising given its significantly larger project portfolio relative to regional development banks. The World Bank is followed by the Inter-American Development Bank (14 percent) and then the IFC as a standalone institution (10 percent). Among regional development banks, the Inter-American Development Bank, Asian Development Bank, and Asian Infrastructure Investment Bank account for the most projects in our sample. All institutions’ projects, by number count and financing total, as well as whether projects are dedicated to childcare or include a childcare component as part of a broader investment, are reflected in Table 1 below.

**Table 1. Project numbers by MDB, 2000–2021**

Institution	Total # of projects	Total financing (billions)	Dedicated projects	Dedicated financing (billions)	Integrated projects	Integrated financing (billions)
World Bank	207	24.42	20	0.95	187	23.47
IDB	48	2.15	30	0.76	18	1.39
IFC	35	1.15	6	0.13	29	1.12
ADB	25	1.52	6	0.25	19	1.22
AIIB	9	1.31	0	–	9	1.31
EBRD	8	0.21	2	–	6	0.21
IsDB	6	0.23	4	0.001	2	0.22
AfDB	5	0.74	0	–	5	0.74
CAF	5	0.48	1	0.08	4	0.40

**Figure 1. Number of projects by MDB, 2000–2021**



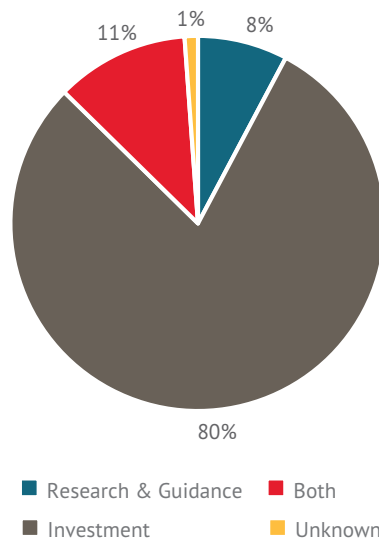
## 4.2. Types of investments

We also examine whether projects are focused on providing research and guidance, for example through commissioning a report on women’s unpaid care work, or investments—such as those supporting the construction of childcare facilities, improving the quality of care that children receive, or making childcare accessible to particular populations.<sup>7</sup> Of the 348 projects we collect, 27 projects (which amounts to eight percent of all projects and \$2.8 billion in financing) are directed exclusively towards research and guidance activities,

<sup>7</sup> Research and guidance includes technical assistance, studies to inform future investment (including impact evaluations), other research papers, and the design of M&E frameworks.

whereas 277 projects (80 percent of all projects) are dedicated to direct investments. These projects' investments total \$26.8 billion in financing. Lastly, 40 projects (11 percent of projects in our sample, totaling \$2.6 billion) combine research and guidance with direct investment. An IDB project, for example, *Program for the Expansion and Improvement of Early Childhood Education in the State of Espírito Santo*, finances both a preliminary diagnosis of the demand for early childhood education (ECE) and related infrastructure needs, as well as the construction and/or expansion of ECE centers. An IsDB project, *Empowering Women in Northern Bangladesh by Decreasing the Burden of Unpaid Care Work*, finances both a rapid care analysis as well as the construction of pilot childcare centers.

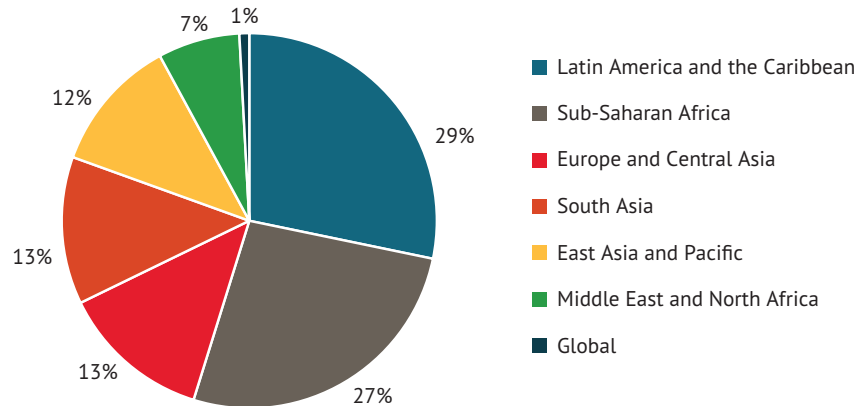
**Figure 2. Research & guidance vs. direct investments, 2000–2021**



### 4.3. Geographic distribution

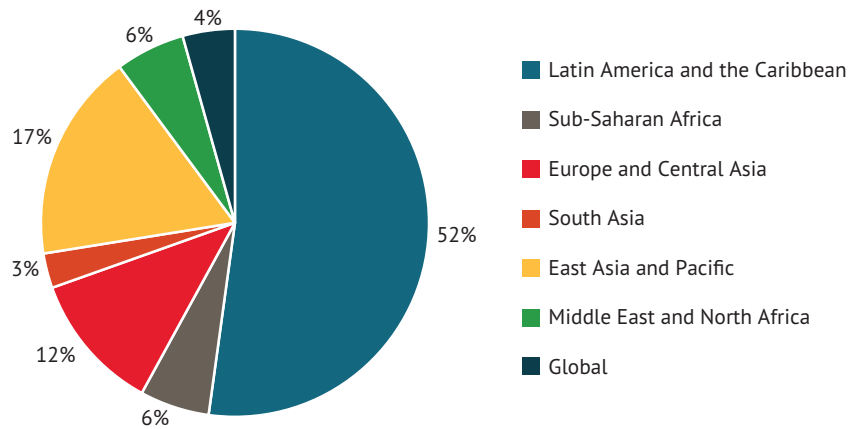
The largest proportion of projects are located in Latin America and the Caribbean (29 percent), followed by sub-Saharan Africa (27 percent). South Asia, East Asia and the Pacific, and Europe and Central Asia each comprise 12–13 percent of all projects. Only seven percent of projects are located in the Middle East and North Africa, and one percent of projects are global.

**Figure 3. All projects by region, 2000–2021**



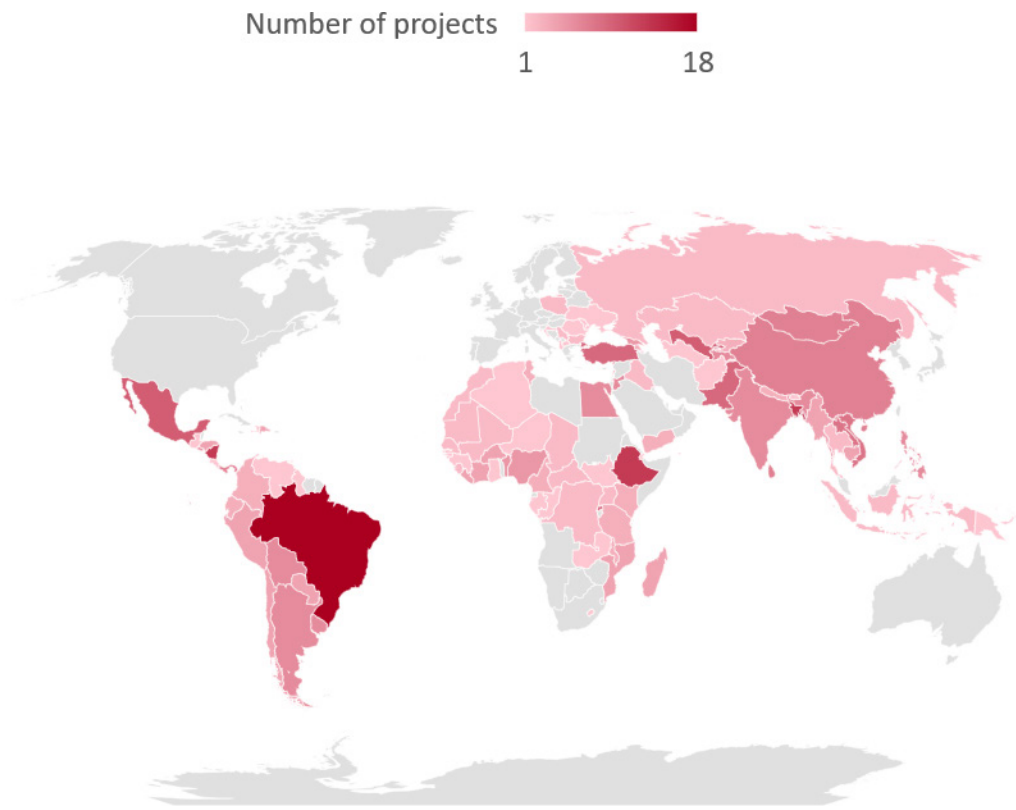
For projects dedicated to childcare specifically, rather than those that include childcare as a component, more than half (52 percent) are in Latin America and the Caribbean, and 17 percent are in East Asia and the Pacific. While sub-Saharan Africa accounts for 27 percent of projects with a childcare component, the region only has six percent of projects dedicated to childcare specifically.

**Figure 4. Dedicated projects by region, 2000–2021**



Countries with the most projects are Brazil, Ethiopia, Bangladesh, Nicaragua, Mexico, and Uzbekistan, all with at least 10 projects each from 2000-June 2021. The countries with the most projects dedicated specifically to childcare are Nicaragua and Mexico with 6 projects each, followed by Brazil and People’s Republic of China with 4 projects each.

Figure 5. Distribution of projects by country, 2000–2021



#### 4.4. Projects by country income level

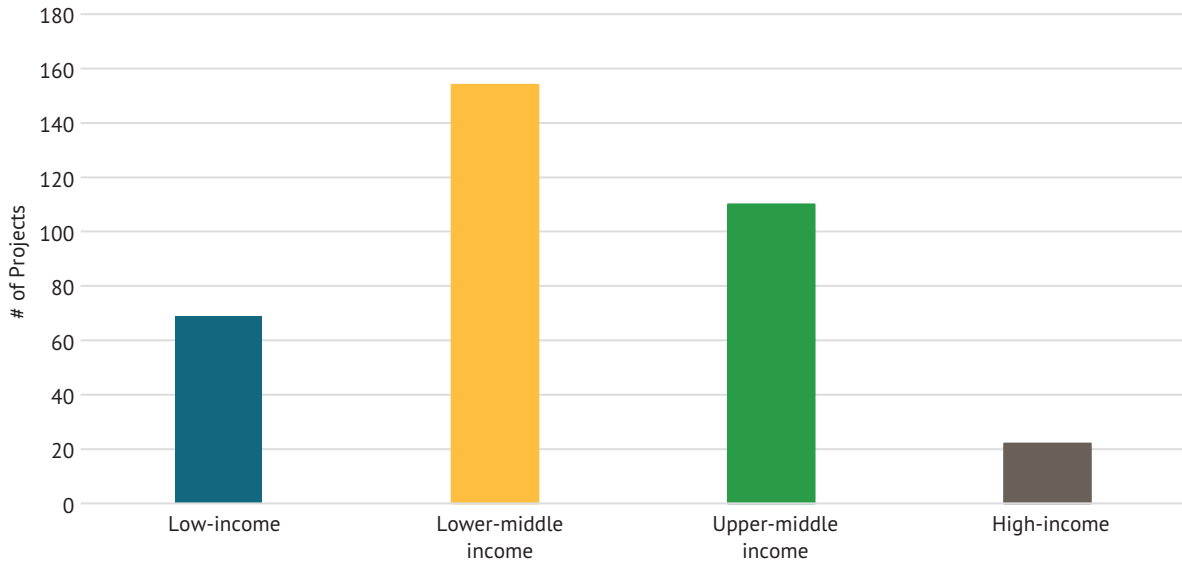
Most projects in our sample are located in middle-income countries, with 44 percent in lower-middle income economies and 32 percent in upper-middle income economies. Low-income countries account for 20 percent of projects (but only seven percent of dedicated projects), and high-income countries account for six percent of projects.<sup>8</sup>

Of the 69 projects in low-income countries, 61 are World Bank projects (29 percent of World Bank projects). Three IFC projects (9 percent) are in low-income countries, both ADB (8 percent) and IsDB (33 percent) have two projects in low-income countries, and AfDB has one project (20 percent) in a low-income country. There are only five dedicated projects in low-income countries, three World Bank projects and two IsDB projects.

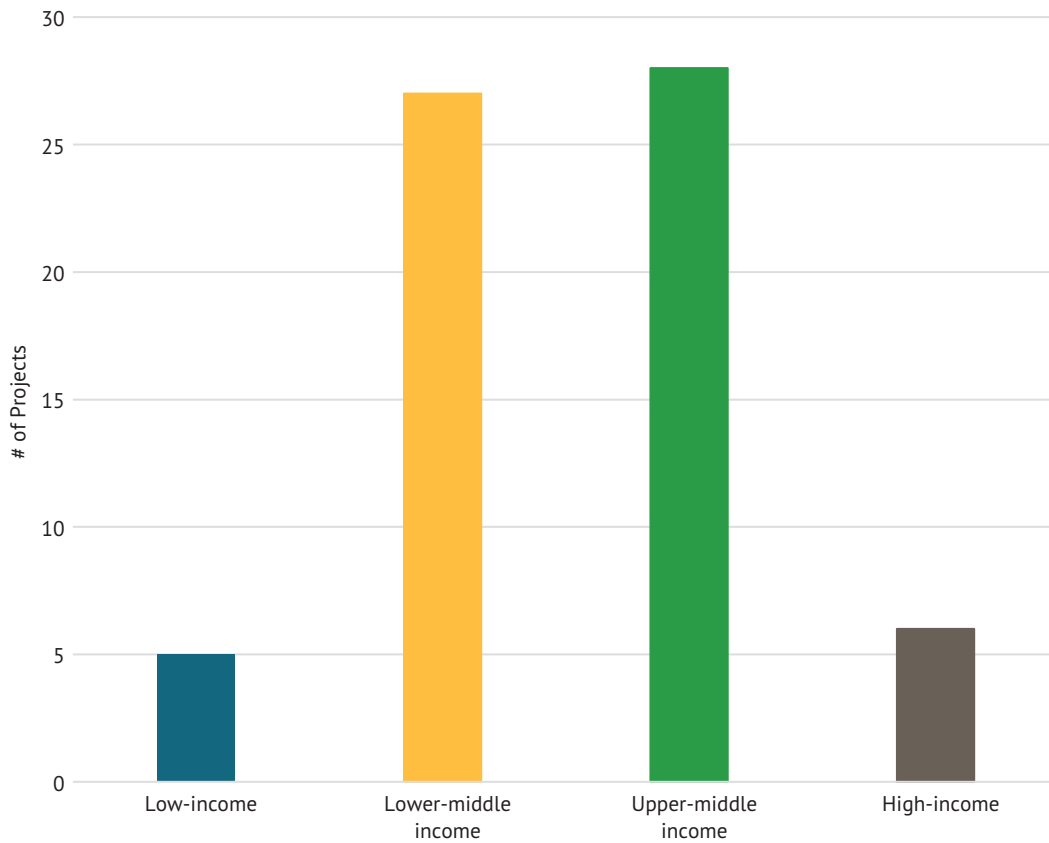
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<sup>8</sup> For projects located in more than one country, each country's income level is recorded. There are five projects in the sample that either span across a region or globally and therefore are not categorized by income level.

**Figure 6. Number of projects by country income level, 2000–2021**



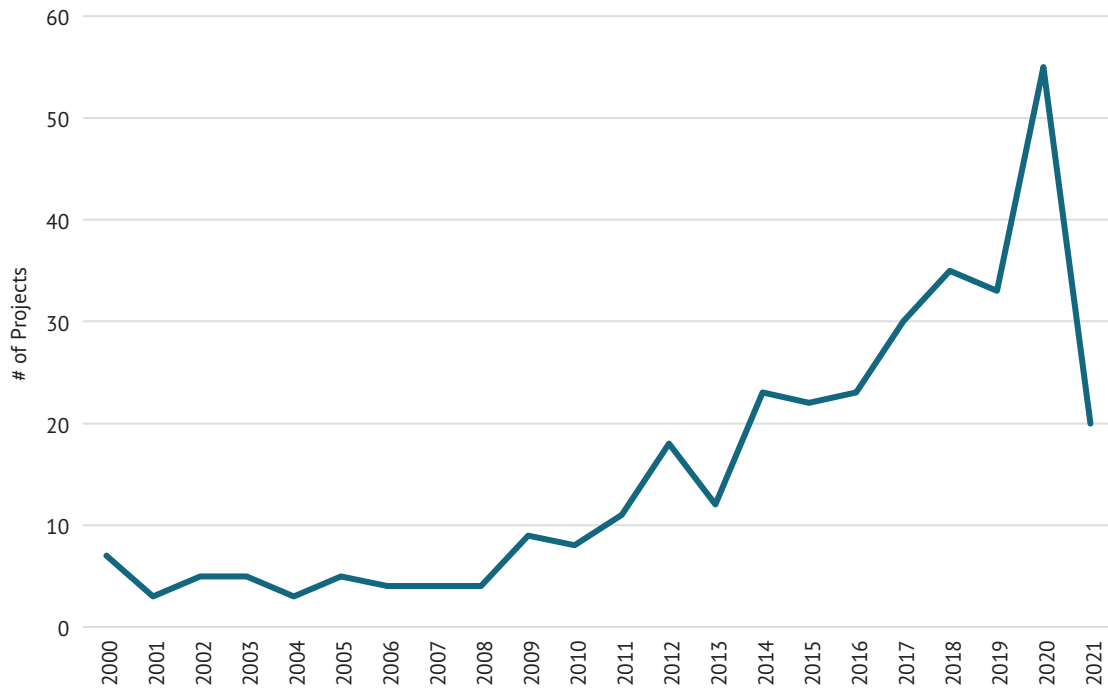
**Figure 7. Number of dedicated projects by country income level, 2000–2021**



## 4.5. Projects over time

Since 2000, we see a steady increase in projects with a childcare component, particularly in the last five years. Understanding that increases may be explained by an uptick of financing in sectors where childcare components are included in projects (e.g., education, social protection, agriculture), we also examine the number of projects dedicated to childcare to ascertain whether these increase at a similar rate over time. Overall, dedicated projects have less consistent increases from year to year.

Figure 8. Total number of MDB projects over time, 2000–2021<sup>9</sup>

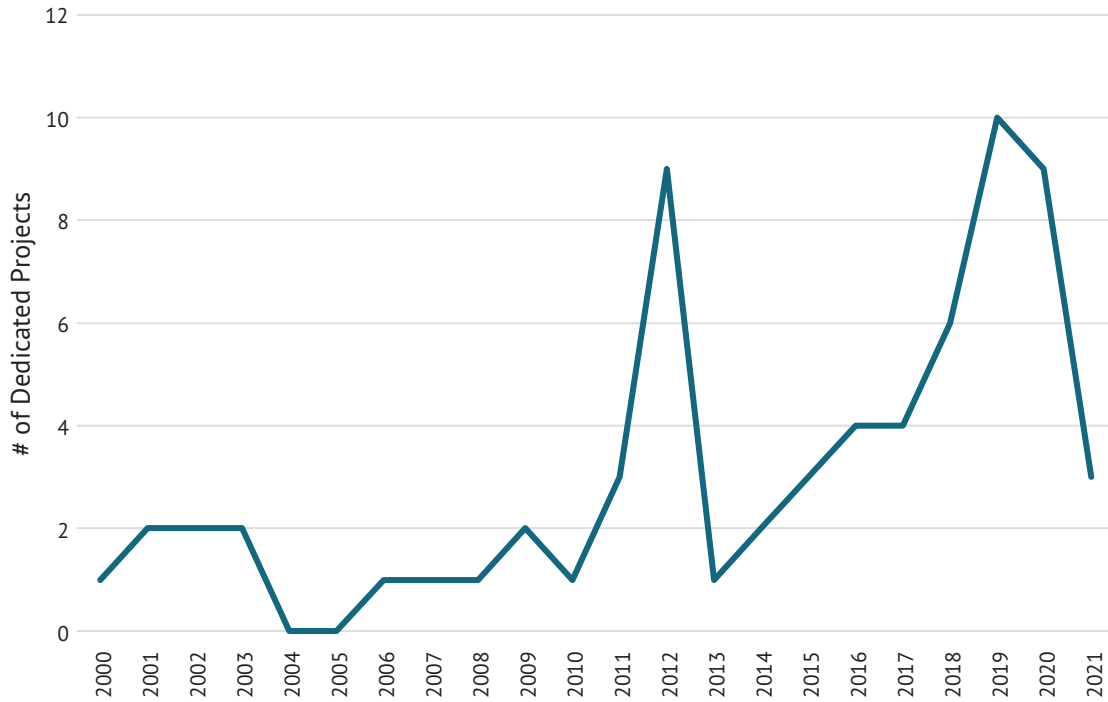


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<sup>9</sup> Six pending projects and three projects without dates are excluded from the charts below.



Figure 9. Number of dedicated projects over time, 2000–2021



Given the rise in unpaid care work in the COVID-19 context, including due to school and childcare center closures during lockdown periods, we examine whether this growing challenge has been met with an uptick in MDBs’ childcare-related investments. From the data we examine, MDB investments in childcare do not (yet) appear to have increased in the COVID context. The spike we see in Spring 2020 (see Figure 10 below) can likely be explained by a broader increase in MDB financing in response to COVID-19, and we do not observe a similar spike in dedicated childcare projects.<sup>10</sup> There are also more months with zero dedicated childcare projects post-COVID compared to pre-COVID months, suggesting that the rise in attention to childcare in the COVID period has not yet been followed by an increase in childcare-focused investment. However, because some projects need more preparation time, it is perhaps too early to know the full impact, if any, of COVID-19 on MDB childcare investments. Also important to note is that MDBs’ investments are client-driven, so country governments need to be willing to seek out childcare-related financing in order for investments to increase in this context.

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<sup>10</sup> We do not make a value judgment that dedicated projects are better/more impactful, but we are limited in the data we can rely on to determine if MDB priorities have shifted in the COVID context. Because projects that integrate childcare as one component of many rarely specify the budget specifically allocated to childcare activities, we rely on data from dedicated childcare projects.

Figure 10. Number of MDB projects since April 2019 (Dedicated and Integrated)<sup>11</sup>

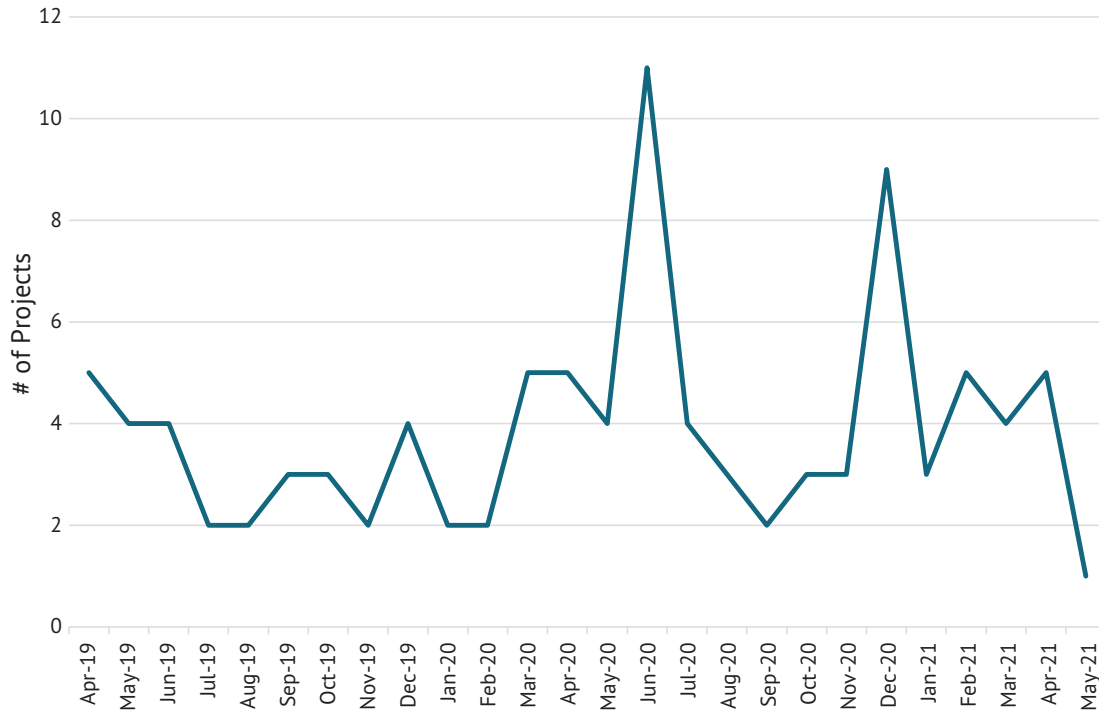
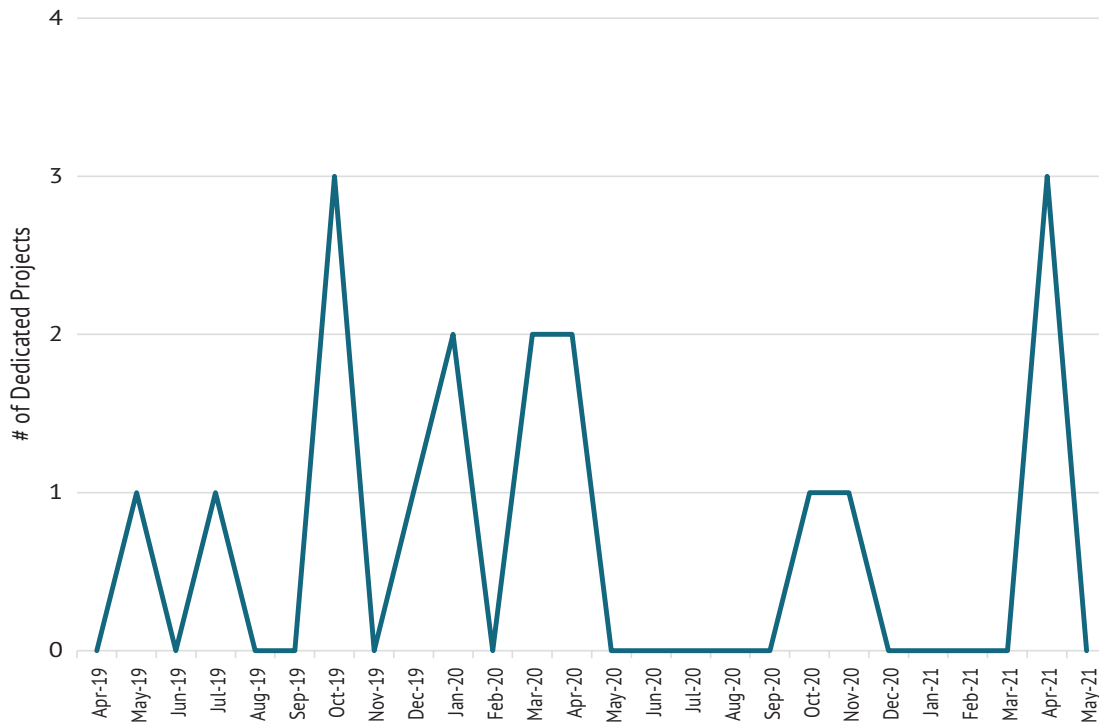


Figure 11. Number of MDB projects since April 2019 (Dedicated Only)



<sup>11</sup> Six projects that did not specify approval month have been excluded from the charts below.

## 4.6. Projects by sector

To examine the sectors where projects with childcare elements are located, we draw on a framework from the World Bank’s *Better Jobs and Brighter Futures* report, which identifies seven entry points: health and nutrition, education, gender, social protection and jobs, private sector, urban development, and agriculture.<sup>12</sup> Many of these categories can overlap, so in instances where we identify multiple entry points (e.g., a project offers on-site childcare to increase women’s participation in a public works project), we count each category once (in this instance, both social protection and jobs and gender).

Nearly half of the projects we compile are either broader education projects that include a pre-primary component or dedicated early childhood education projects. We see gender as the second most common entry point, mostly as a cross-cutting category that layers onto projects in specific sectors, including social protection and jobs, urban development, agriculture, and broader private sector investment, when projects make reference to the role women play as primary caregivers.

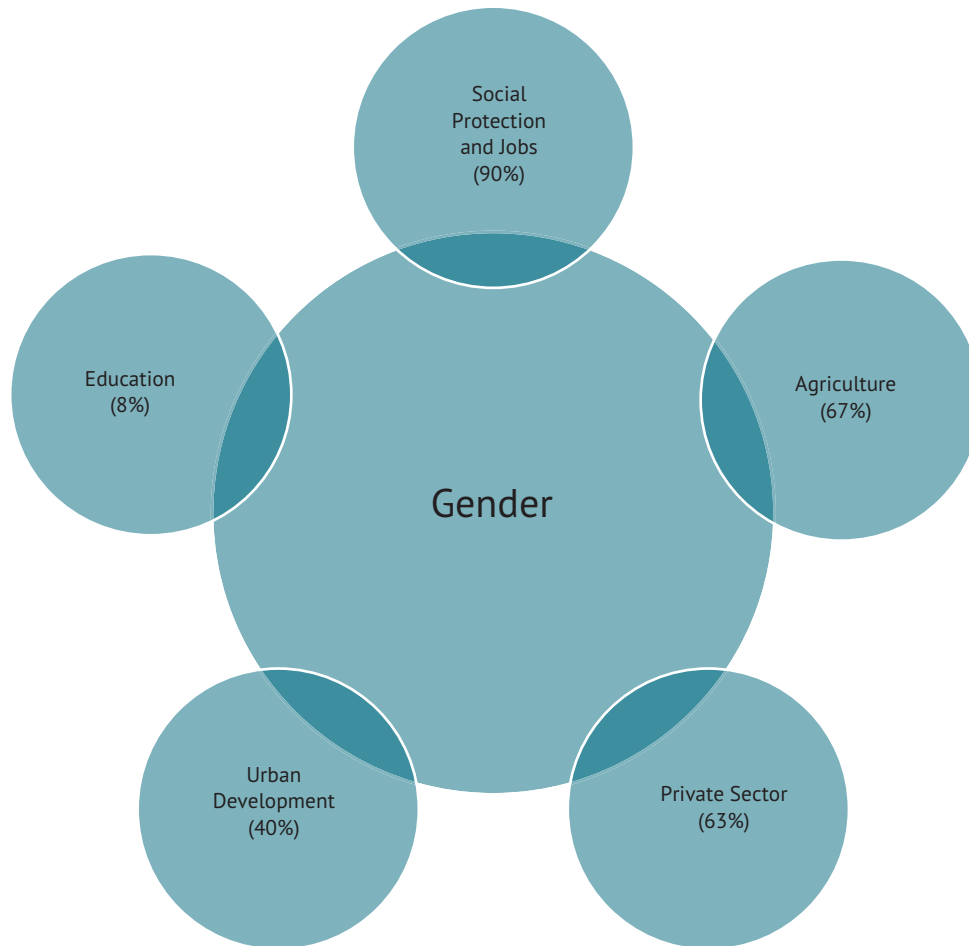
**Table 2. Sectoral entry points**

	# of Projects	% of Projects
Education	178	51
Gender	143	41
Social Protection and Jobs	73	21
Private Sector	57	16
Urban Development	50	14
Health and Nutrition	16	5
Agriculture	9	3
Unknown	4	1

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<sup>12</sup> For examples of each sectoral entry point, see Devercelli and Beaton-Day, 2021.

Figure 12. Gender integration across sector-specific projects, 2000–2021<sup>13</sup>



A focus on “gender” (i.e., women as caregivers) is most prevalent in social protection and jobs projects, where 90 percent of projects include this angle, followed by agriculture, broader private sector investment, and urban development. Just eight percent of education projects with a childcare component include a focus on caregivers, in line with Evans, Jakiela, and Knauer’s findings on the paucity of early childhood development evaluations that include an analysis of caregivers’ outcomes (Evans et al., 2021).

#### 4.7. Childcare’s inclusion in results frameworks

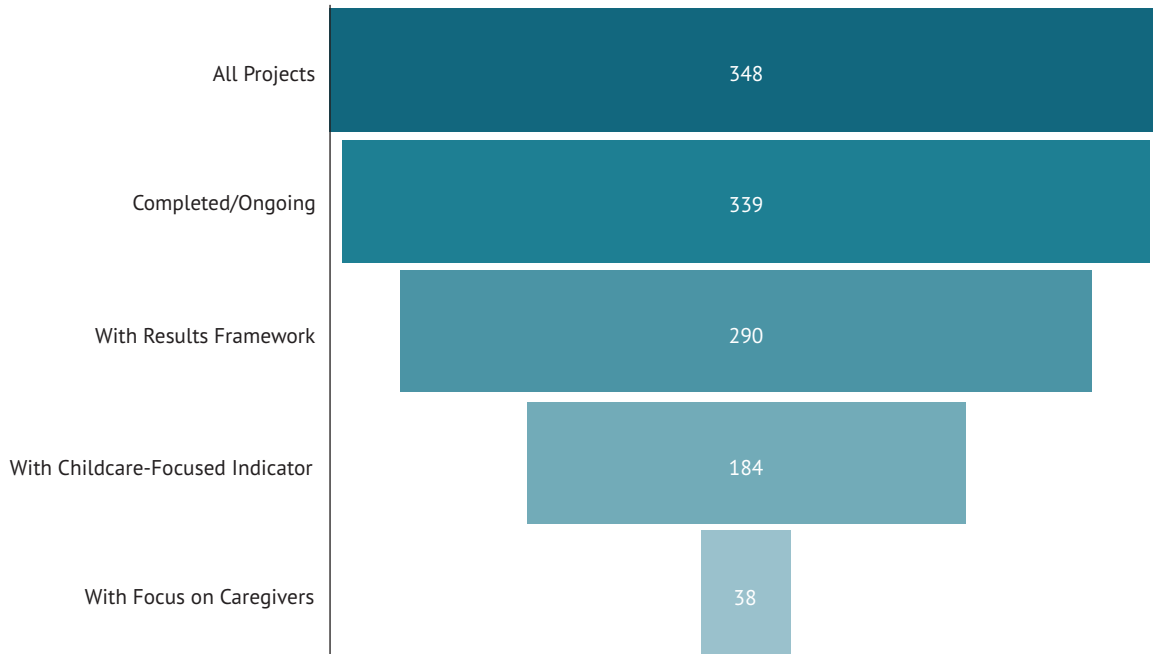
To gauge the extent to which childcare activities and related outcomes for children and caregivers are integrated into projects’ results frameworks, we begin by excluding projects that are pending and do not yet have results frameworks available to review. In examining projects that are either ongoing or have been completed, we see that 83 percent have publicly available results frameworks, and 53 percent of these include childcare-related indicators.

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<sup>13</sup> There are also 10 projects where “gender” is the only sectoral entry point.

But the significant majority of these are either focused on outputs (61 percent of projects with a results framework, e.g., number of childcare facilities constructed) or on children’s outcomes (36 percent of projects with a results framework, e.g., school readiness scores for project-targeted children).

**Figure 13. Childcare components’ integration into project results frameworks**



Only 38 projects (13 percent of the results frameworks we review) include a focus on unpaid caregivers’ outcomes. These include a World Bank project in Cambodia, *Community-Based Childcare for Garment Factory Workers*, that captures the “percent reduction in number of days of work missed in past 4 weeks for workers with children enrolled” and the “number of hours of direct childcare removed from weekly household domestic labor burden of households.”

The ADB, IDB, IsDB, and the World Bank stand out for most consistently including a focus on caregivers in childcare project results frameworks. Though the IsDB only has four childcare projects with results frameworks available to review, 50 percent include indicators focused on caregiver outcomes. The IsDB is followed by the World Bank, with 29 results frameworks mentioning caregivers’ outcomes (15 percent of all World Bank results frameworks we review), and the ADB, with 2 frameworks (12 percent) mentioning caregivers’ outcomes. The IDB has 3 projects (10 percent of IDB results frameworks we review) that include a focus on caregivers’ outcomes.

A good example of the inclusion of caregiver outcomes is the completion report for the World Bank’s *Decentralized Community Driven Services Project* in Benin, which notes that 4,119 women participated in subprojects where nurseries were provided, accounting for nearly two thirds of all women employed through the public works project. This project is also one of only a few that monitor the number of childcare service centers provided (in this case, 63).

Another example of good practice in results frameworks is the tracking of reductions in time spent on childcare as the result of project interventions. For example, the completion report for the ADB project, *Bhutan: Decentralized Coordination and Partnerships for Gender Equality Results*, notes that the average time spent on childcare was reduced by almost 3.5 hours.

Only 79 projects (27 percent of the results frameworks we review) include a focus on paid care jobs. These include the ADB's *India: Rural Education Project*, which trained and employed 2,615 women teachers (up from 272), including pre-primary teachers, and the World Bank's *Education for All-Fast Track Initiative Program*, whose completion report notes that an unanticipated outcome of the project was the rise in women teaching staff (including pre-primary teachers) from 17 to 19 percent.

**Table 3. Childcare's inclusion in project result frameworks**

	# All projects	% All projects	# Completed projects	% Completed projects	# Ongoing projects	% Ongoing projects
No Results Framework	49	14	23	18	17	9
No Childcare Focus	105	30	20	16	83	42
Focus on Outputs	177	51	82	64	92	47
Focus on Child Outcomes	104	30	42	33	62	31
Focus on Unpaid Caregivers	38	11	26	20	11	6
Focus on Care Jobs	79	23	33	26	46	23

Although nearly half of the projects we compile are education projects, few measure or mention caregivers' outcomes in their results frameworks. And the few that reference caregivers' outcomes only mention potential impact or anecdotal evidence, rather than providing a specific measurement. For example, an IFC project in Russia, *Samara Region*, mentions in its Anticipated Impact Measure & Monitoring Assessment that in addition to increasing coverage of children with a preschool education, the project is expected to contribute to women's inclusion in the workforce by creating direct jobs for preschool educators and caregivers and increasing labor force participation for young mothers. The completion report for a World Bank project in Uruguay, *Third Basic Education Quality*, notes that while no data has been collected, mothers of children enrolled report being able to expand their income-generating activities as a result of the longer school day.

## 5. Recommendations

In light of our review of MDB childcare investments over the last two decades, we identify the following areas of opportunity to increase and improve MDB investments in childcare. Our recommendations have a dual focus on harnessing existing evidence to inform investments and bolstering the existing evidence base on the impact of childcare on the outcomes of both children and caregivers.

### 5.1. Harness existing evidence to inform project design and implementation

In creating the database underlying this paper, which documents MDB childcare projects over a period of 20 years, our hope is that MDB project teams, as well as other donors, government officials, and practitioners, will be able to use it as a resource to inform and strengthen future childcare-related investments. With easy access to projects' descriptions, childcare-specific activities, indicators to track progress, and results—all searchable by country context, income level, and donor institution—MDB project teams and others can glean context-specific information to facilitate the design and implementation of future projects.

Our analysis reveals a number of gaps to be filled through MDBs' future childcare investments. First, our breakdown of past and current childcare projects by region and country income level suggests that more investment is needed in the Middle East and North Africa, and in low-income countries across regions. Second, childcare projects with education as their sectoral entry point are least likely to consider the impacts of project design and implementation on caregivers' outcomes, in spite of evidence suggesting that these investments will impact caregivers as well as children (Evans et al., 2021). MDB projects within the education sector, and more broadly, can be strengthened by integrating a focus on caregivers into results frameworks, providing critical information to inform and strengthen future childcare projects. Finally, we note that while both dedicated and integrated projects have an important role to play in advancing quality childcare solutions that support children and caregivers, data on budget allocations to childcare activities in integrated projects is largely lacking. Going forward, MDB operations teams should specify budget allocations for childcare activities and monitor their implementation.

Though COVID-era data is still limited, what we have available does not yet suggest a significant uptick in childcare investment, contrary to the increased attention around this issue in the COVID context. Beyond addressing gender norms to redistribute care work within the household, public investment in the care economy and fostering of innovative private business models that extend affordable access to care services is a critical investment in productivity—and a key element of development agendas aimed at inclusive recovery efforts. Multilateral development banks can contribute in concrete ways in the short-term. For example, IDA replenishment cycles provide the opportunity for the World Bank to spotlight key priority areas for poverty reduction and economic development. Past cycles have included gender as a special theme, but without a dedicated focus on unpaid care work

as a binding constraint to women’s economic opportunity and equality, nor with a focus on quality childcare as critical to children’s human capital development. There is an opportunity to work with champions of this agenda, especially World Bank shareholder governments, to elevate childcare as a priority in the upcoming IDA replenishment cycle. Arrangements such as offering financial matching schemes and lower interest rates could further incentivize client countries to take out loans aimed at promoting quality childcare solutions.<sup>14</sup>

MDBs’ corporate policies and strategies on gender equality can also place a stronger emphasis on addressing gender-unequal unpaid care work burdens. The ADB’s gender corporate strategy includes unpaid care work as one of its pillars, which is then reflected in its Corporate Results Framework. The IDB’s new “Employment Action Framework with a Gender Perspective” similarly includes a focus on regulatory reforms aimed at strengthening the care economy (Patino 2021). Another, private sector-facing entry point for this agenda lies with development finance institutions that have signed onto the 2X Challenge, including the ADB, EBRD, EIB and IFC, and are on the lookout for gender lens investments, including those that address women’s time poverty. More MDBs should join the 2X Challenge and harness its criteria to increase investment in childcare solutions that benefit caregivers and children alike, and in turn create jobs in the care sector.

As mentioned, MDBs’ investments are client-driven, so low- and middle-income country governments must be willing to seek out financing in order for investments in childcare to increase over time. Civil society organizations, including women’s rights and children’s rights groups operating at country level, can engage with relevant policymakers to generate increased demand for childcare investments. Where national ministries focused on women and children are merged (such as in Ghana and India), country-level influencing may be somewhat more straightforward, allowing advocates to make the case for a multi-generational approach to one unified ministry. Ministries of finance, health, and education must also be engaged as critical partners.

## **5.2. Improve the evidence base on “what works” to benefit caregivers and children**

Researchers and monitoring and evaluation specialists examining early childhood development interventions must remember the implications of these programs on caregivers’ time, employment, and broader well-being and integrate a focus on the outcomes of caregivers, the majority of whom are women, into their evaluations and results frameworks. There is a need for more sustained collaboration among researchers, advocates, investors, and policymakers on this agenda, perhaps through modeling RISE (Research on

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<sup>14</sup> Precedent from peer institutions suggests that setting an institution-wide priority around the childcare agenda can have positive impact. In 2019, the ADB approved a gender theme set aside in its Asian Development Fund (ADF) 13th round. The gender criteria adopted were aligned with an SDG 5 transformative gender agenda, and as a result, more childcare projects are being supporting (see <https://www.adb.org/what-we-do/funds/adf/replenishments/adf-13>).



Improving Systems of Education) or GAGE (Gender and Adolescence: Global Evidence). A collaborative initiative could include:

- **Mapping childcare markets and policy frameworks:** In addition to the baseline of donor institutions’ investments in childcare outlined above, we also need a baseline understanding of caregivers’ existing childcare options through the exploration and documentation of childcare markets and policy frameworks in low- and middle-income countries. At the level of cities/municipalities, researchers could create a tool that “maps the market,” examining the demand for childcare by parents and other caregivers, the supply of childcare options available, the quality of options offered, and the governance of local contexts (e.g., whether governments provide financial or other support for childcare solutions; exercise regulatory oversight; ensure quality control). Building on research by Amanda Glassman and co-authors, this body of work would pose the following questions: On the demand side, how are childcare decisions made (i.e. whether a mother works, families pay for care; choose one mode of care over another)? Where do childcare markets deliver quality outcomes for children, caregivers, and communities, and where are there gaps (e.g., among lower-income or migrant populations)? Where are publicly-provided models necessary, and where are a combination of public and private solutions more appropriate? Can the government support and regulate private sector-provided childcare?<sup>15</sup>
- **Building evidence on “what works for whom:”** The IFC and partners, through *Tackling Childcare*, have done excellent work documenting how companies can provide childcare solutions to their employees. Going forward, to build on and complement this work, there is a need for rigorous evaluations that identify what works for more vulnerable populations (e.g., women working in the informal sector, in casual/temporary labor). Undertaking evaluations in contexts such as public works projects, large-scale farms and plantations, construction sites, and informal markets and settlements can help identify interventions that improve caregivers’ and children’s outcomes and offer lessons for scale. Such an exercise should also identify policies and interventions with unintended consequences, such as those mandating employers with a certain number of women workers to provide childcare—a policy proven to have negative effects on women’s employment and compensation (Prada et al., 2015).
- **Improving relevant measures:** A study of IDB childcare programs in Ecuador found a dearth of instruments available to monitor the quality of such programs regularly and at scale (Lopez Boo and Dormal, 2019). To address these gaps, we can harness recent CGD-Data2X work on women’s economic empowerment measurement through *Measuring Women’s Economic Empowerment: A Compendium of*

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<sup>15</sup> See Pena-Parga and Glassman, 2004 and “Tackling Childcare Pakistan: Creating Family Friendly Workplaces,” IFC, 2021.

*Selected Tools* to identify indicators relevant to childcare—including time use and household norms around care—that should be prioritized within MDB project results frameworks going forward.

## **6. Conclusion**

While evidence continues to emerge on the full impact of the pandemic on childcare responsibilities, there is no doubt that this work falls disproportionately on women and girls, a phenomenon that predates the crisis and requires the attention of global decisionmakers to ensure an inclusive recovery. Addressing the global childcare crisis will require a holistic approach that mobilizes momentum and investment from governments, donor institutions, the private sector, and civil society. Multilateral development banks can play an important role in advising governments on the importance of quality childcare to inclusive development and poverty reduction and financially supporting childcare investments. Through our analysis, we confirm that investment in childcare solutions and measurement of investments' impacts for caregivers can be increased and improved. Past IDA replenishments have never placed a focus on childcare, so there is an opportunity to ensure that the momentum around this issue, including the World Bank report's own findings and recommendations, translates into a policy priority in an upcoming IDA replenishment cycle. The same translation is needed across other MDBs and other donor institutions, including both current and prospective 2X Challenge partners.

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